

TOWN OF RIVERHEAD
CDA
Resolution #3

ACCEPTS ANNUAL REPORT AND ANNUAL FINANCIAL REPORT FOR 2008

Councilman Dunleavy offered the following resolution,

which was seconded by Councilman Wooten

WHEREAS, the Public Authorities Accountability Act of 2005 (the "PAAA") includes Town of Riverhead Community Development Agency (the "CDA") in its definition of a local authority; and

WHEREAS, the PAAA requires the preparation and submission of an Annual Report and an Annual Financial Report to the State Comptroller.

THEREFORE BE IT RESOLVED, that the board of directors of the Community Development Agency hereby accepts the 2008 Annual Report and 2008 Annual Financial Report (attached) of the Town of Riverhead Community Development Agency.

RESOLVED, that all Town Hall Departments may review and obtain a copy of this resolution from the E-Cabinet and, if needed, a certified copy of same may be obtained from the Office of the Town Clerk.

THE VOTE

Giglio Yes No Gabrielsen Yes No
Wooten Yes No Dunleavy Yes No
Walter Yes No

The Resolution Was Was Not
Thereupon Duly Declared Adopted

CDA ANNUAL REPORT for FY 2008

As required by the Bylaws of the Town of Riverhead Community Development Agency (CDA), the following information is provided for consideration and review by the Members of the CDA.

Membership- The Members of the Corporation shall be the members of the Riverhead Town Board, comprised of the following persons during FY 2008:

Phil Cardinale, Barbara Blass, John Dunleavy, James Wooten and Timothy Buckley (resigned March 2008). In addition, the CDA is served by: 2008 Executive Director Chris Kempner, Chief Finance Officer Bill Rothaar and Contracting Officer Dawn Thomas. Neither members nor staff receives any compensation for their duties and responsibilities to the CDA

Background

The five member Riverhead Town Board is the governing legislative body and consists of a supervisor and four council members, all of whom are elected at large. The Town Board acts separately in its capacity as the CDA Board, which is empowered under New York State General Municipal Law to foster economic development. The CDA consists of the Chairman (the Town Supervisor) and the four Town board members. In the capacity as the economic development agency of the Town of Riverhead, the CDA administers and secures financing for numerous downtown revitalization projects and public improvement projects.

The CDA, established in 1982, has been proactive in fostering economic revitalization in the downtown business district and was a major impetus in the establishment of a 3.2 acre waterfront aquarium. In addition, the CDA took title to the former Naval Weapons Industrial Reserve Plant at Calverton in 1998 as the result of special federal legislation, and as such is charged with the task of overseeing economic development at the 2,900 acre site. Using powers granted under New York State Urban Renewal Law, pursuant to Section 505 of Article 15, the Community Development Agency has played a critical role in economic development at Calverton Enterprise Park, as well as downtown. Since 1998, the Calverton Enterprise Park real property, improved with buildings and infrastructure, has been leased and sold pursuant to the disposition of property procedures of Section 507 of the Urban Renewal Law.

The Community Development Agency has designated several Urban Renewal Areas for the purpose of encouraging neighborhood revitalization and economic development. The designated Urban Renewal Areas include: Calverton Enterprise Park, Millbrook Gables residential community, East Main Street Downtown Business District and Railroad Avenue Corridor. Within the designated boundaries of the urban renewal areas, available incentives are provided where feasible to attract investment and assist owners and businesses in improving their properties.

Portions of the Calverton Enterprise Park and East Main Street Urban Renewal Areas are designated Empire Zones. This designation was initiated and administered by the CDA for its economic development benefits. Low interest loans and grants have also been made available to increase investment in these targeted areas. For instance, within the East Main Street Urban Renewal Area, the CDA has successfully developed an aquarium as a major tourist attraction, sold the 1930s art deco Suffolk Theatre for reuse, has completed restoration of an 1881 historic opera house, invested \$500,000 in historic restoration of properties occupied by the East End Arts Council, as well as assisting in the development of a 100 room hotel expansion at Atlantis Aquarium and a new mixed use housing/retail development on Peconic Avenue incorporating a currently deteriorated structure.

Downtown Activity in 2008

Town staff held a public hearing on the completed 2008 update of the 1993 East Main Street Urban Renewal Plan and accompanying Generic Environmental Impact Statement and in conjunction with the comprehensive planning process as authorized by the CDA board in 2006. The Urban Renewal Plan (located at <http://riverheadli.com/Urban.Renewal.Plan.Update.October.10.01.08.pdf>), final Generic Environmental Impact Statement (located at <http://riverheadli.com/Final.Generic.Environmental.Impact.Stmt.10.01.08.pdf>), and Findings Statement for the GEIS (located at <http://riverheadli.com/Findings.Statement.10.01.08.pdf>) were issued and adopted in October 2008 and were funded in the amount of \$541,000 by Riverhead Renaissance LLC, the entity with which the CDA entered into a Master Developer Designation Agreement in 2006 for redevelopment of the East Main Street Urban Renewal Area.

Railroad Avenue Corridor Activity in 2008

In 2007, the CDA board held a hearing on the designation of Vintage Group, LLC, as a Qualified & Eligible (Q & E) Sponsor for the purchase and development of the parking lot owned by the Town of Riverhead located on Court Street together with the acquisition and development of some or all of the privately-owned properties located on the adjacent block bordered by Railroad Street, Griffing Avenue, Court Street and Cedar Avenue, for redevelopment consistent with the Town of Riverhead Urban Renewal Plan/Railroad Street Corridor adopted April 4, 1997. In 2008, Q & E status was extended after an additional public hearing.

Calverton Enterprise Park Activity in 2008

The CDA board entered into an agreement of sale dated June 1999 to sell Calverton Camelot, LLC, a parcel of property including a 1.432 acre portion of which was conditioned upon the CDA receiving title to same from the United States of America. The CDA received title to said parcel in 2008 and the CDA board approved transfer by Bargain and Sale Deed.

The CDA Board entered into contract with REPCAL LLC in 2007 for the sale of approximately 300 acres in response to a Request for Proposals (“RFP”) to select an experienced developer(s) for the redevelopment of approximately 600 acres of land zoned for industrial and office uses at Calverton Enterprise Park. The CDA Board designated REPCAL, LLC as a Qualified and Eligible Sponsor for the redevelopment project to include 300 acres of land zoned Industrial, a portion of the 600 acres. The CDA continued to work with REPCAL, LLC through 2008 to progress the project and the CDA executed an amendment to extend the due diligence period to facilitate the closing as well as an amendment to extend the time period allowed for REPCAL, LLC to file its preliminary subdivision application.

In 2007 the CDA Board issued a RFP to select an experienced developer(s) for the redevelopment of approximately 755 acres as a Hotel Conference Center and/or other commercial-recreational uses as permitted by zoning. Several proposals were received and had been presented at public meetings by year-end. During 2007, the CDA board held a hearing on the CDA’s designation of Riverhead Resorts LLC as a Qualified & Eligible Sponsor. The CDA Board entered into a contract with Riverhead Resorts LLC for the sale of approximately 755 acres of property within the planned recreational park zone district of Calverton Enterprise Park in early 2008 and designated Riverhead Resorts LLC as a Qualified & Eligible Sponsor for redevelopment of said acreage.

In 2008, the CDA board authorized and issued an RFP for rail design engineers for the Calverton Rail Access and Development Project and selected HDR, Inc., an employee-owned architectural, engineering and consulting firm with rail development expertise as the consultant for the project. In December 2008 the CDA authorized HDR to proceed with initial preliminary planning for the Calverton Rail Access Rehabilitation Project.

Agreements entered into by the CDA in 2008

Agreements entered into by the CDA in 2008 include:

- 1) an agreement with Riverhead Resorts, LLC for the sale of 755 plus or minus acres within the planned recreational park portion of the Calverton Enterprise Park for a multi-use resort destination in response to 2007 RFP for vacant acreage; and
- 2) Four amendments to the agreement of sale dated October 2, 2007 with REPCAL LLC for sale of some 300 acres of property located in the Light Industrial Zone at Calverton Enterprise Park; and
- 3) an agreement with Suffolk County to coordinate employment and training services and economic development services through the Suffolk County One-Stop Employment Center; and
- 4) an agreement with Suffolk County Department of Economic Development for the administration of the Empire Zone Program; and
- 5) an agreement with New York State Department of Economic Development for the administration of the Empire Zone Program; and
- 6) a Bargain and Sale Deed for a 1.432 acre portion of property of pursuant to an agreement of sale dated June 1999 to sell Calverton Camelot, LLC, a parcel of property including said 1.432 acre portion of which was conditioned upon the CDA receiving title to same from the United States of America; and
- 7) an agreement with Dru Associates, Inc. for environmental services/studies of property owned by the CDA.

Grant Funding

The CDA applied for and received notification of a \$100,000 grant from the New York State Office of Parks, Recreation and Historic Preservation in 2006 for funding under the Recreational Trails Program towards the development of an 8.9 mile multisport athletic trail. No funds were expended in 2008 and no funds were received for reimbursement by year-end. This project will augment a town park

project initiated by the CDA in 2001 involving \$600,000 in grant funds from the New York State Office of Parks Recreation and Historic Preservation for public recreational improvements. Phase I was designed and engineered in 2006 and under construction in 2007/8. The majority of funds were expended in 2007 and a majority of the grant funds were received for reimbursement by year-end 2008.

Calverton Rail Access Rehabilitation Project

The CDA applied for and received notification of a \$75,000 grant from the New York State Energy Research and Development Authority (NYSERDA) in 2008 for funding under the Sustainable Transportation Systems Program towards design and logistics associated with rehabilitation of 2.65 miles of an existing rail spur that links Long Island Rail Road mile post 69.1 to the Calverton Enterprise Park. The infrastructure project is expected to remove vehicles from the roads, mitigate congestion, and allow area businesses to compete more effectively through reduced shipping costs and lower the prices of goods.

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE YEAR ENDED 12/31/2008**

General Fund (A)
Balance Sheet

Code Description	FOR THE FISCAL YEAR ENDED 2007	EDP CODE	FOR THE FISCAL YEAR ENDED 2008
Assets			
Cash	\$ 7,957	A 200	\$ 226,371
Cash - Time Certificates	<u>\$ 480,000</u>	A 201	<u>\$ 241,500</u>
TOTAL Cash	<u><u>\$ 487,957</u></u>		<u><u>\$ 467,871</u></u>
Accounts Receivable	\$ -	A 380	\$ -
Accrued Interest Receivable	\$ 54	A 381	\$ 246
Allowance for Uncollected Receivable	\$ -		\$ -
TOTAL Other Receivables	<u><u>\$ 54</u></u>		<u><u>\$ 246</u></u>
Due from Other Governments	<u>\$ -</u>	A 440	<u>\$ -</u>
TOTAL Due from Other Governments	<u><u>\$ -</u></u>		<u><u>\$ -</u></u>
	<u>\$ -</u>		<u>\$ -</u>
TOTAL Assets	<u><u>\$ 488,011</u></u>		<u><u>\$ 468,117</u></u>

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General Fund (A)
Balance Sheet

Code Description	FOR THE FISCAL YEAR ENDED 2007	EDP CODE	FOR THE FISCAL YEAR ENDED 2008
Liabilities & Fund Equity			
Accounts Payable	\$ 25		\$ 62,129
Due to Other Funds	\$ -	A 489	\$ -
Due to Other Governments	\$ 4,008	A 631	\$ -
Deferred Rental Revenue	\$ -	A 691	\$ -
TOTAL Due to	<u>\$ 4,033</u>		<u>\$ 62,129</u>
TOTAL LIABILITIES	<u>\$ 4,033</u>		<u>\$ 62,129</u>
Reserve for Encumbrances	\$ 288	A 821	\$ 19,621
TOTAL Reserve for Encumbrances	<u>\$ 288</u>		<u>\$ 19,621</u>
Fund Balance - Unreserved	\$ 483,690	A 911	\$ 386,367
TOTAL Fund Balance - Unreserved	<u>\$ 483,690</u>		<u>\$ 386,367</u>
TOTAL Fund Equity	<u>\$ 483,978</u>		<u>\$ 405,988</u>
TOTAL Liabilities and Fund Equity	<u>\$ 488,011</u>		<u>\$ 468,117</u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE YEAR ENDED 12/31/2008**

General Fund (A)
Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2007	EDP CODE	FOR THE FISCAL YEAR ENDED 2008
Detail Revenues and Other Sources			
Agency Fees	\$ 250,000	A 2170	\$ 427,101
TOTAL Departmental Income	<u>\$ 250,000</u>		<u>\$ 427,101</u>
Interest and Earnings	\$ 39,678	A 2401	\$ 10,560
Lease Payments	\$ 27,819	A 2410	\$ 27,496
Sale of Real Property	\$ -	A 2660	\$ -
Sale of Equipment	\$ -	A 2665	\$ -
TOTAL Use of Money and Property	<u>\$ 67,497</u>		<u>\$ 38,056</u>
Refund of Prior Years Expenses	\$ -		\$ -
TOTAL Miscellaneous Income	<u>\$ -</u>		<u>\$ -</u>
State Aid	\$ -	A3789	\$ -
Federal Aid	\$ -	A4789	\$ -
TOTAL Federal/State Aid	<u>\$ -</u>		<u>\$ -</u>
TOTAL REVENUES	<u>\$ 317,497</u>		<u>\$ 465,157</u>
Interfund Transfers - Other Gov't	\$ -	A4789	\$ -
TOTAL Other Sources	<u>\$ -</u>		<u>\$ -</u>
TOTAL Revenues & Other Sources	<u>\$ 317,497</u>		<u>\$ 465,157</u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE YEAR ENDED 12/31/2008**

General Fund (A)

Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2007	EDP CODE	FOR THE FISCAL YEAR ENDED 2008
Detail Revenues and Other Sources			
Planning & Management Development - Equipment	\$ -	A8684.2	\$ -
Planning & Management Development - Contr Expen.	\$ 753,890	A8684.4	\$ 417,623
TOTAL Planning and Management Development	\$ 753,890	A8684.0	\$ 417,623
 CDA Administration, Contr Expen.	 \$ -	 A8686.4	 \$ -
TOTAL CDA Administrator	\$ -	A8686.0	\$ -
 TOTAL Home and Community Service	 \$ 753,890		 \$ 417,623
 TOTAL Expenditures	 \$ 753,890		 \$ 417,623
 Other Uses			
Transfer to Other Governments	\$ -		\$ 90,000
TOTAL Other Uses	\$ -		\$ 90,000
 TOTAL Detail Expenditures and Other Uses	 \$ 753,890		 \$ 507,623

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE YEAR ENDED 12/31/2008**

General Fund (A)
Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2007	EDP CODE	FOR THE FISCAL YEAR ENDED 2008
ANALYSIS OF CHANGES IN FUND EQUITY			
FUND EQUITY-BEGINNING OF YEAR*	\$ 920,372	A8021	\$ 483,979
PRIOR PERIOD ADJUSTMENTS	\$ -		\$ (35,525)
ADD-REVENUES AND OTHER SOURCES	\$ 317,497		\$ 465,157
DEDUCT-EXPENDITURES AND OTHER USES	<u>\$ 753,890</u>		<u>\$ 507,623</u>
FUND EQUITY-END OF YEAR*	<u>\$ 483,979</u>	A8029	<u>\$ 405,988</u>

* TOTAL INCLUDES RESERVED AND UNRESERVED FUND BALANCE IN GOVERNMENTAL FUNDS, OR RETAINED EARNINGS OR FUND EQUITY FOR PROPRIETARY FUNDS. ADJUSTMENTS TO BEGINNING FUND EQUITY RESULTING FROM A CORRECTION OF A PRIOR YEAR'S ACCOUNTING ERROR SHOULD BE REPORTED AS A PRIOR PERIOD ADJUSTMENT.

PLEASE EXPLAIN ALL PRIOR PERIOD ADJUSTMENTS BELOW.

Beginning fund balance for 2008 was adjusted by \$35,525 due to reclassification of accounts payable.

DOUBLE ENTRY UNITS ** FUND EQUITY-END OF YEAR MUST AGREE WITH TOTAL FUND EQUITY AS SHOWN ON THE BALANCE SHEET.
SINGLE ENTRY FIRE DISTRICTS ** FUND EQUITY-BEGINNING OF YEAR PLUS TOTAL REVENUES MUST AGREE WITH FUND EQUITY-END OF YEAR PLUS TOTAL EXPENDITURES.