

TOWN OF RIVERHEAD  
CDA  
Resolution # 4

ACCEPTS ANNUAL REPORT AND ANNUAL FINANCIAL REPORT FOR 2009

Councilman Wooten offered the following resolution,

which was seconded by Councilman Gabrielsen

**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 2009 Annual Report and 2009 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 2009

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 2009:

Phil Cardinale, Barbara Blass, John Dunleavy, James Wooten and George Gabrielsen (elected November 2009). In addition, the CDA is served by: 2009 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 two new mixed use housing/retail developments on Peconic Avenue, one that will incorporate a currently deteriorated structure.

### **Downtown Activity in 2009**

The CDA authorized Town staff to order an appraisal for real property located at 103-105 East Main Street; 111 East Main Street; 117 East Main Street; 121 East Main Street; 127 East Main Street; 203-207 East Main Street; 209 East Main Street; 211 East Main Street; 213 East Main Street; 221 East Main Street and 31 McDermott Avenue and authorized an RFP for Community Visioning for parcels under consideration for acquisition by the Town of Riverhead CDA to advance the East Main Street 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>) issued and adopted in October 2008.

In 2009, the CDA authorized termination of the Master Developer Designation Agreement with Riverhead Renaissance LLC that it had entered into in 2006 for redevelopment of the East Main Street Urban Renewal Area.

### **Railroad Avenue Corridor Activity in 2009**

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 2009, Q & E status was extended after an additional public hearing.

### **Calverton Enterprise Park Activity in 2009**

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 2009 to progress the project and the CDA agreed to extend the due diligence period as well as to execute a fifth amendment to the agreement of sale dated October 2, 2007, to reduce the sales price for the 300 acres to \$18 million to facilitate the closing. The CDA Board designated REPCAL, LLC as a Qualified and Eligible Sponsor for the new terms of the agreement prior to authorizing the amendment.

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 2009 the CDA board authorized an amendment to the agreement of Sale dated January 15, 2008, with Riverhead Resorts LLC to waive the extension fee due on December 15, 2009 in

consideration of extending the date of Closing and releasing the escrow under new terms.

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. In March 2009 the CDA board authorized HDR to proceed with the NYSERDA funded design portion of the project and in December 2009 the CDA board authorized HDR, Inc. to continue planning for the project with additional Town and CDA funds augmented with \$650,000 funding secured in October 2009 from New York State Empire State Development. In December 2009 the CDA board authorized the Calverton Rail Access Project to receive American Reinvestment and Recovery Act funding from the New York State Department of Transportation for the construction of the Calverton Rail Access Rehabilitation Project in an amount up to \$4.8 million.

**Agreements entered into by the CDA in 2009**

Agreements entered into by the CDA in 2009 include:

- 1) a hold harmless agreement with LED Display Technology for testing to take place on the perimeter road of the Calverton Enterprise Park; and
- 2) two professional services agreement with HDR, Inc. to proceed with design and planning for the Calverton Rail Access Rehabilitation Project; and
- 3) a lease agreement between the Riverhead Community Development Agency and the Calverton Sewer District for 50 years for rent of \$1 per year to transfer land required to improve the Calverton Sewer District; and
- 4) an acceptance of the request to extend the due diligence period by REPCAL LLC and execution of a fifth amendment to the agreement of sale dated October 2, 2007 with REPCAL LLC to reduce the sales price for the 300 acres to \$17 million to facilitate the closing of the sale of some 300 acres of property located in the Light Industrial Zone at Calverton Enterprise Park; and
- 5) a lease agreement between the CDA and the Town of Riverhead for continued operation and maintenance for the F-14 memorial park and to make improvements as deemed required and beneficial to the public for a period not to exceed 99 years and includes authorization for the Town of Riverhead to enter into a sub-lease with East End Wireless; and

- 6) an agreement with New York State Department of Transportation to receive American Reinvestment and Recovery Act funding for the construction of the Calverton Rail Access Rehabilitation Project in an amount up to \$4.8 million; and
- 7) an agreement with New York State Empire Development Corporation to receive Regional Blueprint Grant funding for the planning, design and construction of the Calverton Rail Access Rehabilitation Project in an amount up to \$650,000; and
- 8) an amendment to the agreement of Sale dated January 15, 2008, with Riverhead Resorts LLC to waive the extension fee due on December 15, 2009 in consideration of extending the date of Closing and releasing the escrow under new terms; and
- 9) an agreement with Suffolk County Department of Economic Development for the administration of the Empire Zone Program; and
- 10) an agreement with Dru Associates, Inc. for environmental services/studies to include field studies relating to endangered, threatened or special concern species located at the Calverton Enterprise property owned by the CDA.

## **Grant Funding**

### CDA Parks Projects

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 2009 and no funds were received for reimbursement by year-end although the project was put out to bid for construction in 2010. 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 traffic congestion and allow area businesses to compete more effectively through reduced shipping costs and lower the prices of goods. In 2009, the CDA accepted the grant award from NYSERDA and entered into a professional services agreement with HDR, Inc. to proceed with design of the Calverton Rail Access Rehabilitation Project funded by NYSERDA. In December 2009 the CDA board authorized HDR, Inc. to continue planning for the project with additional Town and CDA funds augmented with \$650,000 funding secured in October 2009 from New York State Empire State Development. In December 2009 the CDA board authorized the Calverton Rail Access Project to receive American Reinvestment and Recovery Act funding from the New York State Department of Transportation for the construction of the Calverton Rail Access Rehabilitation Project in an amount up to \$4.8 million.

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY  
ANNUAL UPDATE DOCUMENT  
FOR THE YEAR ENDED 12/31/2009**

General Fund (A)  
Balance Sheet

Code Description	FOR THE FISCAL YEAR ENDED 2008	EDP CODE	FOR THE FISCAL YEAR ENDED 2009
<b>Assets</b>			
Cash	\$ 226,371	A 200	\$ (27,081)
Cash - Time Certificates	<u>\$ 241,500</u>	A 201	<u>\$ 4,790,901</u>
<b>TOTAL Cash</b>	<u><u>\$ 467,871</u></u>		<u><u>\$ 4,763,820</u></u>
Accounts Receivable	\$ -	A 380	\$ -
Accrued Interest Receivable	\$ 246	A 381	\$ -
Allowance for Uncollected Receivable	\$ -		\$ -
<b>TOTAL Other Receivables</b>	<u><u>\$ 246</u></u>		<u><u>\$ -</u></u>
Due from Other Governments	<u>\$ -</u>	A 440	<u>\$ -</u>
<b>TOTAL Due from Other Governments</b>	<u><u>\$ -</u></u>		<u><u>\$ -</u></u>
	<u>\$ -</u>		<u>\$ -</u>
<b>TOTAL Assets</b>	<u><u>\$ 468,117</u></u>		<u><u>\$ 4,763,820</u></u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY  
ANNUAL UPDATE DOCUMENT  
FOR THE YEAR ENDED 12/31/2009**

General Fund (A)  
Balance Sheet

Code Description	FOR THE FISCAL YEAR ENDED 2008	EDP CODE	FOR THE FISCAL YEAR ENDED 2009
<b>Liabilities &amp; Fund Equity</b>			
Accounts Payable	\$ 62,129		\$ -
Due to Other Funds	\$ -	A 489	\$ 1,788
Due to Other Governments	\$ -	A 631	\$ -
Deferred Rental Revenue	\$ -	A 691	\$ -
<b>TOTAL Due to</b>	<u>\$ 62,129</u>		<u>\$ 1,788</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 62,129</u>		<u>\$ 1,788</u>
Reserve for Encumbrances	\$ 19,621	A 821	\$ 3,475
<b>TOTAL Reserve for Encumbrances</b>	<u>\$ 19,621</u>		<u>\$ 3,475</u>
Fund Balance - Unreserved	\$ 386,367	A 911	\$ 4,758,557
<b>TOTAL Fund Balance - Unreserved</b>	<u>\$ 386,367</u>		<u>\$ 4,758,557</u>
<b>TOTAL Fund Equity</b>	<u>\$ 405,988</u>		<u>\$ 4,762,032</u>
<b>TOTAL Liabilities and Fund Equity</b>	<u>\$ 468,117</u>		<u>\$ 4,763,820</u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY  
ANNUAL UPDATE DOCUMENT  
FOR THE YEAR ENDED 12/31/2009**

General Fund (A)  
Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2008	EDP CODE	FOR THE FISCAL YEAR ENDED 2009
<b>Detail Revenues and Other Sources</b>			
Agency Fees	\$ 427,101	A 2170	\$ -
<b>TOTAL Departmental Income</b>	<u>\$ 427,101</u>		<u>\$ -</u>
Interest and Earnings	\$ 10,560	A 2401	\$ 1,026
Lease Payments	\$ 27,496	A 2410	\$ 29,088
Sale of Real Property	\$ -	A 2660	\$ 4,500,000
Sale of Equipment	\$ -	A 2665	\$ -
<b>TOTAL Use of Money and Property</b>	<u>\$ 38,056</u>		<u>\$ 4,530,114</u>
Refund of Prior Years Expenses	\$ -		\$ -
<b>TOTAL Miscellaneous Income</b>	<u>\$ -</u>		<u>\$ -</u>
State Aid	\$ -	A3789	\$ -
Federal Aid	\$ -	A4789	\$ -
<b>TOTAL Federal/State Aid</b>	<u>\$ -</u>		<u>\$ -</u>
<b>TOTAL REVENUES</b>	<u>\$ 465,157</u>		<u>\$ 4,530,114</u>
Interfund Transfers - Other Gov't	\$ -	A4789	\$ 17,825
<b>TOTAL Other Sources</b>	<u>\$ -</u>		<u>\$ 17,825</u>
<b>TOTAL Revenues &amp; Other Sources</b>	<u>\$ 465,157</u>		<u>\$ 4,547,939</u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY  
ANNUAL UPDATE DOCUMENT  
FOR THE YEAR ENDED 12/31/2009**

General Fund (A)  
Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2008	EDP CODE	FOR THE FISCAL YEAR ENDED 2009
<b>Detail Revenues and Other Sources</b>			
Planning & Management Development - Equipment	\$ -	A8684.2	\$ -
Planning & Management Development - Contr Expen.	<u>\$ 417,623</u>	A8684.4	<u>\$ 174,070</u>
<b>TOTAL Planning and Management Development</b>	<u><u>\$ 417,623</u></u>	A8684.0	<u><u>\$ 174,070</u></u>
CDA Administration, Contr Expen.	\$ -	A8686.4	\$ -
<b>TOTAL CDA Administrator</b>	<u><u>\$ -</u></u>	A8686.0	<u><u>\$ -</u></u>
<b>TOTAL Home and Community Service</b>	<u><u>\$ 417,623</u></u>		<u><u>\$ 174,070</u></u>
<b>TOTAL Expenditures</b>	<u><u>\$ 417,623</u></u>		<u><u>\$ 174,070</u></u>
<b>Other Uses</b>			
Transfer to Other Governments	\$ 90,000		\$ 17,825
<b>TOTAL Other Uses</b>	<u><u>\$ 90,000</u></u>		<u><u>\$ 17,825</u></u>
<b>TOTAL Detail Expenditures and Other Uses</b>	<u><u>\$ 507,623</u></u>		<u><u>\$ 191,895</u></u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY  
ANNUAL UPDATE DOCUMENT  
FOR THE YEAR ENDED 12/31/2009**

General Fund (A)  
Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2008	EDP CODE	FOR THE FISCAL YEAR ENDED 2009
<b>ANALYSIS OF CHANGES IN FUND EQUITY</b>			
FUND EQUITY-BEGINNING OF YEAR*	\$ 448,454	A8021	\$ 405,988
ADD-REVENUES AND OTHER SOURCES	\$ 465,157		\$ 4,547,939
DEDUCT-EXPENDITURES AND OTHER USES	<u>\$ 507,623</u>		<u>\$ 191,895</u>
FUND EQUITY-END OF YEAR*	<u>\$ 405,988</u>	A8029	<u>\$ 4,762,032</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.

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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.