

**MINUTES OF A REGULAR MEETING**  
**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**  
February 1, 2016

Meeting was called to order at 5:02pm by Chairman Thomas Cruso.

Present: Thomas Cruso, Chairman  
Bob Kern, Treasurer/Asst Sect.  
Elias (Lou) Kalogeras, Vice Chairman  
Lori Ann Pipczynski, Asst. Treasurer  
Dawn Thomas, Secretary

Others in Attendance: Richard Ehlers, Counsel  
Tracy Stark-James, Executive Director  
John Dunleavy, Town Board Liaison

By motion of Lou Kalogeras and second by Bob Kern the proposed agenda was adopted.

The Chairman took the agenda out of order and opened New Business by calling up the representatives from the Woolworth Revitalization project. Michael Butler, owner of the Woolworth Revitalization project requested approval for a new tenant. Woolworth Revitalization, LLC was approved previously by the Agency subject to tenant approval. Raymond Pickersgill of Raymond James Salon, the proposed tenant, explained that he was cutting down his operations and wanted to move into the Woolworth building. Member Lori Pipczynski noted that in reviewing the application she noticed the operations were downsizing by square footage, yet reflected an increase in employment. Mr. Pickersgill explained that some employees were on leave and would be coming back. The lease is a 5 year with a 5 year option. The Chairman asked the Executive Director (ED) if the application was in order and complete. The ED informed the board that a review of the application was provided to the applicant and that review has not been responded to. The review reflected deficiencies and the Agency is waiting on information, such as employment verification through the NYS-45 Form.

**#11-16 RESOLUTION APPROVES TENANT (Beyond Beautiful Hair, Inc. d/b/a Raymond James Salon) FOR WOOLWORTH REVITALIZATION, LLC PROJECT**

Lou Kalogeras offered the following resolution subject to the complete submission of data required by the Agency, which was seconded by Dawn Thomas

**WHEREAS,** Resolution #06-13, dated February 4, 2013 appointed Woolworth Revitalization, LLC Agent of the Town of Riverhead Industrial Development Agency and

approved documents in connection with the provision of financial assistance by the Town of Riverhead Industrial Development Agency to Woolworth Revitalization, LLC, and

**WHEREAS**, It was determined that the Agency shall provide Woolworth Revitalization, LLC and the Related Parties with financial assistance with respect to the Project, and

**WHEREAS**, All tenants shall be subject to Agency approval upon 60 days written notice by Woolworth Revitalization to the Agency, and

**WHEREAS**, Woolworth Revitalization, LLC has proposed to lease the premise to "Beyond Beautiful Hair, Inc." d/b/a Raymond James Salon, and

**WHEREAS**, written notification and necessary documents have been provided to the Agency for application approval, and

**WHEREAS**, it is now desired to approve "Beyond Beautiful Hair, Inc." d/b/a Raymond James Salon as a tenant and as a related party to the approved Agent, Woolworth Revitalization, LLC.

**RESOLVED** that Riverhead Industrial Development Agency, does hereby approve "Beyond Beautiful Hair, Inc." d/b/a Raymond James Salon as tenant of Woolworth Revitalization, LLC, subject to execution of a written agreement between the Agency, Woolworth Revitalization, LLC and "Beyond Beautiful Hair, Inc." d/b/a Raymond James Salon.

**Vote:** 5 Yes

The Chairman resumed the order of the Agenda.

### **MINUTES**

The Board moved to dispense with the reading of and voted on the January 4, 2015 and January 12, 2015 meeting minutes.

### **#06-16 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF January 4, 2016**

Bob Kern offered the following resolution, which was seconded by Lori Ann Pipczynski.

**RESOLVED**, the minutes of the meetings of January 4, 2016 as prepared and e-mailed be and are hereby approved, and

**BE IT FURTHER RESOLVED**, that copies of said minutes be maintained in the files of the Agency and become a part of the record of the Agency.

**Vote:** 5 Yes

**#07-16 RESOLUTION APPROVES MINUTES OF SPECIAL MEETING OF January 12, 2016**

Dawn Thomas offered the following resolution, which was seconded by Bob Kern.

**RESOLVED**, the minutes of the meetings of January 12, 2016 as prepared and e-mailed be and are hereby approved, and

**BE IT FURTHER RESOLVED**, that copies of said minutes be maintained in the files of the Agency and become a part of the record of the Agency.

**Vote:** 5 Yes

**CORRESPONDENCE:** None

**TREASURER'S REPORT:**

Cash Balance in SCNB as of January	\$249,833.35
Revenue for January	\$91,229.67
Profit and Loss (January)	\$74,969.68
Accounts Receivable	\$20,962.79
Total Bills Paid for January	\$16,287.98

It was reported that one PILOT payment is outstanding – Pike Realty. They have been notified by mail, phone and email.

**#08-16 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF January 31, 2016**

**WHEREAS**, Denise Cooper, CPA and Tracy Stark-James, Executive Director, submitted a monthly financial report, including a report of expenses, to the Riverhead Industrial Development Agency for the period of January 1 to January 31, 2016 **as attached**,

**NOW, THEREFORE, BE IT RESOLVED**, that said monthly financial report dated January 29, 2016 covering the month of January, be and are hereby accepted and expenses as listed are authorized for payment.

Lou Kalogeras made a motion to accept Treasurer's Report, which was seconded by Lori Ann Pipczynski **Motion approved.**

**Vote:** 5 Yes

**#09-16 RESOLUTION AUTHORIZES TRANSFER OF FUNDS FROM THE PILOT ACCOUNT TO THE OPERATING ACCOUNT**

The ED explained that there are administrative fees collected from split PILOT payments which were deposited into the PILOT account and need to be transferred into the operating account.

Lou Kalogeras offered the following resolution, which was seconded by Bob Kern

**WHEREAS**, it is necessary and customary to collect administrative fees for split PILOT payments, and

**WHEREAS**, the amount of \$250 was collected as an administrative fee and deposited into the PILOT account, and

**WHEREAS**, the amount of \$250 should be transferred into the operating account, and

**NOW, THEREFORE, BE IT RESOLVED**, that the Riverhead IDA hereby transfers the sum of \$250.00 from the PILOT account to the Riverhead Industrial Development Agency operating account for use by the Agency in furtherance of its corporate mission.

**Vote:** 5 Yes

**#10-16 RESOLUTION AUTHORIZES TRANSFER OF FUNDS FROM SUFFOLK COUNTY NATIONAL BANK RIVERHEAD IDA OPERATING ACCOUNT TO SUFFOLK COUNTY NATIONAL BANK RIVERHEAD IDA ECONOMIC JOB DEVELOPMENT CORPORATION COLLECTION ACCOUNT**

The ED explained that the board previously authorized SCNB as a Depository. The collection account at Chase does not have checks and a transfer of funds from the Chase account to open the SCNB account would incur fees. Therefore it was requested to transfer \$250 from the IDA operating account to open the LDC collection account.

Lori Ann Pipczynski offered the following resolution, which was seconded by Dawn Thomas.

**WHEREAS**, Resolution #70-15 designated Suffolk County National Bank as an official depository for the Riverhead Industrial Development Agency, and

**WHEREAS**, Resolution #22-15 of the Riverhead IDA Economic Job Development Corporation designated Suffolk County National Bank as the official depository for the local development corporation, and

**WHEREAS**, it is necessary to make an nominal opening deposit to open the collection account on behalf of the Riverhead IDA Economic Job Development Corporation at Suffolk County National Bank, and

**WHEREAS**, a transfer of funds from the Riverhead IDA Economic Job Development Corporation collection account currently held at Chase would incur sizeable fees and there are no paper checks available for that account, and

**NOW, THEREFORE, BE IT RESOLVED**, that the Riverhead IDA hereby transfers the sum of \$250.00 to the Riverhead IDA Economic Job Development Corporation for use by the Agency to open a collection account on behalf of the LDC in furtherance of its corporate mission.

**Vote:** 5 Yes

**COMMITTEE REPORTS:** There were no committee reports. The Chairman noted that the Governance Committee has been trying to meet and will meet soon, but there will be no meeting this evening.

**OLD BUSINESS:** None

**NEW BUSINESS:**

A. Consideration of Woolworth Tenancy was addressed above

B. Consideration of Sales Tax Authorization – Browning. Counsel explained how the agency calculates sales tax for a project and that Browning Hotel Properties was previously granted sales tax. The authorization was provided to the Hotel, but direct appointment needs to be provided to its affiliated entities which will be completing the construction. The approved sales tax exemption amount does not change. It is split between two entities and new ST-60's will be issued to reflect same.

**#12-16 AUTHORIZES SALES TAX EXEMPTION FOR BROWNING HOTEL PROPERTIES, LLC TO BE ALLOCATED TO RELATED ENTITIES**

Lou Kalogeras offered the following resolution, which was seconded by Bob Kern.

**WHEREAS**, by proceedings had before the Agency, Browning Hotel Properties, LLC was induced to construct and equip a Marriot Residence Inn of 114,090 square feet on 2.52 acres

of an existing 7.16 acre site at County Route 58, Riverhead, New York (SCTM # 0600-118-03-3.1) at an aggregate cost of \$26,849,775 (the "Project"), and

**WHEREAS**, by Agency resolution adopted April, 6, 2015 entitled "A RESOLUTION APPROVING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO BROWNING HOTEL PROPERTIES, LLC AND RELATED ENTITIES PHASE II" an exemption from local and state sales and compensating use tax was authorized (the "Sales Tax Exemption"), and

**WHEREAS**, by FIRST AMENDMENT TO SALE AGREEMENT dated May 4, 2007, entered into October 22, 2015 the provision of the Sales Tax Exemption was agreed to with Browning Hotel Properties, LLC, which Sales Tax Exemption as stated on New York Sales Tax form ST-60 was authorized on a value of \$8,807,220.00 of goods and services exempted from local and state sales and compensating use tax, and

**WHEREAS**, by letter dated January 19, 2016 Browning Hotel Properties, LLC has advised the Agency that the Sales Tax Exemption granted for the Project should be allocated to its affiliated entities Riverhead Hotel Management Corp. covering goods and services of \$8,000,000.00 and Complete Construction & Development Corp. covering goods and services of \$807,220.00.

**NOW, THEREFORE, BE IT RESOLVED**, the Sales Tax Exemption granted for the Project is allocated to Browning Hotel Properties, LLC affiliated entities Riverhead Hotel Management Corp. with an address at 2012 Old Country Road, Riverhead, New York covering goods and services of \$8,000,000.00 and Complete Construction & Development Corp. with an address at 2012 Old Country Road, Riverhead, New York covering goods and services of \$807,220.00 at no increase to the amount of such Sales Tax Exemption as previously authorized, and

**BE IT FURTHER RESOLVED**, that Browning Hotel Properties, LLC, Riverhead Hotel Management Corp. and Complete Construction & Development Corp. shall be jointly and severally liable for all obligations of Browning Hotel Properties, LLC set forth in the aforementioned FIRST AMENDMENT TO SALE AGREEMENT dated May 4, 2007 entered into October 22, 2015, and

**BE IT FURTHER RESOLVED**, the Executive Director shall issue the necessary ST-60 to the affiliated entities as stated above as of January 10, 2016 and rescind the previously issued ST-60 to Browning Hotel Properties, LLC, and

**BE IT FURTHER RESOLVED**, that this resolution shall not take effect until executed as Accepted and Agreed by authorized representative of Browning Hotel Properties, LLC, Riverhead Hotel Management Corp., and Complete Construction & Development Corp.


**Vote:** 5 Yes

**EXECUTIVE DIRECTOR'S REPORT:**

The ED discussed the tracks from the conference and the working groups efforts with NYSEDC. Informed the board of new tenant proposal for Mirah Max project. Noted that the website was being brought up to date with minutes etc. and 2016 pages were being created.

The next board meeting will be scheduled for March 7, 2016  
Dawn Thomas motioned to adjourn the meeting. Bob Kern seconded.  
There being no further business, the meeting was adjourned at 5:25pm

Dated: 3/7/16

  
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Secretary/Asst.