

**MINUTES OF A REGULAR MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
September 12, 2016**

Meeting was called to order at 5:05pm by Chairman Thomas Cruso.

Present: Thomas Cruso, Chairman
Dawn Thomas, Secretary
Lori Ann Pipczynski, Asst. Treasurer

Signifying a quorum

Absent: Elias (Lou) Kalogeras, Vice Chairman
Robert Kern, Treasurer

Others in Attendance: Tracy Stark-James, Executive Director
Richard Ehlers, IDA Counsel

By motion of Lori Ann Pipczynski and second by Dawn Thomas the agenda was adopted.

MINUTES

The Board moved to dispense with the reading of and voted on the August 1, 2016 meeting minutes.

#45-16 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF August 1, 2016

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

RESOLVED, the minutes of the meetings of August 1, 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: 3 Yes
2 Absent

CORRESPONDENCE: None

TREASURER'S REPORT:

Cash Balance in SCNB as of August	\$233,752.23
Revenue for August	\$6.38
Profit and Loss (August)	\$-16,776.49
Accounts Receivable	\$250
Total Bills Paid for July	\$14,602.47

#46-16 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF August 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 August 1 to August 31, 2016 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated September 1, 2016 covering the month of August, be and are hereby accepted and expenses as listed are authorized for payment.

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

Vote: 3 Yes
2 Absent

Lori Ann Pipczynski steered the ED to Sunday Newsday for interest rates on savings accounts.

The Chairman took the agenda out of order to consider Solutions Riverhead under OLD BUSINESS. The ED explained that since the public hearing the applicant has already anticipated an increase in the project cost and forwarded correspondence reference same to the board prior to the meeting. The applicant requested to speak to the board regarding the increase. Itai Vischnia, applicant, explained that since their original estimations, painting costs increased by approximately \$30,000 as a result of trying to keep the original windows and in an effort to maintain the historical aspect of the building. The developer also needs to install custom soundproofing and that cost exceeded their original estimates as well. He anticipates an increase of about 10% to the total project costs. To that end, he emphasized the need for assistance and requested the board's consideration for the full benefit amount requested within his application.

The board discussed the project criteria and the applicants benefit request noting that it exceeds the standard. The board discussed the anticipated capital investment, projected jobs, foot traffic, contributions to the distressed neighborhood and historical structure.

Discussion continued, observing that the property itself was not previously vacant, the impact on tax creation as a result of the completion of the project would be nominal, and although Second Street is a blighted area the property itself was not significantly distressed. The board recognized the importance of encouraging the historic restoration and continued investment in the downtown area on Second Street.

The following resolution was offered by Member Dawn Thomas, who moved its adoption, seconded by Member Lori Ann Pipczynski to wit:

#47-16 A RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO SOLUTIONS RIVERHEAD, 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 Solutions Riverhead, LLC, a limited liability company qualified to do business in the State of New York (the "Applicant"), with respect to the acquisition of parcel and restoration and renovation of an existing 2,560 square foot historic structure, located adjacent to an urban renewal zone within a New York Empire Zone containing distressed properties at 21 East Second Street, Riverhead, New York (S.C.T.M. No. 0600-128.000-0006-038.000) for use as shared office space for use by professionals in the mental health and well-being fields at an estimated amended increased cost of \$863,500 (the "Project"); and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on August 1, 2016 with respect to the application for financial assistance and the Project and the proposed financial assistance requested by

Applicant with respect to the Project. Estimate of project cost has been amended to \$863,500 which increase does not require further public hearing; and

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 an adaptive reuse/community development project. As such the Project will create jobs through full time employment of 12 in year 2 after construction is complete. The Project is located adjacent to an urban renewal zone within an New York Empire Zone containing distressed properties which enhances the ability of this historic building to maintain its usefulness and enhance the future development of the Second Street area. Renewable resources will be utilized in the reconstruction. This use is in accordance with local planning and development efforts. It is anticipated that clinicians from outside of Riverhead will establish satellite facilities at the Project site to serve Riverhead residents and, specifically, students of Riverhead Central School District. Wage rates for clinicians are above median wage rates for Riverhead. Local labor is encouraged for construction. There is no anticipated

negative impact to existing Riverhead businesses from the Project. Increased downtown foot traffic is anticipated to result from this Project.

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 \$260,450, and (ii) a partial abatement of real property taxes by granting a real property tax abatement equal to the assessed value of the land for a period of five (5) years as particularly stated in the attached Schedule A. 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. Copies of all leases with clinician/tenants shall be available for

Agency inspection and copying. 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: 3 Yes
2 Absent

The Chairman resumed the agenda order.

COMMITTEE REPORTS:

Audit – None

Personnel – Personal evaluation has been submitted to the Personnel Committee. Personnel Committee to meet.

Finance – Received draft budget for 2017 and year end projection.

Governance – None

OLD BUSINESS:

B. Consideration to close proceedings. The ED explained that the Agency had previously approved projects that did not close. Peconic Methodist Housing Development Fund

Company never received the federal financing that they were seeking and they would have to come back to the agency and reapply. The project manager of the proposed manufacturing site for EBS stated that he was no longer with the company and the project was not being built. Therefore, in an effort to close out the projects the board considered the following resolutions:

RESOLUTION #48-16 CLOSES PROCEEDINGS AND RESCINDS RESOLUTION #52-14 ENTITLED "A RESOLUTION APPROVING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO PECONIC UNITED METHODIST HOUSING DEVELOPMENT FUND COMPANY, INC. AND JOHN WESLEY VILLAGE LP" AND TERMINATES FINANCIAL ASSISTANCE PROCEEDINGS

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

WHEREAS, application was made by Peconic United Methodist Housing Development Fund Company, Inc. and John Wesley Village for financial assistance to the Riverhead Industrial Development Agency regarding property located at Middle Road, Riverhead, New York (SCTM #0600-82-02-4.6) for project to renovate existing 115-unit senior housing rental facility (the "Project"), and

WHEREAS, by resolution #52-14 adopted September 22, 2014, the Agency approved financial assistance for the Project, and

WHEREAS, there has been no activity to cause a closing by the applicant since September 22, 2014.

NOW, THEREFORE, BE IT RESOLVED the Riverhead Industrial Development Agency hereby rescinds Resolution #52-14 and closes the Agency proceedings in this matter, and

BE IT FURTHER RESOLVED, that the Executive Director be and is hereby authorized to provide a copy of this resolution to the aforementioned applicants.

Vote: 3Yes
2 Absent

RESOLUTION #49-16 CLOSES PROCEEDINGS AND RESCINDS RESOLUTION ADOPTED JULY 2, 2007 ENTITLED "RESOLUTION TAKING OFFICIAL ACTION TOWARD THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY AND THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS ON BEHALF OF E.B.S. BUILDING

SYSTEMS L.L.C. IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000" AND TERMINATES FINANCIAL ASSISTANCE PROCEEDINGS

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

WHEREAS, application for financial assistance was made by E.B.S. Building Systems L.L.C. to the Riverhead Industrial Development Agency regarding property located at Scott Avenue in the Calverton Enterprise Park, Riverhead, New York for project to acquire parcel of land of approximately 10 acres to cause the construction of approximately 62,300 square feet of buildings to be used in the manufacture of wood building components (the "Project"), and

WHEREAS, by resolution adopted July 2, 2007, the Agency approved financial assistance for the Project, and

WHEREAS, there has been no activity to cause a closing by the applicant since July 2, 2007.

NOW, THEREFORE, BE IT RESOLVED the Riverhead Industrial Development Agency hereby rescinds resolution adopted July 2, 2007 entitled, "RESOLUTION TAKING OFFICIAL ACTION TOWARD THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY AND THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS ON BEHALF OF E.B.S. BUILDING SYSTEMS L.L.C. IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000" and closes the Agency proceedings in this matter, and

BE IT FURTHER RESOLVED, that the Executive Director be and is hereby authorized to provide a copy of this resolution to the aforementioned applicant.

Vote: 3 Yes
2 Absent

NEW BUSINESS

A. Consideration of draft budget for 2017.

#50-16 RESOLUTION APPROVING DRAFT BUDGET FOR FISCAL YEAR 01/01/17-12/31/17

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

WHEREAS, it is recommended accounting practice that an operating budget be established for the Riverhead Industrial Development Agency; and

WHEREAS, Section 2801 of Public Authorities Law provides budget reporting requirements for state and local public authorities and requires the submission of proposed budget reports not more than 90 days and no less than 60 days before the commencement of their fiscal year; and

WHEREAS, Article 18-A of GML requires a copy of the draft budget to be forwarded to the chief executive office and the governing body of the municipality for whose benefit the agency was established for inspection and comment of its proposed budget for the forthcoming fiscal year, no later than twenty business days before its adoption.

NOW, THEREFORE BE IT RESOLVED, that the attached is hereby approved for submission to the CEO and governing body of the Town of Riverhead as the proposed Operating Budget of the Riverhead Industrial Development Agency for fiscal year 01/01/17 through 12/31/17; and

BE IT FURTHER RESOLVED, copies of this resolution be and hereby are authorized to be filed with all necessary parties as described by law.

Vote: 3 Yes
2 Absent

B. Consideration of Browning Financing.

#51-16 AUTHORIZES EXECUTION AND DELIVERY OF NECESSARY DOCUMENTS TO PERMIT REFINANCING OF THE HILTON GARDEN INN HOTEL AND THE CONSTRUCTION FINANCING FOR MARRIOTT RESIDENCE INN LOCATED 2012 OLD COUNTRY ROAD, RIVERHEAD

WHEREAS, by Application dated November 3, 2006, Browning Hotel Properties, LLC (“Browning”) sought financial assistance from the Town of Riverhead Industrial Development Agency (“Agency”) for the construction and equipping of a 114 key, 62,589 square foot Hilton Garden Inn Hotel, and

WHEREAS, upon the proceedings held upon the Application, the Agency adopted a determination by resolution dated February 5, 2007 entitled “A RESOLUTION DETERMINING THE PROPOSED BROWNING HOTEL PROPERTIES, LLC PROJECT A

“PROJECT,” APPROVING THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO BROWNING HOTEL PROPERTIES, LLC WITH RESPECT THERETO, APPOINTING BROWNING HOTEL PROPERTIES, LLC AGENT OF THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY AND APPROVING DOCUMENTS IN CONNECTION THEREWITH” which resolution provided financial assistance to construct and equip a 114 key, 62,589 square foot Hilton Garden Inn Hotel (the “Hilton”) at a total project cost of \$18,110,489. This facility has been constructed and placed in service and has a valid and subsisting certificate of occupancy, and

WHEREAS, upon proceedings held upon the Application, the Agency adopted a determination by resolution adopted dated 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” which resolution provided financial assistance to construct and equip the Phase II facility consisting of 140 key, 114,900 square foot Marriott Residence Inn (the “Marriott”) with meeting space and amenities at a total project cost of \$26,849,775. All documents necessary to provide Agency assistance were executed and delivered at a closing October 22, 2015. A valid building permit has been issued and construction has commenced, and

WHEREAS, the Hilton and the Marriott are a phased development with common features of design for ingress and egress, plantings and site layout on a single tax map parcel at 2012 Old Country Road, Riverhead, New York 11901, Suffolk County Tax Map

Number 0600-118.00-02.00-003.001 which requires that the financing of each facility, though evidenced by separate mortgage, be placed with the same lending institution, and

WHEREAS, Manufacture and Traders Trust Company (M&T Bank) has issued a letter of commitment for permanent financing for the Hilton in the amount of \$15,500,000 dated July 28, 2016 and a letter of commitment for construction and permanent financing for the Marriott in the amount of \$19,000,000 dated July 28, 2016, and

WHEREAS, the Sale Agreement by and between the Agency and Browning Hotel Properties, LLC dated May 4, 2007, as amended, is in full force and effect and no further proceedings by the Agency are necessary to grant an abatement of mortgage recording tax for the necessary mortgages and other financing documents to be recorded with the Clerk of Suffolk County, and

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Vice-Chairman, be and hereby are authorized to execute and deliver the necessary Mortgages and other documents to permit the refinancing of the Hilton by Browning Hotel Properties, LLC with M&T Bank in an amount of \$15,500,000 and construction and permanent financing for the Marriott by Browning Hotel Properties, LLC with M&T Bank in the amount of \$19,000,000 both for premises located at 2012 Old Country Suffolk County Tax Map Number 0600-118-2-3.2, and that no mortgage recording tax shall be required to be paid to record such mortgages and all expenses of the Agency including counsel and bond counsel as necessary shall be paid by Browning Hotel Properties, LLC.

BE IT FURTHER RESOLVED, that this resolution shall not take effect until the below Certification is executed and delivered to the Agency.

Vote: 3 Yes
2 Absent

EXECUTIVE DIRECTOR'S REPORT:

The ED provided an update on prospective projects.
The ED informed the board of 2 part financial workshop series offered by Excelsior Growth Fund that the IDA will be hosting with the Chamber in November.
The ED informed the board of a quote received to create a project tracker in excel and briefly discussed hiring a consultant for task work.
The bond allocation of \$563,063 for 2016 has been returned to the state by the deadline.
The Brookhaven IDA invited the ED to the LIBDC conference scheduled for September 21st-23rd since they are a sponsor of the event.

#52-16 RESOLUTION AUTHORIZING ATTENDANCE TO LIBDC CONFERENCE

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

WHEREAS, the Long Island Business Development Council will be hosting its 2016 Annual Conference, and

WHEREAS, the Brookhaven IDA has invited the Executive Director to attend as their guest, and

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

WHEREAS, a three day conference is scheduled in Montauk, commencing the evening of September 21st through September 23rd, and


WHEREAS, the cost of transportation, food and incidentals shall be reimbursed upon submission of receipts not to exceed \$500.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors approves attendance and expenditures for incidentals and reimbursement of transportation and food for Executive Director, Tracy Stark-James to attend the LIBDC Annual Conference in Montauk, NY from September 21st-23rd, 2016.

Vote: 3 Yes
2 Absent

The next board meeting will be scheduled for October 3, 2016.
Dawn Thomas motioned to adjourn the meeting. Lori Ann Pipczynski seconded.
There being no further business, the meeting was adjourned at 6:09pm

Dated: 10/3/16



Secretary/Asst.