

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, July 6, 2005 at 7:00 p.m.

**Present:**

Philip Cardinale,	Chairman
Edward Densieski,	Member
George Bartunek,	Member
Barbara Blass,	Member
Rose Sanders,	Member

**Also Present:**

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

Chairman Cardinale: "I am going open the meeting of the CDA to consider #15. Barbara, since Andrea appears not to be here at this moment, could you- Dave is going to call the resolution is she's just out the front door there. Okay, Andrea, we just adjourned the meeting of the Town Board. Could you open the meeting of the CDA and call 15."

Resolution #15

Andrea Lohneiss: "Andrea Lohneiss, CDA Director. CDA Resolution 15 designates Ken Wilpon As Agent as a qualified and eligible sponsor for the acquisition and development of 755 acres of property known as EPCAL for redevelopment consistent with the uses permitted in the planned recreational park zoning use district for hotel convention center and golf course subdistricts."

Chairman Cardinale: "Okay. Can we have someone offer and someone second consideration of that resolution?"

Member Bartunek: "I'll offer resolution #15."

Member Blass: "And seconded."

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

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

Member Densieski: "CDA Resolution #15 is the beginning of a sellout of the Riverhead taxpayers best opportunity to really stabilize taxes. Even though I'm a Board member, Mr. Wilpon refused to show most of the Board or at least me his financial information and for some strange reason, the Board allowed that to happen.

But we gave Mr. Wilpon special treatment and used outside counsel to determine if he's qualified and eligible. And he is, to which I would agree. But deeper in the Resolution #15, in Section 2 of the qualified and eligible resolution, actually authorizes the Supervisor to enter into contract negotiations with Mr. Wilpon to buy about 755 acres of land for about \$80,000 an acre. And for some unknown reason, nobody will admit what this really is and that's a mega housing project under the guise of golf accessory.

When I asked Mr. Wilpon if he could do his project without the housing, he and his team broke out in laughter. The fact of the matter is any developer including Mr. Wilpon could build 108 homes and over 1500 cottages. That's not my opinion; that's a fact.

Also, I checked with the Planning Department. He could do a condominium plan which would really impact the tax rate.

So if the Town Board in their infinite wisdom knowing how many houses could really be built there, why would they knowingly sell it for \$80,000 an acre?

Mr. Wilpon repeated over and over that he will adhere to the zoning and he will because the zoning is so poorly written he can easily. Maybe today Mr. Wilpon doesn't intend to build over 1500 houses or cottages right now. But once he owns the property, he has the right to change his mind.

An example of that was the Burman deal. Mr. Burman said he was going to build Hollywood East. You remember, Calverton Camelot. How did that work out? The fact of the matter is, this is a bad plan. Housing is not the answer to our economic woes. I stand proudly and firmly against this plan. I vote no."

Chairman Cardinale: "The— am I supposed to vote?"

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

Chairman Cardinale: "Thank you. Okay. We should all relax. We shouldn't get excited. We'll get old and grey before our time if we do. Incidentally, your hair is getting darker. You're looking better and better."

Member Densieski: "Thank you, Phil, I appreciate your noticing."

Chairman Cardinale: "Everyone is entitled to his opinion but his own facts. His own opinion only. And I think we need more light, less heat on this subject.

First of all, what are we doing? Not a lot. This resolution after we worked on it is a resolution authorizing him, Mr. Wilpon's entity, a qualified and eligible sponsor only. That's all it's doing. It doesn't include anything regarding the contract which is now what we're going to move forward on with vigor. We have already begun and we will continue.

So the questions that Ed is raising tonight are really for another day. We will have as evidenced in this resolution a public hearing. In fact, it says prior to execution of any agreement of sale, the final form and substance of the agreement of sale for the property shall be agreed upon by the governing body, that's us, and a resolution shall be adopted authorizing the Chairman to take— that's me, to take all actions necessary to effectuate the sale of the property to Kenneth Wilpon.

Prior to the execution of the agreement we will have a public hearing and we will have to have authorization. So all we're doing today is saying the obvious. He is qualified and eligible and if you look at the file, it is very clear and I cannot resist although it is in the file together with the letter that says it is our opinion that this is a privileged communication which I have opened to the public because I think it is appropriate.

Dear Supervisor, my attorney tells me. The Town Board has requested that we review the submittals of Kenneth Wilpon, as Agent to determine whether a sufficient record exists for the Town Board acting as the governing body to declare him qualified and eligible sponsor for the redevelopment of approximately 755 acres at the Enterprise Park at Calverton as a major hotel destination resort and convention center, two championship golf courses, 108 accessory single family homes for persons of 55 and over and a golf academy all year.

We have reviewed the entire record maintained by the Clerk including the minutes of the public hearing held on the 17<sup>th</sup> of May. In our opinion, the applicant has more than adequately demonstrated that both it and its project team have the experience, integrity and responsibility required to be found an eligible and qualified sponsor.

The applicant presented its own substantial experience, major projects and (inaudible) project team of national and international renown, including Starward Capital proof that will provide the financing for the project, Turner construction that will construct the

hotel center and golf academy, Landmark National that will develop the two courses, Robinson Douglas Group that will construct the accessory housing, Perkins Eastman project architects.

Based upon the submittals and the record made by the proposed sponsor and its development and financial team, we believe that the applicant has sufficiently demonstrated its financial capacity to acquire and redevelop the premises.

The Town Board can properly exercise its discretion and determine that Wilpon is a qualified and eligible sponsor for the project and it is our belief that such a determination will be sustained if a court challenge is brought.

Okay. Even Ed indicates he probably is qualified and eligible. So he doesn't like the project. There's three things I want to rebut.

One, when he gives his 50 acres to the school district, it's more like \$100,000 an acre. Two, how can you call a project mega housing when there's 100 or so houses on over 1,000 acres, 755 acres and 300 acres of pine barren right next door that's going nowhere. Third, there's no way ever there's going to be 1500 villas. There's going to be and it's going to be in the contract, no more than 290 hotel units—no more than 290— to 690 units, whether they be hotel rooms or cottages and that will be determined by the square footage. He can't go over the required square footage in the zoning.

Finally, he has no right to change his mind nor does Burman because in this contract he will build out this project as he proposes it or there will be penalties, something that was not strictly complied with in previous contracts such as Burmans.

The— so that's what the resolution is about. As to zoning, I understand that you have to read it before you can discuss it productively. And I understand that— I understand that Ed may not have read it carefully. But if you read it carefully you will see what it says and it says it quite clearly.

And if the zoning at EPCAL which is the first phase of our master plan, is such a concern how come over the last six years no one, no one on this Board except me, has offered a change in the zoning or a clarification? How come no one has, if they've offered it, gotten it passed. How does that speak to the quality of the idea of changing it? How does it speak to the quality of the proposal?

I think it's very important to follow the plan as Mr. Shulman said, to stay the course, to obtain some continuity, stability, predictability, to be moderate, to collaborate, to cooperate, reach a consensus. We should stop with the politics of personality, we should stop with the turmoil and disruption. This is not about Ed. This is

not about me, it's not about anything but putting the interests of the town first.

And I have not been— and making some smart choices for Riverhead. And I have been— I am very sure that this project if it proceeds and there's many a slip between cup and lip, through to a contract, is good for Riverhead. And if this one doesn't proceed, I think the next one is good for Riverhead and if that one— which would I guess be the Parvis Farazad and Cameron— if that one doesn't proceed, I'm just tickled pink that we got potential another one behind it. Because my charge is to sell the property, get it back on the rolls, get it— a tax stable base, get environmental sensitivity in the process and produce some jobs.

And I'm glad that my Board is joining me with one exception in doing that. So I vote yes."

Andrea Lohneiss: "Resolution 15 is adopted. That concludes the business of the CDA."

Chairman Cardinale: "Thank you. Can we move now out of the CDA meeting into the regular Town Board meeting."

Meeting adjourned: 8:26 p.m.

*Barbara Quatton*  
*Town Clerk*

# Adopted

Resolution Dated: July 6, 2005

## TOWN OF RIVERHEAD

### COMMUNITY DEVELOPMENT AGENCY

Resolution # 15

A RESOLUTION DESIGNATING KENNETH I. WILPON, AS AGENT, INC., AS A QUALIFIED AND ELIGIBLE SPONSOR FOR THE ACQUISITION AND DEVELOPMENT OF 755 +/- ACRES OF THE PROPERTY COMMONLY KNOWN AS EPCAL FOR REDEVELOPMENT CONSISTENT WITH THE USES PERMITTED IN THE PLANNED RECREATIONAL PARK ZONING USE DISTRICT FOR HOTEL CONVENTION CENTER AND GOLF COURSE SUBDISTRICTS

Member Bartunek offered the following resolution,

which was seconded by Member Blass:

**WHEREAS**, the Town of Riverhead Community Development Agency (the "Agency") is the owner of an approximately 1980 acre parcel of land, together with the buildings located thereon, property formerly known as the Naval Weapons Industrial Reserve Plant and commonly known as the EPCAL Property, located on the south side of Middle Country Road (NYS Route 25), Calverton, New York and identified as SCTM 0600-135-01-007.33, said property being depicted upon "Schedule A" annexed hereto and made a part hereof, and hereinafter referred to as the "EPCAL Site", a portion of which is located within an Economic Development Zone duly designated as such pursuant to the New York State Economic Development Zones Act, being Article 18-B of the General Municipal Law; and

**WHEREAS**, there has been submitted to the Agency a proposal for, and the Agency is considering, (i) designating Kenneth I. Wilpon, As Agent, Inc., a corporation duly formed under the laws of the State of New York, the "Qualified and Eligible Sponsor (the "Sponsor"), pursuant to Section 507(2)(c) and (d) of the General Municipal Law and in accordance with the established rules and procedures provided by the Agency, for the redevelopment of approximately 755 acres of the EPCAL Site as depicted upon Schedule B, and hereinafter referred to as "the Property", consistent with the uses permitted in the Planned Recreational Park Zoning Use District for Hotel Convention Center and Golf Course Subdistricts adopted by the governing board of the Agency on September 7, 1999; and (ii) selling the Property, pursuant to Sections 507(2)(d), 556(2) and 968(b) of the General Municipal Law, to Kenneth I. Wilpon, As Agent, Inc., pursuant to a certain Agreement of Sale by and between the Agency and Kenneth I. Wilpon, As Agent, Inc., a draft of which Agreement of Sale is on file in the Office of the Town Clerk of the Town of Riverhead and is available for public inspection during regular business hours (the "Agreement of Sale"), for

Sixty-Six Million Dollars (\$66,000,000.00) for redevelopment by Kenneth I. Wilpon, As Agent, Inc., as a major hotel destination resort and convention center, with two championship golf courses and 108 upscale homes for persons aged 55 and over, and a year round golf academy all in conformance with current zoning requirements; and

**WHEREAS**, Sections 556(2), 507(2)(c) and (d) and 968(b) of the General Municipal Law require that a public hearing, following at least ten (10) days public notice, be held by the Agency on the question of designating Kenneth I. Wilpon, As Agent, Inc. the Sponsor for the redevelopment of the Property and selling said Property to Kenneth I. Wilpon, As Agent, Inc.; and

**WHEREAS**, the Agency, pursuant to Article 8 of the Environmental Conservation Law and the regulations promulgated thereunder by the State Department of Environmental Conservation ("SEQRA"), declared itself "lead agency" by Resolution #9 dated April 5, 2005 for the sale of the Property to Kenneth I. Wilpon, As Agent, Inc., determined such sale of the Property to be an Unlisted Action pursuant to SEQRA, caused to be prepared therefore an Environmental Assessment Form pursuant to SEQRA and determined that such sale of the Property is without significant adverse impacts to either the natural or social environment and that an Environmental Impact Statement need not be prepared pursuant to SEQRA; and

**WHEREAS**, on April 19, 2005 and May 17, 2005, the Agency duly held said public hearing on the designation of Kenneth I. Wilpon, As Agent, Inc as Sponsor for the redevelopment of the Property and the sale of the Property by the Agency to Kenneth I. Wilpon, As Agent, Inc. as Sponsor, 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 at Riverhead Town Hall, 200 Howell Avenue, Riverhead, New York in said Town on April 19, 2005 at 7:10 P.M., Prevailing Time, adjourned and continued on May 17, 2005 at 7:00 P.M., upon all supplemental documentation and information received by the Agency and upon the opinion of independent special counsel on the question of designating Kenneth I. Wilpon, As Agent, Inc. the Sponsor for the redevelopment of the Property, the Agency hereby determines to designate Kenneth I. Wilpon, As Agent, Inc. the Qualified and Eligible Sponsor pursuant to Section 507(2)(d) of the General Municipal Law for the redevelopment of the Property.

Section 2. The Chairman of the Agency is hereby authorized, on behalf of the Agency, to negotiate the terms and conditions of the Agreement of Sale to properly effectuate the sale of the Property by the Agency to Kenneth I. Wilpon, As Agent, Inc. in accordance with this Resolution.

Section 3. Prior to the execution of the Agreement of Sale, the final form and substance of the Agreement of Sale for said Property shall be agreed upon by the Governing Body of the Agency and a Resolution shall be adopted by the Agency authorizing the Chairman to take all actions necessary to effectuate the sale of the Property to Kenneth I. Wilpon, As Agent, Inc.

Section 4. The Chairman of the Agency is hereby authorized and directed to distribute copies of this Resolution to Kenneth I. Wilpon, As Agent, Inc. 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 5. This Resolution shall take effect immediately.

**The Vote:**

Member Bartunek	<u>yes</u>
Member Sanders	<u>yes</u>
Member Blass	<u>yes</u>
Member Densieski	<u>no</u>
Chairman Cardinale	<u>yes</u>

**THE VOTE**  
Bartunek  yes \_\_\_ no Sanders  yes \_\_\_ no  
Blass  yes \_\_\_ no Densieski \_\_\_ yes  no  
Cardinale  yes \_\_\_ no  
**THE RESOLUTION  WAS \_\_\_ WAS NOT  
THEREFORE DULY ADOPTED**