

**MINUTES OF A REGULAR MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
November 7, 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

Signifying a quorum

Absent: Dawn Thomas, Secretary

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

By motion of Bob Kern and second by Lori Ann Pipczynski the agenda was adopted.

PRESENTATIONS:

Georgica Green provided an updated presentation to the board since the size of the project has expanded from the initial presentation. Dave Gallo, President of Georgica Green Ventures, LLC provided some history on his company and showed the board a power point reflecting other projects. He explained some of the sources of funding he is seeking and the need for an extended pilot to run concurrent with the funding. He explained that when the state issues credit enhancements such as SONYMA to tax exempt bonds, they require coterminous PILOTS, therefore they will be requesting a 30 year term. He explained the risk of the investment with the retail section of the project and requested the mortgage recording tax exemption along with the sales tax exemption for the project. The ED requested a list of the projects and amount of leverage that the company will be or is currently undertaking over the next couple of years as well as an economic impact study of this project, specifically the impact to the school district. A site plan is anticipated to be submitted within the next few weeks. A notice for public hearing will be considered upon submission of the site plan and supplemental application material.

MINUTES

The Board moved to dispense with the reading of and voted on the September 12, 2016 meeting minutes.

#56-16 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF October 3, 2016

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

RESOLVED, the minutes of the meetings of October 3, 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 October	\$256,467.36
Revenue for	\$50,345.59
Profit and Loss	\$33,786.18
Accounts Receivable	\$250
Total Bills Paid	\$14,342.88

#57-16 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF October 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 October 1 to October 30, 2016 **as attached**,

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

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

Vote: 4 Yes
1 Absent

COMMITTEE REPORTS:

Audit – None
Personnel – Executive Session

Finance – None
Governance – None

OLD BUSINESS: None

NEW BUSINESS:

Peconic Crossing requested a project increase cost from \$17,659,823 to \$18,541,044. It was explained that the cost increase was due in large part to compliance with the Uniform Relocation Act which is a mandate to one of the funding sources used to finance the project. Another reason is due in part to Town mandated improvements, such as the reconstruction of the bulkheading behind the property.

#58-16 RESOLUTION RESCINDING RESOLUTION #43-16 IN ANTICIPATION OF FURTHER AGENCY PROCEEDINGS

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

WHEREAS, the Agency at its regularly scheduled meeting of August 1, 2016 adopted resolution number 43-16 entitled “RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO PECONIC CROSSING, LLC”, and

WHEREAS, the stated estimated Project cost of \$17,650,928 has now been revised to \$18,541,044 and an Amended Application for Financial Assistance has been filed with the Agency which Amended Application has been reviewed by the Agency, and

WHEREAS, the Amended Application does not change the general functional description of the Project as stated in the Notice of Public Hearing previously adopted by the Agency, and

WHEREAS, subsequent to the adoption of the aforementioned resolution, the Legislature of the State of New York effective September 30, 2016 amended the General Municipal Law to require Agency projects to pay the mortgage recording tax of .30 percent of the face value of Agency approved mortgages which changes the financial benefit for this Project from the exemption of mortgage recording tax as stated in the cost benefit analysis, and

WHEREAS, the real property tax exemption as previously calculated in the cost benefit analysis will not change since the projected assessment is determined by law based upon the subsidized rent roll and not the total cost of construction, and

WHEREAS, the amended application states an increase in soft costs resulting from required compliance with federal relocation expenses of \$327,500, and

WHEREAS, construction costs with contingency have increased from \$11,158,914 to \$11,674,606 which results in an estimated increase in the sales tax exemption of \$16,731, and

WHEREAS, it is necessary to rescind resolution Number 43-16 and readopt the approval based upon the Amended Application.

NOW, THEREFORE, BE IT RESOLVED that the Amended Application of Peconic Crossing, LLC be and hereby is accepted by the Agency with the stated Project Cost of \$18,541,044, and

BE IT FURTHER RESOLVED, that the Agency Proceedings held to date in the matter of Peconic Crossing, LLC be and hereby are ratified and confirmed, and

BE IT FURTHER RESOLVED, that Resolution Number 43-16 be and hereby is rescinded in anticipation of the Adoption of Resolution Number #59-16 which is on the Agenda as a subsequent resolution at this Agency meeting.

Vote: 4 Yes
1 Absent

**RESOLUTION #59-16 A RESOLUTION AUTHORIZING THE PROVISION 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 Amended 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 Applicant"), 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 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 \$18,541,044 (the "Project"); and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on June 6, 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; 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; and

WHEREAS, by correspondence dated July 27, 2016, the Applicant advised that the Project will be constructed by Conifer – LeChase Construction, LLC, 205 Indigo Creek Drive, Rochester, New York 14626.

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 total Project cost is \$18,541,044 and would

include 45 residential units (16 one-bedroom units and 29 two-bedroom units), a parking garage with 33 spaces (3 Handicap spaces), a fitness room, community room, on-site laundry, an on-site management office and artist gallery space of approximately 1700 square feet. The exterior of the building would consist of brick and cast stone. The Project would create housing for 74-119 residents. Five of the units would be set aside for households earning 50% of the area median income (AMI); 35 units would be set aside for households earning up to 60% AMI, and 5 units for those earning up to 90% AMI. Six units have no income restrictions. All units will be offered to qualified artists in conjunction with advice from the East End Arts Council.

A cost benefit analysis has been prepared and reviewed by the Agency. The Project has been reviewed by the New York Governor's Office of Storm Recovery and issued a Federal Finding of No Significant Impact and Notice of Intent to Release Funds through the Community Development Block Grant Program in the amount of \$4,550,000. Additional funding is provided by provision of Low Income Housing Tax Credits as approved by NYS Homes and Community Renewal, Division of Housing and Community Renewal with Federal Tax Credit Equity of \$8,293,731 and New York State Tax Credit Equity of \$1,218,726.

Waverly Research Group has prepared a Housing Market Analysis in accordance with generally accepted procedures for a professional market study, including the identification and analysis of the site circumstances, demographic and economic conditions in the area, existing housing supply, and projected demand for rental housing. The conclusions of this study reflect high need for the housing proposed with a market

absorption resulting in stabilized occupancy within four months of completion of construction.

The Project is within the East Main Street Urban Renewal Area as so designated by the Riverhead Town Board and is in conformance with all zoning and land use policies as so adopted.

Conifer Realty, LLC the developer and Community Development of Long Island have demonstrated ability and experience in the construction, maintenance and operation of Projects similar in nature to the 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 has certified it 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 \$406,105, 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 of \$70,000 and 100% abatement of improvements assessment over 10 years 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 \$16,635,000. The following mortgages shall be exempt from all mortgage recording taxes except that tax attributable to the Metropolitan Region Mortgage Transportation Tax, currently .30%: Construction Loan by Capital One Bank in the amount of \$8,330,000 Construction Loan by Community Development Block Grant Disaster Relief in the amount of \$3,735,000, Community Development of Long Island Funding Corp. \$200,000, NYSERDA in the amount of \$67,500, ESD in the amount of \$275,000, Suffolk County in the amount of \$350,000, permanent loan by Community Development Trust \$2,930,000, permanent loan by Community Development Block Grant Disaster Relief \$4,550,000, permanent loan Community Development of Long Island Funding Corp. \$200,000, permanent loan by NYSERDA \$67,500, permanent loan ESD \$275,500, permanent loan Suffolk County \$350,000. 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 in the amount of \$96,352 and Attorney fees. Closing shall occur no later than two years from the date hereof.

Section 5. This resolution shall take effect upon immediately.

Vote: 4 Yes 1 Absent

At this point the board recessed the regular meeting to move into executive session. The ED and Counsel both left.

Bob Kern motioned to recess the regular meeting at 6:32pm. Lori Ann Pipczynski seconded.

EXECUTIVE SESSION:

Lou Kalogeras motioned to open an executive session to discuss personnel matters and Bob Kern seconded. Executive Session was opened at 6:33pm.

Motion to close the Executive Session made by Bob, seconded by Lori Ann Pipczynski.

Lou Kalogeras motion to resume the regular meeting of the board of directors. Bob Kern seconded. The executive session concluded and the board resumed the regular board meeting at 6:40pm.

Lou Kalogeras recommended that that the board authorize the recommendations from the personnel committee.

RESOLUTION #60-16 APPROVES PERSONNEL EVALUATION AND AUTHORIZES AMENDMENT TO THE EMPLOYMENT AGREEMENT

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

RESOLVED, the personnel evaluation and additional annual compensation of \$5000 is hereby approved,

BE IT FURTHER RESOLVED, that the employment contract shall be amended accordingly and the Chairman be and hereby is authorized to execute such amended contract effective August 1, 2016.

Vote: 4 Yes
1 Absent

The next board meeting will be scheduled for December 5, 2016.
Lou Kalogeras motioned to adjourn the meeting. Lori Ann Pipczynski seconded.
There being no further business, the meeting was adjourned at 6:42pm

Dated: 12-5-16



Secretary/Asst.