

Minutes of a Community Development Agency Meeting held by the Town Board of the Town of Riverhead at Town Hall, 200 Howell Avenue, Riverhead, New York, on Tuesday, October 17, 2006 at 7:00 p.m.

**Present:**

Philip Cardinale,	Chairman
Edward Densieski,	Member
George Bartunek,	Member
Barbara Blass,	Member
John Dunleavy,	Member

**Also Present:**

Andrea Lohneiss,	Director
Barbara Grattan,	Town Clerk
Dawn Thomas, Esq.,	Town Attorney

CDA meeting opened: 8:16 p.m.

Chairman Cardinale: "Open the meeting of the Community Development Agency which the town board sits as the Community Development Agency."

We have two resolutions to consider, 15 and you all have received 15 and there is an amendment of a few words pursuant to a discussion that I just had with counsel, and would you, having called the meeting open, would you present the resolutions?"

Resolution #15

Andrea Lohneiss: "CDA Resolution 15 designates Riverhead Renaissance LLC as a qualified and eligible sponsor for a downtown redevelopment project within the East Main Street Urban Renewal Area."

Member Blass: "So moved."

Member Bartunek: "And seconded."

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

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

Member Densieski: "I'm going to make a quick comment."

I thought we had a very nice presentation but it looked a little light on information to me but we received a letter subsequently from a very reputable firm who said that Apollo is quite qualified and I believe them.

But I wrote them back letter that said by what criteria they use? And I read the Riverhead criteria to see if I was missing something based on the information received. I just want to point out a couple things in the criteria from our own town.

It says review by the CDA of a (inaudible) financial statements for the proposed project including sources and uses of funds, certified personal and corporate financial statements of the applicant sponsor, financial commitments of the participating lenders and so on and so forth. I don't think a lot of that was in there. So I tried to get some information just to understand it better but the supervisor told me today that there was going to be another public hearing. And that was acceptable to me because I really think we have to do everything we can if we have something that may be good for downtown to try to work with them.

But this is what was received at 7:00. And the supervisor just told you about an amendment that was received. And what was in there was the words the sponsor is qualified and eligible and there's going to be another hearing and that's crossed out and it says public hearing to determine whether to proceed with the disposition of the project parcels. That has replaced qualified and eligible sponsorship. And maybe it's okay but based on the information I received, I think there was (inaudible) information.

But I will say this and I think the supervisor will probably agree with me. Most of the people since I've been here that have gone through qualified and eligible sponsorships weren't qualified and eligible yet we deemed them that way. Some have probably even backfired on us.

But I think in an effort to try to make something happen downtown to really start some kind of revitalization, some spark down there, I'm going to vote yes on this and hope that all the "i's" and "t's" do get crossed and I hope this is something good for downtown but it is a

little light on information, I must say.

But with that said, I'm going to vote yes."

Member Blass: "Can I make a comment?"

Chairman Cardinale: "If- let me finish the vote and then I'd like to comment. Okay?"

Andrea Lohneiss: "Densieski was yes."

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

Chairman Cardinale: "Yeah. My comments are going to be very brief because I do agree with absolutely everything Ed just said and I am going to vote yes.

And this is, I think, the right thing to do for the town at this moment but the land disposition agreement which is going to have go to- occur before this deal is a real deal, is going to cover a number of issues including some issues that- I would prefer that it be handled right away, but it's just not possible to handle them quite yet until the land disposition agreement.

One notable one is- I'm absolutely convinced that Apollo has \$100 million dollars from its fund guaranteed but I would have to see some, you know, some paperwork guaranteeing it to the Renaissance Riverhead project. And, of course, that's not going to happen until they have an actual agreement.

So we're now working on the land disposition agreement. We started working on it recently and we're going to work right through to February. If it happens, it happens. I'm excited about the project, so is Ed, so is every member of the board. But I'm going to- after this, we're going to be quiet for a while I think and we're going to work hard to get that agreement in place and have a big public hearing whether it will be four or five times the number of people here tonight and people will be commenting and we'll do it in an open fashion and hopefully do the right thing for the town.

So I'm going to vote yes and you may have a comment."

Andrea Lohneiss: "In addition to the presentation that was made at the October 3<sup>rd</sup> hearing and the information that was distributed to the town board, the CDA did receive financial and organizational

information from Apollo in an initial submission and a subsequent submission which has been reviewed by, I believe the board, the town attorney, the CDA director and the deputy supervisor as well as Doug (inaudible) our bond counsel, town of Riverhead and CDA bond counsel.

With regard to the specific criteria outlined in the rules and procedures policy, the experience of the individual firm or corporation with development construction management and financing similar projects in size and scope to the proposed project, Kevin Davis, Apollo principal, did present at the hearing a number of projects which has been or are being constructed by Apollo, all equal to or larger in size in scope than the Riverhead Phase I project.

We also have organizational documents showing the trail from Apollo to AP Riverhead Renaissance to Riverhead Renaissance LLC. Riverhead Renaissance LLC entered into a master developer agreement with the Riverhead CDA on or about August 10<sup>th</sup> and the experience of the principals of Apollo Real Estate Advisors and those wholly owned entities have demonstrated funding and completion of projects similar in size and scope to the proposed project.

The additional hearing that the supervisor referred to will be also subsequent to Article 15 of the General Municipal Law governing disposition of real property owned by an Urban Renewal Agency. We would expect that hearing to be maybe within the next six months or so."

Member Densieski: "Excuse me. Did you- you read off a long list of people who received the subsequent information. Did you say the town board?"

Andrea Lohneiss: "I did, but that may not be correct."

Member Densieski: "No, that's not correct."

Andrea Lohneiss: "I know that the official filing in the clerk's office did not include information that was determined to be confidential."

Member Densieski: "I never received it so that's why I based my comments the way I did."

Andrea Lohneiss: "Okay."

Chairman Cardinale: "Thank you, Andrea."

Andrea Lohneiss: "Okay, Resolution 15 is adopted."

Chairman Cardinale: "Thank you for that comment and thank you to the board. Could you call the next one?"

Resolution #16

Andrea Lohneiss: "Resolution 16 is a budget adoption specifically to accept the developer fees for this project in the amount of \$550,000, allow for their deposit and payment of the consulting and legal expenses necessitated by the project."

Member Densieski: "So moved."

Chairman Cardinale: "Okay, second please."

Member Dunleavy: "Second."

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

Member Densieski: "I'm not sure if they're qualified and eligible but I'll definitely take their \$550,000. Yes."

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

Chairman Cardinale: "Yeah. And exactly, I think one of the good things about this project is everyone is keeping very well informed. We're taking small steps. But this is a big step because we can proceed and the developers are comfortable enough to pay monies in excess of half of a million dollars to pay for studies, to pay for our legal fees and, hopefully, with that initiative, we will get that land disposition agreement to a point where everybody on this board and the mass of the public agrees that this is a good thing for Riverhead.

I vote yes."

Andrea Lohneiss: "That concludes the business of the CDA."

Chairman Cardinale: "Thank you very much. I'm going to adjourn the meeting of the CDA."

Meeting adjourned: 8:25 p.m.

Member Dunleavy: "So moved."

Member Bartunek: "And seconded."

Chairman Cardinale: "Moved and seconded. May we have a vote, please."

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

Andrea Lohneiss: "Resolution 11 is adopted."

Resolution #12

Andrea Lohneiss: "Authorizes the issuance of request for proposals (RFP) to develop a 600 acre site at the Calverton Enterprise Park and publication of notice."

Member Bartunek: "So moved."

Member Blass: "And seconded."

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

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

Chairman Cardinale: "Yes. This is significant. We're going to send out the RFP on the newly--"

Andrea Lohneiss: "Rezoned."

Chairman Cardinale: "-- rezoned area of 450 acres industrial, 150 in office park. This together with Burman and the runway and the industrial incubator is three times the size of any other industrial park in Long Island. And we'd like to sell it."

Andrea Lohneiss: "It's all or part of the 600 acres. There's 145 acres of office park and 450 acres of industrial and the RFP is available in the Clerk's office beginning tomorrow. And there's no fee associated with the RFP to be picked up."

Chairman Cardinale: "So we encourage all of you to-- who are interested, pick it up."

Could we have a motion to consider and second- "

Andrea Lohneiss: "We passed that."

Member Dunleavy: "We passed that."

Chairman Cardinale: "Then can we have a vote? Can we do anything? Oh, it's voted that's right. Okay, carry on."

Resolution #13

Andrea Lohneiss: "Authorizes submission of grant application to New York State Office of Parks, Recreation and Historic Preservation for funding under the Recreational Trails Program."

Member Blass: "So moved."

Member Densieski: "Second the motion."

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

The Vote: "Dunleavy, yes; Bartunek, yes; Blass, yes; Cardinale- I'm sorry, Densieski, yes; Cardinale."

Chairman Cardinale: "Yes. This is for a- this is for the bike path, to get some money for a bike path along the Grumman parcel. Six to eight miles- "

Member Bartunek: "Recreation."

Chairman Cardinale: "I think I'd be dead if I tried to do that six or eight miles, ride a bike."

Member Bartunek: "Recreation."

Chairman Cardinale: "Okay. Recreation path. I vote yes."

Andrea Lohneiss: "Okay, Resolution 13 is adopted."

Resolution #14

Chairman Cardinale: "Authorizes Chairman to execute lease for park and recreation facilities. This is a- we're going to do this by authorizing me to sign as the CDA and then we're going to authorize

Kent to sign as the Supervisor or Deputy Supervisor?"

Andrea Lohneiss: "That's correct. This is a lease for the 65 acre public town park that the town has previously designated to be parkland for which we received already two state grants from the Department of Parks for its improvement as well as the allocation of park and rec development fees."

Chairman Cardinale: "And the CDA owns it and is leasing it to the town is going to develop it?"

Andrea Lohneiss: "That's correct. Because we've issued bonds and the town of Riverhead has issued bonds for the improvements to be made and supported with the grant funds, the lease is necessary from the CDA to the town for no consideration."

Chairman Cardinale: "Okay, thank you. Could we have a- "

Member Densieski: "So moved."

Member Dunleavy: "And seconded."

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

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

Andrea Lohneiss: "Resolution 14 is adopted."

Member Bartunek: "Andrea, is there a reason we would want to forward a copy of this to the recreation committee?"

Andrea Lohneiss: "The recreation committee, sure. I'll make that change on the final, Barbara."

Barbara Grattan: "You got it. Thanks."

Chairman Cardinale: "Okay, we are now- we thank you for helping us with the CDA meeting. We are now going to adjourn- or actually we're going to conclude the CDA meeting."

CDA meeting closed: 9:56 p.m.

*Barbara Grattan*  
Town Clerk

Adopted

TOWN OF RIVERHEAD  
COMMUNITY DEVELOPMENT AGENCY

At a meeting of the Members of the Town of Riverhead Community Development Agency, Town of Riverhead, Suffolk County, New York, held at the Riverhead Town Hall, 200 Howell Avenue, Riverhead, New York, in said Town, on October 17 at 7:00 o'clock P.M., Prevailing Time.

The meeting was called to order by Chairman Cardinale, and upon roll being called, the following were

PRESENT:

- Chairman Philip J. Cardinale
- Member Barbara Blass
- Member Edward Densieski
- Member George Bartunek
- Member John Dunleavy

ABSENT:

**COUNCILWOMAN BLASS**

The following resolution was offered by Member \_\_\_\_\_ who moved its adoption, seconded by Member **COUNCILMAN BARTUNEK** to wit:

**THE VOTE**

Dunleavy  yes  no Bartunek  yes  no  
 Blass  yes  no Densieski  yes  no  
 Cardinale  yes  no

THE RESOLUTION  WAS  WAS NOT  
THEREFORE DULY

Resolution Dated: October 17, 2006

TOWN OF RIVERHEAD

COMMUNITY DEVELOPMENT AGENCY

Resolution # 15

A RESOLUTION DESIGNATING RIVERHEAD RENAISSANCE, LLC AS A QUALIFIED AND ELIGIBLE SPONSOR FOR A DOWNTOWN REDEVELOPMENT PROJECT WITHIN THE EAST MAIN STREET URBAN RENEWAL AREA

Member ~~COUNCILWOMAN BLASS~~ offered the following resolution,

which was seconded by Member ~~COUNCILMAN BARTUNEK~~

**WHEREAS**, the Town of Riverhead (the "Town") and the Town of Riverhead Parking District No. 1 (the "Parking District"), (collectively known as the "Municipal Entities") are the owners of land currently designated as parking facilities along the Peconic Riverfront south of Main Street and the Parking District is the owner of land on north side of Main Street currently designated as parking facilities (the parcels of land collectively referred to as the "Project Parcels"); and

**WHEREAS**, Riverhead Renaissance LLC has submitted to the Town of Riverhead Community Development Agency (the "Agency") a proposal for the redevelopment of the Project Parcels, and the Agency is considering designating Riverhead Renaissance LLC the "qualified and eligible sponsor" (the "Sponsor") for said redevelopment, pursuant to the established rules and procedures adopted by the Agency and in accordance with the requirements of General Municipal Law Sections 507(2)(d), which redevelopment is as depicted in the Downtown Riverfront Redevelopment Project Phase I Status Update on file in the Riverhead Town Clerk's Office; and

**WHEREAS**, the Agency believes the redevelopment is consistent with the purposes and objectives of the East Main Street Urban Renewal Plan for the East Main Street Area adopted by the governing board of the Agency on October 19, 1993 in that it will encourage the development and rehabilitation of buildings and structures that will enhance the physical appearance of the Town, stimulate economic development and promote tourist related activities within the East Main Street Improvement Area; and

**WHEREAS**, Section 507(2)(d) of the General Municipal Law requires that a person, firm or corporation which proposes to develop municipally-owned property within an Urban Renewal Area be designated as a qualified and eligible sponsor pursuant to the rules and

procedures of the Agency prior to the transfer of property to said person, firm or corporation pursuant to Section 507(2)(d) of the General Municipal Law; and

**WHEREAS**, pursuant to Section 507(2)(d) of the General Municipal Law, on October 3, 2006, the Agency duly held said public hearing on the designation of Riverhead Renaissance, LLC as Sponsor for the redevelopment of the Project Parcels after the requisite public notice; and

**WHEREAS**, a majority of the Town Board of the Town of Riverhead, acting as Members of the Agency, attended such public hearing;

**NOW THEREFORE, BE IT RESOLVED**, by the Members of the Agency, as follows:

Section 1. Based upon the public hearing held by the Agency at Riverhead Town Hall, 200 Howell Avenue, Riverhead, New York in said Town on October 3, 2006 at 7:35 P.M., Prevailing Time, upon all supplemental documentation and information received by the Agency and upon the opinion of independent counsel on the question of designating Riverhead Renaissance, LLC the Sponsor for the redevelopment of the Project Parcels as depicted in the Downtown Riverfront Redevelopment Project Phase I Status Update on file in the Riverhead Town Clerk's Office, and consistent with the goals and objectives of the East Main Street Urban Renewal Plan for the East Main Street Improvement Area, such as encouraging the development and rehabilitation of buildings and structures that will enhance the physical appearance of the Town, stimulating economic development and promoting tourist related activities within the East Main Street Improvement Area, the Agency hereby designates Riverhead Renaissance LLC the Qualified and Eligible Sponsor pursuant to the rules and procedures of the Agency and Section 507(2)(d) of the General Municipal Law for the redevelopment of the Project Parcels and subject to the conditions and approvals as set forth hereunder.

Section 2. The Chairman of the Agency is hereby authorized, on behalf of the Agency, to direct special counsel to negotiate the terms and conditions of the Land Disposition Agreement to properly effectuate the sale of certain properties by the Agency to Riverhead Renaissance LLC in accordance with this Resolution.

Section 3. Prior to the execution of the Land Disposition Agreement, the final form of the Land Disposition Agreement for the sale of said properties shall be agreed upon by the Governing Body of the Agency and a subsequent determination shall be made by the Governing Body after a public hearing to determine whether to proceed with the disposition of the Project Parcels for the specific projects contemplated by the Land Disposition Agreement.

Section 4. In addition to the negotiation of a Land Disposition Agreement upon terms and conditions which are acceptable to the Agency and the determination of the Sponsor as qualified and eligible as set forth above, the disposition of the Project Parcels to the Sponsor shall be subject to and is conditioned upon the completion of a Generic Environmental Impact Statement which the agency is undertaking in conjunction with its decision to update the Urban Renewal Plan for the East Main Street Urban Renewal Area; as well as such further proceedings,

including a public hearing, as may be required by Section 507(2)(d) of the General Municipal Law.

Section 5. The Chairman of the Agency is hereby authorized and directed to distribute copies of this Resolution to Riverhead Renaissance LLC and to do such further things and perform such acts as may be necessary or convenient to implement the provisions of this Resolution and the negotiation of the Agreement of Sale.

Section 6. This Resolution shall take effect immediately.

**The Vote:**

Member Dunleavy	_____
Member Bartunek	_____
Member Blass	_____
Member Densieski	_____
Chairman Cardinale	_____

10/17/06

Town of Riverhead

# Adopted

Resolution # 16

## COMMUNITY DEVELOPMENT AGENCY BUDGET ADOPTION

**COUNCILMAN DENSIESKI**

\_\_\_\_\_ offered the following resolution,

**COUNCILMAN DUNLEAVY**

which was seconded by \_\_\_\_\_.

BE IT RESOLVED, that the Supervisor is authorized to establish the following budget adoption for the purpose of deposit of developer fees paid by Apollo Real Estate Investors, LP d/b/a Riverhead Renaissance LLC and payment of consulting and legal fees for professional services authorized by CDA Resolution 6 of July 18, 2006:

		<u>FROM</u>	<u>TO</u>
405.06450.421050.70058	Developer Fees	\$550,000	
405.064500.543500.70058	Planning Consultants		\$300,000
405.064500.543505.70058	Legal fees, surveys, appraisal fees		\$250,000

DUNLEAVY  YES \_\_\_ NO    BARTUNEK  YES \_\_\_ NO

BLASS  YES \_\_\_ NO    DENSIESKI  YES \_\_\_ NO

CARDINALE  YES \_\_\_ NO

THIS RESOLUTION  IS \_\_\_ IS NOT  
DECLARED DULY ADOPTED