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Minutes of a Town of Riverhead Board Meeting, held at the Riverhead Town Hall, 200 Howell Avenue, Riverhead, New York on Thursday, December 27, 2007 at 2:00 p.m.

PRESENT:

Philip Cardinale,	Supervisor
Barbara Blass,	Councilwoman
Edward Densieski,	Councilman
George Bartunek,	Councilman
John Dunleavy,	Councilman

ALSO PRESENT:

Barbara Grattan,	Town Clerk
Ann Marie Prudenti,	Deputy Town Attorney

Supervisor Cardinale called the meeting to order and the Pledge of Allegiance was recited, led by Mitch Friedman.

Supervisor Cardinale: "There's one bid of parting honor that I think Bernadette Vooras (phonetic) of the Anti-Litter Committee would like to have us join her in so if we could come down to the conference table. Bernadette, would you like to- "

Councilman Bartunek: "Because Ed said that (inaudible) his committee, he got a bottle of scotch."

Supervisor Cardinale: "Is it on? Yes. Here you go. You now have the floor."

Bernadette Vooras: "Oh, gee, I forgot the booze. I'm sorry. Well, there's always another day."

This is the last meeting that George will be at, the town meeting, and as the chairwoman of the Anti-Litter Committee, members of the Board, I would like to acknowledge the service of this gentleman, George Bartunek.

It says the town of Riverhead, a certificate of appreciate for Mr. George Bartunek. For leading this all volunteer anti-litter advisory committee, in reviewing- in renewing community pride and enhancing the quality of life in Riverhead town by promoting a litter free Riverhead.

The reason behind this, the reasoning behind this is that George is very devoted, not only as a retired Earth Science teacher,

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but he is very devoted to the earth and I have found that out, as I am too and many of us are.

It's very fortunate for us in the last eight years that besides Barbara who is very, very environmentally orientated, too, and I am sure other members of our board will be too as we win them into action.

George is really not leaving us, otherwise I would really not have such a smile on my face. He is going to become a volunteer on this committee.

But for his wonderful leadership, the many hours, I would call him on the phone and, of course, I make demands and he would carry them out and he would find out whether they were good or bad and whether they could work or not. And that's what I look for in a board member. A person who will consider what you are saying to them and find out will it work and then do something about it.

As you go around town, you will see the many signs that George is responsible for. The beautiful little blue signs. Hopefully if the board approves it soon, you will see our new program that will involved the business community and the civic associations which will be Adopt a Road program which we had at one time way back in the '80's but it was sort of discontinued.

So, George, I sincerely say this to you. On behalf of all of the people in this town, those who don't know you yet but they will come to know you even more even though you may not be sitting up there, all right. I know that you will be very active and you will help us.

I am deeply, deeply grateful for your inspiration as a person. Thank you very much. I appreciate-

Councilman Bartunek: "Thank you very much."

(Some inaudible comments)

Bernadette Vooras: "And that's from all of us."

Supervisor Cardinale: "Earlier this- George- I would like to acknowledge that this- George and Eddie is leaving the board.

They've heard so much of- this is a new one, that upon their passing, they will be honored. He's now committed to the earth in this most recent benediction. So George said earlier today at coffee we had that he was not dying, he's just retiring. So he'll

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be around and I'm sure Eddie will, too, and I hope that they'll participate in a lot of advisory committees and other committees because we could use their accumulated expertise."

George Bartunek: "Yes, we've all heard of the life hereafter- "

Supervisor Cardinale: "There is a life after this board. And I should also acknowledge the presence of the two new board members, Tim Buckley and Jim Wooten, who will be joining us at 2:15 on January 2nd and at the inauguration which this probably will be on before then, 2:00 p.m. on January 1st at the Pulaski Street auditorium."

Councilman Densieski: "Phil, where are they? There's a glare in the audience, I can't spot them."

Supervisor Cardinale: "Oh, mean. There is- it's in the center."

Councilman Densieski: "Oh, it's Sid, sorry."

Supervisor Cardinale: "All right, we've got an accumulation in the middle of the room. Yes."

We'd like to approve, Barbara, the minutes of the December 18th meeting. Would somebody offer them, please, and second?"

Barbara Grattan: "All right, who- John and George?"

Supervisor Cardinale: "There you go, John and George offer and second."

Councilman Bartunek: "Yes."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The minutes are approved."

Supervisor Cardinale: "Reports, please."

REPORTS:

Receiver of taxes
Total tax
collection to date
\$1,127,032.36

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Police Department
Monthly report for
November,
2007

Sewer Department
Discharge
monitoring report
for November, 2007

APPLICATIONS:

Special permit
G&Z Riverhead
Community LLC
450 Middle Road, Riverhead,
construction of 16
retirement condominium units

CORRESPONDENCE:

nothing

Supervisor Cardinale: "Great. We have three public hearings scheduled for 2:05, 2:10 and 2:15. It's 2:12, we can start the first scheduled for 2:05."

Public hearing opened: 2:12 p.m.

Supervisor Cardinale: "The consideration of a local law to amend Chapter 108 Article V Residence B-80 Article VA, whatever, Residence A-80 Article VI Agriculture Protection, Article XIX, Cluster Development.

Ann Marie Prudenti is our deputy town attorney and she's sitting in for Dawn Thomas who is off this week. You want to tell us what this is about, please?"

Ann Marie Prudenti: "Essentially this resolution provides the three zoning districts identified. Previously the way it was worded was when you clustered, you were not permitted to create a- use the open area for a golf course or outside recreation. This amendment to the zoning permits existing golf courses in those zoning districts to configure the golf course such that 66- a yield of 66% of the total yield will be allowed for residential development and that residential development will be restricted to a community of 55 and over."

Supervisor Cardinale: "Thank you. If anybody in the audience would like to comment, now is the time. We've discussed this at

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some length in the work sessions and otherwise, but there is a comment. Come on up, please."

Bill Talmage: "Bill Talmage, fifth generation resident of Baiting Hollow and I'm speaking on behalf of the Friar's Head Golf Club and I'd like to read this into the record, just kidding.

This is our EIS. We're very much against the proposed zone change in the R A-80 zone for a bunch of reasons.

Firstly, zone changes- the zone changes that are proposed reduce the yield but also allow only 55 and older development in every zone that could have a golf course in the town.

There are huge differences in the golf courses in Riverhead. Some are private, some are public, some are waterfront, some are not and there are also great differences in the customer base of these courses and the impact that these customer bases have on the town.

A one size fits all approach is an oversimplification and not in the best interests of the town.

At Friar's Head, the impact of 69 homes around the golf course was studied. Studies in greater detail than any environmental impact statement I've ever seen. This is it. This is one copy of it.

The town then approved unanimously a 110 page findings statement where they adopted this and reached findings that the residential golf alternative of Friar's Head was in the best interest of the town. Then they- we had to do a supplemental EIS where we actually identified the actual lot- 69 actual lots and the impact of those was studies and that was adopted in a second findings statement.

We then built- the golf course has been built, the clubhouse is just about finished, we've been steadily building ever since. We think to come back and change the zoning that we relied upon up to now is unfair and to not have a study of any kind that I know of to support an analysis of what that would do as compared to this- "

Supervisor Cardinale: "You obviously don't watch the work sessions. Rick, would you come up? I think we discussed this and two things are incorrect that you said, Bill, which will please you, it being Christmas.

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One, I don't think this affects Friar's Head, and, two, for the others it doesn't reduce, but it enhances the yield. Because we're talking about open space. We're talking about golf courses that have already been developed and we're talking about open space. Could you tell me— because I forgot in the work session why you believe that it does not affect this particular course."

Rick Hanley: I think we concluded that there were areas outside the actual golf course to support the residential development that is part of these findings."

Supervisor Cardinale: "That's correct."

Rick Hanley: "So— "

Supervisor Cardinale: "Now that I remember."

Rick Hanley: "-- with that said, it really would have no effect unless they submitted a different map to the planning board than was studied here. But, I don't know why it would make sense to apply the zoning in this particular case. There's only one golf course in this district and it's already had a study done. It's up to the board— "

Supervisor Cardinale: "We'll make sure that the language reflects the intention, which is I think what Mr. Talmage is saying. That is not apply to this. And I would point out to those that it would apply to, presently under the town board's understanding of the statute, they cannot develop anything— "

Rick Hanley: "That's correct."

Supervisor Cardinale: "-- and we're giving them some significant development potential which, of course, will be diminished in some respect possibly by the health department, as long as they build a certain type of housing."

Rick Hanley: "Right."

Supervisor Cardinale: "So with that said, we might be able to accommodate, you know, accommodate your concern."

Bill Talmage: "I appreciate the clarification and I will not read this into the record."

Supervisor Cardinale: "Thank you."

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Bill Talmage: "All right. Thank you."

Supervisor Cardinale: "We have any other comment here on this particular section of law? If we do not, oh, yes, we do. We have a comment by the town attorney."

Ann Marie Prudenti: "What I would recommend adding to the proposed local law is the word standard after- everywhere you see golf course to add standard to reflect that we're talking about a standard regulation 18 hole golf course."

Supervisor Cardinale: "Not an executive course. Okay. I have- does anyone else have any further comment on this particular hearing? If not, I will close the hearing and I will leave it open for a few days, say to- what's today, Wednesday. Well, let's say 'til Friday for comment. Yeah, this Friday. Just two days because we want to get into the new year with new things, for written that somebody forgot to say."

Public hearing closed: 2:20
Left open to December 29, 2007 for
written comment

Supervisor Cardinale: "Okay. I'm going to move to the second hearing which is a hearing scheduled for 2:10. It being 2:20, the first hearing is closed, the second opened."

Public hearing opened: 2:20 p.m.

Supervisor Cardinale: "Considering a local law amending Chapter 108 article XIII supplementary use regulations, Section 108 for prefabricated dwellings.

The- I know the purpose of this and so do you, Ann Marie. You want to state it?"

Ann Marie Prudenti: "Essentially the purpose of this amendment is to reflect the intention of the previous legislation was that this was to apply to modular or prefabricated dwellings and not apply to stick built.

The way the statute is currently worded prior to the amendment, it would include anyone's residence that they seek to move and relocate to a different area. So this is really just clarifying that it doesn't apply to stick homes.

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In the event that actually somebody had a stick built home and sought to relocate it to a site other than the site it was built upon, they would come in through Chapter 52 for a permit from the building inspector."

Supervisor Cardinale: "And not have to go through the variance procedure."

Ann Marie Prudenti: "Correct. And it's pretty clear from the public hearings held back on June 7th in 2005 and July 8th of 2005 that that was the intention in enacting this provision of the code."

Supervisor Cardinale: "Okay. So we're clarifying the intent. Does anyone have any comment on this?"

Councilman Dunleavy: "Can I just ask Ann Marie a question?"

Supervisor Cardinale: "Yes."

Councilman Dunleavy: "This is only for when you want to remove one from one place and place it on another place?"

Ann Marie Prudenti: "No. Essentially what this provision of the code deals with is prefabricated dwelling. Anything that is built not on site. In other words, it's not a stick built home. It's when you build— something is built in a factory and transported to a location. And this just clarifies that.

In other words, in the event somebody built a home and wanted to remove the home from that site, a stick built home, and relocate it to another parcel of property that they own, this provision would not apply. Instead they would apply under Chapter 52."

Councilman Dunleavy: "Okay. The only problem I have and I want to put this on record is that the modular homes that are built today are built stronger and they're state certified than stick built homes. So I don't understand why we're not including stick built homes when modular homes are built stronger than stick built homes."

Ann Marie Prudenti: "Those are the identical comments that were made at the June 7, 2005 hearing and the town board actually made inquiry of Leroy Barnes, our building inspector, and he recommended that the procedure that is currently in place requiring somebody to go through the ZBA remain."

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Supervisor Cardinale: "What was his reasoning? Did he have any?"

Ann Marie Prudenti: "Ah- "

Councilman Dunleavy: "I know what he gave his reason to me."

Ann Marie Prudenti: "Go ahead."

Councilman Dunleavy: "Was that if somebody wants to move an old home- "

Supervisor Cardinale: "Oh, yeah."

Councilman Dunleavy: "-- which they used to be called trailers, that those old homes should go through the ZBA before they're approved. Some can even be put on the roadway. So that was his course of action. But he didn't mention anything about the new ones."

Ann Marie Prudenti: "Well, during that town board hearing though it was specifically brought up that the modular homes that they're building even in 2005 don't even resemble what they were building back in the late '90's and early- "

Councilman Dunleavy: "Right, they don't even resemble them now. So I don't know- I think this has to be re-looked at."

Supervisor Cardinale: "Yeah, I think you're right. The language that we're considering today is a very minimal change. However, we may want to look at this again, and I think we talked about this in work session. We acknowledge it's legitimate his concern. Okay. But you don't need the language that you have here even as we are amending it to accomplish that.

So if we could draft a new section perhaps which would simply address that you need to go to the ZBA when you're trying to put a, you know, a described- a described prefabricated dwelling that is what he's talking about which is one that is not certified by HUD,

that is, you know, farm trailer. Then you've got to go to the ZBA because the first question they're going to ask you is, is it on a foundation and does it have HUD certification. Okay.

So maybe we can do it without the section or with a tapered down section.

Any other comment? Come on up."

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Unidentified speaker: "It has nothing to do with the issue. If the town attorney could move the microphone- "

Supervisor Cardinale: "Okay, she needs to hear you."

Ann Marie Prudenti: "Sorry."

Supervisor Cardinale: "Thank you. Anybody else have a comment on this hearing? If you do not have any further comment, we'll again close this hearing for verbal testimony, leave it open until Friday at 5:00 p.m. for any written- 4:30, that you'd like to submit and I would also like to call the third hearing."

Public hearing closed: 2:25 p.m.
Left open until December 29, 2007

for written comment

Public hearing opened: 2:25 p.m.

Supervisor Cardinale: "It being 2:25, it's the 2:15 hearing and that hearing is designed to discuss whether Riverhead Resorts LLC should be designated the qualified and eligible sponsor for its project proposed at the EPCAL site.

There is the- the applicant is here with various- the attorney for the town is here, finance administrator for the town, so why don't you start, Mitch, and we'll take public comment."

Mitch Palei: "Very good, thank you very much. My name is Mitch Palei from the Weber Law Group and it's an honor and a privilege for the Riverhead Resorts team to be here again today for the next phase of the development of a world class tourism destination resort in the town of Riverhead.

On a number of occasions as you are aware we have been before you to discuss our proposed project and the expertise of our team. All of the members of our team are here today to answer any question that any members of the board or anyone might have in that regard.

But this is the next step, the qualified and eligible hearing required under the General Municipal Law of the state of New York.

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In that regard, first, I would like to introduce the members of the Riverhead Resorts team and before we go further, first, Mr. John Niven (phonetic) the principal in Ball Dragon Homes (phonetic); Mr. Julius Schwartz, the executive vice president from the Bay Rock Group; Mr. Stan Tulstinov (phonetic), vice president of finance from the Bay Rock Group; Neil Pasmonick (phonetic), associate general counsel from the Bay Rock Group; Thor Diegelman (phonetic), principal Lido International; Chris Lall (phonetic), principal HOK Architecture; John Cammeron (phonetic); Janice Jugina (phonetic); and Allen King from Cammeron Engineering, the environmental engineering firm; Judy White from CJ2 Commuications; and Morty Weber and Don Secunda from the Weber Law Group joining me.

Riverhead Resorts is designed to be one of the foremost resort destination facilities in the world right here in the town of Riverhead. And that's why today's hearing is so important in that it will bring to the town of Riverhead something which is not seen anywhere— almost anywhere else in the United States at the moment. A world class multi-faceted tourism destination resort.

It's our intent today to go over the requirements of the qualified and eligible hearing and to answer any questions that you may have regarding any of the financial information that has already been provided to you.

And in that regard, to start that, I'd like to introduce Don Secunda of the Weber Law Group who will provide financial analysis for the project."

Don Secunda: "Good afternoon. To start with, I'd just like to give a little bit of an overview of the structure of Riverhead Resorts LLC so that you all understand the flow of responsibility for both financial and experience qualifications.

Riverhead Resorts LLC is owned by two entities, Bay Rock Riverhead LLC and Ball Dragon Riverhead LLC. Respectively Bay Rock

Riverhead LLC is owned by the Bay Rock Group, the principal company in which Julius Schwartz is the executive vice president. Ball Dragon Riverhead, in turn, is owned by Ball Dragon Homes Ltd., the parent company in which John Niven owns Ball Dragon Homes.

You've all gotten these financial statements. Just this morning, I received from Scotland, a letter from Royal Bank of Scotland which I would like to give you stating basically that they are in the process of setting up a facility on behalf of John Niven and Ball Dragon Homes, both for his projects in the United Kingdom and for Riverhead Resorts. This unfortunately was not available at

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the time I handed in the packet of information for the qualified and eligible sponsor hearing.

As far as the materials that you have, I believe they speak for themselves. You might have some questions. Mr. Niven, for instance, is currently involved in building a small village of more than 300 homes. That's his most recent project.

Bay Rock Group is involved several current projects, including a hotel condominium in New York, the Trump SoHo Hotel which is about a 450 million dollar project. In Fort Lauderdale, they're involved in two projects, one of which is a Trump International Hotel and Tower which is a 300 suite waterfront luxury condominium hotel.

They're involved in Phoenix, Arizona building a 600,000 square foot hotel on Camelback Road in Phoenix, right by the historic Biltmore Hotel there. That project is about 250 million dollars.

One of the larger projects in which they're involved is in Miami, Florida. It's called Midtown Miami. The development is approximately five million square feet of mixed use, meaning retail, residential and commercial space and believe it or not, it, too, has a project cost of approximately 1.5 billion dollars which is the estimate of what Riverhead Resorts will cost, land as well as construction costs when it is built fully out over a period of 10 years.

Without going any further into the specifics of that, I know that most of the board members and the public are interested in not just the project itself, but how does something of this size and nature get built in general and how do we anticipate being able to build this.

I don't know you, but I don't know anybody that has a billion five in cash sitting in the bank even if they're worth more than a billion five.

And in order to explain this and to give a little further background of how the project will be funded, I'd like to introduce at this time Julius Schwartz from the Bay Rock Group."

Julius Schwartz: "Thank you very much, Don. And thank you very much to all of you for allowing us to be here. We really do—we are very proud of the Riverhead Resorts project with Mr. Niven and Ball Dragon Homes. We think we've amassed a team second to none to combat this project. And I really do believe it's going to be

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one of the premier and most unique destination locations on the eastern seaboard.

As Don said, my name is Julius Schwartz. I'm executive vice president for Bay Rock Group. We do have a number of projects currently on the table. We are developers of luxury products throughout the world if you include our affiliate, (inaudible) Hotels, which is a chain of about 10 hotels, all inclusive five star hotels on the Mediterranean.

In addition, our current projects we're working on as Don said is Midtown Miami which is a five million square foot buildable 26 parcel acre in the center of Miami which is really a vitalization, it's not a revitalization, it's a vitalization of an area of Miami which has been subject to urban blight for many, many years. It has been converted into a live/work/play destination location which I think is going to be an enormous boom for the city, very much like this project which, again, I think is going to be a tremendous boom for the town of Riverhead and for the state of New York in general.

In addition to Midtown Miami, we're also the managing partners in Trump SoHo which is a 450 million dollar 46 story condo/hotel in SoHo with our partners, the Trump Organization and (inaudible) Organization.

We are also developing a hotel and residential condominium project of approximately 600,000 square feet in the City of Phoenix.

We are also building in the City of Queens, we're under rezoning and we are developing an approximately 150 unit community site there.

We have also have an extensive array of financial partners

which have added to our strength. Primary among those is our partner FL Group which is a multi billion dollar public institution pension fund which has a strategic alliance with us.

We also have financial partnerships with Apollo Real Estate Advisors; (inaudible) Credit Opportunity Fund; (inaudible) Bank; CatMark; HSBC; and (inaudible).

We are fully committed to utilize all of our resources for this project and, again, I think we have put the best team in place to move forward.

As to, you know, Don asked a question, how do you finance a project like this? Well, you know, first of all you- you know, we

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have a lot of financial support standing behind us, not only with our financial partners but especially with FL Group which owns such investments as a large stake in American Airlines; (inaudible); a huge array of assets. And, you know, they along with us are committed to using those assets for this project.

You, you know, as far as financing the project is concerned, I mean, there's— we've already spoken to a number of our banking institutions who remain ready to support us for this project. You know, everyone is very excited. We are very excited about the project. And that's about it.

I mean, that's what we're here for. That's what we're here to do. We are very committed to this project. We really appreciate the opportunity to be here and to show what we intend to do for this town and for the state."

Supervisor Cardinale: "Thank you. Mitch, you want to present your next— I'd like you to present whatever you'd like to present and then I'll take comment from the public."

Mitch Palei: "We believe with the information that we have already presented and the testimony of Mr. Schwartz and Mr. Secunda that we are ready to answer any questions that any member of the board or any member of the public may have about the project, about the financing for the project. We believe that the funding is available, both in the short term and the long term, and we remain committed to making sure that this project move forward under the contract that has been negotiated between our group and the town of Riverhead which we look forward to getting started as quickly as possible.

Our environmental consultants are ready, willing and able to start work at the site as soon as the contract is signed. So with that, you know, we are more than happy to answer any questions, even Mr. Schwartz and Mr. Secunda will be available to answer any financial questions that you may have."

Supervisor Cardinale: "Thank you. Stay here and don't go away because I'm sure there will be some. Mr. Niven I notice here who is one of the principals and I know you had to come off a cruise boat in the Caribbean to get here so I want to acknowledge him.

The finance director, Bill Rothaar, you want to come up/ If you want to take notes, you might be more comfortable where our attorney is.

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At the end of this process, what is in the file and what is stated on this record, will be evaluated by both our outside counsel which is Smith Finkelstein and our finance administrator, Bill Rothaar, to determine whether you meet the criteria of the qualified and eligible and I know that not everybody has seen the file but it is available.

The one thing that-- "

(Inaudible comment)

Supervisor Cardinale: "Would you, please, you can't be heard until you come up here. No, you can't be heard unless you're at-- you have to hold that until you come up because I can't put it on the record from out there, Ron. You may want to have Mr. Secunda reiterate within the contract that is filed with this, what payments are made to the town during what periods as you go on through the process of 23 months or I could have our counsel do so if you prefer."

Don Secunda: "No, I can go though it and, Phil, if I misstate something, please correct me. We've spent a long time negotiating this contract. A lot of the business points have been moving targets. They flip flop back and forth in and out and around, so as far as my recollection of the payments.

We start out with four and a half million dollars on the signing of the contract of which two and a half million dollars is deposit money. Two million dollars goes to the town as part of a three million dollar payment that my client will make for the town

to use for its benefit. It is not-- that three million dollar payment and the two million dollars that we're making is not part of the purchase price. We still owe 155 million dollars for the land.

My clients have wired money into my firm's account. We have the money for the down payment.

In six months, we have to determine after doing our environmental, engineering and other inspections, whether we think the project is viable going forward on this piece of property. If we find some problems, we have the right to terminate the contract but we don't get that two million dollar payment back.

If we decide to go forward, we make another two million dollar payment towards the deposit. At that point, we will have spent six and a half million dollars on the contract payments. Four and a half million dollars will continue to rest in the deposit account.

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The town will get interest from that which I believe is payable not less than quarterly.

The two million dollars, again, as I've said, stays with the town no matter what.

The next payment is in six months after the expiration of the six month due diligence period. At that point in time, we have to pay an additional one million dollars which, again, goes to the town and is not part of the deposit, not part of the purchase price. It is the last installment of the three million dollar payment that we have to make to the town.

We then have up to the end of the 23rd month from the date the contract is signed to get all our licenses, permits and close title to the property. If we do not at that time close title to the property, we can buy anywhere from one to five extensions of time. Each extension will cost \$1,937,500.00. Each of those payments goes to the town. If we default, the town keeps those payments whether it's one or five of them except we are entitled to one-half of those payments back in the event that title is not marketable.

Each of those payments though if we do close title, is credited towards the purchase price. At the time we make our decision to close title, whether at the end of 23 or up to 38 months, we then have to pay the balance of the 155 million dollars.

An additional payment will be made at that time in the sum of

five million dollars. That five million dollars is earmarked, I believe, for building a community facility, an animal shelter, and ball fields. We are giving the town at that point in time of the 755 acres, an additional 15 acres so that we end up with 740.

Those 15 acres that we have designated in the contract are contiguous to your town park which has ball fields on them. The intent is that it will be one contiguous parcel along with nearly 70 acres of parkland that you already have so that you can continue the same kind of parkland function with a community center, an animal shelter and additional ball fields to supplement the ones that you're already building.

I believe that's all. Phil, did I leave anything out?"

Supervisor Cardinale: "Yeah, well Mr. Siegal was waiting to hear about the 300- that you are paying all of our legal fees up to \$350,000."

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Don Secunda: "Oh, yes. That's correct. And since Mr. Siegal's firm only bills \$3.00 an hour, we should- "

Supervisor Cardinale: "We should be fine. Yeah."

Don Secunda: "Well, that's something else. This is just the payments. I'd also like to point out as Mitch just said to me, among the other things that are happening under the contract aside from the payments, every Riverhead resident will receive a discount on admission fees and parking. They also will be able to come into the 90 acre lake area which includes the Heritage Village free of charge.

Jobs will be given to Riverhead residents who are union members on a first come first serve basis. This will be a total union jobs and Riverhead residents will get first dibs on those jobs.

We also intend to have internship programs and these are contract provisions by the way that are binding on us. These are not mere puffs that I'm making; these are not just statements of good will and intent. We've made these statements before.

I don't think that I've every made a statement in front of this board that I would not put in writing and sign my name to. My clients are the same way. They represented this to the public and they're standing behind it. We've included these provisions in the

contract.

There's no question that the amount of cash necessary for the payments to get to closing are available as you see in the financial reports that at least 26 million dollars today are shown as committed to this project which doesn't include the four and a half million dollars that's necessary for the contract deposit, so that up to closing the total of let's say approximately 15 million to 16 million dollars is already accounted for.

The next phase is as Bill Schwartz said, once we have a contract, we then can present it to the lenders to whom we've gone; to the mezzanine lenders to whom we've gone and to other equity partners that we've used in the past on projects.

As you see from the letter from RBS World Bank of Scotland which is the third largest bank in the UK, I think behind Bank of England and Hong Kong and Shanghai HSBC. They're prepared to go forward, too, to the extent that any bank could issue a letter today about what's going to happen three and a half years from now.

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And I think that's just about as far as anybody could go."

Supervisor Cardinale: "I suggested that you outline the payments which would be forthcoming whether we closed or not to demonstrate commitment to the project. If we do close, I think it worth mentioning because many have not seen the contract, that in it you have agreed to a payment in lieu of taxes from the day of closing even though you won't be picked up in your tax year until sometime thereafter, that you have fore sworn all abatement of taxes so that you will be paying full taxes.

And the final thing is that you made it very clear that neither-- that this deal is not conditional upon receipt of a variance or zone change to accommodate the snow mountain proposal."

Don Secunda: "Not only is it not conditional upon it, but Thor (inaudible) and (inaudible) the principals of Lido International, have alternative plans which I'd rather not discuss at this point. But we asked them to do that a couple of months ago in anticipation that, you know, the zoning variance might not issue although if it does we're more than happy to go forward in that basis-- on that basis I should say.

But we can build, I believe, the zoning allows us to go up to

75 feet unless we build a stadium in which event we can go up to 120 feet if I'm not mistaken."

Supervisor Cardinale: "That's correct."

Don Secunda: "Rick could probably confirm that-- Rick Hanley. Yes. So, you know, again in advance of this we, of course, have had many discussion with the planning department in order to figure out what our alternatives could be should the mountain not be something that the town allows."

Supervisor Cardinale: "There's one other thing that I wanted to mention in regard to the closing. If you do not close and you pull out within six months, we could get two million; between six and 23, six million; and between 23 and 38 if you extend once eight million plus up to eight more million if you extend four other times to the 38th month."

Don Secunda: "Right. Yes."

Supervisor Cardinale: "But what you-- that would be what happens if you don't close. If you do close, in addition to the 155 and the eight you have described, you may want to describe what

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is the 3% of gross revenue that you are promising to the town of Riverhead."

Don Secunda: "Sure. Sure. The town has an option at the end of each year, actually, the first option begins before our— we call it the resort year, begins. Much like the shopping center, we're going to have a February 1 through January 31 fiscal year for the resort. Prior to February 1, I think it's by November 15th of each year, you will tell us which one of two revenue sharing options you would prefer. Will we give you 3% of our gross revenue at the end of the year or will we give you \$5.00 per hotel/timeshare stay per person.

So if we had a hotel room and three people stayed in that hotel room, we would have to give you \$15.00 per day that those people stayed overnight whether or not they used any of the facilities, whether or not they spent any money at the resort. Those numbers would come to you.

And at the end of the year we would do an accounting and whichever number was the larger number would be your option to go back and say, okay, the number for \$5.00 a head exceeded the 3% by

at least 5%, I think we left the 5% margin of error if I'm not mistaken, Mr. Supervisor. And at that point, I would pay you the difference starting from dollar one not starting at the 5% difference but going all the way back to dollar one and make up the total difference."

Supervisor Cardinale: "Right. It's 3% and I want to point out that that's in addition to full taxes, not in lieu of."

Don Secunda: "Yes. That is correct. The other thing I want to point out is that, you know, we don't plan on being here two years, you know. We know that Lido is going to manage this project for at least 50 years so \$5.00 a head in 50 years could be worth \$.50 or a nickel or a dime, so what is in that formula is that every year there would be a CPI increase in the \$5.00 so it keeps up with the inflation. That should in effect make it similar to the 3% because the 3% would be 3% of already inflated dollars.

So it wouldn't be as if, well obviously, 3% is going to be more than \$5.00 in 20 years from now. So they should run fairly parallel with each other."

Supervisor Cardinale: "Thank you. And the last thing I want to underline is this is gross revenue not gross profit."

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Don Secunda: "No, no, no. It's revenue."

Supervisor Cardinale: "It's revenue."

Don Secunda: "It's actual dollars we take in from the public. We never proposed gross profit."

Supervisor Cardinale: "I'm pleased to hear that, yes. It was very difficult to ascertain."

Don Secunda: "Because you know as well as I do or Bill Rothaar knows there's many ways to disguise profit, particularly paying our law firm fees that are \$5.00 an hour."

Supervisor Cardinale: "Right."

Don Secunda: "Compared to the \$3.00 an hour."

Supervisor Cardinale: "Right. Exactly. Okay. Is there anything else that you'd like to present at this time. Otherwise

I'd like to take comment from the public."

Don Secunda: "I don't think— I think we've basically given a good flavor of what the project is and what the financial aspects of it are."

Supervisor Cardinale: "Phil, as counsel, would you like to say anything to the town? Oh, yeah, Phil was mentioning that in addition to the benefits that you've mentioned, there are benefits to the sewer district which you would be required to build out, of course, for your own purposes, but also to build out for our park purposes a certain improvements. You might want to state that."

Don Secunda: "Sure. Of course, since there is a restrictive covenant on the property at EPCAL that everybody who builds on any of the EPCAL acreage must connect in with the sewer district, we intend on doing that.

However, our engineering firm, Cammeron, is planning to go as green as possible and seek lead certification for this project. Therefore, they're in the process of designing a private water and sewer system to treat all the water and sewage that comes out of a large project such as this.

What we've agreed to do is also treat the town sewage from that adjacent parkland, not just the 15 acres that we're giving, but the other 60 some odd acres as well. So there will, you know, be a

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commonality interest in getting this private system approved and designed.

In the alternative, we have the option of building a separate smaller system for you. But I think it's much less expensive and more efficient to incorporate your needs into ours and make our private system that minuscule amount larger that's necessary to also give you service. And that is at no cost or expense to the town."

Supervisor Cardinale: "Which I understand would be a cost of between a half million and a million dollars were we to build that station."

Don Secunda: "I believe that you are correct."

Supervisor Cardinale: "I want to take comment from the public as soon as you are done but if you are, I will call up- "

Don Secunda: "I am finished. Thank you."

Supervisor Cardinale: "Okay. Would you come up please, first comment. Sal, you want to talk?"

Sal Mastropolo: "Sal Mastropolo, Calverton."

Supervisor Cardinale: "Okay, before you do, John wanted to make- ask a question."

Councilman Dunleavy: "I wanted to ask the gentleman from Bay Rock. There's been a rumor going around about one gentleman that belongs to your organization, if you know who I'm talking about. Is he involved with this?"

Supervisor Cardinale: "We have a- so you know what- I'm going to ask that the clerk look at this anyway. On December 17th there was an article in the paper about a Mr. Sader (phonetic) who is described as an- who works without title, he has no title- untitled position at Bay Rock. So before we get into- you may want to comment- John is asking give that opportunity to you."

Julius Schwartz: "Sure. Yes. There was an article about an employee of the company. It was very unfortunate in my view. You know, this was a person that I've seen nothing but integrity from and business acumen. He is an employee of the company- he is an employee, I don't know if he will be in the future. That is to be worked out internally. He has nothing to do with this project. He

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has actually nothing to do with any of our projects. That wasn't his job."

Councilman Dunleavy: "Thank you very much."

Supervisor Cardinale: "Okay. I will take your comment."

Sal Mastropolo: "Sal Mastropolo, Calverton. Within the 740 acres, will all of the revenue that flows, flow through the books of the two companies signing the contract? Or is there a possibility that there would be contract vendors- "

Supervisor Cardinale: "There will be, Sal."

Sal Mastropolo: "-- whose revenue will not flow through their books."

Supervisor Cardinale: "There will be as you suggest. That's why we worked it out the way we did. Could you describe that?"

Don Secunda: "Sure. What we've agreed is that whether it's us, an affiliate, subsidiary of our company, Riverhead Resorts LLC, whether it is subtenants or ours, tenants of ours, vendors, concessionaires, licensees, all that revenue we will require them to submit statements to us and your percentages if you chose the 3% would come off the sales of everything there.

As I jokingly said, it doesn't have anything- you know, somebody comes on the premises and sells something unauthorized and we're not aware of it, obviously we can't keep track of it. But to those people with whom we have a business relationship, yes, every dime is counted that they report to us. Absolutely."

Supervisor Cardinale: "Thank you. Yes. Do you have a question? Yes, can we have any other comment. And would you state your name and address as you come up. Sal Mastropolo, Riverhead, I'll put on the record. And if you want to state your name and address and your comment, please."

Allan Estergomy: "Allan Estergomy, Ridge. Riverhead has been blessed having two distinguished environmentalists on the board. Mr. Bartunek, you have been a member of the Conservation Advisory Council for 17 years and a member of the Energy Advisory Council. In addition, you received a BA in Geology.

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Ms. Blass, you have notable distinctions as well. You have given your time as an environmental advocate and contributed to LIPA's green choice program.

The board is indeed fortunate to have two members that are so conscious of our precious natural resources. I, too, am an advocate for the environment and that is why I wanted to get some idea of the energy impact of the ski mountain.

Of course, being the concerned and experienced environmentalist that you are, you must have wanted to know the same thing. After all, the ski mountain is an enormous structure and I'm sure you couldn't wait to get a handle on its carbon footprint.

As a starting point, I consulted with several LIPA employees as I'm sure both of you did also. They gave me a variety of data and conversion equivalents. By using basic arithmetic and trigonometry,

I was able to compute an estimate of the interior volume of the ski mountain.

It turns out, it's approximately 30 million cubic feet. LIPA also supplied me with some data of an 18 cubic foot refrigerator, the newest most efficient refrigerator that money can buy. How many refrigerators can you fit inside a 30 million cubic foot ski mountain? It turns out that you can fit 1,670,000 18 foot cubic refrigerators in that volume.

LIPA also supplied me with some energy data. Each refrigerator of these efficient types would use 43 kilowatts per month. Multiply that out, and you get 72 million kilowatts for a month.

Take a major professional Daytona 500 race, a dirty thing in most people's minds. Forty-five cars on the starting grid, each car using 55 gallons of gas for a total of 2,500 gallons of fuel. Again, according to LIPA with their help, I was able to convert that into kilowatts. One Daytona 500 style race would use about 100,000 kilowatts for the entire race. So what do we have? Seventy million kilowatts compared to 100,000 kilowatts.

Supposing my data is off and I am very, very high, grossly inaccurate maybe by twice as much, three times, maybe four times higher than it should be. Let's go all the way to 10 times higher than it actually is going to be in reality. That would put the mountain at 7 million kilowatts per month compared to 100,000 kilowatts for a Daytona 500 race.

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The Daytona 500 stock car race uses less than 1.5% of the energy than the mountain would use. At that rate of power consumption, Nascar could hold a Daytona 500 race every month of the year including winters and not catch up to the ski mountain for 70 months. That's almost six years.

Illustrate it a different way, the Daytona 500 race would require only one-fourth of one single gasoline truck while the ski mountain would need to be fed by 17 gasoline trucks each month. When Nascar inevitably goes to green fuel, fuels that are made entirely from renewable corn grown right here in the USA, the gap will be even more dramatic.

Other racing circuits have already gone to green fuel. Not only do these fuels eliminate importing oil, but they burn much cleaner than coal and a major 500 mile race would leave virtually no

carbon footprint on Mother earth.

If my ski mountain estimates are anywhere near accurate, that would cause me great concern.

As a board member investigating a very important project for Riverhead's future, I'm sure that your compassion for Mother earth must have led you to investigate the environmental impact of such a monstrous building.

Were either of you concerned of the potential for this kind of power consumption? Frankly, I don't think it would be at all possible for one building to be more glutinous and abusive of earth's natural resources than the one you chose. This project should have been dropped from consideration for that reason alone yet two energy conservation board members vote for the most energy guzzling project. Can you see the contradiction here? I can.

Also, let's be perfectly clear about one thing. The mountain was your first choice and if the zoning board were to okay it, you would have been delighted. As the environmentally sensitive persons that you are, I can't imagine how you can be at peace with that.

I guess it wouldn't have bothered you to hear the giant sucking sound of 17 and a half fully loaded gasoline trucks emptying their product here every month. Are you really friends of the earth?

If Mother Nature could talk might she say to both of you, with friends like you, who needs enemies? The day the board chose the mountain, I thought this is a sign of an unreasonable devotion to an opinion.

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I was a guest at a News 12 show with Lee Tyrell some months ago. It was on that show that you, Mr. Cardinale, had your phone patched into the studio so that your comments could be part of the discussion. On the phone you said we have to be sensitive to the land. Are you, Mr. Cardinale, sensitive to the land? Indeed.

Clearly the board gave absolutely no weight to global warming or the damage to the environment. The ski mountain and your decision to adopt it is grossly insensitive to the land.

Was any attempt made to find out the projected power consumption of the mountain? Did anyone investigate what quantity of electrical power the smaller 270 foot high (inaudible) ski

mountain requires?

When I related these concerns to you, Ms. Blass, all you told me was that Riverhead Resorts was green certified but you did not answer my question."

Councilman Dunleavy: "You've been over five minutes."

Supervisor Cardinale: "Yeah."

Councilman Densieski: "It's a public hearing."

Allan Estergomy: "Perhaps the lack of an answer is a sign of an unreasonable devotion to an opinion."

As this process moves forward, I hope the zoning board maintains their collective sanity and does not issue a permit to construct a 350 foot tall by 1,700 foot long refrigerator, a structure that would undoubtedly be the single largest energy consuming building on Long Island and perhaps the single largest energy consuming recreational building in the world. That would not be a distinction that Riverhead should have during these global warming times.

According to an energy website, the average American consumes the electrical equivalent of 20 pounds of coal a day. So to the both of you, I ask. How many pounds of coal have to be burned each day for a person to engage in the frivolous pursuit of sliding down a man made snow covered hill in the summer?

Mr. Bartunek, in the recent past, you made a statement while in front of a packed standing room only crowd. You said I received zero phone calls for a race track. What I heard was passive use of

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the land. Your statement really bothered me because I knew it was dishonest."

Councilman Dunleavy: "Excuse me. Can we limit it to five minutes? We want to hear everybody in the room."

Councilman Densieski: "It's a public hearing. There's no limit on time."

Supervisor Cardinale: "Let me say something here, Allan. One, we- I appreciate it since there are many that wish to speak that you conclude your comments promptly."

Secondly, the purpose of this hearing is, and we've had many, many times when you've been before us and others, expressing your preference for the other proposed deal.

That is not the purpose of this hearing. The purpose of this hearing is to determine whether the applicant for the Riverhead Resorts deal is qualified by capital and experience to be selected as a qualified and eligible sponsor. That's where we have to focus. So could you conclude as quickly as you can, please."

Allan Estergomy: "Then I have nothing more to say except that this board did not consider the earth and environmental impact in any way, shape or form. If Rexcorp had an issue with energy, it would have been the first thing eliminated from your agenda."

And by the way, last statement, an unreasonable devotion to an opinion, when that is present, honesty becomes a casualty. And if you look in the dictionary under unreasonable devotion to an opinion, there is a word that describes that. It's called bigot.

And bigotry is now setting sail on another journey of an unknown destination, doesn't know what's going to be built or how long it's going to happen or what's going to- and after two or three years, this ship could come back to port accomplishing nothing for the citizens of this town. Thank you for your time."

Supervisor Cardinale: "Thank you, Allan. I think one thing- I don't necessarily- I want to let others speak so I won't ask you to respond to each one, Don, but one thing that isn't accurate is your last statement. If this ship returns to port as we've indicated earlier in the first six months, in the first 23 months or in the first 38 months, the town of Riverhead will, in fact, have received something. Somewhere between two and 16 million dollars. So that is what is attractive I think to the public about this transaction."

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Would you— Ron, I know you want to address the issue of qualified and eligible. Please come up.”

Ron Hairi: “With all due respect, this is a transaction that may very well be the largest in the history of Long Island, certainly the largest in the history of our town. And unfortunately I would submit that this board has run roughshod over proper procedure.

With all due respect, Mr. Supervisor, the News Review previously referred to you as a master manipulator in foreclosing public comment in connection with the budget process.

I hope that you can take this hearing as an opportunity to learn from that mistake. I could tell you that it is my unequivocal opinion that there are procedural and technical defects in this court’s— in this forgive me, I’m a lawyer by trade, in this board’s determination to proceed with a hearing today as well as some major substantive problems that would likely result in a successful Article 78 proceeding challenging this board’s action as null and void, ultra vires, and without authority.

Among the procedural defects, the General Municipal Law requires the publication of the essential terms at least 10 days prior hearing. By Mr. Secunda’s own admission today, the terms have been a moving target that continue to change. Okay. The point is the essential terms have not been articulated and terms as vital as what commissions or ultimate benefits the town may receive upon the completion of the project, are still in the process of being negotiated.

I also want to thank you, Mr. Supervisor, because as you know, yesterday I attempted to come to the parks office to obtain the file because again the General Municipal Law specifically envisions a public hearing where the eligibility and qualifications of this applicant can be reviewed by the public.

Although I found a lot of lovely glossy letters, okay, and lovely pictures of what looked like a village somewhere in Scotland, the financials were maintained as confidential and not released to me. They continue to be maintained confidential.

I would submit that by not allowing the public to review and consider those financials, you are depriving us of our statutory right to appropriately comment.

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These gentlemen, these entities are a public applicant, the public has a right to review and comment on them.

At this time, I would submit that there is no evidence of these entities' ability to consummate a billion dollar transaction. Moreover, there remain additional problems. Your original RFP is defective. The fact is that even in your contract, there is no proper legal description of the land for sale. There's no survey.

Moreover, there is no precedent or authority that would have justified your sealed bid auction at the proceedings where you originally decided to go forward with Riverhead Resort.

Unfortunately this remains the situation where the board is making up the rules as you go along.

In terms of the substantive errors and at the very least I would respectfully request in terms of proper procedure, that those financials be provided, that they be publicly available and that the public has an opportunity to review them along with your counsel, along with Mr. Rothaar and the proceeding be adjourned in order to give us that opportunity.

If it's a good project, then it can stand on its own and I would invite the able counsel and investment bankers to join us sometime in January after we have had a chance to review it.

Let me address some of the substantive mistakes. You know, Scott Rexler was described in the New York Times as a developer's developer, sought out for his expertise. And he has particular expertise in the Long Island environment.

Instead of going with a developer with an established and proven track record, you selected a project originally brought to us by a bankrupt Scotsman pursued by the sheriff in Dundee for defrauding his creditors. Bell Dragon Homes has never built anything here and quite frankly the contract that you have presented is not worth the paper that it's written on.

Frankly, three dollars an hour may be too much to pay Smith Finkelstein if you're going to accept this contract. Okay. Essentially it allows this billion dollar project, okay, to be tied up for years and years with very limited benefits to the town.

This is not a lottery. This is the golden goose provided to the people of Riverhead by the federal government and your contract is patently inadequate.

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In closing, I would submit that it would be reckless, it would be irresponsible to proceed with a determination that this entity is eligible and qualified and you are clearly inviting further litigation by way of a successful Article 78 to this transaction.

I would simply say in addition that there is no reason why at the very least consistent with prior procedure adopted by you, Mr. Supervisor, that this proceeding be kept open pending further review and further public comment.

And, Mr. Dunleavy, with your experience in law enforcement as well as a member of a bank, I am kind of surprised about your reference to the rumor regarding Felix Sader (phonetic). Actually it's based upon the New York Times dated December 17 and I'm prepared to accept Bay Rock's representation after we've had an opportunity to review it, but this is what the New York Times says. It's an article of December 17th.

It's entitled Real Estate Executive with Hand in Trump Projects Rose From Tangled Past. Okay? Born in the Soviet Union in 1966, Felix H. Sader, was in prison after a bloody bar fight, and at 32, he was accused of conspiring with the Mafia to launder money and defraud investors. He's been jetting to Denver, Phoenix, Ft. Lauderdale and elsewhere promoting projects and he now works for Bay Rock Group, a partner in Trump SoHo.

A federal complaint brought against him in 1998 money laundering and stock manipulation case was filed in secret and remains under seal.

A subsequent indictment in March, 2000, stemming from the same investigation described Mr. Sader as an unindicted co-conspirator and a key figure in a 40 million dollar scheme involving 19 stockbrokers and organized crime figures from four Mafia families.

Now I'm going to accept Mr. Schwartz' representation that he may very well have turned a new leaf, okay, and I'd like to give him the benefit of the doubt. But at the very least, given the complexity of this project, given the magnitude of this project, you owe the town of Riverhead an opportunity to thoroughly investigate these matters and I'm sure that if it's a good project and if we have adequate financial wherewithal, we can re-invite these good gentlemen back in January to properly evaluate it after these concerns are addressed.

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Thank you. At this time, however, I'd like to take the opportunity to present a copy of the New York Times article and make it part of the record."

Supervisor Cardinale: "Fine. It's already in the file but you can file yours as well because I knew you read tidbits and I

want the whole article in."

Councilman Dunleavy: "A rumor- I just want to answer your question. A rumor to me- because I was a police officer and I was a banker, that if I don't have an official transcript, I don't believe everything that's written in the paper. I know things written in the paper about me that was wrong and Mr. Stefans can admit to that. So it's a rumor to me if I read something."

Ron Hairi: "Mr. Dunleavy, let me make one point, okay. The New York Times has been in business for 250 years. It's one of the most respected publications in the history of the United States and the world. Okay? And I actually invite you to undertake exactly what I have suggested. Speak to the people at Bay Rock. Okay? Receive adequate assurances about the removal of this individual from any involvement and evaluate it.

The problem is it's the wrong time to try to slip this through with these concerns in the middle of a holiday break without properly investigating it and undertaking proper due diligence.

And I'm hopeful, Mr. Supervisor, that at the very least, at the very least, you will allow those financial records to be made public, allow us to review them, allow us to comment further on them as appropriate, and allow the proceedings consistent with the history that you've invoked in the past for public comment for a limited period so we all have an opportunity to digest it.

And, again, I want to thank the Weber Law Group and Mr. Secunda, as well as the representative of Bay Rock for being here. If you've got a good project, give the public an opportunity to review it and evaluate it.

Thank you."

Councilman Bartunek: "I just have a question. Mr. Schwartz, I just have- thank you for getting up to the podium. I have a question. Maybe you could clarify, Mr. Schwartz, how many you have on staff that are at the same managerial level and Mr. Sedar. And, number two, an assurance that Mr. Sedar is going to have nothing to do with this project."

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Julius Schwartz: "First of all, Mr. Sedar isn't an owner, a principal or an officer of this company. He never has been. Okay. He was an employee of the company. I feel horrible for what's

happening to him. It's an unfortunate thing. He may very well have to leave the company because of this article. He was never affiliated with this project. He does not run any of the other projects. Actually, I run all of our projects.

As far as on staff is concerned, I have four other officers besides me. We have one owner and the New York Times who that gentleman said never says a lie, it's very clear, it says in the article we have one owner, Mister (inaudible). He is the owner of the company. He is a Turk. Okay?

We have a staff of three in house architects. I have three accountants, I have six analysts. I have bookkeepers. I have two marketing people. I have a staff of about 25 people in my office in New York. That doesn't include my outside consultants and advisors of which I have many. I couldn't even presume to count. So-

Councilman Densieski: "What was his title, sir?"

Julius Schwartz: "He did not have a title. He- his- he did have a title in the company. He had no authority to sign anything. He never signed anything for the company. He was not a principal. His job was to look for deals. That was his job, was to look for interesting potential transactions."

Councilman Densieski: "So could we have a letter- "

(Inaudible comment)

Supervisor Cardinale: "Mr. Hairi, if you'd like to stay in the room. You've spoken. Please stay silent unless you're at the microphone."

Councilman Densieski: "Sir, could we receive it by tomorrow stating that Mr. Sedar will have no involvement with the Riverhead project?"

Julius Schwartz: "Absolutely."

Councilman Densieski: "Thank you."

Supervisor Cardinale: "I thank you. Comment, please. Remember, as I know you know, Larry, qualified eligible, qualified

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as to capital and experience. That's the issue before us. So limit it, please, to that."

Larry Oxman: "Absolutely. Larry Oxman, commercial broker in the town of Riverhead with offices at 1 East Main Street and Old Country Road.

This morning, before I came here, I had a meeting with some of the group-- some of my board members from the Long Island Science Center. Tonight I have a BID meeting. I'm on the board of directors with the BID. I dropped a bunch of books off at the library in the yellow barn.

I only mention these things because these are the types of things that I'm involved in in this community. Having said that, I stand before you not to endorse this project nor to find fault with the project. It's a q and e hearing.

I believe though-- I believe that the notice though is confusing. I read the notice and this was printed from your web site. It talks about qualified and eligible sponsor. It also goes on to say and with a portion of said property currently owned. It talks about a sale. Is this in fact a public hearing on both the deposition of the property and q and e?"

Supervisor Cardinale: "I'll leave that to counsel. There was no requirement for a public hearing on the contract. In fact, if you recall, the Reckler transaction had no public hearing on the contract.

We are-- we have not yet signed the contract although it is final and in the final because we like to enjoy your comments this afternoon before we consider it."

Larry Oxman: "Great, good. Section-- Article 15 of the Urban Renewal Law which wasn't easy to dig up, but I did. The passage that's quoted in the advertisement is 507 paragraph 2 subsection d was strictly for the deposition of the property. It also says that you have to have a 10 day notice for a public hearing for the deposition of the property.

The deposition of the property must be going to a qualified and eligible sponsor. In order to have a qualified and eligible sponsor, you have to have a hearing. You have to have 10 days notice. You cannot, in my opinion, I'm not an attorney, in my opinion reading this very carefully, you cannot-- today all you can do is conclude the qualified and eligible sponsorship and then if you vote for them to be q and e sponsor, then you have to have

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another hearing."

Supervisor Cardinale: "I will take-- the attorney is here so I appreciate your saying that and I'm sure he'll check it out for us. I've asked him that before."

Larry Oxman: "Is anyone familiar with it?"

Supervisor Cardinale: "Yeah, I think we're all familiar with it and he's an attorney and his partner is an attorney and they prepared the notice so I'm pretty comfortable."

Larry Oxman: "Okay. So could someone address-- do you want me to read it? Maybe I should read it."

Supervisor Cardinale: "I think if you read it, we'll talk to our counsel."

Larry Oxman: "Subsection d, paragraph 2, subsection d, to any person, firm or corporation designated by the agency as a qualified and eligible sponsor pursuant to the provisions of clause 1 of subsection c. We'll get back to that in a second.

Go on down the paragraph, it says such sale, lease or deposition be approved by the governing board after a public hearing held not less than 10 days after the publication of such notice.

Okay, now we go back and look at what-- refer to something about clause 1, subsection c. And that talks about establishing who is qualified and eligible. In there it says in order to do so, when newspaper-- 10 days-- I'm looking for it-- at least 10 days prior to such sale, lease or deposition. So read it."

Supervisor Cardinale: "We will."

Larry Oxman: "You talk about liability. You're opening yourself up for litigation if you enter into a contract when this is flawed to begin with."

Supervisor Cardinale: "All right. Thank you. I appreciate your insights and I'll take them under advisement with our counsel. Would you come up, please?"

Peter Milano: "How are you doing?"

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Supervisor Cardinale: "Your name and address, please."

Peter Milano: "If you hear it squeaking, just bring down the volume, please."

Supervisor Cardinale: "He's going to do that. Name and address, please."

Peter Milano: "I'm out of town. I don't belong to the town of Riverhead. You know me."

Supervisor Cardinale: "We still love you."

Peter Milano: "I'm involved with Long Island Gen.com. (Phonetic). My name is Peter Milano. I'm from Shirley, New York. I'm involved with racing in general, whether it be from Riverhead Raceway or Nextel Cup. I've done interviews on line and stuff like that with Nextel cup drivers."

One thing I want to say and it has nothing to do with this. Demeanor. I notice from the board when everybody has spoken, you guys do not look interested at all. You're like this; you're like this. It's very impolite to everybody that's been up here so far. All right? Whether you know that or not, I noticed it. Okay.

With that said, all right. The thing with Long Island, what makes Long Island, is its beauty, is the coasts. Everything that's around it. Why do you want to make man made stuff? When people want to go on trips along the east coast, where do they go? They go to Newport; they go to Martha's Vineyard; they also go to Mystic Seaport. That's because they're natural. They're beauties. The Hamptons, that's beautiful. People go out to the Hamptons. They go to the real stuff to be part of the natural beauty.

When you go to a canyon, do you go to something like this or do you want to go to the Grand Canyon? People like to travel this country, but they want to see natural beauty and natural history. Not stuff that's built. All right.

They want to build a 90 acre lake. We have a problem on Long Island and it's mosquitos, whether it be from mosquitos that have diseases, that have West Nile. There's been cases that are growing every year. And this just makes another feeding field for these mosquitos.

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They talk about all this time and wasting time for all these projects to go through. You can't wait another week when we have two lame duck voters up there, when we have two guys sitting right here that are going to be part of the board. You can't wait another week? You've got to try to pass this through under lame duck voters.

Also, with digging, digging into the soil. The ground level is not that deep. Eddie Partridge (phonetic) of T&S Haulers cannot dig any further down. He has to keep bringing dirt in. How far do you think they can dig into the ground?"

Supervisor Cardinale: "I hope- he's not supposed to be digging at all. If you know something we don't, I'd like you to help us out. He's not supposed to be digging at all at that site."

Peter Milano: "What are those valleys? What are those canyons that are on those pictures there?"

Supervisor Cardinale: "I'd like to know that myself. That's why we're in litigation."

Peter Milano: "You'd like to know that, too. Why don't you know what they're building?"

Supervisor Cardinale: "I'm talking about Partridge and T&S."

Peter Milano: "Don't they have ground level down there? Isn't it part of the dirt?"

Supervisor Cardinale: "Keep talking. I'm taking it down for my (inaudible)."

Peter Milano: "Okay, whatever. Anyway, how could you hire people from out of country when Long Island, right here on Long Island you have your own people that are willing to build stuff?"

And I don't understand how they can hire somebody without a title. When I got hired, I was given a title. When you're hired, you were given a title. Whether you're a stock boy, you're given a title. You don't hire somebody and don't give them a title."

Supervisor Cardinale: "Thank you. Please come up."

Nick DiPierro: "My name is Nick DiPierro. I'm from Wading River. I don't- I put some thoughts together while I was in the

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back of the room. It's not polished so excuse me if I might jump here and there.

I started to come here from Wading River and then I hit the roadblock on Route 58 so I had to take the Route 58 bypass which was East Main Street or West Main Street and going through town. Okay?

A thought just came to me. Anyone who is trying to build anything at Calverton, should have the responsibility to make sure that the roadways leading to that facility that they want to build, those roadways are capable of carrying the cars.

I know you may have plans to go through the pine barrens, but all of this should be built first. That's what they did when Disney went to Florida. He built the roadways, he built the infrastructure. He had everything in place. He did not think that he was going to build a field of dreams - build it and you will come. Okay?

Again, I say I'm going to be jumping around. When I worked at Grumman, we had a program call FOD. It was called foreign object damage. Foreign object damages was items that were left on a finished aircraft and those items if they were in place when the aircraft was flying, they could do damage to the aircraft and cause it to crash.

Excuse me, okay. We're going to have foreign object damage here in Calverton. We're going to have a foreign company come into this country and do damage to the landscape.

You say, Mr. Cardinale, that it was not about the money. I say, if Rexcorp even offered 25 million dollars more than what you did get from this company that wants to come here, you would still say it's not about the money. You would still say you want the mountain because it is better for Riverhead. It is not better for Riverhead.

You may think it's better for Riverhead and I hope that if it does go through that there is a clause somewhere on the town board that will prevent you from being on their program or being part of their facility, on their payroll. Okay? Because the way I see it, there are three people- four people on this board who has their viewpoints iced into place, frozen in their thoughts, frozen into

place. Okay?

Ed Densieski was the only one who thought less of the project and he voted against it. George Bartunek took his advice from the

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civic association. Thank you, George, for your service. That goes to show you that the civic associations do not represent the entire thoughts of the communities that they represent. And apparently the civic associations even though they had input in your thoughts, it may have caused you to lose the election.

If I- "

Supervisor Cardinale: "I would remind you incidentally that this is a qualified and eligible sponsorship hearing. Whatever you said is totally irrelevant to this hearing. We've been tolerant, but you have to discuss qualified as to capital, qualified as to experience in developing and if they're not, I want to know it. And if they are, I want to know it."

Nick DiPierro: "Well, as I said, it was about the money. And there was a lot of green being thrown around here today.

This project is not needed here on Long Island. They mentioned Florida a lot of times. Maybe it would be better off in Florida. Thank you for your time."

Supervisor Cardinale: "Thank you."

Ann Miloski: "My name is Ann Miloski from Calverton. And I'm glad you finally told the people what qualified and eligible sponsors mean because we're standing here waiting to talk about Riverhead Resorts and if they're qualified and eligible, and everybody is having a public hearing about something else.

And I am also very upset about people who come from out of town and talk about our town board members. They are Riverhead town board members and we should always show them respect and anybody who doesn't should be called down on it.

Now I'll talk about Riverhead Resorts. I feel that this is going to be an excellent project for the town. Everything that they're saying if it is true which I believe it is, will bring a lot of money into the town. It will bring our taxes down and if this mountain is too tall they're ready to bring it down but they have seven different theme resorts.

And I followed this through the inception for the last seven months and if the people in his audience who are talking had followed it through, they would see that there's more than just a ski mountain to this.

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And also Riverhead Resorts is the only one that's come before us who has addressed traffic and how they would bring people into the town. And also that they were the only ones who said that they would be environmentally sensitive and would follow the green code and the LED which I'm still not sure exactly what that part means but I know that they're very- so I would just like to say that I'm for this project.

And I hope that the town board won't be influenced by people who come from other towns. If they wanted a race track, Brookhaven turned them down. Why don't they go back to Brookhaven town and get it done?

Thank you."

Supervisor Cardinale: "Thank you. For your information, LEDES means leadership in engineering and environmental design, green building rating system."

Ed Purcell: "Ed Purcell, and I am from Riverhead. I wasn't two days ago, I wasn't. Where was I? I was in Missouri in the Ozarks.

There's one question that does pertain to this hearing. We've had a lot of problems- you've had a lot of problems with the development of Railroad Avenue of meeting the qualified and eligible. Now does this contract meet all the requirements and which way is it different from the problems you're having on Railroad Avenue? Because on Railroad Avenue, you can't seem to get whatever they say- they show you where they're qualified and eligible, it's not.

Now, in what way is this different in the contract?"

Supervisor Cardinale: "I don't want to answer questions."

Ed Purcell: "It's just in general because we had such a problem with that because the wording isn't proper. Is the wording that much different in this so that it does meet the qualified and eligible?"

Supervisor Cardinale: "Yes, and that gentleman right there who's our counsel is- this project is not going to go forward unless we have an opinion from him that this presentation and the file documents meet the criteria of qualified and eligible sponsorship as set forth in Law and Resolutions."

Ed Purcell: "Well, that was my question."

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Supervisor Cardinale: "And we can't get that letter presently out of him on Vintage until they show us more detail and that's why it's been adjourned."

Ed Purcell: "Right. I understand that."

Supervisor Cardinale: "And I assure you that this would be adjourned, too, from tomorrow's consideration unless we have a letter in the file from our counsel and from our administrator indicating that the criteria is met."

Ed Purcell: "Just because it does seem to be in a bit of a rush."

Supervisor Cardinale: "Well, I want to point out that no one is slipping anything through here. That this was announced in early December what our intentions were and that this contract has been on file and this has been advertised as of December 13th. So--"

Ed Purcell: "I just-- I want to make sure that you don't have any unintended and unwanted consequences--"

Supervisor Cardinale: "I understand."

Ed Purcell: "-- to what you are going to prove it in the overall looks good and that's why I'm not bringing up all the other possible problems that may be unwanted consequences to that plan. Because you've already approved the plan. You approved this developer. Whereas you didn't approve the other developer. So all this talk about, well, you know, maybe the housing or the height problems or other things really is not for this hearing."

Supervisor Cardinale: "You're right."

Ed Purcell: "Right. And that's why I have a number of other problems but this isn't the place."

Supervisor Cardinale: "That's exactly correct. This is for whether this developer is qualified and eligible to do this project. Qualified by his experience and by his capital. Yes."

Ray Kwasna: "Qualified and eligible. I understand that. You've said it numerous times."

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My name is Ray Kwasna, I live here in Riverhead. I was here at the last meeting. I took up quite a lot of time. I appreciate that.

At this time, if you look at the notice for this hearing, it says qualified and eligible. But then down a little bit further it asks whether Riverhead Resorts should be chosen. Okay? That's what I'm looking at right here.

With all due respect to Riverhead Resorts and their people involved, why is Riverhead currently making mega deals with ex-cons? All right? Going back over in Jamesport, all right, News Review, December 20th. Mr. Klein was convicted in 1969 and served 25 years in prison for the murder of 21 year old Go-Go Dancer who worked at a disco Mr. Klein owned in Islip. Her body was discovered in a swamp in Blue Point in 1966. This is the guy that they're dealing with in Jamesport."

Supervisor Cardinale: "Could you connect this to this hearing, Ray?"

Ray Kwasna: "I'm working towards that. This is the guy that's going to rebuild Jamesport. All right? This is an ex-murdered. Ex-murdered, he's a murderer, ex-con, he just got out of jail."

Supervisor Cardinale: "He doesn't have to be qualified and eligible and he probably wouldn't be."

Ray Kwasna: "All right. And now onto EPCAL. Story-- you've heard bits and pieces, I got a few select pieces. Mr. Seder who has an untitled position, this is from the New York Times, the Bay Rock Group, which is a major faction of Riverhead Resorts, said he started spelling his name as Seder to distance himself from the past.

This was a feel good story. This is a story about a guy who got out of jail, committed a lot of crimes and now he intends on

doing well. Somebody from Riverhead Resorts got up and they said they feel sorry for him. This is a story about him turning his life around. My point to you is it's not that easy. All right?

Mr. Seder was convicted at trial in 1993. He went to prison. He was effectively barred from selling securities by the National Association of Security Dealers. In 1995, two years later, Edward Garfola (phonetic), a solidier in the Gambino crime family, sought to

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extort money from Mr. Seder. In turn, Mr. Seder, got Ernest Montetelevecchi (phonetic) a soldier in the Genovese crime family, you know Vinny the Chin- to persuade Mr. Garfola to back off according to the indictment."

Supervisor Cardinale: "Incidentally, this is all in the record because we put the article in."

Ray Kwasna: "I believe it. People need to know this. Your record is going to be- people need to hear this today."

Supervisor Cardinale: "Well, okay, fine. But you realize this is- "

Ray Kwasna: "I've got five minutes."

Supervisor Cardinale: "Yeah, but you told me you were going to be brief because you took 20 last time."

Ray Kwansa: "Yeah, well I'm halfway down the page."

Supervisor Cardinale: "Okay."

Ray Kwasna: "All right. A federal complaint brought against him in 1998, money laundering and stock manipulation case was filed in secret and remains under seal. The reason that is, is because he gave up a lot of names and it was sealed to protect him. All right? He's involved with the Mafia, the mob."

A subsequent indictment in March 2000, stemming from the same investigation, described Mr. Seder as an unindicted, co-conspirator, and a key figure in a 40 million dollar scheme involving 19 stockbrokers and organized crime figures from four Mafia families.

All right. Mr. Klottsman (phonetic) and his lawyer assert that Mr. Seder also pled guilty and cooperated- here's where I got the

other thing from. Felix was one of the significant participants in the fraud, the lawyer said. Mr. Trump, somebody who's involved with Riverhead Resorts on numerous factions, said he was surprised to learn of Mr. Seder's past. Quote, we never knew that, he said of Seder. We do as much of a background check as we can on principals. I really didn't know him very well. Donald Trump called Mr. Seder a principal. Not Joe Blow mopping the floor. A principal. All right? So these guys get up and they turn around and they say Mr. Seder was nobody? He was a principal according to Mr. Donald Trump."

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Supervisor Cardinale: "In a Trump transaction, not in a Bay Rock transaction."

Ray Kwasna: "Regardless."

Supervisor Cardinale: "Well, no, that makes a very important difference."

Ray Kwasna: "Regardless. He's still- Mr. Seder said he joined Bay Rock Group in 2003 at the urging of the company's founder, Mr. Ariff (phonetic). At the urging of the owner of Bay Rock Group. Not Joe Blow in the hiring department. The owner himself urged the hiring of Mr. Seder. Now this puts a little doubt in my mind as to the mind set of the owner of a corporation that would want a convicted felon with Mafia ties on his payroll.

And I'm getting to the end right now. How do we know if this guy is the only one? Eddie made a motion to investigate this overnight to tomorrow we can vote on this. How do we know he's the only one? All right? Maybe the Bay Rock has a whole stable. With all due respect guys, we don't know you. With all due respect. You could have a whole stable of ex- that might be a requirement, I don't know.

If this isn't enough to give you pause on this and say, wait a minute, hold it, stop. Hold it. Let's put this off for another week or two. Investigate this, look at this. This is a major commitment to this town. It's going to change the face of this town forever. And you're rushing this through like it's some guy that wants to open a shoe store on Main Street. All right?

Last statement. Any project, let alone a town record setting mega-deal project, would be ill advised to commence with these

rumors of corruption left uninvestigated and it's not going to happen in 24 hours."

Supervisor Cardinale: "I would point out that this article was the 17th of December for starters and it has been investigated. And, secondly, that the RFP was sent almost a year and a half on this matter and that this deal has been under discussion for over a year.

Go ahead."

Ron Pisco: "My name is Ron Pisco, I live in the town of Riverhead. If this is a meeting for this money, I need to know why

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4.5 million, 2 and a half million is going to the town, 2 million is going to escrow. I want to know what good is that doing for us? I want to know how they can get off just paying not even a third of this money to the town, that we need, and just making payments for a property that they're not even going to use for six months right away.

I mean if they're so eligible for this project, why isn't this being done the way it should be? Why are we sitting around for another six months for environmental impact issues or anything else? I mean, what are we doing here?

I mean, you talk about Eddie Partridge and everybody's talking about convicts and everything else. You know what, Phil? You're not much better. You get e-mails from journalists. You've got a legal (inaudible). I mean come on, what else have you done?

You know what, there's people here today that finally decide to show up to voice their opinion about things after how many meetings. My point— my eligibility— I want to see if they're so eligible, why this can't get put off for another two weeks.

If that's the case, put it off two weeks. I don't see what the big deal is. If there's nothing to hide and there's no secrets and nothing else, this should be put off two weeks from now. Not now, not tomorrow. That's it."

Supervisor Cardinale: "Thank you. Tim."

Tim Buckley: "Tim Buckley from Calverton. As some of you may or may not know, James Wooten and I will officially become members of the Riverhead town board on Tuesday.

Yes, it is true that neither James nor myself were privy to all the meetings between the town board and the developers vying for the project. But on September 19th, after choosing to negotiate with Riverhead Resorts, the result of those many months of negotiations is a 34 page contract that we have before us.

It doesn't really matter what was discussed at those meetings, what promises were made. What truly matters is the content of this contract.

Mr. Supervisor, you were gracious enough to provide me with a copy of the contract and I've had it for about the same amount of time as the members of the town board. I've read it numerous times and, quite frankly, I'm still analyzing it.

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There are a lot of uncertainties in life, especially in politics. No one can say with absolute certainty what the total town board makeup will be four years from today. But what is certain is that James Wooten and myself, having been elected to a four year term commencing on Tuesday, will be members of the town board four years from now.

Should you choose to vote on this contract, we will be the ones who will definitely need to work with the principals, with the developers and answer to the public.

This is the largest proposed project by far in the history of the town and there is so much at stake. And please don't interpret my remarks as either an indictment or an endorsement of any project. But I respectfully request that this vote be postponed until after January 1, 2008, so that those who will be expected to see that project and proposal through, will have the opportunity to analyze and to vote on it.

Thank you."

Supervisor Cardinale: "Thank you."

James Wooten: "James Wooten, Riverhead. I'm honored to be here and to have the opportunity after January 1st to represent and work for the people of Riverhead.

I've had many conversations with the current board and also with you, Mr. Supervisor. And one thing we all agree on is that we

need a cohesive and a cooperating and an honest board to work together collectively to answer the needs and to help shape the future to make this town truly a better place so that it flourishes.

I would hope and implore the sitting board to please wait until the new board sits before committing to such a tremendous undertaking. I realize the board has studied the proposal for a year and argument being made that you are more qualified to vote on it than I.

But an argument can also be made that only one of the current board will be affected by postponing the approval.

Tim and I are the only ones who for sure will be here four years and to not have a say or a vote in the town's future I feel is shortsighted.

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Again, I encourage the board to act in good faith and in the spirit of an open and cohesive working board in the future to table this action until we can be as well informed as you profess to be.

Thank you."

Supervisor Cardinale: "Thank you. Thank you. If there is no further comment, I'm going to- "

Councilman Densieski: "I've got comments, Phil."

Supervisor Cardinale: "Okay, you want to make them now?"

Councilman Densieski: "Is there anybody else in the audience first?"

Supervisor Cardinale: "Go ahead, Ed."

Councilman Densieski: "Okay, thank you."

Supervisor Cardinale: "Rex, you want to follow Ed?"

Councilman Densieski: "No, go ahead."

Supervisor Cardinale: "Rex, make your comments and then I'll have Ed conclude. I want to point out that I'm going to keep it open for written comment through noon tomorrow before we will be

meeting at two. I'd like to hear- I'd like to see anything in writing that anybody wants to submit between now and noon. Yes."

Rex Farr: "Rex Farr, on behalf of the Greater Calverton Civic Association. First of all, I'd like to wish you all a happy new year and for the two members that are leaving, thank you for your service.

In regards to the subject this afternoon, there was a comment made about civic associations being involved in this process. Thank God, those of you who listen to us on the board, that's exactly what civic associations are to do. People who live in this town have a right to say what they would like to see in this town.

The bottom line is there was no airport, there's not going to be any racing."

Supervisor Cardinale: "Ed, you want to go forward?"

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Councilman Densieski: "Yeah, thank you."

Supervisor Cardinale: "One more comment from Mr. Oxman and then- I don't want to do repeats but go ahead."

Larry Oxman: "Again, having attended many, many public hearings, I'm just-- I'm really baffled. On (inaudible), when a public hearing is- you hold it open for 10 days. You're not doing it here. This is the biggest decision. Again, it's not an endorsement. It's not yes, it's not no. It's just this is the biggest decision that you guys has ever made, any town board has ever made. Ten days, that's what you do customarily. It's beyond me. You're holding the hearing. I called up the News Review this morning. You know what I got? They're closed. Other people are on vacation. It's crazy."

Supervisor Cardinale: "Thank you. We- thank you and this has been made known to the public what our intentions of this board has been for almost a month so I'm comfortable. Go ahead, Ed."

Councilman Densieski: "I think the gentleman wanted to say something."

Supervisor Cardinale: "Surely."

Julius Schwartz: "I just wanted to- as you said before, the

whole point of this meeting is to determine whether or not we are qualified and eligible. So I, again, just wanted to remind you to look behind what we have done at Bay Rock.

We have taken- we are doing a billion and a half dollar project alone in midtown Miami. We are taking an area of urban blight and squalor and changing it with very hard work and determination into a center for living, working and playing. An entire city within a city. We built it from the ground up. All right. And we've been involved in every aspect of it.

In Trump SoHo, a 45 story luxury resort hotel, you know. Again, we're the managing partner. I'm involved in every single aspect of that project. Queens, New York. I'm developing over a hundred-- a 100 unit residential community. Phoenix, Trump International, Ft. Lauderdale.

Look at our backers. FL Group, Apollo Real Estate Advisors, Fortress Credit Opportunities, (inaudible) Bank, CORUS (phonetic), HSBC. These are not financial- these are not institutions that

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would do business with anyone who they deem to be remotely inappropriate or improper.

We, at Bay Rock, are, you know, we are a first rate developer with a great deal of expertise. We are owned by a Mr. Arrif who is, again, Turkish, with- who has- he was the one that created the resorts in the Mediterranean, the Rexus Hotel Group (phonetic).

Other than Mr. Arrif, I am the one alone that has signing authority and works under him, directing all projects. You know, we're a real shop with a lot of people and, you know, just because there's one person in that shop that has had issues in the past, it's irrelevant frankly to what's happening here and who we are."

Supervisor Cardinale: "Thank you. Okay. I want to take a final comment, I think this is it, and then I'm going to make a statement and then let Ed conclude for the record. Yes."

Unidentified: "Thank you for giving me one final comment. I noticed that you had given the representatives here many, many times to comment on their proposal and I would wish that you would give the audience here the same amount of time.

One question I do have though is you say you're going to keep it open for written comment for 24 hours."

Supervisor Cardinale: "No, I said until 12 noon tomorrow."

Unidentified: "Okay. Well, 18 hours, something like that."

Supervisor Cardinale: "I don't have to do that at all but I do that because if anyone wishes to- has a reflection they'd like to advise us of, I'd like to have it in the file."

Unidentified: "Well, why do it then if you don't have to do it? I mean- "

Supervisor Cardinale: "We do it often. We did it on the other hearings as well."

Unidentified: "How are you going to notify if you are being so kind, to give the opportunity for written comment? How is anybody going to be notified that they have that opportunity for written comment being that we do not have this on (inaudible) right now. It's not going to be televised or anything perhaps maybe another week or so."

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Supervisor Cardinale: "We will- no, actually, it will be on very shortly. But I will put it on the web site, that's a good idea."

Eddie, I want to conclude the verbal portion of the hearing at this point. I want to leave it open for written testimony until 12 noon tomorrow for anyone who wishes to put something at the town clerk's office, the file is available. I'd like that put up on the web site, Bill, to make it clear to the public that's available.

Eddie, I know that you wanted to conclude for the record with a comment."

Councilman Densieski: "I have questions, too. First of all, I object to having this meeting between Christmas and New Year's, not because they're Christmas and New Year's, but people plan family vacations during this time. I think it's bad government to have- I think it's bad government to have meetings on an issue as big as this during this week especially when the voters have picked Mr. Buckley and Mr. Wooten to make these monumental decisions. I don't think lame duck town board members should be making these huge decisions as much as I like making decisions about EPCAL."

Supervisor Cardinale: "Will you be recusing yourself on this one?"

Councilman Densieski: "Oh, no. I'll be voting. Absolutely. I'm, you know, I don't know if we're going to be voting, Phil, because I have questions."

Supervisor Cardinale: "But if the two board members would like to do that, of course, that's possible, if they feel strongly. Those that are leaving the board."

Councilman Densieski: "Okay. I do have some questions that I want to ask and I do want to read a couple of the words in our letter from the Royal Bank of Scotland currently considering. These aren't, you know, warm and fuzzy letters for me. I'm sorry. I did go through the file and some of the questions I have is, one, and I guess this is probably for our attorney. Did you conduct background checks on the principals of the project and their partnerships and they came up today. Did you? No."

(Inaudible comment)

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Councilman Densieski: "That was a no. I mean, in light of what we found out from the New York Times, I mean, I think it would be prudent. Do you agree?"

(Inaudible comment)

Councilman Densieski: "Okay. With a vote lingering tomorrow, I think it's kind of urgent that we know.

I'd like to know when the financials became available for the public to review."

Julius Schwartz: "The q and e materials were submitted- "

Councilman Densieski: "Okay, over a week ago. I'm told that they were submitted Friday to the CDA and they were clocked in at the town clerk's office on Monday, Christmas Eve, and 4:00. If I'm wrong, somebody can correct me. I don't know why that took Friday, Saturday, Sunday, and most of Monday to walk from that office to that office, but whatever.

I didn't see any commitment letters in the file. The lending institutes, I didn't see anybody saying they're going to give them the money. All I see is currently considering. If you buy a car,

you know, and you're asked to get pre-qualified, they're currently considering.

The way I calculate- I'm not an accountant but I am a businessman, the way I calculated it, they have about 2%, and correct me if I'm wrong, they have about 2% of the entire project's money. Where is the rest of the money going to come from? And if I'm wrong, correct me. I don't know where the commitments are because they're not in that file. And I only can calculate about 2% of the entire project in that file. So I don't know if anybody wants to answer that one, but I think we should know before the vote tomorrow where the money is coming from."

(Inaudible comment)

Councilman Densieski: "I read everything in the file. Could you, maybe you could tell me. What percentage of the project are you going to finance?"

Supervisor Cardinale: "Well, for starters, yeah, use the mike."

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Julius Schwartz: "Well, it, of course, depends on market conditions at the time. I mean, again, our strategic partner, FL Group, has billions of dollars of assets, is a public institution and is committed in standing behind the project along with us. As in any development you, you know, once you have all of the economic feasibility studies, you go to the banks and you determine how much you can finance. You, of course, try— as a developer you finance the maximum you can and the rest you can't, you put up your equity."

Councilman Densieski: "Right. And I understand that they're going to give you money. I have no problem believing that. But I really would like to see it in writing. I would like to know— I'd like to see it in writing, just like we did for John Burke from Vintage. Somebody else brought that up, too. He had words like currently considering and other things like that and we blew him right out the door. This one is getting rushed through. I just think it's bad policy."

Don Secunda: "Excuse me. It's a little bit different when you're talking Vintage, you're talking about a project that's going to start almost immediately. As I stated in my presentation, Eddie, no bank is going to give you a commitment today for something that will not start for three and a half years or three years."

Councilman Densieski: "Don, you're right."

Don Secunda: "I know that."

Councilman Densieski: "But there has to be more than currently considering. There just does."

Don Secunda: "I'm sorry, but there isn't."

Councilman Densieski: "I disagree."

Don Secunda: "You don't know what the credit markets will be."

Julius Schwartz: "You know what it is? It's cash. That's what else you have. You have two million dollars that is being funded to the town right now which we're not getting back. We're standing behind what we're doing with an actual payment (inaudible). And we've done this in the past because when we see an opportunity that makes sense, we put our money where our mouth is."

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Councilman Densieski: "And I appreciate that. I just don't believe the words non-refundable. Because anything can go to court. We've seen it here in town hall a million times.

Have you done a financial feasibility study which I believe is part of the q and e?"

Don Secunda: "You have that."

Councilman Densieski: "We have that? A financial- "

Don Secunda: "The Supervisor has seen our report that was done by Lido International a while ago."

Councilman Densieski: "Okay. Has the other board members seen it?"

Supervisor Cardinale: "It's part of the package."

Councilman Densieski: "Okay. I have not seen financial qualified- feasibility."

Supervisor Cardinale: "It was part of the initial submissions

months ago."

Councilman Densieski: "Not what- not the criteria in the qualified and eligible. I disagree.

Okay. And who has reviewed the financial information from our side, Mr. Supervisor?"

Supervisor Cardinale: "I'm sorry. What did you say?"

Councilman Densieski: "Who reviewed the financial information on our side of the aisle?"

Supervisor Cardinale: "Mr. Rothaar and our counsel."

Councilman Densieski: "And you're absolutely- "

Supervisor Cardinale: "Well, our financial administrator and our counsel did."

Councilman Densieski: "Okay. And you guys are both absolutely comfortable with letters like currently considering that they can absolutely do a billion dollar project there?"

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Bill Rothaar: "The contract itself has language in it where we- the commitment as said is a risk on part of the developer where they're putting up the funds. That's their commitment more than the financial backing on it. The financial backing on it, they need to leverage their equity which they've done other projects which that is their experience in this- in development. Okay?"

Councilman Densieski: "So in reading those documents, you think they have the equity- I'm sorry, Bill, but I have to know these answers."

Bill Rothaar: "I can tell you this. Unless you're a banker that has that expertise, I don't know that I can make that statement."

Councilman Densieski: "Okay. That I appreciate. Do you know?"

Don Secunda: "Do I-- what is the question, Councilman?"

Councilman Densieski: "Beyond a shadow of doubt, can they do the project financially?"

Don Secunda: "Beyond a shadow of a doubt- "

Councilman Densieski: "With the information provided."

Don Secunda: "I cannot say that beyond a shadow of a doubt based on what I have seen they'll be able to do any project within three years or two years down the road. However, the board could find that the applicant is qualified and eligible based on the significant non-refundable two million dollar fee that they're putting up front, based on their significant history of obtaining funding for projects of this size in the past, and the commitment of their funds and the realization that a project of this size is going to be financed. I hope that answers your question."

Supervisor Cardinale: "And I expect that you will put that in a more complete form in a letter and it will be in the file prior to any consideration of this matter and Bill will do that same."

Councilman Densieski: "I'm not done yet, Mr. Supervisor. When we have- when we create legislation, even a stop sign. When we put up a stop sign, we have to have a public hearing and we leave the meeting open for 10 days. I don't know why this is being rushed through tomorrow. I think it's bad policy."

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And there's nothing in the file, I'm telling you. There's nothing in the file other than currently considering. Do you really think we should be voting on this tomorrow? I do not."

(Inaudible comment)

Supervisor Cardinale: "Thank you. Anything else, Ed?"

Councilman Densieski: "One minute. How are we going to know—we've determined that we might need to do background checks on potential people because of what we found out today. When will we know who we're dealing with? I mean, shouldn't we know?"

Let me ask you a question. A legal question. Should we know who we're partnering with and I'm sure they're all good guys, I'm sure of it. But I'd like you, my attorney, to tell me when can we know who we're dealing with?"

Mr. Siegel: "Well, I can tell you we can try and run some

background checks today."

Supervisor Cardinale: "There's only one principal to this operation who is a very well known individual. I think you could probably get reams of stuff in the file by looking it up on the internet. Why don't you give everybody the spelling and they can get all the information as well?"

Councilman Densieski: "Well, they didn't discover this one character here."

Supervisor Cardinale: "Well, it's in the— that's an employee and if you— and I'd like to check, you know, your radiator shop. If you had an employee that did dastardly deeds, they don't condemn you. You condemn the employee."

(Inaudible comment)

Supervisor Cardinale: "Yeah, even without a title or with, the same principle stands. Would you— there's one principal. Anybody who's paying attention knows who the guy is. But why don't we get some information in the file so everybody can know."

Councilman Densieski: "That's a great idea. And let me ask you a question, Mr. Supervisor. Knowing there's two town board members sitting there kicking their chops, ready to start, how can you push this vote through before the new board members come? If

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this is a good resolution today and it's a good project today, it will be a good project next month when the new members are here."

Supervisor Cardinale: "And there will still be three votes on the board at that time as there are now so you can recuse yourself if you feel that strongly and so can George. But we have an obligation to do the people's business all year long right to the end of the year and that's what I think this board intends to do."

Councilman Densieski: "Well, the end of the year meeting is for housekeeping and balancing the books in the accounting department, not for conducting business like this which should be done at regular meetings."

Supervisor Cardinale: "Okay, I don't want to debate with you, Ed, but I think the town of Riverhead needs to move forward and I am hopeful of moving forward together. That will- thank you, and if there's nothing else, I will- "

(Inaudible comment)

Supervisor Cardinale: "You can speak and we will consider anything you say. Go ahead."

Larry Oxman: "You are saying that the q and e is based on their ability to come up with the non-refundable payment or their ability to come up with the 155 million for the acquisition of the property and to complete the project. Just a clarification."

Bill Rothaar: "I didn't mention anything about the q and e's ability to finance. My comment was that you rely on the fact that they're putting a non-refundable deposit as a commitment and it's- we are not expecting any project to be funded with cash up front. No matter what project it is. It's going to be some equity involved and they're going to leverage that equity in terms of loans."

Supervisor Cardinale: "And the experience is- the reason they were telling you about the other- "

Bill Rothaar: "(inaudible)-- and other projects have been done this way where they have 24 and 35% equity in the project and the rest has come from loans. So that's why you're not expected to fund a billion and a half dollars in cash or someone committing that today in order to finish its project whenever it will be finished."

(Inaudible comment)

Councilman Densieski: "That's a good question."

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Supervisor Cardinale: "Yes. Thank you. Ed, thank you. Let's wrap this up because we have a lot of business to do. Okay, please. Yes."

Allan Estergomy: "Just one question."

Supervisor Cardinale: "Yes?"

Allan Estergomy: "Would Rexcorp be going through this kind of a process right now?"

Supervisor Cardinale: "Yes."

Allan Estergomy: "Would they have the 155 million to pay you right now if need be?"

Supervisor Cardinale: "I don't know but I don't- but I have been told that the same development process would be followed by them that has been followed by this group because they work together. You heard that Apollo is their partner- the partner is Apollo. The partner is the FL. This- there is various ways of developing projects and they generally are exactly as what's described in this meeting."

Nobody is going to come in and show you a billion dollar- for a billion dollar project that's starting approximately two to three years from now and will go on for another three years. That's just silly."

Councilman Densieski: "I disagree. I think Rexcorp could come in, write the check for the property, and do the project. He's sitting on a three billion dollar writ right now. Yes, he is."

Supervisor Cardinale: "Okay. And he's also got commitments to numerous other projects. I would like to conclude this. This is not shamle on over, make your final statement, and let's go."

Ray Kwasna: "Well, basically, (inaudible), and the only one sitting on the board right now (inaudible). I just want to ask him one question. Do you really think that this is that important to put on your resume that you are willing to risk the entire future of this town to have this thing rushed through the way it is being rushed through. Mr. Bartunek, I ask you, is it really that important to you?"

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Supervisor Cardinale: "Thank you. Thank you. I am going to move to the resolutions. Those people who wish to comment on any resolution before us, we'd like you to comment now. And the last hearing has been concluded. It is concluded for verbal testimony. It remains open until 12:00 noon tomorrow for any written testimony delivered to the clerk's office."

Public hearing closed: 4:12 p.m.
Left open until 12:00 noon on
December 28, 2007 for written comment

Supervisor Cardinale: "Yes, Sal, what would you like to comment on? Thank you for your participation."

Sal Mastropolo: "You want to wait until--"

Supervisor Cardinale: "Give me one second for them to leave the room. We're going to take two minutes if we could, Sal, before we--"

(Some inaudible conversation among the Board members)

Supervisor Cardinale: "Okay, Barbara will be back in two seconds. We'll start in two minutes whether she's back or not. I know she won't want to miss a moment of this, I'm sure."

Okay, Sal, why don't you start comment on the resolutions."

Sal Mastropolo: "Okay, 1188--"

Supervisor Cardinale: "Yes."

Sal Mastropolo: "The second-- well, the first-- the second Resolve--"

Supervisor Cardinale: "Yes."

Sal Mastropolo: "It should be shall be paid not shall be paid."

Supervisor Cardinale: "Shall--"

Sal Mastropolo: "Okay?"

Supervisor Cardinale: "Okay."

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Sal Mastropolo: "And I have a question on the second Whereas. The— towards the end of the second line. It says the development of a plan to quantify actual sewer water consumption. You mean that or do you mean actual waste stream into the sewer?"

Supervisor Cardinale: "Which— give me the number again, please. I'm sorry."

Sal Mastropolo: "1188."

Supervisor Cardinale: "1188."

Sal Mastropolo: "The second Whereas. Okay? The end of the

Whereas. It says and the development of a plan to quantify actual sewer water consumption. Okay? My question is are you going to quantify the sewer water consumption or do you really want to quantify the actual waste stream into the sewer which is water plus solids."

Supervisor Cardinale: "Water plus— "

Sal Mastropolo: "Solids. And the thing that made me think— "

Supervisor Cardinale: "What we're talking about there is ascertaining how much water is being going through the sewer system as opposed to being diverted for irrigation. That's what we're trying to differentiate."

Sal Mastropolo: "Okay, but— "

Councilman Bartunek: "Sal, could this be changed to just read actual sewer water discharge. Would that answer your— "

Sal Mastropolo: "Well, I think the objective of this because I think I saw— this is Steve Romano, right, at the work session, and he's saying that they're being charged sewer based on the amount of water. Okay?"

But now you're going to try to quantify— are you going to try to measure just the water that's being used versus the water that goes into the irrigation?"

Supervisor Cardinale: "Yes. Correct."

Sal Mastropolo: "The thing that made me think about this is a lot of condos put in garbage disposals in the sinks, okay, and if you're going to try and bill them for sewer based on what he says

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the water is being used, is really like apples and oranges. Because if they all have kitchen sewer disposals, they're putting a lot of waste stream through the kitchen sink into the sewer system.

So I mean there's a lot more than just measuring water for irrigation versus water for drinking."

Supervisor Cardinale: "I see, all right. We actually got a report from H2M on this already but I appreciate what you're saying. I'll ask them that question."

Sal Mastropolo: "Okay."

Supervisor Cardinale: "That's interesting, yeah. Unlike in an office you mean?"

Sal Mastropolo: "Yes."

Supervisor Cardinale: "Okay."

Sal Mastropolo: "1190."

Councilman Dunleavy: "But, Sal, just to let you know, that's how everyone is billed, on the water that goes into the residence."

Sal Mastropolo: "I know. But if we're going to start getting really sophisticated, we should be measuring what's going into the sewer system--"

Supervisor Cardinale: "From any source."

Sal Mastropolo: "That's for them to worry about."

Councilman Dunleavy: "From everybody then."

Sal Mastropolo: "Yes."

Supervisor Cardinale: "Okay."

Sal Mastropolo: "11- I mean, for that matter, well, all right, forget it. I mean I have- I don't have sewer so it doesn't make any difference.

1190. Is this Andrea's replacement?"

Supervisor Cardinale: "Say again."

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Sal Mastropolo: "Is this Andrea's replacement?"

Supervisor Cardinale: "Yes, it is. Yes, it is."

Sal Mastropolo: "And at what salary?"

Supervisor Cardinale: "Eighty."

Sal Mastropolo: "Eighty?"

Supervisor Cardinale: "Eighty."

Sal Mastropolo: "That wasn't Andrea's salary I take it."

Supervisor Cardinale: "She was much higher. Yes."

Sal Mastropolo: "Okay. Thank you. 1192."

Supervisor Cardinale: "Yes."

Sal Mastropolo: "A hundred and sixty six thousand eight hundred and ninety five dollars for the ambulance?"

Supervisor Cardinale: "Yes. And that- "

Sal Mastropolo: "Does that include all the EMT equipment or is that just for the unit?"

Councilman Dunleavy: "That's only for the unit."

Supervisor Cardinale: "Well, only for the unit, but the last bid was 170- the last one we paid was 155. That was two years ago for the same unit and they wanted 175 and we re-bid it and they came in with 166."

Sal Mastropolo: "It just seems like a lot of money."

Supervisor Cardinale: "It does."

Sal Mastropolo: "I mean is it because there's only a few companies and they have the towns by the--"

Supervisor Cardinale: "I suspect so. Yes. That's why we got only one bid and I went out again and they came down I think

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somewhere between seven and nine thousand but, yes, it is (inaudible)."

Sal Mastropolo: "I mean it's not like these things are made like armored cars. That one that got in the accident in Aquebogue, it split apart like a paper bag when it hit the tree. I mean maybe we should start changing some of the specifications and make them earn the 166 instead of just giving us an aluminum body, okay, for \$166,000."

Supervisor Cardinale: "Yeah."

Sal Mastropolo: "We- I was talking to somebody before the meeting. We were trying to understand. Are they building systems into these ambulances like electrical systems so you can plug in. Are they providing, you know, 15 volts inside the truck. I mean where is 166- "

Councilman Dunleavy: "They're doing all that. All you have to put in one of these ambulances when you get it, is the equipment to use to go into someone's house. Everything, the electricity is there, everything is there except the equipment. Your bandages they're not going to give you."

Sal Mastropolo: "I understand that, John."

Councilman Dunleavy: "So that's what's there."

Sal Mastropolo: "Most of these ambulances are like a 350, a Ford 350. Okay? And I mean you can go out and buy a Ford 350 for like \$40,000. Where does the 120- the extra \$120,000 go? I mean is it because it's quote an ambulance?"

Councilman Dunleavy: "I'm not in that business, Sal."

Sal Mastropolo: "I think we should be looking a little bit closer and I'll go on because- "

Supervisor Cardinale: "Thank you."

Sal Mastropolo: "1194."

Supervisor Cardinale: "Yes."

Sal Mastropolo: "The first Whereas- the first word in the sentence should be contract, not control. 1194"

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Supervisor Cardinale: "Oh, 94."

Sal Mastropolo: "The first Whereas, the first word in the second line should be the word contract."

Supervisor Cardinale: "Yes, thank you."

Sal Mastropolo: "Okay? And the attachment to that, okay, the service agreement, needs all the dates changed. Right? I'm assuming, you know, it's attached but they took the attachment from last year so all the dates are like December '06 when it should be December '07, and terms should be January 1, '08- right."

Supervisor Cardinale: "All the 7's are 8's. Thank you."

Sal Mastropolo: "And all the 6's are 7's.

1196, needs a date. There's no date on the resolution."

Supervisor Cardinale: "Okay, thank you."

Sal Mastropolo: "1198, does that come with compensation and, if so, how much?"

Supervisor Cardinale: "No. You do not get compensated as a marriage officer, do you? No. It's part of her town clerk-ship."

Sal Mastropolo: "Okay. 1200, the third Whereas, the last line, you really mean to provide temporary to town hall versus power to the residents of Riverhead township? Ain't no way you're going to provide power to the residents of Riverhead township with the 25k- right?"

Supervisor Cardinale: "Well, it says Whereas is interested in providing emergency generator to the town of Riverhead in order to provide temporary- yeah, you're right. It's for the town hall."

Sal Mastropolo: "Okay."

Supervisor Cardinale: "Riverhead town hall."

Sal Mastropolo: "1205."

Supervisor Cardinale: "Yes."

Sal Mastropolo: "How firm is that bid, okay? I don't see any contingency in the budget or in the sheet that shows as costs, okay,

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there's no line that says contingency. And what scares me is on the page 2 of Ken Testa's letter, the first paragraph it says the third line down, he does not expect any significant changes but indicated that he would expect the owner, i.e., town of Riverhead, to work

with him if an issue were to arise."

Supervisor Cardinale: "We did discuss- "

Sal Mastropolo: "That stinks."

Supervisor Cardinale: "Yeah. Well, where is this that you're alluding to?"

Sal Mastropolo: "Testa's letter, it's the third page of the resolution- "

Supervisor Cardinale: "Right."

Sal Mastropolo: "It's the first paragraph and it's the last sentence of the first paragraph. Ken Testa makes the statement, he does not expect, he being Terry, does not expect any significant changes but indicated that he, Mr. Terry, would expect the owner, the town of Riverhead, to work with him if an issue were to arise."

Supervisor Cardinale: "So we did explore that in the work session with Ken directly last Thursday and he- because we had the same concern. He said that has to do with actual changes. In other words, he's going to bid- he bid it for seven four. We expect him to do that job for seven four. If there are changes from the specifications he bid in, he's got to work with us and we've got to work with him."

Sal Mastropolo: "Okay."

Supervisor Cardinale: "There will be a contingency of at least 10% added to the budget, so it will be 7.4 plus- we'll have 740 in the budget aside, in case there is any concerns."

Sal Mastropolo: "So will there be a clause in the contract that says maximum change orders or maximum value of change orders?"

Supervisor Cardinale: "There should be- the change order would imply a real change. He's agreeing to 7.4 for the specified job. If there's a change in any part, we would treat it in the normal fashion. Which means it has to be approved by the town board. Each change order has to be approved."

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Sal Mastropolo: "Okay."

Supervisor Cardinale: "We expect this job to come in at 7.4 or you will see it on the work session if we have to add a thousand or ten thousand or five thousand."

Sal Mastropolo: "I just don't want to see him come back- "

Supervisor Cardinale: "I understand."

Sal Mastropolo: "After the fact and say, you know, I made a mistake, you know, I read a lot closer and that 7.3 really should be 9.3 and now we went low bidder, okay."

Supervisor Cardinale: "Now I know what you're saying and we did to a lot of work on that in between the bid receipt and now. We went over it with SCS and Terry. The bonding operation went over it with SCS and Terry and we know exactly, it was on the work session, how he managed to come in two under our estimate and four under the other buy's bid and that is because he is using- he is giving greater credit for materials on the site that he can use.

He is not putting aside 200,000 to mobilize because he works in this area and he has mobility to get there on the day of the opening. So there were-- we know exactly why he came- he did an analysis, why he came in under."

Sal Mastropolo: "Well, just keep in mind he did the Wading River boat ramp which is still under water at high tide."

Supervisor Cardinale: "Thank you for your- thank you for that happy thought."

Councilman Bartunek: "Sal- "

Councilman Densieski: "He didn't do the engineering work."

Councilman Bartunek: "Sal- "

Supervisor Cardinale: "But he only did the contracting, not the engineering."

Councilman Bartunek: "Just in case I don't get a chance to speak to you tomorrow at the town board meeting, I sincerely want to thank you for critiquing these resolutions in the last four years. I mean that. It really is appreciated- "

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Sal Mastropolo: "And you will be missed, George."

Councilman Bartunek: "Well, I hope you're not going to be missed, Sal. I hope you're going to continue on doing your job at the same place."

Sal Mastropolo: "Thank you."

Supervisor Cardinale: "Okay, come on up, please, Sid."

Sid Bail: "Sid Bail, President of the Wading River Civic Association. I just want to— this isn't germane to any specific resolution but I want to leave early so I just wanted to say this quickly."

I wanted to thank George and Ed for their service. Both of these guys, you know, did the town proud over the years. I know there have been issues from time to time we haven't agreed upon, you know— "

Councilman Bartunek: "An example?"

Sid Bail: "I can't think of anything. But— and I'd also, Andrea Lohneiss leaving town government and, you know, although she looks much older than I am, you know, she's been around a long time. She's been so very, very valuable, so, you know, we're really losing some really good people, you know, we're going to work with Jim and Tim as far as the Wading River Civic Association is concerned. Thank you."

Councilman Densieski: "Thank you, Sid."

Bernadette Vooras: "Bernadette Vooras, Riverhead. On Resolution 1192, a comment on the emergency vehicle. Having purchased two RVs over the years and considering one now, I want to just clue you in on something."

When it says 2008, you should make sure that the chassis is a 2008 because it may be a 2007 at this time of the year or older. All right. That's the first thing.

The second thing is unless the roof and the sides are of one piece, fiberglass, yes, they do come apart at the seams. So I don't know, you know, how they, which company you deal or whatever but if you get a one piece fiberglass, they do not come apart. Okay?

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That's what you pay for.

RVs go for that-- in the 350 let's say on a Ford base, or even a Chevy base, they go for at least 120 to 130. Now that's for a couple of cabinets, okay, a sink, a toilet, whatever. If you are talking about 162, then that vehicle should have oxygen and all those kind of fancy things almost like a fire engine, with all of those special instruments. If that's not in there, then it's too much money. Okay?"

Supervisor Cardinale: "Thank you."

Councilman Dunleavy: "Those come with those instruments in there, just like a fire engine."

Bernadette Vooras: "That's what I figured."

Councilman Dunleavy: "It doesn't come with the oxygen bottle."

Bernadette Vooras: "No, no, the connections."

Councilman Dunleavy: "The connections-- "

Bernadette Vooras: "That's what I would figure."

Councilman Dunleavy: "Everything, so you can just put something in there and connect it. The only thing you're spending 166 is for that vehicle where you can put it in your garage, put everything in it--"

Bernadette Vooras: "Right. The people in it and-- "

Councilman Dunleavy: "And go for it."

Bernadette Vooras: "Yeah. So that 162 would probably be a real price, you know, at least as close to real as you're going to get in this world."

Supervisor Cardinale: "Could you swing over to those gentlemen in the back there? I hope that my Deputy, Bill Welsh, and my building department inspector are comfortable enough. They brought their easy chairs. We expected a long meeting, but this is impressive."

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Anybody else want to make comment on the resolutions? If not, I'd like to consider them and I'd like to do so now and then take general comment. So let's go."

Resolution #1185

Councilman Densieski: "Hold on, Barbara, I'm getting there. Sorry, I was asleep.

General fund budget adjustment. So moved."

Councilman Bartunek: "And seconded."

Supervisor Cardinale: "Moved and seconded. May we have a vote?"

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1186

Councilman Bartunek: "South dam fish passage capital project budget adjustment. So moved."

Councilwoman Blass: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1187

Councilwoman Blass: "This is a budget adoption in connection with the 2006 New York State Route 25 traffic impact study. So moved."

Councilman Densieski: "Second the motion."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1188

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Councilman Densieski: "Authorizes the sewer use report for Mill Pond Commons. So moved."

Councilman Dunleavy: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1189

Councilman Dunleavy: "Authorizes 2007/2008 contract for Superintendent of Recreation. So moved."

Councilman Bartunek: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1190

Councilman Bartunek: "Authorizes the Supervisor to execute contract agreement. So moved."

Councilwoman Blass: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy."

Councilman Dunleavy: "Before I vote, I just want to say something. This is an important vote and one that I have given a lot of thought to. I think the continuation is important. We are fortunate to have a person in the community development department who has great expertise in real estate development, economic development and community development.

Having worked for the CDA before being hired by the town, she worked in Hawaii. She is number one on the civil service list and

none of the 16 people below her on the list live in the town of Riverhead. And that's— if he was on, then I would. Chris Kemper has a degree from Cornell University and a law degree from the University of Hawaii. She worked in finance in the real estate

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department of law— for a law firm and has passed the bar in the state of New York.

Her resume and credentials speak for themselves. She has great writing and grant administration experience, has demonstrated her abilities in both her— and as a self-starter. We are fortunate to have such a well versed and intelligent individual ready to take the helm of this important department. And it is important.

Therefore, I'm going to vote yes for this young lady and it shows that the town of Riverhead does promote people within the town that are doing great jobs. Thank you."

Councilman Densieski: (Inaudible)

Supervisor Cardinale: "No, as an employee he means."

Councilman Dunleavy: "There's no other employees on the list from Riverhead."

Supervisor Cardinale: "Okay."

Councilman Dunleavy: "Yeah, she's from Greenport."

Supervisor Cardinale: "Thank you. Next vote. That was the first vote."

The Vote (Cont'd.): "Bartunek."

Councilman Bartunek: "Yes. And I'd like to reiterate in support of what John just said that she has all the qualifications that this job will require and I think that it's very important to have somebody in place who is going to extend the continuity of the job and the position. So I vote yes."

The Vote (Cont'd.): "Blass."

Councilwoman Blass: "Yes. I'd like to say that I believe that Christine is eminently qualified and her credentials certainly speak for themselves.

There's only one concern that I had and it was this. That in the replacement for that position, there had been some discussion about actually re-clarifying the position in creating a new civil service title that would encompass economic development in connection or in addition to community development. And there had been several opportunities for this over the years.

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I think it would have been a good time to expand the responsibilities in creating a new civil service position. Unfortunately I haven't really been given a good reason as to why we couldn't continue to explore that as an option. However, I do recognize that continuity is important and I'm sure Christine will rise to the occasion.

I do— I would hope, however, that this board does consider at some point expanding the responsibilities of that department to encompass more economic development in addition to community development.

I will support Christine for the position. My vote is yes."

The Vote (Cont'd.): "Densieski."

Councilman Densieski: "We don't have to take somebody off the list. Everybody said it right. This is a very important position and Christine certainly has a good resume. But I think that this is a networking job.

We don't know if Christine is the best because we didn't interview. We didn't put an ad in the paper to find out who is available. I thought of five names off the top of my head, Dave Kappel (phonetic); Skip Haney (phonetic); Vic Prusinowski; Monique Gablenz; Joe Mariano who's in the office now. These are five names that I just thought of that would be great at the job.

Christina may be great, too, but how do we know until we interview. And just because you are a super qualified staff member doesn't mean that you necessarily can run the department. We should have conducted interviews.

I hope that the new CDA director, apparently it's going to be her, will also concentrate on downtown. We shouldn't have a community development agency and an empty downtown. I think that should be the top priority.

And I still think this is disrespectful to the new board members. They're going to have to work with the CDA department and I think they should have had a voice on it.

Once again, I think this should have been held over until after the 1st of the year, so I'm going to vote no."

The Vote (Cont'd.): "Cardinale."

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Supervisor Cardinale: "The— one of the things I've learned over four years is how important human resources or people who we hire somewhat haphazard and we were going to get better, are to the future of this town. Because nothing gets done, frankly, unless it's done by our staff. We have enough trouble intelligently setting policy. They have to implement it.

Saying that, I want to repeat what was said about the resume, it's here, it is impressive. Cornell, undergrad Dean's list, University of Hawaii which is a quite well respected law school. Previous work in New York and in Hawaii with economic development and community development. A lot of work in real estate. And she's a young woman in her late 30's I believe and I think these are the exact kind of people we have to attract and keep in our town.

It is also important that we have continuity because of Andrea leaving as of the 9th of January, that factors into my decision. And I do agree with— I don't entirely agree that it's a networking job but I agree wholeheartedly with Barbara's point that economic development should be a big part of this job. I think it has been actually with Andrea who I regret is leaving but is going on to bigger and better things where she will be a great help to us.

She will be the regional— we finally have someone in the economic development side who will counter-balance the Department of Environmental Conservation at EPCAL and elsewhere and say wait a second, we want to protect the environment but at the same time we have to use some balance that we are not going to get a regional economic development at that site unless we have some balance.

So I'm looking forward to her being helpful at the state level as regional director and I am looking forward for Chris to live up to the promise that this resume and her performance has promised for us.

I'm going to vote yes. And these are important decisions. Any

department head I've learned is a really important decision.

So I vote yes."

Barbara Grattan: "The resolution is adopted."

Resolution #1191

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Councilwoman Blass: "Promotion to a senior account clerk typist in the accounting department and congratulations to Melissa Peeker. I move that resolution."

Councilman Densieski: "Second the motion."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale."

Supervisor Cardinale: "Yes. Congratulations and she was warmly recommended by Bill Rothaar who is her department head. So I'm pleased to say yes."

Barbara Grattan: "The resolution is adopted."

Resolution #1192

Councilman Densieski: "Awards a bid for 2008 Type III Class I emergency vehicle, an ambulance. So moved."

Councilman Dunleavy: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1193

Councilman Dunleavy: "Awards bid Extension No. 1 Calverton Sewer District. So moved."

Councilman Bartunek: "Seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1194

Councilman Bartunek: "Authorized service agreement regarding Calverton Sewer District as amended. So moved."

Councilwoman Blass: "And seconded."

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Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1195

Councilwoman Blass: "Mr. Supervisor, I still have a couple of outstanding issues with respect to this accessory apartment statute. I don't know if anyone on the board shares any concerns about the amnesty period of the violations or lack thereof or a couple of other things that we have talked about privately and not really resolved at this point to my satisfaction. So I'm going to make a motion to table this."

Councilman Densieski: "Second the motion."

Supervisor Cardiale: "Okay. There's a motion to table. However, I am concerned about voting this today so I am not going to support to table. However, I would support a motion to amend as long as Ms. Prudenti advises us that it would not require a second hearing."

Ann Marie Prudenti: "Well, what's the proposed amendment?"

Supervisor Cardinale: "Is there a proposed amendment that could alleviate your concerns?"

Councilwoman Blass: "Well, I am concerned about the fact that we will be accepting applications and providing for an amnesty period of a year and I would suggest perhaps that we have an amnesty period and not accept applications for new accessory apartments until we know how many are coming forth."

Even though they would ultimately be captured in the cap, my concern is that at the end of the day there is no real incentive for those non-legalized accessory apartments to come clean once the 500 is actually reached. We may still have a whole series of— we have no idea quantifying how many illegal accessory apartments would still be remaining because there's no incentive for them to come forward.

I would prefer to use an amnesty period, have as many illegal ones come forward, and then start accepting new applications after that."

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Ann Marie Prudenti: "So essentially what that would be doing is giving those who currently have illegal accessory apartments priority over those individuals who have chosen to wait and avail themselves of this provision."

Councilwoman Blass: "I think it's important to legalize those that are illegal currently. And also one of the reasons that we decided to pursue this as an affordable housing alternative, is because we believe based upon the numbers of options, housing options, that we were able to quantify. We had "X" number of mobile homes; "X" number of rentals. We may have more than a thousand illegal accessory apartments already. We don't have any idea."

Supervisor Cardinale: "And they might not apply. So the real question is if you give them an opportunity to apply, why should they get a preference over the new people. The guys that are trying to do this legally should not have to wait in line in my judgment for the illegals to legalize themselves."

Councilwoman Blass: "So the 500- let's assume all 500 come in and they are all brand new ones."

Supervisor Cardinale: "Then we give it to them."

Councilwoman Blass: "And all the illegal ones that are out there- "

Supervisor Cardinale: "We get them and we close them down."

Councilwoman Blass: "-- that will not- and they have no more significant penalty for not legalizing themselves during the amnesty period."

Ann Marie Prudenti: "Well, to the extent that they come in and apply. The mere fact that they come in to apply for an accessory apartment does not guarantee them that they will be granted the accessory apartment. So there will be instances where those who have an illegal apartment will not get the legal apartment simply because they made application. That's for the accessory apartment review board. In that event, they would obviously have to remedy any violations that currently exist to the satisfaction of the building department."

But in answer to your question, if we're only permitting 500, all the discussions have been during work session regarding this that it would be first come, first served and that the amnesty

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provision gives that incentive to those that have an illegal apartment not to sit and wait, to come in and try to be part of that 500."

Councilwoman Blass: "I think the amnesty is very important. That's one of the reasons that I suggested it to begin with."

Ann Marie Prudenti: "Right."

Councilwoman Blass: "And offering the opportunity for people to come clean and legalize an illegal situation. I think we should give it a bit of a test period and I offer the motion to table if there is no support for that."

Councilman Dunleavy: "And I have a concern. We did studies because the accessory apartments were supposed to be for young people before they had a family and older people who wanted to share their house with a young family or with their family member so we wouldn't lose the young people. We did a study on that.

Now we're saying that the owner of the house can move into the accessory apartment and they can rent out the three bedroom house that's left. We don't know what that's going to do to our population or I think a study should be set.

Well, half of the 500, 250 may move into the accessory apartment and a family may move into the other three bedrooms which would increase our population, they say an average house has 2.5 children. So that's five more people moving into a house.

We didn't do that study to see how close to the 42,000 people

we want in the town of Riverhead that will bring us with the other homes under construction."

Supervisor Cardinale: "I think the answer to that was given during the public hearing, John. That they indicate that the person could sell the house at any time and, in fact, many of these older people are selling the house because they cannot afford the taxes imposed upon them which, hopefully, will be rectified by the Riverhead Resorts deal and the Reckler deal and other deals.

But they can't pay the taxes, so they've got to leave. When they leave, they sell to a family that has kids. So the reality is you're really not getting any more people there, you're just allowing the old folk to stay in the small apartment instead of having to leave the area.

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So I really think that it can't add- it won't add."

Councilman Dunleavy: "If they sell their house, then the new family may not want the accessory apartment and that may disappear or if they sell it to a real estate or a broker who they cannot have the accessory apartment, and then that accessory apartment will disappear.

So, you have those different thoughts but I just think that we should have done a study on how many more people this would have brought into the town if people do that."

Supervisor Cardinale: "Well, we would- there's only 500 apartments. We do have that cap. And we know that there's only so much space and the only additional space would be three to six hundred feet of space and that would be for no more than two people. So I think we pretty much know that it will be the filling up of the house plus another 300 to 600 square feet.

I would like to vote this because I know George feels strongly about the accessory housing and he'll be leaving the board. I frankly am not- I'll be frank about it. I don't see- I mean I had some bizarre debates during the last election that suggested that to the two incoming members, Mr. Stark, indicated he didn't want any more rental housing in the town. We didn't need it, except mother/daughter.

So I'd really like to get this done before- at this meeting for

that reason."

Councilman Bartunek: "Could I just make a comment? At this point, I have a tough time feeling strongly about anything, quite frankly."

Supervisor Cardinale: "Except getting out of here by 5:00, right?"

Barbara Grattan: "Exactly."

Councilman Bartunek: "And the second comment, Barbara, is one of the concerns that I did have was with the pre-existing illegal apartments and identifying them. And I'm just- I don't know what the impact would be, how many people are going to really go out of their way to build a new accessory apartment in- how can I say this?"

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I think that most of the people that are going to be coming forward are going to be the people that have the existing apartments already. And I think that that's what's probably going to happen. You're not going to have a rush of people who are going to go out and build new apartments just to comply with this law.

So, I mean, if we were to give like six months, for example, where we could only consider pre-existing apartments before we could start considering the construction, new construction, that would require another public hearing, I guess. It probably would. That's a significant change."

Ann Marie Prudenti: "My legal opinion is that is a substantial change under the law and would require a new public notice."

Supervisor Cardinale: "Which would require a new public notice?"

Councilman Bartunek: "That if we- "

Ann Marie Prudenti: "In the event that we did a six month period of time to allow illegal accessory apartments to come in and basically have first dibs on the 500 units that are available, that would require a new public notice."

Supervisor Cardinale: "On the basis that that would be a

substantial change."

Ann Marie Prudenti: "Absolutely."

Supervisor Cardinale: "In your opinion. It's always a matter of opinion, isn't it?"

Ann Marie Prudenti: "Yes, it is."

Supervisor Cardinale: "What difference does it make when you think about if you- in order to obtain the necessary votes for passage, we said for three months they can come in and get dibs. And then on the fourth month, it's open to everybody. It's not a big deal and nobody would care."

Ann Marie Prudenti: "The test for determining whether- "

Supervisor Cardinale: "Yes, tell me the test."

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Ann Marie Prudenti: "-- whether there has been substantial difference between the public notice and the resolution is whether the notice as published fairly apprise the average citizen reading it the general purpose of what is contemplated."

Supervisor Cardinale: "Well, it sure as hell would in that (inaudible)."

Ann Marie Prudenti: "Well, no."

Supervisor Cardinale: "This is an accessory housing statute. We're talking about the effective date of opening it up to other than existing apartments. That's what we're talking about."

Ann Marie Prudenti: "Individuals who may have been-- who are quote staying away from today's hearing, may have, in fact, decided to be present and express their views. Because if they are the individuals who believe that everyone equally whether an illegal apartment or whether a new application for an accessory apartment or an illegal apartment coming in to get legalized, has a fair opportunity at the 500 limit."

Supervisor Cardinale: "Right."

Ann Marie Prudenti: "I think because now we're changing

that-- "

Supervisor Cardinale: "Okay. You're absolutely right, except that what we're doing-- what she's suggesting we do and he is, I think, is giving preference during a limited period of time to the presently existing apartments. Okay?"

I understand that, but your problem with your explanation in all honesty is that it would apply to any change of any text in any public hearing. So I wish you or Dawn or somebody would tell me once and for all if you tangent any word other than a typo, it has to be reheard. We'll rehear it. But I don't get the substantial. There must be a definition in the case law of substantial. And I'm not so sure this will meet it but we'll never know because we won't be able to look it up.

So the real deal is you're suggesting-- "

Ann Marie Prudenti: "I have it here."

Supervisor Cardinale: "What does it say?"

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Ann Marie Prudenti: "In my opinion- "

Supervisor Cardinale: "That's the text, right, or is that a case?"

Ann Marie Prudenti: "Oh, no. I'm reading- I'm quoting you- "

Supervisor Cardinale: "Okay, what is the definition?"

Ann Marie Prudenti: "Well, there is no concrete definition of substantial. And- "

Supervisor Cardinale: "I knew it."

Ann Marie Prudenti: "All the cases talk about, there is no concrete definition. But they give you examples and one of the examples is that the average citizen reading it, they may have decided to be present today because the change is substantial. You were giving everyone an equal opportunity prior to what we're now talking about, but now we're talking about giving a select group preference."

Supervisor Cardinale: "The illegals."

Ann Marie Prudenti: "Correct."

Supervisor Cardinale: "The ones that have illegal apartments."

Ann Marie Prudenti: "And that's a substantial difference."

Supervisor Cardinale: "Okay. Thank you. You may be right. I'm not going to challenge you because I always believe my attorneys. It's the guys from the outside who aren't my attorneys who are asking me to believe them that I have difficulty with."

Councilwoman Blass: "Can I just bring another point up?"

Supervisor Cardinale: "Yes."

Councilwoman Blass: "In terms of discussion or for purposes of discussion. There is no incentive for anyone who currently has an illegal accessory apartment other than to come forward by waiving the penalty fee or the fees that would be associated with having built without a permit."

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So once— if they chose not to take advantage of the amnesty period and they get caught subsequent to that, shouldn't they be fined beyond what they would have been fined if we had never given them an amnesty period? I mean, what is the— if there's no punitive— there's nothing that gives them— they wouldn't be treated any more— "

Ann Marie Prudenti: "Any harsher."

Councilwoman Blass: "That's correct."

Councilman Bartunek: "But if they get to the 500 units, Barbara, in that one year, we get beyond that one year, then the apartment can be effectively— "

Councilwoman Blass: "But that's a different story. If they came forward during the amnesty period and the 500 had already been— we had already reached the cap, that's a different situation than not being, you know, not taking advantage of making your application during that period. Sitting back and saying, well, I'll just keep

coasting until I get caught and then not— "

Ann Marie Prudenti: "Well, the way our code is written, under 52 Section 18 Subsection E, it specifically states that in addition to the criminal penalties set forth herein, the town attorney is authorized to pursue any and all action in law or in equity including but not limited to actions for compensatory damage, civil penalties, etc.

So in essence one of the arguments in prosecuting an illegal accessory apartment that doesn't come to legalize within the amnesty period is-- obviously that's an argument for the town attorney's office to make in prosecuting or bringing a civil proceeding against that individual is advising the court, look, the town provided them an opportunity for one year to legalize. They chose not to avail themselves and I think that has a big impact on whatever penalties that the court is going to access."

Councilwoman Blass: "That's assuming that the board votes to take them to that action. We've all seen how settlements and depending upon circumstances we take some people to court and not others.

Why not put something in the code itself that says, you know, after this period of time any illegal accessory apartment shall be

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fined and put a specific amount in there. There's nothing in there now. Again, it's something that we probably would have vetted during additional discussion if we had the opportunity (inaudible)."

Councilman Dunleavy: "Can I just say something? Any amnesty period that I ever heard of, you give something to somebody to come forward and give themselves up. You don't say well, we'll take your application and if it passes what we want, you'll get your apartment. Because you're not going to get people to come forward if they have a small thing wrong.

I know when the police department want to take guns off, they say come on in to an amnesty period, we're not going to charge you for having the gun. We're even going to pay you to bring the gun in. You have to give somebody something to give themselves up and this does not give anybody- it just says get on line with everybody else and if you can pass, you pass. If you don't pass, you don't pass, but guess what? Now we know you have an illegal apartment."

Supervisor Cardinale: "But it does give them something. It gives them the triple- it waives the triple building department fee for their making the accessory apartment in the first place. So it does give them that."

Councilman Dunleavy: "Yeah. But you have to give them a little more."

Ann Marie Prudenti: "But unlike firearms, there are constraints built in because we're talking about housing and we're talking about the building and fire code. We're talking about a requisite square footage. Somebody could come in and the main residence could be 400 square feet and now they're applying for an accessory apartment in that 400 square foot footprint. Obviously that can't be- it's not going to be considered."

Supervisor Cardinale: "That's not going to work."

Councilman Dunleavy: "It's not going to work, right."

Councilwoman Blass: "With all due respect, I did ask that we have an opportunity to discuss this. I had reached out to the building administrator and the town attorney's office and we were prepared to meet to further discuss this. So I was a little surprised to see that it was in the packet and I apologize for putting these issues on the table now for discussion but it's in the packet."

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Supervisor Cardinale: "We can't pass- we should get used to this. We can't pass anything. We have to have three votes to go first. Let's find out if there are two people or three people that want to table it. If there's three people, then let's go on to the next resolution."

The Vote: "Dunleavy, yes."

Councilman Bartunek: "Now, wait a minute. Is he tabling?"

Councilman Dunleavy: "This is a motion to table."

Supervisor Cardinale: "He's voting yes, he wants to table it."

The Vote (Cont'd.): "Bartunek."

Councilman Bartunek: "I'll vote to table it."

The Vote (Cont'd.): "Blass."

Councilwoman Blass: "Yes, to table."

The Vote (Cont'd.) "Densieski."

Councilman Densieski: "Yeah, for a host of reasons. One, once again, I think the new board members should be making this decision and we discussed this at length in the small business advisory committee meeting and the members agree that we have to be careful with what we are trying to create here.

I personally don't want an accessory apartment next door to my house. Maybe some of you do, I don't. I have nothing against Mastic but I don't want Riverhead turning into Mastic. That's what they have in Mastic. They have a million little apartments.

So I would advise the board to act accordingly and if they're going to do this, I strongly recommend starting with 50. You can always go up. To start out with 500 scares me. So I'm going to vote yes to table."

Supervisor Cardinale: "Okay. I will join the board but I would also urge John and Barbara to work- at this point, I would like to get an accessory housing- accessory apartment statute passed. It doesn't have to be the precise one I'd like to pass. It has to be something though because we worked hard and we don't want

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to let it lay and drop. So please whatever you guys come up with, I'll support so I can get something passed."

Barbara Grattan: "Did you vote yes to table?"

Supervisor Cardinale: "Yeah, I vote yes to table to give them an opportunity to get the statute where they want it."

Councilwoman Blass: "Thank you."

Resolution #1196

Councilman Densieski: "A resolution supplementing the bond resolutions dated September 7, 2005 and April 18, 2006, respectively, to authorize, subject to permissive referendum, the

issuance of an additional \$2,000,000 bonds of the town of Riverhead, Suffolk County, New York, to pay a portion of the cost of the establishment of a new park and recreation facility at EPCAL in and for said town. So moved."

Councilman Dunleavy: "And I second it."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1197

Councilman Dunleavy: "Extends contract with Arthur J. Gallagher & Co. Vericclaim and Triad Group. So moved."

Councilman Bartunek: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes."

Councilman Dunleavy: "What about me?"

Barbara Grattan: "The resolution is adopted."

Resolution #1198

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Councilman Bartunek: "Appoints a marriage officer. So moved."

Councilwoman Blass: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski."

Councilman Densieski: "If you must get married, you should have it done by Barbara Grattan. Yes."

The Vote (Cont'd.): "Cardinale, yes. The resolution is

adopted."

Resolution #1199

Councilwoman Blass: "Authorizes the supervisor to execute a collective bargaining agreement with the Riverhead Police Benevolent Association, Inc. (PBA). So moved."

Councilman Densieski: "Second the motion."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy."

Councilman Dunleavy: "Yes. This has been over a year in the making so we're negotiating a new contract."

Councilman Bartunek: "It's over January 1st."

The Vote (Cont'd.): "Bartunek, yes; Blass, yes; Densieski."

Councilman Densieski: "I've been giving Phil a rough time all night about putting this off for the new board, but this one we should probably do now. Yes."

The Vote (Cont'd.): "Cardinale."

Supervisor Cardinale: "Yeah. And for those in the press who didn't look at it it's January, '05 to December 31, '07. So we are just doing that for housekeeping. We're well involved in the PBA negotiation for the new three year period."

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Barbara Grattan: "The resolution is adopted."

Resolution #1200

Councilman Densieski: "Authorizes the Supervisor to execute an agreement to obtain and maintain an emergency generator procured from Suffolk County. So moved."

Councilman Dunleavy: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1201

Councilman Dunleavy: "Appoints a recreation specialist special needs instructor to the Riverhead recreation department. So moved."

Councilman Bartunek: "Seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1202

Councilman Bartunek: "Authorizes the town clerk to publish and post a public notice for a local law to consider amendments to Chapter 101 of the Town code of the town of Riverhead entitled Vehicles and Traffic. So moved."

Councilwoman Blass: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1203

Councilwoman Blass: "Authorizes the town clerk to publish and post a public notice for a local law to consider amendments to

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Chapter 108 of the code of the town of Riverhead entitled Zoning. So moved."

Councilman Densieski: "Second the motion."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy."

Councilman Dunleavy: "Yes. And this just clarifies the three

different golf courses we have in the town of Riverhead. I vote yes."

The Vote (Cont'd.): "Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1204

Councilman Densieski: "Adopts a local law to repeal Chapter 95A entitled transfer of development rights of the Riverhead town code. So moved."

Councilman Dunleavy: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #1205

Councilman Dunleavy: "Awards bid for Youngs Avenue landfill capping and closure project. So moved."

Councilman Bartunek: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy."

Councilman Dunleavy: "Yes. And after a long time, this will finally happen and by the end of the year, this will be capped and look beautiful up there. Yes."

The Vote (Cont'd.): "Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

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Resolution #1206

Barbara Grattan: "1206 is to pay bills, right? 1206."

Supervisor Cardinale: "Pay bills."

Councilman Densieski: "So moved."

Councilwoman Blass: "Seconded."

Supervisor Cardinale: "Moved and seconded. Vote please."

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Supervisor Cardinale: "That concludes the resolutions. Is there any comment, please— if there is any general comment on something within our purview, please come up. Yes, Sal."

Sal Mastropolo: "Just one comment. I watched the work session and the discussions about getting appraisals on property and stuff. Has any thought been given to taking the police department and justice court and just moving them someplace like that title building near the library and use this whole complex for a town hall. It's got good parking under the building and (inaudible) so police can come in and secure underground parking."

I think there's parking behind the building."

Supervisor Cardinale: "What's the proposal? Leaving this complex as town hall and then moving the police."

Sal Mastropolo: "Yes. Taking the police and justice court or just a piece of it and moving them. I'm just saying, you know, everybody's looking at moving town hall. Why not, you know, why does the justice court or the police department have to be there? Justice court doesn't have to be with town hall, that could be anyplace. It may be easier to find a spot for justice court, okay, than it would be to find a spot for a new town hall and probably less costly."

Supervisor Cardinale: "That was looked at a while back by Ken Testa and— but there are positives to that, to looking at that. We did look at it because there are some real positives to moving the police station— police department for starters."

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The present thinking is to move the justice court into this building with a few other offices, and then move the— let the police expand because they need more room allegedly."

Sal Mastropolo: "I just don't see how justice court (inaudible).

Supervisor Cardinale: "Remember, there's only this room and— there's no second floor to this. There's not a lot of space here and we would use the exterior offices for some of the stuff that we have in the east lawn building potentially, and then that east lawn building would be available for sale. But it's something worth considering. I believe they did consider it in the past, I'll ask Testa."

Councilman Dunleavy: "But, just to let you know, 400, we had it appraised and he wouldn't accept our offer for 400. So that's the other problem we have."

Supervisor Cardinale: "The property on 400 West Main— "

Councilman Dunleavy: "The one you're talking about."

Supervisor Cardinale: "They wouldn't come in at anywhere near where our appraisal was."

Sal Mastropolo: "Okay."

Councilman Bartunek: "I think what you're suggesting is anyway is probably just leasing the space. Because— "

Sal Mastropolo: "Well, I'm suggesting, you know, not always looking to move town hall, but possibly move justice court or the police department and utilizing this (inaudible)."

Councilman Dunleavy: "It's a good idea."

Sal Mastropolo: "Like the accounting department into that building if you were to move them out. It may be easier to find a spot for them because they don't need as much square footage as town hall. That's my only point."

Supervisor Cardinale: "Right. Thank you."

Sal Mastropolo: "You're welcome."

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Supervisor Cardinale: "Any other comment? Yes, please come up."

Bernadette Vooras: "Bernadette Vooras from Riverhead. I have four things."

Supervisor Cardinale: "Sure."

Bernadette Vooras: "The first I do have a great respect for traffic lights but I think (inaudible). So I think it's about time (inaudible) because this whole town is being held up- we have no (inaudible), just because of one individual. And I think that there's a point where greed ends and a town has to start standing on (inaudible). So I want this board to stand up and I want (inaudible) but I think it's about time we start to do something. It's not right. That's the first.

Secondly, I am sick and tired of going to Westhampton Beach to their theater. I'm sick of it. We've got one here, it's beautiful. Let's do something. I know February is, I think, a due date. Well, whatever has to be done, let's do something. This is ridiculous. This is not an innovative individual. If I had that place, believe me, that would be open and swinging. Okay.

Next thing is one word, Samonas (phonetic). I have waited for two and a half years. I keep calling. How long do we stay in court? Half of the thing is already done. The man could pay the salary, at least there must be at least \$100,000 in fines since 1992."

Supervisor Cardinale: "Who is this? Samonas?"

Bernadette Vooras: "It is a very obvious thing that there is on the Samonas property which is on Sound Avenue and you should remember this because I've been here before. I'm not even going to give you the benefit of going over this again. But this- "

Supervisor Cardinale: "What a benefit."

Bernadette Vooras: "But this- "

Supervisor Cardinale: "Are we in litigation on that?"

Bernadette Vooras: "Yes, you are. And I keep seeing it in litigation under executive session."

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Supervisor Cardinale: "Samonas? Wait a minute. Well, all litigation isn't in executive session. We're not in litigation on this, are we?"

Ann Marie Prudenti: "It's not ringing a bell with me."

Bernadette Vooras: "Samonas property."

Councilman Dunleavy: "That's the moving and storage. They have all the trucks. I understand, they have all the trucks outside and they're not supposed to."

Bernadette Vooras: (Inaudible)

Supervisor Cardinale: "Where?"

Councilwoman Blass: "On the court calendar. Is that what you're talking about?"

Bernadette Vooras: "No. I want to know when am I going to hear something?"

Supervisor Cardinale: "Well, I don't know that we're even in litigation. Let me— if you give me the name, I will check it. But I know of no active litigation on it. Now there may be a code enforcement investigation, we can check that. Can you give us the spelling?"

Bernadette Vooras: "S-A-M-O-N-A-S."

Supervisor Cardinale: "Samonas. Can you check that, Ann Marie?"

Ann Marie Prudenti: "Yes."

Supervisor Cardinale: "We'll let you tomorrow what's the status."

Bernadette Vooras: "All right. Look forward to it."

Supervisor Cardinale: "Okay."

Bernadette Vooras: "And the last one is Broidy."

Supervisor Cardinale: "Broidy."

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Bernadette Vooras: "Three point on acres."

Supervisor Cardinale: "Yes, that is in litigation."

Bernadette Vooras: "I know it is."

Supervisor Cardinale: "That one we have discussed and there is an outstanding settlement offer which may resolve it."

Bernadette Vooras: "So there's hope."

Supervisor Cardinale: "There is hope."

Bernadette Vooras: "I'll ask again in the new year."

Supervisor Cardinale: "Thank you. Any other comment, please come up."

Bernadette Vooras: "And, folks, I just want to say I appreciate what you do. (Inaudible)."

Supervisor Cardinale: "Yeah, get you up here. Next election. Yes."

Nick DiPierro: "I'd like to wish everybody a happy new year and thank Eddie and George for their service to the town. And I understand, I guess it was (inaudible)."

Supervisor Cardinale: "Yes."

Nick DiPierro: "That the board gave the citizens of the town a Christmas present. That Christmas present was in the manner of the way of the time periods of the town board meeting. We were going to have 2:00 meetings. I came here today because I'm not working. When we have lots of meetings at 2:00 in the afternoon, I wonder how many people are going to be coming here? We have what, 12 scheduled meetings. Too bad, you know, the citizens didn't have an input in the time change.

I would think that you would want to have town board meetings at 2:00 during the months of June, July and August and maybe December. You could have eight of them at 2:00 in the afternoon. In the summertime, you guys and everybody else would love to get out of here early. I think that the present that you gave to the citizens as it was stated in one of the papers, was more of a present to the board members. I don't blame you for wanting to get

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out of here early during the 12 times out of the year.

But what about the people who can't make it here at 2:00? You're going to get a lot of retired people, you're going to get a lot of people who are in agreement with everything you say and I noticed today that you wanted to cut the meeting short or the hearing short because you didn't like a lot of what somebody said.

So I don't know if that has any impact on the 2:00 meeting or what but maybe you should reconsider the amount of 2:00 meetings that you should have (inaudible)."

Supervisor Cardinale: "Thank you. As with every resolution, before that was passed it was on for comment and comment was made. It's always a balance between getting the people that don't drive at night and getting the older people and getting the people that are working during the day. So we're trying.

Thank you very much. If there's no other comment, we'll end the meeting."

Meeting adjourned: 5:15 p.m.