

**MINUTES OF A REGULAR MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
May 2, 2016**

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

Present: Thomas Cruso, Chairman
Elias (Lou) Kalogeras, Vice Chairman
Lori Ann Pipczynski, Asst. Treasurer
Robert Kern, Treasurer

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

Absent: Dawn Thomas, Secretary

Signifying a quorum

By motion of Lou Kalogeras and second by Bob Kern the agenda was adopted.
The Chairman took the agenda out of order and proceeded with Old Business

OLD BUSINESS:

The board considered Resolution #21-16 **AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO J. KING REALTY INC. AND CITY CIDER HOUSE LLC.**

Lou Kalogeras offered the following resolution, which was seconded by Lori Ann Pipczynski.

WHEREAS, the Town of Riverhead Industrial Development Agency was created by Chapter 624 of the Laws of 1980 and is a public benefit corporation and an industrial development agency of the State of New York (the "Agency") having those powers set forth in, and subject to the requirements of, Article 18-A of the General Municipal Law; and

WHEREAS, the Agency has received an application for financial assistance from J. King Realty Inc. and City Cider House LLC, each a company qualified to do business in the State of New York (the "Applicant"), with respect to the construction and equipping of a

cider manufacturing, bottling and tourism facility initially estimated to occupy 24,106 sf of total 108,178 sf of building located at 2711 Sound Avenue, Calverton, New York, SCTM #0600-041.000-0002-003.001 with anticipated expansion (the "Facility"). The project will include renovation of existing space and equipping of space to provide for a cider manufacturing plant, cider center, regional tourism center, and regional bottling facility including expenses in connection therewith, at an aggregate cost, including costs associated with the financing thereof, estimated to be \$6,115,000.00 (the "Project"); and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on April 6, 2015 with respect to the application for financial assistance and the Project and the proposed financial assistance requested by Applicant with respect to the Project.

WHEREAS, the Agency provided notice of the public hearing to the chief executive officer of each affected tax jurisdiction within which the Project is located; and

WHEREAS, at the Public Hearing all interested parties were provided with reasonable opportunity, both orally and in writing, to present their views with respect to the Project and the providing of financial assistance therefore, as set forth in the notice of Public Hearing.

NOW, THEREFORE, BE IT RESOLVED, by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, as follows:

Section 1. Based upon the record of the proceedings of this application the Board makes the following findings necessary to provide a reasonable basis for the decisions of the Agency made herein. The Project is a manufacturing facility which supports local Agriculture and Food Processing and Tourism. As such the Project will

create jobs, through full time employment of 6 in year 2 after construction is complete. Wage rates for Brewers are above median wage rates for Riverhead. Local labor is encouraged for construction. Regional wealth will be created with the majority of customers from outside of Riverhead. Local and New York region hops will be purchased from local and New York growers. Bottling capacity to support Riverhead craft beer production will support other existing and planned Riverhead craft breweries thereby supporting local vendors. Craft beer and local wineries support the Riverhead hotel and tourism industry. The Project is an adaptive reuse of an existing warehouse which improves the appearance of an existing building on the Sound Avenue scenic corridor.

The Board also finds that the Applicant has certified that the Project, as of the date of the Application, is in substantial compliance with all provisions of Article 18-A of the General Municipal Law of the State of New York, including, but not limited to GML section 859-a and section 862. The Board also finds that the Applicant is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations. This resolution is not effective until it is dated and countersigned by the Applicant as set forth at the foot hereof, certifying the truth of this finding and all other statements of facts and findings made by the Agency in this resolution based upon information provided by the Agency.

Section 2. It is hereby determined that the Agency shall provide Applicant with the following financial assistance with respect to the Project: (i) the provision of an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property in an amount not to exceed a total value of eligible goods and

services in the amount of \$1,550,000, and (ii) a partial abatement of real property taxes by granting a real property tax abatement equal to the assessed value of the improvements for a period of ten years, effective for the 2017/2018 tax billing year. PILOT payments shall be paid on the land assessment and 77% of the improvements assessment increasing to 100% over 10 years by 2.3% per year as set forth in the attached Schedule A, and (iii) the provision of an abatement of the Mortgage Recording Tax on a mortgage not to exceed \$2,865,000. The Executive Director of the Agency is hereby directed to proceed, at the expense of Applicant, to cause agreements and documents to be prepared that will enable the aforesaid benefits to be provided to Applicant, and to submit such agreements and documents to the Agency for approval. The financial assistance authorized hereby shall not be effective until closing.

Section 3. The Agency has declared itself "lead agency", in accordance with the provisions of the State Environmental Quality Review Act with respect to the Agency's providing financial assistance to the Applicant with respect to the Project, as described in Section 4 of this Resolution and as authorized pursuant to Article 18-A of the General Municipal Law, and has determined that the provision of said financial assistance will not have a significant effect on the environment.

Section 4. The Chairperson or Vice Chairperson of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver standard Agency documents including, but not limited to the Project Agreement, Ground Lease, Lease, Mortgage if necessary, PILOT, and Guarantees, necessary to grant the financial assistance set forth herein upon payment of the Agency fee and Attorney fees.

Section 5. This resolution shall take effect upon immediately.

VOTE: 4 Yes
1 Absent

The board then considered resolution

#28-16 RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE TO J. PETROCELLI DEVELOPMENT ASSOCIATES REGARDING THE REHABILITATION AND CONSTRUCTION OF ATLANTIS PHASE III PRESTON HOUSE

Lou Kalogeras offered the following resolution, which was seconded by Lori Ann Pipeczynski.

WHEREAS, by resolution dated January 12, 2016 the Riverhead Industrial Development Agency made findings and determination regarding the provision of financial assistance for the rehabilitation and construction of Atlantis Phase III Preston House, and

WHEREAS, such resolution was conditional upon receipt by J. Petrocelli Development Associates of a Bank Commitment Letter allowing the necessary financing of the cost of construction, and

WHEREAS, J. Petrocelli Development Associates has filed with the Agency a letter of commitment for a construction loan and permanent financing from Suffolk County National Bank dated April 6, 2016, and

WHEREAS, J. Petrocelli Development Associates has formed a special purpose entity owned by the same individuals known as Preston House LLC, 100 Comac Street, Ronkonkoma, New York, to hold legal title to the Facility, and

WHEREAS, by correspondence dated April 27, 2016 the Applicant advised that legal title to the Project would be held in the name of Preston House LLC and that the parcel to the North of the Project known as 117/123 Ostrander Avenue (SCTM # 0600-129.00-03.00-014.000) has been placed in contract by the same principals of the Applicant such that site issues of design and Project layout may be addressed during the pending site plan review by the Riverhead Planning Board.

NOW, THEREFORE, BE IT RESOLVED, that Agency Resolution dated January 12, 2016 is hereby ratified and confirmed as supplemented by this resolution. The Agency directs that the closing documents shall reflect the legal ownership of the Project by Preston House LLC, and

BE IT FURTHER RESOLVED, that the Agency recognizes that a portion of the Project may, due to design constraints, be constructed on 117/123 Ostrander Avenue. However, no real property tax abatement shall be granted such parcel absent further Agency proceedings, and

BE IT FURTHER RESOLVED, that the total Project Cost be stated as \$10,691,500.00 as stated in the aforesaid commitment letter and that the Agency fee shall be \$76,728.00 to be paid at closing of the construction financing provided by Suffolk County National Bank, and

BE IT FURTHER RESOLVED, the Chairperson or Vice Chairperson of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver standard Agency documents including, but not limited to the Project Agreement, Ground Lease, Lease, Mortgage, PILOT, and Guarantees, necessary to grant the financial assistance set forth herein.

Vote: 4 Yes
1 Absent

The Chairman then resumed the regular order of the meeting.

PRESENTATIONS:

Peconic Crossing, LLC – Allen Handelman, Principal at Conifer Realty provided an updated presentation to the board regarding amendments to the Peconic Crossing project that was subject to a public hearing in 2015. Since then the project has been scaled down to meet requirements of the planning department in the Town of Riverhead. Mr. Handelman explained that the number of units has been reduced to 45, there has been gallery space added to the ground floor, an easement has been preserved in the back of the building, the number of parking spaces has been reduced and architectural renderings have changed. The capital investment amount has increased to and the proposed number of jobs is 1.5. He requested a public hearing during the next meeting. AS a result of the increase if affordable housing proposals, the board requested an economic impact analysis of the affordable housing to be provided to the board.

Georgica Green Ventures, LLC – David Gallo, Principal of Georgica Green; Connie Lassandro, Consultant; Geoffrey Freeman, Architect; Matthew Ardito, Project Manager; and Alexandra (Ally) Giorgos, Financial Analysis presented on behalf of Georgica Green Ventures/Riverhead Apartments. They are proposing a mixed use affordable housing project for 221 East Main Street in downtown. The currently vacant and deteriorating site would be demolished and replaced by a 94 one and two bedroom unit, 5 story building with approximately 7000 sq ft of retail on ground floor of a proposed 106,000 sq ft building. They would also provide approximately 40 parking spaces sub grade to East Main Street. The anticipated \$33 million dollar investment would provide a pedestrian-oriented, promenade-type town with some really beautiful apartments according to architect Geoffrey Freeman of Riverhead. Other projects they have built have utilized up to 12 different sources of funding and in order to build a project that is as up to scale with any market rate housing and they will need IDA assistance in the form of mortgage recording tax, sales tax exemption and a real property tax abatement. They expressed that they do not want to build something that looks like an affordable housing project.

The developer explained that it has been difficult securing a site and he had been in contract for other property in downtown over the past year or so, but those deals fell through. They believe that this property will come to fruition and have begun obtaining site borings and drafting architectural drawings. The ED noted that in the initial meetings with Georgica Green, the possibility of a mix of market rate and affordable housing was an option. The ED reiterated that given there are a number of affordable housing units now being proposed within the downtown area, and in an effort to avoid oversaturation and to bring in more disposable income, there needs to be a balance of market rate housing along with the affordable housing. In agreement, Dave Gallo stated that there is definite potential for more upscale units especially in the rear of the building overlooking the water. The ED requested an economic impact analysis reflecting the impact of the affordable housing to the school district, general services and economy.

The developer is in the infancy stage, but has submitted a draft application and begun the process of site planning. They will request a public hearing upon completed submission of the Agency application within the next couple of months.

MINUTES

The Board moved to dispense with the reading of and voted on the April 4, 2016 meeting minutes.

#25-16 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF March 7, 2016

Lori Ann Pipczynski offered the following resolution, which was seconded by Lou Kalogeras.

RESOLVED, the minutes of the meetings of March 7, 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: 4 Yes
1 Absent

CORRESPONDENCE: None

TREASURER'S REPORT:

Cash Balance in SCNB as of April	\$208,892.22
Revenue for April	\$5.92

Profit and Loss (April)	\$-16,590.93
Accounts Receivable	\$6,096.96
Total Bills Paid for April	\$14,605.03

#26 -16 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF April 30, 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 April 1 to April 30, 2016 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated April 29, 2016 covering the month of April, 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: 4 Yes
1 Absent

COMMITTEE REPORTS:

There were no committee reports.

NEW BUSINESS:

A. Consideration of attendance to the NYSEDC Conference

#27-16 RESOLUTION AUTHORIZING ATTENDANCE TO NYSEDC CONFERENCE

DATED: May 2, 2016

Lou Kalogeras offered the following resolution, Lori Ann Pipczynski seconded.

WHEREAS, the New York State Economic Development Council will be holding its 2016 Annual Meeting in Cooperstown, NY, and

WHEREAS, the Board of Directors finds it necessary and appropriate for the Executive Director, Tracy Stark - James, to attend this informational conference; and

WHEREAS, a three day conference is scheduled in Albany May 25th through May 27th, thereby requiring her to stay at the The Otesaga Hotel from May 24th through May 26th, at

\$310.60 per night, plus the cost of transportation, food and registration to be reimbursed upon submission of receipts not to exceed \$1700.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors approves expenditures for lodging at The Otesaga Hotel and reimbursement of transportation and food for Executive Director, Tracy Stark-James to attend the NYSEDC 2016 Annual Meeting in Cooperstown, NY from May 24th – 26th, 2016.

Vote: 4 Yes
1 Absent

The board then considered Peconic Crossing's request for a public hearing during the June meeting.

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

#29-16 A RESOLUTION AUTHORIZING THE SCHEDULING AND NOTICE OF A PUBLIC HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO PECONIC CROSSING, LLC

WHEREAS, the Town of Riverhead Industrial Development Agency was created by Chapter 624 of the Laws of 1980 and is a public benefit corporation and an industrial development agency of the State of New York (the "Agency") having those powers set forth in, and subject to the requirements of, Article 18-A of the General Municipal Law; and

WHEREAS, the Agency has received an application for financial assistance from Peconic Crossing, LLC, as property owner, and Conifer Realty, LLC, as operating entity, in conjunction with Community Development Corporation of Long Island, Inc. all qualified to do business in the State of New York ("collectively referred to herein as Peconic Crossing"), with respect to the acquisition of parcel, demolition of existing structure, and construction of a 52,205 +/- square foot building located at 11 West Main Street, Riverhead, New York (S.C.T.M. #0600-128.00-03.00-068.002) for use as 45 units of

workforce rental housing with waitlist preference for artists, downstairs interior parking garage and vehicle access across adjacent parcel to Peconic Avenue for project known as Peconic Crossing at an aggregate cost, including costs associated with the financing thereof, estimated to be \$17,659,823 (the "Project"); and

WHEREAS, Section 859-a of the General Municipal Law, being part of Article 18-A of the General Municipal Law, provides that, prior to providing financial assistance to any applicant with respect to any project, industrial development agencies, including the Agency, must hold a public hearing with respect to the project and the proposed financial assistance being contemplated to be provided by the agency; and

WHEREAS, it is now desired to authorize the scheduling of a public hearing with respect to the application for financial assistance and the Project and the proposed financial assistance now being contemplated by the Agency to be provided to Peconic Crossing with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED, by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, as follows:

Section 1. A public hearing will be held at the Riverhead Town Hall, 200 Howell Avenue, in Riverhead, New York, on June 6, 2016 at 5:00 p.m. prevailing time with respect to the Project and the proposed financial assistance now being contemplated to be provided to Peconic Crossing by the Agency with respect to the Project, as described in Section 4 of this Resolution, and to hear all persons interested in the subject thereof. At said public hearing, interested parties shall be provided reasonable opportunity, both orally and in writing, to present their views with respect to

the Project and the providing of financial assistance now being contemplated to be provided to Peconic Crossing by the Agency with respect to the Project.

Section 2. A final SEQRA determination will be issued by the Agency upon completion of Town of Riverhead site plan SEQRA review prior to Agency action.

Section 3. It is hereby determined that a general, functional description of the Project is as follows: the acquisition of parcel, demolition of existing structure, and construction of a 52,205 +/- square foot building located at 11 West Main Street, Riverhead, New York (S.C.T.M. #0600-128.00-03.00-068.002) for use as 45 units of workforce rental housing with a waitlist preference for artists, downstairs interior parking garage and vehicle access across adjacent parcel to Peconic Avenue for project known as Peconic Crossing at an aggregate cost, including costs associated with the financing thereof, estimated to be \$17,659,823.

Section 4. It is hereby determined that the financial assistance that the Agency is now contemplating providing to Peconic Crossing with respect to the Project is (i) the provision of an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property, and (ii) a partial abatement of real property taxes, and (iii) the provision of an exemption from Mortgage Recording Taxes. The financial assistance described in (i), (ii) and (iii), above, would be consistent with the uniform tax-exemption policy adopted by the Agency pursuant to Subdivision 4 of Section 874 of the General Municipal Law.

Section 5. The Secretary of the Agency is authorized and directed to cause a copy of this resolution to be published once in the May 12, 2016 edition of The News Review, the newspaper hereby designated as the official newspaper of the Agency for

this purpose, and being a newspaper having a general circulation in, and available to residents of the Town.

Section 6. This resolution shall take effect immediately.


VOTE: 4 Yes
1 Absent

EXECUTIVE DIRECTOR'S REPORT:

The ED reported that she will be attending a business trade show at the Miller Business Resource Center at the Middle Country Library on Tuesday in conjunction with the Chamber of Commerce and also has another LI IDA Coalition meeting scheduled for further review of new policy's that need to be implemented by June. The ED reported that the Employment Expo has been postponed until the fall due to the timing of the NYSEDC conference and the transition of a new Executive Director for the Chamber.

The next board meeting will be scheduled for June 6, 2016
Lou Kalogeras motioned to adjourn the meeting. Lori Ann Pipczynski seconded.
There being no further business, the meeting was adjourned at 6:09pm

Dated: 6/5/16


Secretary/Asst.