

CDA ANNUAL REPORT for FY 2018

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 2018: Laura Jens-Smith, James Wooten, Jodi Giglo, Tim Hubbard and Catherine Kent. During their 2018 the CDA was served by: Executive Director Dawn Thomas became the Executive Director, Chief Finance Officer/Contracting Officer for personal property was Bill Rothaar; and Contracting Officer for Real Property was Robert Kozakiewicz. Neither members nor staff receives any compensation for their duties and responsibilities to the CDA.

The CDA established a Governance and Audit Committee as required by the Public Authorities Act of 2005 as amended (the "PAAA"). Laura Jens-Smith and Catherine Kent were appointed to the Governance Committee. Laura Jens-Smith, Catherine Kent and William Rothaar, CFO were appointed to the Audit Committee. All other CDA policies and procedures required by the PAAA relating to investment, salary/compensation, whistleblowing, acquisition and disposition of real property and personal property, procurement, defense and indemnification for Directors, ethics, travel, were ratified and adopted by CDA Resolution # 1, adopted January 17, 2018.

BACKGROUND

The Town of Riverhead is a rural municipality with a population of approximately 34,000, located on the east end of Long Island in Suffolk County. Riverhead is within a commutable distance of all of Suffolk and Nassau counties. The total Town budget for FY 2018 was just above \$46,000,000.00. 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.

Urban Renewal Areas. The CDA has designated several Urban Renewal Areas for the purpose of encouraging neighborhood revitalization and economic development. *The designated Urban Renewal Areas include: 1) Calverton Enterprise Park (EPCAL), 2) Millbrook Gables residential community, 3) East Main Street Downtown Business District and 4) 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 were designated Empire Zones, a program that was sunsetted by New York State on June 30, 2010. 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 over \$600,000 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 Long Island (formerly Atlantis) Aquarium and Exhibition Center and three new mixed use housing/retail developments on Peconic Avenue, one that incorporated a deteriorated structure and the other that revitalized a vacant building located at the gateway to downtown that now is an active revitalized historic anchor building with retail, office and housing completed in 2010. In 2015, redevelopment of the formerly vacant Woolworth department store into a thriving mixed use building was completed and 19 workforce housing units were completed with 24,000 square feet of commercial on the first floor. In 2016 permits were issued for another 48 mixed unit workforce housing project and three blighted, deteriorated and vacant buildings along Main Street were demolished by the private owner. The CDA often works with federal, state and county incentive programs to encourage private investment into the Urban Renewal Areas.

CDA MISSION STATEMENT

The CDA's mission is to foster economic revitalization in the Town of Riverhead Urban Renewal Areas to implement projects that improve the environment, economy and quality of life of the Riverhead Town residents, businesses and visitors through creation of jobs, development of infrastructure, generation of additional tax revenue, and leveraging investment of capital in the Town of Riverhead.

Measurements by which the CDA and the achievement of its goals may be evaluated by the following:

- Investment dollars and leveraging (public and private funding);
- Renovation of blighted and vacant areas, buildings and infrastructure;
- Infrastructure development;
- Tax base expansion;
- Jobs created; and
- Quality of life enhancements (preservation and open space, recreation, enhancement of environment, transportation and housing choices)

Below is a list of projects that have advanced these goals during 2018.

DOWNTOWN ACTIVITY IN 2018

The Community Development Agency actively pursues grant funding to incentivize private developments in Downtown Riverhead. In the past 10 years the CDA through the Town has secured tens of millions dollars in funding towards private and public projects. Downtown Riverhead has an active BID Association that provides extensive programming to attract visitors <http://riverheadbid.com/>. In 2016 the Riverhead BID Management Association established a free music festival on 4 summer evenings in July and August called *Alive on 25* that attracted thousands of visitors to the East Main Street Urban Renewal Area and its businesses. That event has since been running for three summers in a row with a fourth series already planned for 2019.

In 2018, the Town of Riverhead in conjunction with the BIDMA received a grant which enable the BIDMA to launch a new downtown festival in historic Grangebel Park called *Art in the Park – Reflections*. That event is based in a temporary reflective public art installation within the park that may be enjoyed by visitors during the warmer months and then, during 5 evenings in the late summer and fall, those reflective sculpture are lit with various forms of light including fire, LED, Neon, day glow and black light for a completely different downtown experience. This event drew thousands of visitors to the downtown during 2018 and allowed the public to enjoy free public art in an underutilized public park at no cost.

Additionally the Downtown area has a shared municipal parking district to provide parking, an historic district triggering historic rehabilitation tax credits¹, and an urban renewal area triggering New Market Tax Credit availability for projects over \$5 million. In 2016 the entire East Main Street Urban Renewal Area was designated in the overlaying Brownfield Opportunity Area under New York State Department of State. See <http://www.townofriverheadny.gov/pView.aspx?id=38896&catid=118> Extensive information regarding the downtown infrastructure and special districts is available online in the East Main Street Urban Renewal Area Plan and accompanying GEIS located at <http://www.townofriverheadny.gov/pView.aspx?id=35106&catid=118>. The CDA East Main Street Urban Renewal Plan (<http://riverhead.municipalcms.com/docview.aspx?docid=27952>), final Generic Environmental Impact Statement (located at <http://riverhead.municipalcms.com/docview.aspx?docid=27953>), and Findings Statement for the GEIS (located at <http://riverhead.municipalcms.com/docview.aspx?docid=27954>) issued and adopted in October 2008.

¹ In March 2012, a section of downtown Riverhead was approved for New York State's Register of Historic Places. The same area was approved for inclusion on the National Register of Historic Places on August on Aug. 14, 2012, opening the door for huge tax benefits for those looking to renovate and improve old buildings. The boundaries of the district run along Main Street, from Griffing Avenue in the west to Maple Avenue in the east, and include parts of Peconic, Roanoke, East and Maple avenues in between. Currently, the Town of Riverhead has submitted an application to expand the Downtown Riverhead Historic District using funds from the NYS DOS BOA grant.

In 2018, multiple significant private investment initiatives were initiated in the East Main Street Urban Renewal Area and immediately adjacent areas of Downtown Riverhead's vibrant walkable Main Street. The redevelopment will create active space along the Peconic River allowing waterfront views and active outdoor space for tourists, visitors, residents and businesses to enjoy. These downtown redevelopment initiative will invest collectively over \$60 million to create attractive vibrant spaces that will support the growing number of businesses and mixed use housing developments along Downtown Riverhead's Main Street and accentuate the Peconic River Walk.

- Private developer Georgica Green will demolish several blighted, deteriorating vacant structures to create a mixed use, mixed income workforce housing development that will include 117 housing units and over 15,000 square feet of retail space. Construction commenced in early 2018.
- Downtown Riverhead real estate investment group North to South Development will renovate a 10,000 square foot vacant and deteriorating structure into the Riverhead Food Hall and Market – a regional food based tourist attraction that will provide small retail spaces and shared commercial facilities for agritourism related businesses.
- Restoration of the former dilapidated and vacant historic Preston House to accommodate a new restaurant and 20 additional hotel units to be operated by Atlantis Holdings, LLC. The Hotel Restaurant was opened in early 2018.
- Atlantis Holdings, LLC also undertook the renovation of the historic Howell House, located directly adjacent to the Preston House. This restoration received the approval of the Town's Landmarks Committee and a grant for National Grid's Cinderella program.
- Sale of the formerly town owned/vacant historic "Eastlawn Building" to a private developer for renovation and use as office space for the Town Historian, the Long Island Wine Council, and the Riverhead BID. Private owners demolished 2 blighted vacant buildings to prepare the site for a private developer to construct 130 unit mixed use workforce housing initiative with parking and retail space. The project was completed and occupied in early 2018.
- Completion of the NYS Department of State Brownfield Opportunity Area designation with the assistance of a \$567,000 grant contract awarded to Nelson, Pope, Voorhis, LLC for revitalization plan for NYS Route 25/Peconic River corridor from Tanger Outlets to Riverhead Town Hall.
- Work on the Peconic Crossing workforce housing project of 48 residential units and associated parking was completed on location of the former Long Island Science Center. The project was completed and occupied in early 2018 after over 900 applicants entered the lottery for one of project's the 45 available apartments.

Additionally Downtown Riverhead benefitted from prior year's investments:

- Woolworth Revitalization, LLC, (130 East Main Street), a multimillion dollar mixed use residential redevelopment of 36,000 square feet of formerly vacant and blighted space supported in part with \$75,000 in NYS DHCR Main Street funds and a \$250,000 infrastructure development subsidy approved by the Suffolk County Legislature, funded through the county's affordable housing opportunities. The 19 second floor apartments, built in 15,000 square feet on the second floor, meet the county's affordable housing requirements for tenant income and rent subsidies. The units will be marketed by the

L.I. Housing Partnership, which screens and qualifies tenants for the site. The project received a special permit after a Town Board public hearings to allow a new gym use as part of the redevelopment. Additionally, commercial tenants include Robert James Salon, Riverhead Flower Shop and Goldberg's Bagels.

- Continued redevelopment of the "Second Street Firehouse" a formerly municipally owned and deteriorating vacant building that was sold to a private developer and converted to two local craft brewery locations as well as second floor office space.
- Continued operation of the Riverhead Winter Farmer's market in a formerly vacant storefront on Main Street.
- Suffolk Theatre Revitalization (former CDA property transferred to private developer to be renovated from vacant building to active theater through private funding and New York State Department of Housing and Community Renewal Main Street grant funds).
- Infrastructure improvements including NYS DOT design for \$1.2 million rehabilitation of the Main Street sidewalks from Ostrander to Tanger Outlet Mall.
- Renovation and leasing of 30 West Main Street www.thirtywestmain.com (commercial office in formerly vacant building).
- Renovation of 20 West Main Street (commercial building with 2 formerly vacant floors).
- Various other façade and building improvements in the downtown area funded by New York State Department of Housing and Community Renewal Main Street grant funds.
- Approximately 770 municipally owned parking spaces walkable to downtown.
- Coordination of Taste North Fork with East End Tourism Alliance.

Qualified Opportunity Zone

The Town's Downtown and EPCAL census tracts received designation as Federal Opportunity Zones which is hoped will further catalyze development in these areas by bringing needed private investment to them.

CALVERTON ENTERPRISE PARK (EPCAL) ACTIVITY IN 2018

EPCAL. New York State (NYS) has identified EPCAL, the largest commercial industrial subdivision in the northeast, as a uniquely important development priority by adopting Special Act S3643A/A4678A for organized and expeditious redevelopment of this urban renewal area. EPCAL provides a shovel ready site with 90 day permit approval pursuant to special NYS legislation that incentivizes private investment into an Urban Renewal Area by streamlining the approval process and in turn, lowering the cost of doing business. Given the large size of undeveloped acreage and the existing infrastructure, the EPCAL site is well suited to attract "game changer" industries for an enhanced development rather than just a conventional industrial park.

The current goal for redevelopment of EPCAL at the federal, state, county and local level is to create higher paying manufacturing and construction industries jobs. EPCAL provides proximity to a highly skilled and technically trained workforce, educational and training system, and supply chain partners. Long Island has played a prominent role in engineering, aerospace, energy and other scientific research. Brookhaven Department of Energy research is located 10 miles from

the EPCAL site <http://www.bnl.gov>. Stony Brook University operates the Calverton Business Incubator on 50 acres of the EPCAL site along NYS Route 25. <http://www.stonybrook.edu/calverton/>

The Reuse & Revitalization of EPCAL is one of the largest economic development projects in the Northeast. The goals and objectives of the EPCAL Reuse & Revitalization Plan are consistent with the local and regional goals and promise to promote and encourage uses that promote environmental quality and reduce reliance on imported fuels, i.e. solar; high-tech energy and/or green technology businesses; compliment and support the local agricultural economy, i.e. food processing; food distribution; appropriate industrial and commercial development to accommodate regional growth influences; use of the rail spur to support investment and development and reduce and/or mitigate traffic; and strengthen relations and coordinate with Stony Brook University (SBU), which operates the Calverton Business Incubator on 50 acres of the EPCAL site along NYS Route 25, and the Brookhaven National Laboratory for creation of and promotion of the site i.e., high-tech business/research park.

EPCAL History. The Enterprise Park at Calverton (EPCAL) located in the Town of Riverhead is a planned redevelopment of a 2,900-acre property formerly owned by the federal government and leased to the Grumman Corporation for final assembly and flight-testing of military aircraft. In 1996, defense downsizing resulted in closure of the Grumman facility and the U.S. Government transferred the site to the Town of Riverhead Community Development Agency (CDA) in September 1998 for economic development with the goals to: 1) attract private investment; 2) increase the tax base; 3) maximize job creation; and 4) enhance the regional quality of life. A 1998 comprehensive reuse planning study of the EPCAL site identified a mix of industrial and regional recreational uses as the best means to achieve these goals.

The Town of Riverhead sold the industrial core at EPCAL in 2001 to M-GBC, LLC, which subdivided the parcel into approximately 40 lots and sold to industrial users – with many interested in additional expansion at EPCAL. Approximately 36 businesses with 600 employees exist in the industrial core.

Luminati Aerospace LLC <http://www.luminati.aero/> is an aerospace technology company focusing on research, development, testing, and manufacturing of next generation solar-electric unmanned aerial vehicles, or UAVs, at its facility located at the historic Calverton Enterprise Park in Riverhead, New York. Luminati Aerospace LLC has assembled a "dream team" of engineers and university professors to work on its initial project and after the initial project is concluded, Luminati Aerospace LLC plans to establish itself as a major force in the global aerospace industry, focusing on cutting-edge, high-technology aerospace manufacturing.

In 2015, Luminati Aerospace LLC purchased property in the industrial core to house a new aerospace technology company focused on research, development, testing and manufacturing of next generation unmanned aerial vehicles or UAVs. Luminati Aerospace was initially drawn to Calverton because of its runway facilities as well as the historic role of Calverton and Long Island in the history of aviation. To further this rollout of a completely new manufacturing industry, Luminati Aerospace entered into a runway use and management agreement for the

Easterly Runway at Calverton Enterprise Park for testing of the UAVs and accommodation of supporting aircraft.

In 2016 Luminati Aerospace leased another 53,000 square feet of industrial space at Calverton Enterprise Park to support the scale up for manufacturing. In 2016 New York State has awarded Luminati Aerospace \$2,000,000 in cash grants and over \$5,000,000 in tax incentives toward Luminati Aerospace's planned expansion at Calverton to create 210 direct jobs and 128 construction jobs with a total project cost of \$80,000,000.

Luminati Aerospace has expressed an intent to acquire the remaining developable property owned by the Town of Riverhead. Additionally in 2016, the Town received another multi-million dollar offer to purchase the remaining developable property as well as a backup offer to purchase the property from another investor. Ultimately Luminati Aerospace executed a letter of intent with the Town of Riverhead for the purchase of approximately 1600 acres at the site for the purpose of creating an aerospace/technology industrial park with approximately 1,000,000 sf of new industrial space.

In late 2017 Luminati Aerospace partnered with 555 to form CAT, LLC (Calverton Aviation and Technology) to develop the EPCAL site. In early 2018 CAT, LLC submitted the necessary documentation and presented testimony at several public hearings after which the CDA Board declared it Qualified and Eligible Sponsor for a Urban Renewal project. Upon receiving this designation and pursuant to the letter of intent originally executed by Luminati Aerospace, LLC, CAT, LLC executed a contract of sale for the purchase of the property. CAT, LLC is currently performing its due diligence investigation of the property. A closing is anticipated later in 2019 or early 2020.

EPCAL Subdivision Progression. In 2011, the CDA executed an agreement with VHB Engineering, Surveying and Landscape Architecture, P.C. (VHB) to update the Comprehensive Reuse Plan for the 2,900 acre Calverton site formerly known as the Naval Weapons Industrial Reserve Plant at Calverton including but not limited to development of a revised land use plan and associated zoning, updated market assessment, preparation of subdivision plan, and assistance in the administration of the SEQRA process.

In 2013, the CDA adopted a development plan for EPCAL including proposed subdivision map, full environmental assessment form, draft scope of issues for the anticipated supplemental generic environmental impact statement, as well as authorized commencement and preparation of the supplemental generic impact statement for purposes of study of potential environmental impacts. The CDA accepted and adopted findings and recommendations of a market study prepared by RKG Associates and authorize VHB to proceed with environmental review of Development Plan "A" and alternate development plan as presented on December 8, 2011. The RKG market study and absorption analysis for EPCAL to support the VHB plan projections indicate total non-residential square footage build out at EPCAL to be approximately 2 million square feet on 150 acres by 2025 based on a rate of absorption of 132,000 square feet on ten acres per year.

By Town of Riverhead CDA Resolution #10 dated June 18, 2013, the Town of Riverhead Board, upon completion of coordinated review pursuant to 6 NYCRR Sect. 617.6 declared itself Lead Agency; classified the proposed action as a Type I action pursuant to 6 NYCRR Sect. 617.4; adopted a Positive Declaration requiring a Draft Supplemental Generic Environmental Impact Statement be prepared and conducted a formal public scoping.

By Town of Riverhead CDA Resolution #14 dated October 1, 2013, the Town of Riverhead Board, upon review of all comments made at the public scoping hearing adopted a Final Scope for the Draft Supplemental Generic Environmental Impact Statement (“DSGEIS”) supporting the subdivision available for public review online and in hard copy at the Office of the Town Clerk.

Town of Riverhead CDA Resolution #11 dated August 7, 2014, authorized acceptance, filing and publishing notice of completion of the Draft Supplemental Generic Environmental Impact Statement (“DSGEIS”) for a comprehensive development plan for EPCAL (EPCAL Reuse & Revitalization Plan), Amendment to the Town of Riverhead Comprehensive Master Plan, Amendment to the Zoning Code and Map to rezone the property to the PD Zoning District, and Subdivision of the EPCAL property. Town of Riverhead CDA Resolution #12 authorized the publish and post of notice of the Public Hearing on the DSGEIS; Amendments to the Town of Riverhead Comprehensive Master Plan, Zoning Code and Map; and the Subdivision that was held September 3, 2014. VHB prepared a Final Supplemental Generic Environmental Impact Statement (FSGEIS) in accordance with Section 617.10 of 6 NYCRR (SEQR) that provided responses to substantive comments in response to the public hearing and review. The Town Board via Town of Riverhead Resolution #190 dated March 15, 2016 accepted and filed notice of completion of the FSGEIS.

Town of Riverhead CDA Resolution #13 dated August 7, 2014, authorized submission of the EPCAL Reuse & Revitalization Plan (an updated and amended Urban Renewal Plan for the redevelopment of a portion of property identified and designated as an Urban Renewal Area under the Original Urban Renewal Plan “Calverton Enterprise Park Urban Renewal Plan”) to the Riverhead Planning Board and CDA Resolution #16 dated August 19, 2014 authorized the Supervisor to execute the application for the Subdivision and referred the application for the Subdivision to the Planning Board for the Town of Riverhead. Town of Riverhead CDA Resolution #14 dated August 7, 2014, authorized the publish and post of notice of the Public Hearing on the EPCAL Reuse & Revitalization Plan that was held September 3, 2014.

The CDA Board via CDA Resolution #11 dated July 19, 2016 adopted the findings statement in connection with the FSGEIS. The CDA Board via CDA Resolution #12 dated August 2, 2016 approved the Reuse & Revitalization Plan for EPCAL (Phase II) as an updated and amended urban renewal plan for a portion of the property identified in the original Calverton Enterprise Park Urban Renewal Plan adopted in 1998.

These documents are available at <http://www.townofriverheadny.gov/pview.aspx?id=32339>.

The Calverton Rail Spur continues to operate freight rail access to the industrial park. 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., 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 \$75,000 NYSERDA grant funded design portion of the project and in December 2009, the CDA board authorized HDR, Inc. to continue planning for the project with \$650,000 New York State Empire State Development grant funding secured in October 2009. 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. In April 2010, the project received a Gold GREENLites Transportation Sustainability Award from New York State Department of Transportation. The project broke ground in May 2010 and made significant progress toward completion by the time weather shut down construction in December 2010. Construction was completed and the rail ready for operation by close of 2012.

The Town of Riverhead Calverton Sewer District is finalizing plans for a \$7.5 million upgrade to the Calverton Sewage Treatment Plant (STP) from secondary to tertiary treatment that will also relocate the outflow pipe from McKay Lake, that is hydrologically connected to the Peconic Estuary to north of the groundwater divide. Senator LaValle successfully included a \$5 million dollar grant towards the upgrade in the 2014 NYS budget. Also in 2014, New York State Long Island Economic Development Regional Council awarded a grant of \$1.34 million towards the upgrade, the NYS DEC awarded a \$476,000 towards the upgrade through the Water Quality Improvement Program. Suffolk County awarded \$125,000 under the 1/4% Clean Water grant program in 2015.

RAILROAD AVENUE CORRIDOR ACTIVITY IN 2018

On behalf of New York State Courts, Suffolk County is charged with providing adequate facilities for court functions in Suffolk County. Suffolk County over a 15 year period has renovated and expanded existing buildings located adjacent to the Railroad Avenue Corridor to introduce 8 new courtrooms for a total of 18 courtrooms and larger jury space. In late 2013 Suffolk County completed construction on 5 additional vacated courtrooms thus bringing the facility to full occupancy. This expansion has generated significant activity in the Railroad Avenue Corridor and the Town anticipates renewed interest in private investment for redevelopment of the area. To encourage investment in the Railroad Avenue Corridor the CDA and Town have made affirmative efforts to remove blighted, vacant and dilapidated buildings. In 2015, The Town of Riverhead initiated legal action to compel demolition of a dilapidated building known as the former Courthouse Restaurant, 307 Griffing Avenue, Riverhead. The demolition of the building was completed in 2016. The property was demolished and the lot remains vacant. In 2018, the Town of Riverhead applied for a grant from Empire State Development for the purpose of creating a strategic plan for a transit oriented development at the Town's Court Street parking lot (which is adjacent to the Railroad Station). The \$25,000 grant was awarded in late 2018.

ADDITIONAL CDA ACTIVITIES

The CDA submitted funding applications to the New York State Long Island Economic Development Regional Council to support development of the Vietnam Veterans Memorial Trail at Calverton Enterprise Park and was awarded \$500,000. Additional grants to support the Trail

development were secured by New York State Senator LaValle (\$150,000) and Suffolk County Legislator Al Krupski (\$200,000). A grant application to New York State under the RESTORE NY program was submitted on behalf of private developers for downtown revitalization projects that was subsequently awarded a grant of \$500,000 in 2018. In 2015 the CDA received funding to enhance water infrastructure to support expansion of the subdivision at Calverton Enterprise Park and was awarded \$125,000 towards the \$625,000.

The Main Street grant awarded in 2012 by NYS DHCR to support commercial and residential development in the East Main Street Urban Renewal Area continued to move forward with renovation of 15 buildings. The Town maintained and completed a contract with Nelson Pope Voorhis awarded in 2012 through NYS DOS BOA grant to redevelop the Main Street corridor from the back entrance of Tanger Outlets through Hubbard Avenue in Downtown Riverhead that includes the East Main Street Urban Renewal Area. Under the contract the existing Historic District will be expanded.

AGREEMENTS ENTERED INTO BY THE CDA IN 2018

Agreements entered into by the CDA in 2018 include:

- 1) Contract of Sale for 1600 acres +/- of real property locate at the EPCAL site.
- 2) Transfer of title for the Vietnam Veterans Memorial Trail at EPCAL from the CDA to the Town of Riverhead.
- 3) Board authorization to lease the building known as the “Henry Pfeifer Community Center” and the existing improvements adjacent to and related to use of the building to East End Disabilities Associates, Inc. for the purpose of a day center for disabled individuals.

Existing agreements the CDA continued during 2018 entered into in previous years:

- 1) Retainer agreement with the law firm Smith, Finkelstein, Lundberg, Isler and Yakaboski as Special Counsel in Connection with the Redevelopment of EPCAL;
- 2) Agreement with New York & Atlantic Railway Company to use railroad track and rail infrastructure at EPCAL to conduct freight rail operations;
- 3) Authorized Right of Entry on CDA premises and use of credits for freight rail track to CAPS Realty Holdings LLC and Eastern Wholesale Fence;
- 4) Agreement with VHB Engineering, Surveying and Landscape Architecture, P.C. (VHB) to update the Comprehensive Reuse Plan for the 2,900 acre Calverton site formerly known as the Naval Weapons Industrial Reserve Plant at Calverton, including but not limited to development of a revised land use plan and associated zoning, updated market assessment, preparation of subdivision plan, and assistance in the administration of the SEQRA process;
- 5) Retainer Agreement with Cushman & Wakefield of Long Island, Inc., for real estate brokerage services (marketing, sales and leasing) related to property owned by the CDA and to represent the CDA Board in negotiations with Designated Developers/Investors in reference to redevelopment at EPCAL;
- 6) Runway Use Agreement with Luminati Aerospace LLC and 400 David Court LLC (designated as a Qualified and Eligible Sponsor via a public hearing process and public hearing held on October 20, 2015) for use of portions of Calverton Enterprise Park at Calverton Easterly Runway/Taxiway and Tie-Down Area for a rental price of \$31,810 per

annum, subject to an annual cost of living increase, with an initial term of ten years beginning November 4, 2015 and an option to extend the agreement for up to two additional ten year terms. During the term of the Agreement, Luminati Aerospace shall be responsible for maintaining the runway, taxiway and tie-down areas.

DESCRIPTION OF MATERIAL PENDING LITIGATION

The Town of Riverhead Community Development is not a defendant in any pending lawsuits and as such, there is no pending litigation known that will have a material adverse effect on the financial condition of the Town.

GRANT FUNDING

Enhancement of EPCAL Sewer Infrastructure. Senator LaValle successfully included a \$5 million dollar grant towards the Calverton STP upgrade in the 2014 NYS budget. Also in 2014, New York State Long Island Economic Development Regional Council awarded a grant of \$1.34 million towards the upgrade, the NYS DEC awarded a \$476,000 towards the upgrade through the Water Quality Improvement Program. Suffolk County awarded \$125,000 under the 1/4% Clean Water grant program in 2015 towards the \$7.5 million upgrade from secondary to tertiary treatment that will also relocate the outflow pipe from McKay Lake, that is hydrologically connected to the Peconic Estuary to north of the groundwater divide.

Enhancement of EPCAL Water Infrastructure. In 2015 the CDA applied for and received a \$125,000 grant from NYS ESD towards construction of an interconnection between the Riverhead Water District and the Suffolk County Water Authority to develop water infrastructure at EPCAL to service businesses in the Town of Riverhead and Eastern Long Island.

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. The project was bid, awarded and substantially constructed in 2010 and a significant amount of the grant funds were received for reimbursement by year-end 2010. The project augments 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. Close out and final audit of the Phase I grant funds were completed in 2011. Additional work on Phase II of the ballfield development continued in 2011 with entrance improvements to the ballfields and was completed in 2014. In 2015, Suffolk County committed an additional \$200,000 to support completion of the Vietnam Veteran's Memorial Trail. In 2016 Senator LaValle secured an additional \$150,000 Dormitory Authority of the State of New York grant and New York State under the Office of Parks Recreation and Historic Preservation awarded another \$500,000 towards completion of the Vietnam Veteran's Memorial Trail. Work on this project was completed in late 2018.

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 2010 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. In April 2010 the project received a Gold GREENLites Sustainability Award from New York State Department of Transportation. The project broke ground in May 2010 and made significant progress toward completion by the time weather shut down construction in December 2010. Construction restarted in 2011 and was completed in 2013 with the rail ready for operation. In 2015 the CDA Board authorized drawdown of funds by Eastern Wholesale Fence and C.A.P.S Realty, in the sum not to exceed \$244,868.64 for construction of rail and sidings on the Eastern Wholesale Fence property.