

Minutes of a Public Hearing held by the Town Board of the Town of Riverhead held in the Town Hall, Riverhead, New York on Wednesday, February 27, 1991 at 7:00 p.m.

Present: Joseph F. Janoski, Supervisor
Denise Civiletti, Councilwoman
Victor Prusinowski, Councilman
Arrived 7:20 James Stark, Councilman

Also Present: Irene J. Pendzick, Town Clerk

Absent: John Lombardi, Councilman
Patricia Moore, Town Attorney

Supervisor Janoski called the meeting to order at 7:30 p.m. and the Pledge of Allegiance was recited.

Supervisor Janoski explained the purpose of the hearing and introduced the audience to Michael LoGrande who is representing the Downtown Planning Associates."

(Tape not on during first few words)

Michael LoGrande, Downtown Planning Association: "The New York State Laws and is a permissive law that allows for the creation of these Business Improvement Districts wherever the Town Board, in this case it's the Town of Riverhead, would like to see the creation of these districts.

On September 4th as you will recall the Board did pass what is a generic resolution that allows for the formation of a district and shortly thereafter we were hired through my firm Downtown Planning Associates to prepare the Business District form. This Board also named the people to a steering committee from among the merchants and property owners in the downtown Riverhead area and together we proceeded to develop what is before you this evening as the plan, the report and the map in accordance with Article 19A. Behind me, just at least for the purposes, I'm sure no one can read it, but displayed on the wall for those that have not seen it in the Town Clerk's Office is the map of the district boundaries that were formed and the report was also filed with the Clerk and has been available for inspection.

I'd like to say at the onset that first off there are a number of Business Improvement Districts in New York. Under the old law which was Article 3 of the New York State Law towns and villages were excluded from the creation of Business Improvement Districts. And as a result districts were formed throughout the State of New York, but only in the cities. The city of Kingston for example or the city of Elmira or the City of New York has twenty such districts. There are twelve more on the way in New York City. But it wasn't until December of 1989 that the law went

into effect that permits towns and villages throughout the State of New York to also participate in the creation of these districts.

The purpose for the district really was and it is very clearly stated in Article 19A and that is that anything that is done in the districts should be designed specifically to enhance and improve the business aspects of the downtown area. And clearly in anything, whether it be in the plan or any subsequent proposals if this district is created, that any proposals that are made must clearly have a benefit to the business community in mind and that has to be the ultimate objective in this district. And the report that we have prepared, of course, and we've gone over it very, very carefully and provided professional assistance to those people that hope to prepare this report. We made absolutely certain that anything that was done was received as or was clearly aimed at those benefited properties that would benefit by the creation of this district.

There are several aspects of it and I think that perhaps I could cover many of the concerns that some of the people and certainly those who are participating this evening in the public hearing, may have and perhaps I can clear those up in my presentation if you will just bear with me a little bit. You should also be aware and I think the members of the public hearing should also be aware that the Village of Port Jefferson has just completed theirs. The downtown area of Bay Shore in the Town of Islip is currently on the way. Patchogue approved it. They agreed to and approved the creation of a district last night and theirs will be shortly on the way and the Town of Smithtown right now is considering a Business Improvement District for the downtown area of Smithtown. The Chamber of Commerce Board of Directors approved about two weeks ago the creation of a Smithtown district. It hasn't been approved by the full Chamber yet nor by the Town Board. So they are under way. The first one that was created on Long Island was the Village of Great Neck Plaza. That district has been in effect now for just about a year and it was constituted under the same provisions of the law that guides the creation of the Downtown Business District for Riverhead.

The purpose of the district is to somehow provide for the property owners, in fact tenants as well as property owners, in the downtown area with a mechanism by which they can take advantage of a taxing jurisdiction to make certain improvements that the Town otherwise under State Law would not be able to do. For example the Town Board and I know that in my past and in my government experience a Town Board, for example, cannot do things that would inure to the private sector in a sense that it would be considered a gift. You could not make improvements to private properties. You cannot loan monies to individual property owners. You cannot buy ads on behalf of the downtown area nor can you advertise on television on behalf of the merchants in downtown areas. All of these things now can be done under the auspices of

the district that is created. So that the district now has the authority and the ability to be able to raise funds. To use the town's ability to even borrow monies at very low interest rates and to be able to make improvements to the business community that otherwise could not be done. Some of the questions that have been raised are that after you create this district and a small tax is imposed on it does that mean that the town can walk away or the town can push away all the services that the town would perform on the district. And it is specifically disallowed in the law. The town cannot get away from additional patrolling whatever police services are provided, road maintenance and those kinds of things cannot be even reduced in any sense because of the creation of a district. On the other hand what the district really does it augments the town's services. Where the town cannot sweep private properties, for example, in the creation of the district, the district can hire people to sweep even private properties to improve and maintain private as well as public properties where there's some agreements that are made and can do all of those things that the town by law is precluded from doing. In the instance of the downtown development district for Riverhead the committee agreed to a first year budget and the way the mechanism would work is that if after this public hearing there is going to be 30 days for which any of the property owners who object to the creation of this district can file an objection notice. The forms for that objection are available in the Town Clerk's Office. So that a property owner need only fill out the form. The form already states that there is an objection to this. They state the properties that they own, assessed valuation and the form has to be notarized so it is a valid objection. And after the 30 day period we would look at all those objections notices and that if in fact 50% of the owners affected by the district or 50% of the owners or I should say the owners of 50% of the assessed valuation either one of them. If that number materializes in the form of objections this Board will deny the creation of the district. And I might point out for the members of the Board that unlike a permissive referendum in which a petition is submitted and then you hold an election, this is much stronger that if 50% of the owners and more than 50% of the owners object to the creation of the district you must under the law pass a resolution that denies the creation of the district and you cannot reconsider it for a period of one year."

Supervisor Janoski: "Mike is it 50% of the assessed value?"

Michael LoGrande: "It's both. Either one of them. In Port Jefferson, for example, we did not include the Long Island Lighting Company Power Plant, but had we done that the Long Island Company, Mr. Catacosinos could have signed one objection notice and that would have killed it right off the bat because he constituted more than 50% of the assessed valuation of the district being created. It's either 50% of the value of the district or 50% of the actual owners in absolute numbers. Either one of those could stop the creation of the district. I point that out because I think that it is significant and should be

pointed out and the law specifies that we do that as well. The other is that once the district is created this Board is also authorized the creation of the Downtown Management Association. The Riverhead Management Association, District Management Association has already been formed and are an incorporation in which you named, this Board has named the members to that corporation for the first year. If the District is then created, we will file the final papers for the Corporation and they will be in the process. But that District Management Association is the one that governs and controls what plans go in every year and what recommendations are made for the purposes of making improvements in the following year. They will submit when the district is created. They will submit to you an annual budget. They will specify those kinds of things that they would like to see approved and at your regular budget hearing you will take that up as you do all the other special districts and that you can if they submitted a budget to you that is outside the scope of Article 19A you can certainly deny that. But if they are consistent with the State Law, which this budget is, then you are essentially acting in a proforma manner by approving the budget and then levying the tax that would be created. There are some people who are concerned that the Town still controls the district. They don't. The District Management Association which has been formed under this law with the Town Board's blessing is an independent body and after the first year they will elect all of the officers to the Board of Directors. Those officers shall be elected from the property owners and tenants. It's all specified by the bylaws of the district. Those people who are affected by the district and that they will be self-controlling and essentially self-governing. The district itself. Any budget that goes before the Town Board that is submitted and created by the district is voted on by all the property owners and all the tenants within the district on a line item basis so they have an opportunity to approve or disapprove any item that maybe submitted in the budget that comes to you after action is taken by the general membership of the association. So that there is a very, very strong component of control on the basis of the people who are most affected by it. I think more so than any of the other special districts that you are familiar with and I was familiar with in my government experience as well. Yes."

Councilwoman Denise Civiletti: "I'm sorry to interrupt you, but are the property owners and tenants in effect members of this non for profit corporation?"

Michael LoGrande: "Yes they are. As a matter of fact, Councilwoman, the members themselves, it is specified in the law while the majority of the members must be property owners, because they are the ones that receive the tax bills essentially, representation by the tenants must also be included on the Board of Directors. And we have bylaws that have been drafted along with your representatives as well as the steering committee from among the merchants that specifies the merchants of the Board and as long as the spirit of the law is preserved by the majority of

the property owners then they can go ahead and operate as a corporation. And it is a filed not for profit corporation that is contracted with you as the levying agency essentially. Those monies are then turned over to the District Management Association as the contracting agency to implement the plan. So that effectively the Town Board function is one to accept the budget that comes in and certainly you could scrutinize the budget and then levy the tax amounts of dollars and in this case we are talking about \$41,000.00 for the first year and then turning those monies over to the District Management Association run by the merchants and property owners themselves for the implementation program.

I might point out to you that there are several things and I glossed over them very quickly, but there is an extraordinary amount of things that can be done. We recommended particularly during these difficult times, business is very bad and we know this and that in these difficult times we recommended that the budget be kept very, very modest. The proposal that is before you now is a \$41,000.00 budget which I believe that the average property owner is less than \$50.00 for the average property that is going to be levied in the district on an annual basis. That is also a tax deductible levy because it comes in a form of taxes. But we purposely have stated and I think that the steering committee which by the way I want to compliment. They worked very hard and did an excellent job. They purposely want to keep that down and they may want to keep that down for a number of years so that when business does recover and the economy will bounce back eventually that they may want to take on something a little bit more ambitious. Otherwise the budget that they are proposing right now is a very frugal one. One that is probably just about what the Chamber of Commerce would be spending in terms of improvements.

I would like to list for you and just point out page 9 of the report, I think it's 9, the proposals for the year. The first year program which is before you this evening and we would appreciate that you would incorporate the approval of both the first year program as well as the creation of the district in your subsequent resolution if you are inclined to do so. The budget is \$41,000.00 in the first year. Holiday lighting is \$5,000.00 of that amount. A full time Chamber administrator a contribution to that to the Chamber of Commerce and they can do so is \$15,000.00 to contribute so that the Chamber can hire someone for a larger amount perhaps. Promotional advertising for the area \$15,000.00 and the bid preparation and I think you know that it is documented in the public documents our contract for the preparation of this district was \$12,000.00. The Steering Committee had asked this Board if the repayment of that could be made over a two year period. So included in this year's budget the first payment would be \$6,000.00 and then of course they would have to make another payment to you for one more year and that would avert the cost of the preparation of the district which was \$12,000.00 as you are well aware of.

The tax impact. In the law it specifies that the tax impact cannot exceed 20% of what the Town's tax rate is. In the case of the Town of Riverhead the Town's tax rate portion is a little over \$21.00 per one thousand dollars of assessed valuation. The limit of that would have been 20% of that amount or somewhere in the neighborhood of \$4.00 on the tax rate. The proposal is less than \$2.00. It is actually \$1.93 per thousand dollars of assessed valuation. And that means that the average property perhaps would be paying [on the basis of their assessed value] would be paying probably less than \$50.00 per year. Obviously bank buildings and there are some substantial buildings where the assessed valuation is relatively high and that number is proportionately higher. For those people at the hearing here if they are tenants obviously when the landlords received the tax bill, if there is a provision for it in their leases, they will pass that tax or proportional part of that tax on to the tenants so that they will be paying for it. But the rationale for the district is that they will also benefit by it from a business sense as well.

There is a second part to this plan in that when we were asked to create the district in progress and an outstanding job was done by the Community Development Agency of this Town in securing a grant in excess of \$300,000.00 for a facade improvement program. They were able to get a zero interest approval through the Urban Development Corporation to improve buildings. The UDC required that there be a mechanism by which they guaranteed repayment. Andrea Lohneiss and Rick Hanley, when we were given the assignment to create this district, asked if this could be the mechanism by which the facade program could be used as a mechanism for repayment to the State UDC over a seven year period. We researched it, we came up with a system UDC agreed that this is one way of doing it and that we have incorporated then two things. One, the basic bid that would be roughly \$50.00 for the average property based on an assessed valuation and two those fifty properties in the downtown area that have applied for the grant to improve their facade and their buildings will be given a second assessment which will represent 1/7th of the amount that they have to repay on the loan. This is a zero interest loan. So that for example if they received a \$700.00 loan they would have to pay \$100.00 a year for the next seven years. Their tax bills will be reflected in the bid district for the repayment of that loan. Which by the way is an excellent program and a nice way to borrow money without having to pay for interest and be given seven years just to pay back the amount simply borrowed with no interest on top of that. Someone raised the question that since it's on the tax bill can the repayment of that portion of it be considered tax and be tax deductible? I will not answer that question. We will let them use their imagination on that as well.

The schedule of implementation. The budget that is being submitted obviously will go into this coming years budget and will be a levy against the 1992 tax so that the tax bills when

they go out in December will reflect the creation of the Business Improvement District. The monies will then be available probably sometime after January 10th with which the Bid Corporation, the District Management Corporation of Riverhead will then have the \$41,000.00 with which to and that by the way may be in two payments or if you choose to advance the whole amount in January that's the option of the Board. They would have those monies available to begin undertaking those expenditures that they've outlined this year. There is one more thing that I would just like to quickly state and that is that there is another aspect of the bid that allows the district to undergo capital expenses. Anything that and this Board is very familiar with that, that anything that has a useful life, generally five years or more, we specify to the bylaws and we are talking roughly about a ten year life kind of thing. But that they in fact the downtown merchants, the District Management Association can undertake capital improvements and use the Town's bonding capacity and interest rate to undertake those improvements. We explained it to those in Patchogue last night and they have a very ambitious plan to undertake a capital program and the bonding capacity would be borrowing monies at about 6 1/2%. For the first time in the State of New York you can borrow monies using municipal interest rates to make private property improvements. So there is a great advantage to doing that again the purpose being to enhance and strengthen the downtown area of Riverhead.

The capital program also has a limit although it's limit is far greater than what the operating budget is. The operating budget I said cannot exceed 20% of the Town's tax rate. On the other hand the capital program says that it cannot exceed 10% in any one year. It cannot exceed 10% of the Town's capital debt limit. I think you know that you are no where near the Town's capital debt limit and therefor that 10% can be a rather substantial number. The interest is not included in any of the limitations so that the interest on that capital project can be fairly substantial, but I think that most people know that even the District Management Association has suggested no capital improvements this year and therefor there is no debt for this district at all.

Someone may raise the question can the district be abolished? And the answer is absolutely it can be. It's very clear in the law that as long as they have no debt they can abolish the district by petitioning this Board for the dissolution of the district by the same means as by which you create it. So if they can get 51% of the owners in there in a petition to you, you would hold a public hearing and abolish the district and end it at that.

Can the district go to sleep for a few years? The answer is yes. The people who own property in the district or the tenants themselves can say 'look business is not great, we don't even want the \$50.00 average of \$50.00 contribution for next year. How about we let a year or two lapse and then we will get into some

projects later on'. That can be done and the control for that comes directly from the people who are involved in the district.

Others may say how much interference or strength does the Town have in those matters? In fact with the exception of the provision of the law that says that the Supervisor may appoint one member, the Town Board Members may appoint one member and the Chief Fiscal Officer appoints one member with three members to their Board. Other than that, in the case of this Board, other than that there is no direct influence in any way, shape or form that the Town Board has with respect to the self governance of this district and self control of this district.

The district is fairly large and I just want to point out the map again to you and those of you who are familiar with it. Everything south of the railroad tracks and to the Peconic River from the cross over which is Nugent Drive in the vicinity of the Library all the way to the boundary just a little bit to the east of where we are here in Town Hall which is Prospect Street is included in the district both sides of Main Street are included. And in the district there are single family homes. Single family homes are exempt from the district charge. They are in the district, but they are exempt because they are probably zoned for business use and someday they may convert to an office building or what have you. At that point wherever they convert to some business use then their exemption status is removed and they begin to pay the charge if the district is still in effect at that time. Any properties that are exempt in the district, the decision was made by the Steering Committee is to leave them exempt and therefor certainly churches and hospitals and those kinds of things including Town Hall, this building, which is in the district is exempt from any of the charges. Any buildings that are jointly used both residentially or commercially because it is so difficult to try to separate the two, it may be a doctor's office with an apartment above it. Because it is difficult to separate the two the charge was assumed that it was a commercial piece of property and therefor it receives the full charges of a commercial parcel.

I tried to cover as much as I possibly could in terms of the district and perhaps I can leave it open to questions. I can wait here if you want to field some questions or however you want to do it."

Supervisor Janoski: "Why don't you take a nice comfortable seat and we will see what happens. Because there are so many new faces here this evening and I think it would be a good idea if I went through the process by which we operate here in a public hearing. Of course I see some faces that I've seen almost every two weeks for the past twelve years. My good friend Steve Haizlip and he attends just about every Town Board Meeting except when he had open heart surgery and he was back here in just a couple of weeks. Steve is interested in the community.

You will be recognized if you indicate that you would like

to be. Come to the microphone, state your name, your business or your address so that we have that for the record. This is a Quasi Judicial Proceeding. It is a legal proceeding. Please address the members of the Town Board and speak to us. We have a microphone there and everyone will be able to hear you better as a matter of fact. We also have a microphone there that records the proceedings. So we would like you also just to talk with us. There are other reasons why we do that and it is very clear that I don't want a discussion going on between someone who is for it and someone who is opposed to it. We try to avoid that. When you come to the microphone your purpose is a very simple one. Are you for it or against it and tell us why. Certainly there is no need for animosity here and quite frankly if it gets out of hand we take some action about that too. But I don't expect it because I think we all have the same goals in mind for our Town to make it a better place to do business and we can have different points of view. Having said that I would recognize you sir because you had your hand up first."

Anthony J. Leanza, 216 Court Street, "My office is at 216 Court Street which I think is in the district. I don't know if I'm for or against it. I'm kind of thinking as to what we're doing here if we create such a district. We're really creating a new taxing agency and we don't know why except that maybe we want to improve the business district. The object may be fine. But the only reason we may want to do that is because it's private property and we can't do it under law. The town can't make those improvements and so we're getting around the law by doing it this way. My feeling is we'll be creating another taxing agency. This is the reason against it."

Supervisor Janoski, "It' more than a feeling Tony."

Anthony Leanza, "It's another taxing agency. And the taxing agency is being run by a steering committee. A Downtown Management Association or something like that which we don't know.... For example; we have so many (let's say) unequal properties where he mentioned the hospital, he mentioned there's a museum. We know that we have some one family homes. We have maybe some more than one family homes, some multiple dwellings there and we have things such as offices, law offices for example that have a different business aspect than maybe the department stores; Swezeys and the other department stores here. So we maybe throwing something in and just everybody grab what you can. Now, who is the committee? Apparently already picked I understand. You already have a committee for the first year. We already have a first year budget of, I think it was \$41,000 or something like that and that's supposed to be \$50.00 per property depending on the assessed valuation. At about \$20.00 odd dollars a thousand, what property in Riverhead, especially business property is valued up \$25,000 or less?"

Supervisor Janoski, "Tony he didn't say that. He said that the average tax rate for the Town of Riverhead is about \$20 or \$21."

Anthony Leanza, "No. He said for the average property, the average business property."

Supervisor Janoski, "But the tax rate for the was what? A dollar ninety-three per thousand."

Anthony Leanza, "Yes, but that's about \$2.00 per thousand. He said about \$50.00. Therefore, I say what properties is now assessed at \$25,000? You've got too many business properties assessed at \$25,000. Therefore, we must think not in terms of \$50.00 but in terms of maybe \$200.00"

Supervisor Janoski, "Tony, you know what you're property is assessed at."

Anthony Leanza, "Yes."

Supervisor Janoski, "So you could figure out for your self."

Anthony Leanza, "I understand. But what I'm trying to say that it is so uneven that we obviously have a situation where we have a grip on the situation by someone who is already on the committee, on this Management Association. But my feeling is this has been done before the town really had an opportunity of knowing that we we're going to create this district. I think perhaps we should have informed the property owners that this was happening before this. I think we got about less than a two or three week notice in the mail. Again, I don't know if I'm against it but I feel generally that we may be stepping in a very dangerous area. Especially now that business seems to be so bad. And to harness business with another thing... I realize it has it's good points too. Maybe it's a good idea. Build business up by improving private property and distributing the cost amongst all the business properties. The only question is you're going to have a situation; what good would it do for example; a law office to see a big mall in the center of Riverhead where people can go shopping. We don't care about that but we're going to be assessed just the same. Again, I'm not saying I'm against it for that reason but I think we should consider that it has unequal effect but everybody will be charged the same and who is going to be running it. Obviously it's going to be the big department stores who have the members on the committee now. They have to. I'm not objecting to them being on the committee. They should be on the association because they are the ones that furnish goods to the people of Riverhead. So therefore, their interested in the business district. But again, there's a reason why the law says the town should not improve private property because the very fact is that if you want to improve your property, you pay for it. Don't throw it to somebody else. And I think that maybe we're kind of avoiding the real warning in the law. Don't fool around with private property and try to charge everybody else. Then you're going to have problems. That's what I'm afraid of. Otherwise generally, I say it's a good idea but not the right time. Thank you."

Supervisor Janoski, "If I could just take a moment here. There's one important facets of public hearings that I forgot to mention and Tony very quickly reminded me. One is that we limit your time for presentation to five minutes and that we ask that you do not ask to be recognized until everyone who has spoken has been recognized. Then if you want to come back again, you can come back again. Now, Councilwoman Civiletti had a question."

Councilwoman Civiletti, "We'll actually I think it was just an observation. And that is that another purpose or another one of the philosophies behind the district, this is not just to be able to use funds that are collected through an assessment on private property but to tax an area that's going to derive a benefit from a specific improvement rather than taxing all properties townwide. Taxing properties in this district that will directly benefit from an improvement made in the district. Isn't that also another aspect of this?"

Unidentified Man, "But it's private property."

Councilwoman Civiletti, "Not necessarily but that's something that you can't...."

Supervisor Janoski, "Way in the back there with the red tie."

Joe Coleo, "I just haven't made any judgement about this idea of a Riverhead Business District. So this is my first knowledge of it through the mailing and I thank you for the mailing. We appreciate that. I just have series of questions and I hope you can answer them. Who are the appointed management people? Have they've been selected yet and could you tell me who they are?"

Supervisor Janoski, "Sure. Why don't you. How many questions do you have?"

Joe Coleo, "Five."

Supervisor Janoski, "Why don't you ask them."

Joe Coleo, "That's one question. The other question was, Mike you mentioned that it could be dissolved in the future if we wanted it but is it 50% of the owners that would dissolve it or is it 50% of the assessed value? Could they dissolve the district. Another question is; I understand it could tax additionally for 20% of the town tax or 20% of the town tax on the property. Would this kind of like encourage town taxes to be increased and the district tax would be able to reach it's maximum higher? And the other thing would be..... Excuse me. Bear with me. I can't read my own notes. The other districts that Mike referred to, I'm curious to know what percentage of the town tax are they at now. Just a ballpark. Roughly for the new district, the newly formed one and the old one. Can some of

these monies that are for facade improvements and improvements to the district, could they also be obtainable, and low mortgages, low interest loans or grants through the small cities grants, comprehensible or multipurpose grants. Is that also a possibility instead of forming the district. And as I said, I haven't formulated an opinion about it. I think it's an interesting concept and it certainly warrants looking in to."

Supervisor Janoski, "Okay. Fair enough. Mike, perhaps in addition to answering those questions, concerning the other districts in Port Jefferson or Patchogue. You might give an example of some of the projects that they wish to undertake because I think some of the ideas with the view and the impressions that have been given is that the sole purpose is to improve somebody else's building."

Michael LoGrande, "I don't know if I remember the five questions but on the dissolution by the way, in the law; paragraph 980N Dissolution; any district established or extended pursuant to the provisions of the article where there is no indebtedness... And I said if you're going to dissolve the district and there's debt, the debt has to be satisfied by the way. That's why the first year when they're getting their feet wet, said don't borrow any monies in that sense and just eliminate the debt. You can eliminate the district that way if you had to. It says where any outstanding or unpaid incurrences were accomplished for any purposes of the district may be dissolved by local law by the legislation body upon it's own motion. So that this Board can, on your own motion, dissolve the district if you felt it wasn't operating properly or what have you. Or by petitions of the owners of at least 51% of the total assessed valuation of all the benefited real properties. So that's 51% of the owners of the benefited real properties can petition you to dissolve the district. Obviously if you received that kind of petition, that you would do so on your own motion. the other one, the question was raised with reference to the other areas and how much they were assessing. In the case of Port Jefferson which was the one that was completed and by the way, next week is the final portion. They received some objection to it but in most cases very small objections were received. When that district gets created, the amount that is being levied for the first year (to the best of my recollection and I don't have it in front of me) is I think \$32,000 or \$37,000. That amount is also less than half of what their limit could have been. They're all exercising pretty good austerity in terms of the budget. They're doing more promotional work. They're not making a contribution to the Chamber of Commerce as this one is doing, to have a full time Chamber of Commerce member here paid as a representative. But they are also making contributions to the Chamber to assist in the holiday lighting as this one will be doing. And they are also establishing an office. They originally had which would be interesting, but they originally had free bus system; double decker bus they we're going to acquire on a capital program and they were going to

provide free bus service throughout the Port Jefferson the Port Jefferson Station area which by the way, they will still do that. They're probably going to do that in the second year. And that was an interesting concept. They're also looking at advertising and they're going to advertise. This is the only way they could do it, through a district like this. They're going to advertise in Connecticut, Bridgeport Connecticut for day trippers, senior citizens to come over and have dinner and patronize the stores in the Port Jefferson area using the Port Jefferson ferry system which was rather clever. But there are a number of different things. In the case of Bayshore, they're going to hire more security. They have vandalism problems and break-in problems and so they're going to hire full time security in the Bayshore area. They're also going to do several aesthetic programs in terms of tree planting and flowers and those kinds of things and they are also interested in promoting vacant stores and providing incentives for companies to move in and occupy the vacant stores in the Bayshore area. And I said in Patchogue, there's is a rather vigorous undertaking which is a capital improvement for sidewalk improvement and I'm not sure what the Patchogue budget is going to be. The Bayshore budget is going to be around 79 thousand dollars. They will, incidentally, be the largest of the business districts. When we get done with something like 470 properties including in that. We have 178 in the Riverhead district and in Port Jefferson there's 348 included properties but the effected business properties I think was around 170 or 190 rather effected properties that were business properties in Port Jeff."

Supervisor Janoski, "Another question was the membership of the committee."

Michael LoGrande, "I can read that directly. Mr. Aliano would also be happy to know that there's also an attorney who is represented on the board. There were (as I stated earlier) three named members that were appointed by this Board, the Town Board as their representatives. And you can continue that process if you want or you can also change it at some later date and appoint other people if you wish. We've explained to other communities that it's not a bad idea to have some town liaison and some support on the Board when they should need that and therefore we're recommending that they keep the three named appointed members of that board. For some reason I just had the list and I think I misplaced it. I can name them right off the bat. The three appointed ones were Monique Gablenz your representative, Rick Hanley and Andrea Lohneiss. Stanley Hagler is a member of the committee, Timmy Griffing, Jr., Barry Barth who incidentally was elected as president of the District Management Association, the corporation part of it. Curtis Highsmith, Jesse Goodale, Murray Rose, Carl Okun, Vincent Villela and Thomas Twomey and William Knapp are the members who are on there. The majority are property owners but there are also five tenants who are represented on that board as well."

Supervisor Janoski, "Thank you. Way in the back.

Bob Gammon, "I own property down on 31 McDermott Avenue. I'd like to preface my remarks by saying that I am very much in favor of improving the posture of the business district in Riverhead. However, on this one Barry, I going to have to disagree with you. I don't think that the way to approach the problem is to add more encumbrances in the form of additional taxes and more responsibility and more burden on the Town of Riverhead. Because I think one of the things that have to be addressed is the fact that the funds that area going to be used to pay for this are going to have to be collected through the taxing agency in the Town of Riverhead which means Leroy Barnes' office which in turn means, at least as far as I know, the town employees like everybody else in the real world, don't work for nothing. So there's going to be an added cost factor there that is not going to be included in the \$50.00 per \$25,000. Because of the fact that somebody has to do the bookkeeping on this in the form of putting it on the tax bill, making sure that the proper amount is on the tax bill, etc. etc. I, personally think that if you really want to improve the posture and I think there is not quite the similarity as was indicated by the other presenter between us and Port Jefferson. Number one; I do believe that Port Jefferson does not have a parking district like we do in Riverhead. And in Riverhead, anybody that's part of this business district knows how much of an encumbrance that is in the way of additional tax burden to each property owner. So right away, like myself as a businessman and I have a very modest enterprise compared to a lot of enterprises in downstreet Main Street, Riverhead. But before I can put one dollar in my pocket between taxes and insurances, I'm looking at \$14,000 a year before I even put the key in that door to open it. I think what you have to do if you want to revitalize downtown Riverhead from a business posture is not add more encumbrances a I said but find ingenious ways to reduce real estate taxes so we can be in a more competitive position with everybody else. Right now, I personally have a lot of friends that aren't shopping in downtown Riverhead. And the reason they're not shopping in downtown Riverhead is because their price structure is not favorable with other areas in New York. I mean that's the bottom line. And personally can't see structuring another form of government and make no mistake about it, that's what this is going to be. It's going to be another hierarchy, another form of government that's going to have to communicate with the Town Board and the Town Board is going to have to communicate with them. And whenever you get a group of people together, nobody seems to agree on anything and it takes all year to get anything accomplished. In all the years that I've been in downtown Riverhead with the exception of my good friend Barry Barth, nobody from the Chamber of Commerce has even come down to offer me an invitation to even belong to the Chamber of Commerce. And I think that there are a lot of people in the Town of Riverhead, businessmen that I personally know that are in the same boat because they happen not to be on Main Street, Riverhead. And it sticks in a lot of our

crawls. Now they're asking us to be a party to this. Well, I've said my peace and I think it does have certain good merits. But I think at this time with the additional tax burden, we can not afford it. Let's reduce taxes in the Town of Riverhead. Thank you."

Eileen Fenton, "I'm representing the Riverhead Chamber of Commerce. I'd like to read the following statement. The Chamber of Commerce believes that the proposed Business Improvement District offers the Riverhead business community an opportunity to demonstrate both to itself and the citizens of our town what is possible when businesses get to make decisions about their own future. The Chamber supports the idea that there are interests and concerns shared by all the enterprises that are included in this district and that this common interest is most likely to be found and acted upon by the organizations that they control. The Chamber recognizes that the concept of the Business Improvement District is a new one. And like on many new ideas, it has its faults. It could happen that particular businesses will find that they are being forced to contribute with their tax dollars to programs that have no clear benefit to them. It may also prove to be impossible for businesses as a group to develop plans upon which they agree. The Chamber however, these businesses included in the BID Program to concentrate on the possibilities rather than the potential draw back. The investment is relatively small and the decisions to expand or curtail even eliminate expenditures are made by the businesses themselves. Given these facts, downtown Riverhead (so the Chamber believes) should seize this chance to organize itself so that it can act to shape its future rather than, as often has happened before, being reduced to reacting to what others choose for them. Thank you."

Bobby Goodale, "I'm speaking on behalf of Riverhead Building Supply and I also am the Goodale on the steering committee. I believe if you look at the first year budget, there's no lights Christmas or otherwise that flutter outside of our property down on the river, our storehouses down along the river which is what we're getting taxed on. When they run an advertising campaign for downtown, we don't notice people knocking on our door for increased business. We're not at all sure that any of these expenses that are going to be spent in this first year or the second year will have any benefit whatsoever to Riverhead Building Supply. In fact, we doubt it. Despite that, the Building Supply is for this. It's for this because we have property in the area. It is what we consider to be a long term investment. It may not work out. We may find that after two or three years that what this BID attempts to do will prove to be impossible. But it seems to us to be a good opportunity, a good investment in the vitality of the Town of Riverhead and particularly in this area and we're prepared and we think that people who examine the possibilities in this project should also be prepared to make that investment. Not because you are donating your money to somebody else but because you hope and

expect and will work to reap the rewards of such an investment down the line. Thank you."

Supervisor Janoski, "Thank you. Anyone else wishing to address the members of this board concerning this proposal?"

Rosemary Horton, "My husband Alex and I own Rosie's Cake and Candy Closet on 41 McDermott Avenue in Riverhead. I've been there 18 years and 21 years in business in the Town of Riverhead. I'm very proud to say that the people of Riverhead and surrounding communities have allowed me to grow to the point of where I am. I haven't made a decision as to whether I'm for it or against it. Although I will truthfully say that I probably should be against it. Because of the fact that I don't feel that I have ever been included in any of the decision makings that this group and Riverhead Townscape and the other groups have been involved in. I was asked to join the Chamber of Commerce 18 years ago when I first started my business. And at that time I believe the fee was \$150 to belong to the Chamber. And at that time I said to them; if I had \$150, I'd hire a guard to watch it. And I said if I do manage to get \$150 from the people that think I'm doing a good thing in this community, then I would like to take that \$150 and I would like to invest it in my property and in my building and in stock and grow. So that when people come into my store, they're overwhelmed and that's exactly what I've done for 20 years. I've worked diligently. My husband and I have worked. My children have worked. We have managed to grow. And I feel that the people that came on this steering committee have not come up the hard way like a lot of the people in this town have. I think the problem with Riverhead is and I meet ladies and I meet people every day of my life six days a week and sometimes seven around the holiday. And the people complain to me that the reason they do not shop downtown Riverhead is because there's nothing to buy. They have great big buildings and there's nothing to buy. If you're over a size 16, you have nothing to wear, nothing to find to wear. So they have to go elsewhere. They have to go to Patchogue or whatever. And if they're oversize and they take an 18 1/2 shirt, you go into your local stores and they have two on a shelf. Why? When you can go to the Smithaven Mall and you can buy a size 18 1/2 shirt and there's a whole wall of them. Why? This is why your town is failing because the merchants in town are not bringing the will of the people into here. I have been down on McDermott Avenue for all of these years. I don't have a street light. I've never had any lighting put up in front of my place at Christmas time. We have an Easter Bunny that we freely give out at Eastertime that people come to see. Nothing, nothing for me. I asked for window boxes that the Riverhead High School made to put flowers in. I called twice. I asked them; could I please get a box. I'll plant the flowers, I'll water the flowers. I'm sorry we're all out and they're not making any more. I have called the Highway Department two or three times and asked them to please double stripe that parking area around the corner so that nobody gets killed, nobody gets hurt. The cars go around that corner,

they go into the oncoming traffic all the time. Okay. I get absolutely nothing out of this. Are you saying, is this committee saying that if I go and I vote for this, that you're going to light my area up so that when I have classes on a Thursday night or a Friday night or whatever so my women aren't afraid to come down there because they're going to be raped. That my husband doesn't have to spend his time sitting out in a car making sure that my ladies when they leave there are not hurt. Are you saying that you're going to put an officer outside of my building to make sure that when we hold classes down there, the girls at the craft store and myself that nobody is hurt? I mean I'm a little nobody. This committee was formed. Nobody was even notified or I was not notified (I shouldn't speak for everybody else.) that anything was being formed. Why? You want my money now. Why? Thank you very much."

Supervisor Janoski, "Thank you. Michael, can you address this question which has not been repeated a couple of times concerning the process of the creation and why it's necessary to appoint a committee so the initial work can be done."

Michael LoGrande, "I think that in answer, just off the bat, the question the lady had on McDermott Street. While the district is not designed to specifically go in and make a physical improvement that perhaps for the first time whether she was a member or was not a member of the Chamber of Commerce, she has a voting right now if she's in the district to come in and look at the budget that's being prepared and vote for item by item that's in the budget and to influence the budget process. Different from perhaps what she's had in the past. This is one way that she could also do that. And I see the sincerity in the fact that she's been a long-standing merchant in the Riverhead area. But I think that this also can afford an opportunity to be a very active participant in the process and she can not be excluded. Incidentally she can attend all those meetings and run for office and in fact even control the show if she can put it together right. The process of creating a screening committee is to do it from a generic basis, is to have the business community themselves who made the original request by the way. The Chamber of Commerce made the original request to the Board. This Board did not think it up. The Chamber did and came to you and asked if they could create this district. The process of appointing the members to the Board was for the purposes of having the property owners and tenants participate together to see if in fact they would like to undertake this project. And then the process of the public hearing is to see if the community will come out and support it. The committee members themselves were responsible for keeping the budget numbers to what they were. They were very much concerned and they are too and there's no question about it. When anybody says Riverhead is experiencing some financial woes, I mean I have to tell you that every downtown area including those people that think Port Jefferson is bustling, every downtown area is experiencing serious financial woes right now. Not only in Suffolk County. We're doing some

work in Rockville Centre but Rockville Centre is one of them. So it's a national phenomenon. It's the retail industry that's taken it's biggest lumps in terms of the recession. But it is also the time that the retail business and downtown areas can start to retool because I know that I'm old enough with enough gray hairs, as you're not quite as old as me Mr. Supervisor but you know that there is no such thing as a straight line in the economy. That it will come back and I believe that it's going to come back very shortly in terms of business and business will be bustling as it has in the past. This is a tool and they can reject it and they don't have to use it but this is a tool with which they can use that when that economy starts to bounce back, they could use it to their greatest advantage and try to do the promotional things; put on festivals; sponsor certain programs that will enhance and attract people to come to the downtown area and patronize candy shops and do those kinds of things that would benefit everybody."

Supervisor Janoski, "I'm sorry Tony. The rules are what the rules are. If you can ask him a question without speaking Tony, I'll want to see it. Yes sir. That guy over there with the dark jacket and the white shirt."

John Ayre, "I would like to speak for both myself and my wife Lois Pike Ayre who is unfortunately ill and could not come. First of all, I would like to state that we object to even being included in the business district. Our home is 33 East Second Street and I guess they decided we would be in it because I teach music lessons out of the house and she does graphic work at the house and we have a sign. But nobody came and asked us any questions about it. Nobody consulted us. We just got the thing in the mail. And quite obviously, all of these improvements won't effect us at all. We are doing very expensive improvements, blacktopping the driveway this Spring. Because from the road right by the sidewalk we had a depression. So every time it rained it looked like a lake. It really was an eyesore but I can't possibly conceive of the business district paying for us to blacktop our driveway. I have here a statement that my wife wrote. Two reasons why she is very much against the expenditures of having the money raised in this fashion. Number one; she says I do not think the money would be spent wisely or projects would be done in the most attractive way. And number two; any special efforts to enhance the downtown area would benefit the entire town and the entire town she feels should bear the cost if any. I don't think that has been raised before. I had one other thing and I'm trying to remember what it was."

Supervisor Janoski, "Yes."

Audrey Austin, "I'm from Sag Harbor. I think those of you who know me know I'm not anti-business certainly. And I'd like to think that of at least eight minutes after eight, I have an open mind about this project. However, not too long ago, I lived on a dirt road and I wanted it paved and about half of the people

on the road didn't want it paved. So I figured the best way to get them to do something they didn't want to contribute to was to create a special tax district which I did and now they pay for my road too which is also their road. It seems to me that we have two organizations in town already. The Merchants Association and the Chamber of Commerce who I always thought whose business it was or who's purpose it was to bring business and improve business in Riverhead. And right on the surface here, this seems to me to be a way to get those people who joined neither of those associations to come up with money any way. If you don't pay your dues one way, you'll pay it another and we'll do these improvements. I could be wrong about that but it seems this is a third way of doing the same thing as the Merchant Association and the Chamber of Commerce normally would do. The other thing I wonder about is that once these things get started, usually you get larger, you need a staff, someone to do office work, someone to go out and talk to the business community. It goes on and on. And I'm wondering... Once again, I was here the other night for parking and now if we build a parking garage, that's a very expensive project right? So we're not going to do that I understand. So once again this is a project that from a personal point of view, doesn't seem to particularly plan to do me any good either. So I'm all ears now to see how really this is going to pan out. Not this year where half of the budget goes to a coordinator, Christmas lights and drawing up a plan. But I'm interested in where we can expect it to stop budget wise. If there will be limits budgetwise. Not from the tax but all the projects that we want to stretch out over the years. And as the other gentleman said, (or lady) we already have the Parking District which a lot of use feel we pay for and get nothing out of. And I think you're going to find a lot of people feeling that way about the Business Improvement District. Thank you."

Supervisor Janoski, "Barry."

Barry Barth, "I own Barth's Drugstore on Main Street in Riverhead. I'm the president of the Business Improvement District. I'm on the Board of Directors at the Chamber of Commerce and I was one of the initial people that helped to start the Merchants Association. Let me just give you a little background on the Merchants Association. The Chamber of Commerce has been in Riverhead and has been trying to control and to cause participation in all of Riverhead and they have many, many projects that they worked on but they were encompassing the complete township. A group of the downtown merchants felt that we had particular projects that were unique to downtown and they were under the auspice of the Chamber of Commerce but they weren't really the responsibility of all of the town. We felt that we would benefit from these projects and we felt that we should pay our own way so to speak. So we formed this little group with about four or five merchants and we've grown to a membership of 35. Now maybe each person in the downtown area didn't get a membership notice but we have been vocal and we have been in the newspaper. We have funded and participated in many

many projects in downtown. And I think that people, if they heard about us and they wanted to join our group and if they wanted to join the Chamber of Commerce, they would have found some way to do this. The Chamber of Commerce and the Downtown Merchants Association worked very very closely together. The Business Improvement District, I hope, will provide the means by which we can take on bigger projects. We can improve downtown in stature and beautification and make it a better place to shop and make it so that people will want to come in the evening and shop. We've done an extensively tree lighting program for the holidays which was funded by the Chamber of Commerce and many of the Merchants in downtown. The lighting projects in the parking lots the Town has taken over and done a tremendous job and the new lights on Main Street look beautiful. And all these things take a long time and a lot of hard work. One of the line items that I would like to address that is in our budget is the \$15,000 which is a contribution to the Chamber of Commerce. If you looked at the Chamber of Commerce budget, you would realize that it's stretched out. They try to actively get members to join the Chamber but people are sometimes reluctant because they don't have the \$150 when they're starting off and they need every nickel and dime and they work very very hard and they want to keep that money. What we have to do is provide some funding to the Chamber of Commerce so that they can hire additional staff or they can pay the staff that they have now who is being paid for 30 hours and sometimes works 40 and 45 hours a week uncompensated for the balance. We want that staff person and additional staff people as necessary to be able to go out and solicit new chamber members and tell current chamber members what's going on in the downtown area and all of Riverhead. I for one, am working very very hard for the beautification and to improve our business climate in Riverhead. And I think that every dollar that we spend will come back tenfold. So therefor, I am, and our Merchants Association are enthusiastically supporting the Business Improvement District."

Supervisor Janoski: "Thank you."

Pat Frankenbach, Tenant: "As a tenant of a business I am very much in favor of this. I just want to get a point clear. If a landlord decides to do this, am I correct in assuming that these extra charges for the Business Improvement District can be passed on to their tenants? Is that correct?"

Supervisor Janoski: "I believe it is."

Councilwoman Civiletti: "If that is what your lease says."

Michael LoGrande: (from audience) "If the lease laws for special assessment is based on pretense, you know the landlord will do so."

Pat Frankenbach: "Going along with some points that were made. First of all. I contacted the Chamber of Commerce and I was

wondering if the founding members of the Merchants Association no one came to me. I think that both organizations do a an awful lot of work on this and other projects. And I would like to address a couple of things that were said. One of the reasons that the Merchants Association is very much in favor of this is because through all the work the Merchants Association does and there is a small handful, despite the fact that we have thirty five members, there is a small handful of people, myself included, Barry included, and other people who are here included, that do all the work. I'm sorry Rosie never got a membership application, but I spend my lunch hours running up and down Riverhead with membership applications and papers trying to get one to everyone. She can contact me at anytime and I'll make sure she gets one. But this is a way for those people who benefit by all the things that we do and do not pay dime one or that we have to go to for dime one, this is a way to get some of those people who benefit from our work and from the work of the Business Improvement District to get them to contribute their fair share. I think that is very important. You can't have ten people doing work for an area that is going to benefit 178 property owners and only have 10 or 15 or 20 people financing this all the time. And this is what happens over and over again. Almost every project that we've done and I think that the Chamber of Commerce has done, you have the same people that reach into their pockets over and over and over again. There is a very large percentage of business owners and property owners who don't dig at all. And this is important to us that these people contribute their fair share. Thank you."

Supervisor Janoski: "Thank you. Anyone wish to be recognized? Way in the back."

Bill Hennenlotter, Representing Roanoke Lodge Independent Order of Odd Fellows: "We have been in business on Second Street and Roanoke Avenue for quite a number of years and the brothers there wish to let be known that they are not necessarily against the Business District, but we are definitely against being in the District. Is that clear?"

Supervisor Janoski: "Yes indeed."

Bill Hennenlotter: "We are in the Parking District and we are pretty upset with paying \$2,000.00 a year and getting no use, basically no use out of the parking lots and we feel the same way as far as the Business District is concerned. We are not interested in having customers come shopping in our place, because we are not in that type of business."

There are also a couple of questions that I would like to find out about the District also. For example, they were talking before, one of the ladies there, about becoming a member and voting on your budgets and so on and so forth. On the District, correct me if I'm wrong, but if the membership doesn't approve a budget then the Town Board can approve it over and above the membership.

Supervisor Janoski: "Michael would your respond. Do you have any other questions?"

Bill Hennenlotter: "Also the part about \$1.93 this year which is substantially more than \$50.00 for our lodge. Also as the assessment goes up; this is going up. In fact who is to say that next year that it won't be up to the \$4.00. Basically that is all that I have to say against the Business District."

Supervisor Janoski: "Being included in the Business District."

Bill Hennenlotter: "Being included in the Business District."

Michael LoGrande: "If the budget is presented to the general membership and they vote against the budget, there is no budget that is submitted to the Town Board. The Town Board cannot dream up their own budget nor invoke any kind of an assessment on the special district without their permission. That's in the law."

Supervisor Janoski: "We cannot add to it."

Michael LoGrande: "You cannot add to it. You can not expand it. In fact I think you cannot delete it either."

Supervisor Janoski: "I think because of Bob's comments in the back there he was one of the earlier speakers, Michael, the process is that the governing body of the this district will make a determination on the projects in the budget and that the Town Board, Town government is utilized to bond, to borrow that money. And yes, the Town government is utilized to include that in a tax bill to the property owners within a district. The Assessor assesses the building anyhow and that assessment is done regardless of the district. The tax bill is given out whether this district exists or not. So that the function of the Town government is simply to use its borrowing capacity or authority to finance those projects which the governing body of this district decides it wants to do. Thank you. Anyone one else wishes to speak?"

Tony Leanza: "I would like to reflect what the prize speaker said. I don't want to be included. The real issue is do you want to be included in the district? We all love something that does good for the Town. And I think we all would like to see the Business District and the Town get along better. But don't charge it to a lot of people know nothing about the Main Street District. Who get no benefit from it as such. Make a smaller district. Take the area that you really want benefit which is the Main Street. Don't do it to people that don't really need it. I also have a question. Is this district going to be formed by referendum? No. It's already decided upon and just a questions of objections. Isn't that correct?"

Supervisor Janoski: "Well it's a form of referendum. If a majority of-----Michael why don't you answer his question?"

Michael LoGrande: "As we referred to earlier, the referendum aspect of it is that if a sufficient petition is received objecting to it the Board is required by law to deny the formation of this district. And that is how it works. It is stronger than a referendum. Because in fact the majority of the property owners affected by it don't want it they don't get it. That's how it works.

The other one in terms of shrinking the district down. Many of the properties that are being included in the district are there because their properties are zoned for commercial purposes. The gentlemen that spoke a little while ago who perhaps has a home occupation teaching music lessons or what have you, that if the property is referred to in the assessment roles as a residential, the principal use is residential property, then he can make that known and we will make that adjustment. If his property is in fact shown on the roles as being a residential parcel of land he would be exempt and so while he may be included in the district he is exempt unless some day he converts to a full music studio for example."

Supervisor Janoski: "Thank you."

Tony Leanza: "My question was again nobody knows about this except those who got the letter. Those that got the letter are included in the district. Is that correct? I presume all those people got it. But they don't know that they have to object if they don't like it. I really think it should be advertised or published a little more so people know that if they don't want it they should come in and say no."

Supervisor Janoski: "Tony, did you get a letter?"

Tony Leanza: "I got a letter. I got it about two or three weeks ago."

Supervisor Janoski: "Does not the letter state that you can object to this?"

Tony Leanza: "Yes, yes. But I assumed that this was my objection. I didn't realize that I could formally object to it on a form."

Michael LoGrande: "It's in the letter Tony. If you read it."

Councilman Stark: "Let Irene read one back for the record."

Town Clerk, Irene J. Pendzick: "Tony, something that I didn't read into the record and was going to do after the people spoke is that we have objections filed at my office by 19 individuals with a total assessed valuation for 18 of those

filed, that's because one didn't list his assessed valuation, which I calculated as of 6:45 tonight. The total assessed valuation of the people objecting was \$1,478,196.00. I also received correspondence from the Merchants Association supporting and endorsing the Business Improvement District and from Rose Jewelers in favor of the Business Improvement District."

Michael LoGrande: "And I want to point out for the record that the letter clearly stated that the files for objection will be in the Town Clerk's Office and that they may so do that. And it was stated in the public notice whether they attended this hearing or not they could still file the objection to it."

Town Clerk, Irene J. Pendzick: "Until March 28th."

(Someone from audience:) "What is the cut off date."

Michael LoGrande: "You have thirty days from this hearing. Is it March 28th, Irene."

Town Clerk, Irene J. Pendzick: "That's what's-----
(inaudible)"

Michael LoGrande: "Yes. I think we have a shorter month this month is a shorter month. March 28th."

Supervisor Janoski: "Is there anyone who has not spoken who wishes to address the Board?"

Mitchell Hagler, Representing Richard York Shoes: "I represent Richard York Shores and Stanley Hagler who is part owner of 33-37 East Main Street. For both parties I would like to speak in favor of the formation of the Business Improvement District. What I've heard here tonight is kind of the opposite of not in my backyard, only in my backyard. Only if I can see the benefit of it. I would like Mr. LoGrande to hopefully go through the bi-laws because it is a relatively short paragraph as to what is allowed under the bid. Maybe people who have some questions in their mind will be able to solidify that maybe not this year, but in the long run there will be a benefit to them from the bit. Thank you."

Supervisor Janoski: "Thank you very much."

Joe Fisher, Tenant: "I have no doubts that my landlord will pass on any special assessments to me. Being a new business I don't have any more money than some of the new businesses starting out with more than likely. I am in favor of this program although I don't expect Riverhead Town to see any immediate realization. I think down the road it's the way to go to improve the Town. Improve the downtown business area which in turn will improve Riverhead in general. I really think it's the way we have to go and I don't think the burden should be on the Merchants Association or the Chamber of Commerce. They have functions to do

and very limited funds and I think it's time for some of those that are reaping the benefits to pay their equal share. I would love not to be on the rolls for the business project and just reap the benefits. That would be great and if I can get away with it I may have people standing in line. I just think it's time that everybody pay their fair share for the benefits that they are about to receive.

The one question that I do have regarding the program revolves around the math for the \$50.00 average. If my understanding is correct, there are 178 parcels that are in the district and I'll assume that includes the residences which may be exempt. I have a little difficulty in seeing how the \$50.00 per commercial tenant who is going to pay this fee was brought about. Thank you."

Supervisor Janoski: "Michael. Maybe at the same time you might want to read the paragraph that Mitch was talking about."

Michael LoGrande: "Perhaps I'll read the paragraph first and then I'll answer the question of how the \$50.00 average came about."

The proposal for the District was taken right out of State Law and certainly just a very simple list is the fact that the District can undertake these things if they want to at some time in the future, portions of them or none of them. They can provide sanitation services, security services, promotional services, marketing education, holiday and seasonal lighting, street, sidewalk, parking improvements, operations and maintenance, management assistance, professional services, building and structure improvements. I just want to put a little asterisk on that one for a minute. Utility service improvements, special functions promoting the downtown and others deemed permitted under Article 19A. You know the building and structural improvements, I might add, that there is no mechanism in the world that allows for the private property to use the bonding capacities and 6 1/2 % interest rates of the Town to make physical improvements to private property, but it is possible under this district to do that. So that they can rehabilitate a building at a very low interest rate."

Supervisor Janoski: "That's a good point Michael, but I think that there is the impression out there and perhaps you can tell us how it works that if Stan Hagler improves his building everybody in the district pays for that."

Michael LoGrande: "No. Absolutely not. And the same way for example if the facade improvement program is going to be charged back to the individual property owners. The individual property owners who borrow from the districts general borrowing would be the ones who are responsible to pay back and back the interest rate as well. So that nobody shares those things. Only those items that are deemed general benefits like promotional advertising for a street festival for example. Those are the things that would be assessed to all uniformly."

Councilman Vic Prusinowski: "Mike on the physical structure a question came to mind tonight going through Town. Is it limited to just the facade or for example if there is structural internal improvements to the building could be done in a business for example he has to renovate a show room or something. Is that allowed?"

Michael LoGrande: "Yes and while it is not clear the State Comptrollers have been able to tell us that you know the experience has been with the cities is that they can make loans. These kind of grant loans at low interest rates for other physical improvements as well including interior rearrangements, handicap access things which they are able to use a revolving loan for that purpose as well. What was the other question? I forgot."

Town Clerk, Irene J. Pendzick: "The \$50.00 average."

Michael LoGrande: "Oh okay. The fifty dollar average that came from just a perusal of the list and looking generally of what the assessment was for a typically small business property. The reason why the number could get up to a relatively high figure and I think it's the New York Telephone Company that pays a substantial amount is that there are a number of banks and substantial buildings with substantial assessments that make up the difference and they are paying much more than the \$50.00 obviously. Multiple tenanted buildings, for example, where they may be 15 to 20 tenants within the building as the shopping center just immediately to the south of us here that for example. That multiple tenanted building has a substantial tax burden, but when you divy it up among all of the smaller merchants that are in there leasing properties. The amount is still relatively small. The estimate of 48 as a matter of fact was less than 50, but the estimate of \$48.00 was put in the notification was the tax rate multiplied times \$25,000.00 in assessed evaluation. And that \$25,000.00 seemed to be what was typical of the small properties. Obviously this Town is supposed to be at full value Those assessments are much lower than full value assessments."

Supervisor Janoski: "Is there anyone else present wishing to address the Board on this proposal?"

Carl Okun, Owner of Carl & Bobs: "We have been here for 44 years in the same business. We all here are property owners I assume, and the committee of which I am a part of that is trying to put this money to good use is trying to keep Riverhead Business District from eroding. That is the main purpose. We cannot let this Business District go down, because it will affect every single parcel owner in this district. And I think we missed that point. We will do everything in our power to spend this money where it should be spent. Where it will help the downtown Riverhead Business District. Thank you."

Supervisor Janoski: "Thank you Carl. Is there anyone else wishing to be recognized to address the issue of the proposal of a Business Improvement District. That being the case and without objection I declare the hearing to be closed at the hour of 8:35 P.M.

Irene J. Pendzick
Irene J. Pendzick
Town Clerk

IJP:ch

Also Present: Irene J. Pendzick,
Municipal House,
Town Clerk

WE WORTH OUR HONOR IN THE PASSING OF OUR DEPARTED COUNCILMAN
JOHN CONNARDI

Supervisor Janoski called the meeting to order at 8:07 p.m.
and the Pledge of Allegiance was recited.

Supervisor Janoski: "If you would remain standing for a
moment of silence in respect to Councilman John Connardi. Thank
you. Reports."

REPORTS

1. Engineering report for Water Conservation
Program

2. ANNUAL REPORT FOR 1990

3. FIRE DEPT. -

4. PLANNING DEPT. - Best Only Street Closures

5. DEPT. OF COMM. & EXT. SERVICE - 1990-91 Annual Report of L. J. Connard Mayor

6. MADISON RIVER FIRE DEPARTMENT - 1990 Annual Report

7. RIVERHEAD F.D. - 1990 Annual Report

8. BUILDING DEPT. - Month of February, 1991

9. TAX DEPT. - Officer's statement of revenues received - 2/4/91

10. POLICE DEPT. - Month of January, 1991

11. TOWN CLERK - Month of February, 1991

12. DANIEL FARRIS - Summary critique for National Security Program

13. COMM. AID REPORTS - See below