

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 Monday, December 30, 2003, at 2:00 p.m.

Present:

Robert Kozakiewicz,	Chairman
Edward Densieski,	Member
James Lull,	Member
Barbara Blass,	Member

Also Present:

Barbara Grattan,	Town Clerk
Dawn Thomas, Esq.,	Town Attorney

Absent:

Rose Sanders,	Member
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Chairman Kozakiewicz: "The time being 2:40 p.m. and open the Community Development Agency portion. I don't see Andrea here, so Barbara, do you want to do it?"

Barbara Grattan: "She was here."

Chairman Kozakiewicz: "Yeah."

Resolution #25

Member Densieski: "Authorizes the Chairman to execute an agreement between the Riverhead Community Development Agency and Altitude Express, Inc. d/b/a Skydive, Long Island. So moved."

Member Lull: "And second."

Member Kozakiewicz: "Moved and seconded."

Member Blass: "Discussion."

Chairman Kozakiewicz: "Discussion."

Member Blass: "Mr. Supervisor, there is a variety of reasons

that we should not be considering this resolution at this time. This policy decision is clearly a premature one. There are many statements that have been made thus far and I agree with all of them relative to the fact that we are revisiting zoning at the site, we are revisiting change perhaps in permitted uses at the site, we have no rules yet in effect at the site. We don't even have a commitment from a lending institution on behalf of this applicant that they would indeed fund this operation.

The essence of the qualified and eligible sponsorship hearing. We had a discussion at the work session, Mr. Supervisor, you yourself said you were disappointed in the fact that Mr. Maynard had represented he had not been to his lending institution. That is the essence of the qualified and eligible sponsorship hearing.

I would be very concerned that Willke Farr, our bond counsel, would render an opinion that this remains to be- that this applicant remains an eligible sponsor.

There are several other reasons that I'm compelling this Board to reconsider this resolution at this time. There are only two Board members on this dais that will remain after this vote, that will sit here being accountable for a decision that will affect a community through 2013.

I wanted to revisit the minutes of the hearing to determine whether in my mind I thought this applicant met the minimum requirements for eligible and sponsorship. Yes, he did, the first time but the situation has changed. There are new factors that come into play here. I couldn't do that. Why couldn't I do that? It's so premature that we don't even have the minutes of the hearing to reflect.

I asked my colleagues if they have that good of a recollection as to what transpired here that night, that they could go back and review in their own minds and determine that this applicant made that compelling case.

And, finally, and I think this one is very important. We should be very careful about this. It's my understanding that we terminated a runway use agreement with an individual because they did not live up to a term of a contract in actually purchasing the property that they represented they were going to purchase. I believe one of the reasons Mr. Haraney's (phonetic) contract was rescinded or his runway agreement rescinded, was because he did not go ahead and purchase per

his agreement.

We have a representation that there is an offer. Why hasn't there been anything beyond that? Would we not find ourselves in that same situation? Would not there be- we would be entering into an agreement under conditions that we used against another applicant in order to terminate his agreement. This is so premature. This is so unrealistic to be considering this at this time.

If this applicant has merit and this project indeed can sustain itself, then let them demonstrate that in the course of time. If it can happen today, it can happen in two weeks, a month. He has not determined in my opinion, humble as it is, that he can remain as qualified and eligible sponsor. I don't believe we should be voting on this at this time. It's a critical decision and Mr. Goodale has ever right to be outraged.

I'm asking for this Board to reconsider this moment."

Chairman Kozakiewicz: "Any other discussion? Vote, please."

The Vote: "Blass, no; Densieski."

Member Densieski: "This is a seven year non-exclusive extension.

This is a seven year non-exclusive lease extension. Mr. Goodale is right. If we're going to have an RDC which I don't think we should, the Town Board should do it, but if we're going to have an RDC, we should ask their advice when it concerns matters at Grumman. I agree with that point.

But I think Skydive is a good tourist business. I think there's good trickle down from it. I've talked to a lot of aviation companies, I'm talking about the big ones, and I've always asked if aviation is going to be an impediment. And not one, not one said yes. And I've talked to a lot of them.

I don't think it's a scandal. This business has been there over three years. We just had a public hearing to discuss it in a public forum and if we wait for the new rules and regulations, new zoning and other things to make any decisions, we'll probably put most of the businesses at Grumman out of business.

So I'm going to vote yes."

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

Member Lull: "In remembering and Barbara is right, we do not have the minutes as of yet, but in remembering the things that I jotted down from the first public hearing or the most recent public hearing, there were questions about four things and potentially five.

One was the 15 year agreement. Secondly was the issue of rules and regulations and how those rules and regulations will affect the existing rules and regulations and the potential for new rules and regulations will be affected by this decision.

Thirdly, this whole business about tying up a runway was very specific that this is a non-exclusive issue- a non-exclusive contract, so the issue of tying it up is non-exclusive. The fourth one had to do with the eligibility in terms of sponsorship and the key may very well be to think in terms of what we really were voting on, what we're really having a hearing on, and that was a hearing on not whether or not the person was a qualified and eligible sponsor, but if the person was- had the qualifications to remain a qualified and eligible sponsor.

And, finally, the issue of zoning and I think Ed has answered that one pretty clearly. Yes, this property is going to be rezoned. There are some very good possibilities. We have accepted one as a Town Board, one plan, and we will probably go ahead with it, and within the next two years, we probably will have a zoning change for that property. Will it affect this issue? No. I'm sure it won't.

First of all, the 15 years has been changed in this contract to seven years. Secondly, in this contract, there is a provision which makes it very clear that any rules and regulations that are accepted by the town are going to have to be followed by Skydive Long Island if they are to be in business there. If they are going to continue to be in business there, they must follow the rules and regulations.

As I said before, this is a non-exclusive agreement. It does not tie up the runway and, finally, the idea of remaining a qualified and eligible sponsor, the issue was satisfactory enough to this Town Board the first time so that we did declare Skydive Long Island a qualified and eligible sponsor.

I understand the position of some of the- Ed's getting a phone call."

Member Densieski: "Sorry about that, Bob."

Member Lull: "I understand the position of some of the people from the area who are- who have questions about how they think this will affect their area and I have a feeling from what I have seen, from what I have heard, that there's a very good change that the use of that property- not the use of the property, but the use of the air space over the property, will be significantly reduced when the federal regulations are changed in March or April or whenever that will happen.

One way or another, I think it's a good business. And I think it has my qualifications and I don't think there is anything in which we are tying up any board at any time in the future any more than we'd be tying up a board by giving the agreement to allow a business to expand downtown or allowing a hotel to be built on Route 58.

We have a job to do and I think we should. Yes."

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

Chairman Kozakiewicz: "First thing that's been talked about quite a bit are the rules and regulations and the status of same. I will point out that the agreement makes reference to the fact that it will be subject to any rules that are adopted by the Agency, namely, the Community Development Agency. That's clear. That's in the agreement and will remain in the addendum.

The other issue which has been pointed out by Councilman Lull that this is a, in fact, a seven year extension as opposed to 15, is something that does not tie up the Board or tie up future Boards to the extent that the 15 would.

I will reflect that at the work session I was slightly disappointed that we did not have a lender's letter. We did receive a letter from Insignia ESG (phonetic) or at least I did and I apologize to the public as well as to the Board that indicates there is, in fact, a discussion and terms and conditions that were reached on or about July 14, 2003 allowing for the sale of approximately 4.3 acres of land with a closing to follow.

Based upon the comments earlier, I think it's fair to say that should that not occur, that would give the town the right, or the Community Development Agency, the right to revisit this issue should that not occur. And I think that's fair.

On the other hand, unless there's a firm commitment that's given to this use by the Board, it is highly unlikely that this purchase will take place. And there's been representation made that if the Board chooses to go forward with this extension he is, that is Ray Maynard, is utterly confident that that acquisition will take place.

And over the last four years, the one thing I believe I can say without any hesitancy about Mr. Maynard is that when he says something to you and shakes your hand, he means it.

It is non-exclusive and I think that that in and of itself belies or contradicts the statement that this will tie up the runway use or tie up things.

Last but not least, as far as the qualified and eligible sponsorship question, the Board made a determination in the past that he was, in fact, or the business was, in fact, a qualified and eligible sponsor. I went back as I'm going through my notes, some of my initial meetings with Willke Farr and, in fact, Mr. Rothman, and we talked about the question of qualified and eligible sponsorship.

As I understand it from looking at those notes, qualified and eligible sponsorship does not change based upon changes or future changes in the zoning, based upon the demonstration that the business meets the statements set forth in the Urban Renewal Law. And they're somewhat loose. They're not an exact science as Mr. Rothman has pointed out to me when I did sit down and talk to him on the subject matter.

I believe that the Board is making the right decision. I believe in Skydive's operation. I believe Mr. Maynard when he says that should the Board take this action, there will be a sale of that sound check building, the building that's been unable to be utilized and, therefore, will help further development on the property.

And I think also further that if the Board makes this decision which is a somewhat difficult one from a political standpoint and a risky one, it will demonstrate to the community out there that we have the wherewithal to do it and that other uses which make sense comply with the reuse plan, comply with the zoning will likewise come and further promote redevelopment on the site.

Saying all that, I vote yes on Resolution #25 of the Community Development Agency."

Barbara Grattan: "Okay, that resolution is adopted."

Member Kozakiewicz: "25. It was put over to the CDA. To the Community Development Agency. It's a Community Development Agency. Okay. At this point in time, adjourn the Community Development Agency portion."

Meeting adjourned: 2:55 p.m.

Barbara Grattan
our Clerk

Adopted

12/29/03

TOWN OF RIVERHEAD
COMMUNITY DEVELOPMENT AGENCY

Resolution # 25

AUTHORIZES THE CHAIRMAN TO EXECUTE AN AGREEMENT BETWEEN THE RIVERHEAD COMMUNITY DEVELOPMENT AGENCY AND ALTITUDE EXPRESS, INC. D/B/A SKY DIVE LONG ISLAND

Councilman Densieski offered the following resolution, was seconded by

Councilman Lull :

NOW THEREFORE BE IT HEREBY RESOLVED, that the Chairman is hereby authorized to execute a Runway Use Agreement Addendum between the Riverhead Community Development Agency and Altitude Express, Inc. D/B/A Sky Dive Long Island (copy attached herewith); and be it further

RESOLVED, that the Town Clerk is hereby directed to forward a certified copy of this resolution to Sky Dive Long Island, 220 Pleasure Drive, Flanders, New York, 11901; the Supervisor's Office; Andrea Lohneiss, Director, CDA; the Office of Accounting and the Office of the Town Attorney.

absent THE VOTE

Sanders Yes No Blass Yes No

Densieski Yes No Lull Yes No

Kozakiewicz Yes No

THE RESOLUTION WAS WAS NOT

THEREUPON DULY ADOPTED

RUNWAY USE AGREEMENT ADDENDUM

This addendum, entered into this 30th day of December, 2003, amends and supplements the Runway Use Agreement made between and dated September 20, 2000, between the Town of Riverhead Community Development Agency ("CDA") and Altitude Express, Inc. d/b/a SkyDive Long Island, a New York corporation with offices at 220 Pleasure Drive, Flanders, New York 11901; and

WHEREAS, in accordance with Community Development Agency Resolution #11 adopted by the Riverhead Town Board on May 1, 2001; a Runway Use Agreement Addendum dated May 31, 2001 was executed by the parties to extend the terms of the original agreement for a period of five years to September 20, 2006; and

WHEREAS, in accordance with Community Development Agency Resolution # 23 adopted by the Riverhead Town Board on November 18, 2003, a public hearing was held on December 16, 2003 at which time the public hearing was closed leaving open a written comment period through the close of business on December 19, 2003; and

WHEREAS, the parties to the aforementioned Runway Use Agreement wish to extend the terms of that agreement for a period of seven years from the existing termination date contained therein.

NOW, THEREFORE, it is hereby agreed as follows:

1. The Runway Use Agreement dated September 20, 2000, made by and between the Town of Riverhead Community Development Agency and SkyDive Long Island, Inc, is hereby extended and shall continue in full force and effect until September 20, 2013, and be it further

2. That the runway use fees and tie down fees will be adjusted annually commencing on September 20 in the years 2007, 2008, 2009, 2010, 2011, 2012 and 2013 in the same percentage as the annual Cost of Living Adjustment (COLA) as determined by the Social Security Administration for the corresponding year.

3. That all the terms and conditions set forth in the Runway Use Agreement dated September 20, 2000 shall remain in full force and effect during the term of this addendum.

IN WITNESS WHEREOF, the parties hereto do hereby execute this addendum as of the date and year first above written.

Town of Riverhead
By: Robert F. Kozakiewicz

Skydive Long Island
By: Ray Maynard, President