

7/19/1994minutes

Minutes of a Community Development Agency meeting held in the Wading River Elementary School, Wading River, New York, on Tuesday, July 19, 1994, at 7:05 p.m.

Present:

James Stark,	Deputy Supervisor and Councilman
Victor Prusinowski,	Councilman
Frank Creighton,	Councilman
Harriet Gilliam,	Councilwoman

Also Present:

Diane M. Koroleski,	Deputy Town Clerk
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Absent:

Joseph F. Janoski,	Supervisor
Robert F. Kozakiewicz,	Town Attorney
Barbara Grattan,	Town Clerk

Deputy Supervisor Stark called the meeting to order at 7:05 p.m. and the Pledge of Allegiance was recited.

Deputy Supervisor Stark: "We are going to hold tonight a Community Development Agency meeting to do some resolutions for the Community Development Agency, which are concerning the Okeanos Aquarium that is proposed for downtown Riverhead.

So with that, let the record show that the time of 7:05 has arrived and I will open the Community Development Agency meeting and with the approval of the Board, I would appoint Victor Prusinowski temporary Secretary to this particular meeting in the absence of our Community Director-- Community Development Director, Andrea Lohneiss, who is on vacation.

Any objections?

So moved.

At this particular time, Barry or somebody-- if somebody has, I

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believe some petitions they want to be presented on behalf of the Okeanos, I would recognize you now."

Barry Barth: "Thank you. My name is Barry Barth. I'm President of the Riverhead Business Improvement District and I would like to present to the Town Board at this time petitions that have been collected by the business and residential people in the Town of Riverhead showing our overwhelming support for the Okeanos Aquarium project.

This project was spearheaded by Debbie Brehm from Brehm's Deli next door to the Town Hall. She worked very hard in providing the merchants with petitions and we feel that we want to show the Town Board at this time our support. We realize that the Town Board is taking a monumental step in approving the Okeanos project, because in addition to the Aquarium, there's many changes and expenditures of capital that must occur to support the parking and the traffic mitigation to enable us to handle the increased flow of people to downtown Riverhead.

And, once again, I'd like to thank you for your efforts and I hope that you will unanimously support the petition of Okeanos Aquarium and provide for the funding that's necessary to ensure it's success. Thank you.

Just one other point. We collected 1,870 signatures within five days, so if we had more time we could show you that this Town is completely behind you folks as Town Councilpeople."

Deputy Supervisor Stark: "Thank you very much."

Councilman Creighton: "Thank you, Barry."

Resolution No. 1

Member Prusinowski: "Ratify the members and officers of the Riverhead Community Development Agency. For those who are going to ask, what this is, is a regulation of the State Municipal Law, which enables the Town of Riverhead to (inaudible) Riverhead Community Development Agency when it was formed back in 1983. This Agency (inaudible) Town of Riverhead, broad, economic development powers. Coincidentally each municipality has a choice of either appointing

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outside (inaudible) or they can appoint themselves as a government body. The Town of Riverhead has appointed the Town Board members as the governing body. We haven't had an organizational meeting in some time so that's what we're doing, some housekeeping to get the books in order because we have a (inaudible) project (inaudible) development agency, the statute under the law to enable us to do that. So I'll move Resolution No. 1 to ratify the members and officers of the Riverhead Community Development Agency. So moved."

Deputy Supervisor Stark: "Seconded."

Deputy Supervisor Stark: "Moved and seconded."

The Vote: Gilliam, yes; Creighton, yes; Prusinowski, yes; Stark, yes. The Resolution is adopted.

Resolution No. 2

Member Prusinowski: "Resolution No. 2 is to, I think, ratify the opening of the meeting. So moved."

Deputy Supervisor Stark: "Seconded."

Deputy Supervisor Stark: "Moved and seconded."

The Vote: Gilliam, yes; Creighton, yes; Prusinowski, yes; Stark, yes. The Resolution is adopted.

Member Prusinowski: "This was to ratify the Public Notice."

Deputy Town Clerk Koroleski: "The Public Hearing."

Member Creighton: "May I make a comment on this? This latter one was calling for a Public Hearing to take place on August 2nd, which is the day of our next regular Board Meeting. What this does is authorize the Community Development Agency that is the subject of the Hearing, to issue the bonds necessary to do the Okeanos project. The number is frightening in that it is 58 billion dollars worth."

The important thing with this Public Hearing authorizing the CDA to do this is to understand that the CDA is set up so that they will actually own the project until such time as the bonds are paid off

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when it will be transferred to Okeanos, maybe in 25 years. This is so for two reasons, so that the bonds are more marketable from a tax standpoint and also so that the Town can be authorized to guarantee a part of the bonds, which is also very important in making sure that they're marketable and the financing doesn't get too expensive.

So, that's what this Public Hearing is about. Also, on the 2nd of August, over the next two weeks, there are two more major events to take place that we have to make decisions on. One is to approve the guarantee that's being asked for of up to \$10,000,000 worth of those bonds. What that means practically is that we will guarantee any shortfall in payment of principle and interest starting in the year 1998, not to exceed \$10,000,000. It's estimated that the annual principle and interest will be about four and a half million dollars.

If the revenue from Okeanos of all of their projects doesn't cover part of that, we will pick up the difference. And that's what the limited guarantee is, not to exceed \$10,000,000 over a period of five years after 1998. So that's the second big thing that we have to do within the next couple of weeks.

The third thing is we have to issue a special permit to Okeanos to do the project. Part of that is a findings statement where the Town essentially commits to do the necessary mitigation of parking and traffic in downtown Riverhead so that the expected, on an average of 3,000 visitors a day to the Okeanos up to about a million a year, don't make the downtown unbearable. So the Town will be doing parking and road modifications and committing to do that also in the next couple of weeks.

So there are three major decisions that your Board has to do over the next few weeks. There will be a public meeting. I believe it's at 7:00 on the 27th in Town Hall, where information will be laid out for the public to go over and ask any questions and look at any details, in addition to the Public Hearing that we are announcing for the 2nd of August.

But if everything goes on schedule this Board will be making those decisions finally at the Board Meeting on the 2nd of August. It took me a while to understand the magnitude of what we are doing so that I can do it comfortably and I just thought it would be beneficial if I shared with you what I think we are doing.

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As we speak, some of our key people, the Planning Director, our Town Attorney, our Financial Administrator are with our bond counsel in New York City. They've been there all day. This is one of many days they've been there, hammering out the details to make sure that our interests-- the Town's interests are protected when we do this. So an awful lot of effort and brainpower has gone into making sure that the Town is doing the right thing in becoming-- in accepting Okeanos' proposal to come to Riverhead and put their new facility here. And that's basically what we're doing. They came to us and said, we want to do it here. We've studied eight or 10 other locations and we want to do this in Riverhead. Will you support us? And this Town Board has right from the beginning supported them and now we have to put our cards on the table and that's what's going to be taking place in the next couple of weeks.

Thank you."

Deputy Supervisor Stark: "Thank you. Call the roll, please."

The Vote: Gilliam, yes; Creighton, yes; Prusinowski, yes; Stark, yes. The Resolution is adopted.

Resolution No. 3

Member Creighton: "This declares the Community Development Agency as the lead agency for evaluation of the environmental significance of this bonding proposal that is issuing the bonds. It declares it a type one action without significant impact on the environment. So moved."

Member Gilliam: "Seconded."

Deputy Supervisor Stark: "Moved and seconded."

The Vote: Gilliam, yes; Creighton, yes; Prusinowski, yes; Stark."

Deputy Supervisor Stark: "It might be noted that this Board is your Community Development Agency Board of Directors. So we are not handing it over to somebody else, we're doing it ourselves, (inaudible) which allows us to do this mechanically governmentally. Yes."

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The Vote (Cont'd.) Stark, yes. The Resolution is adopted.

Deputy Supervisor Stark: "Without objection, I will adjourn the CDA meeting. So moved."

Meeting adjourned: 7:16 p.m.

Deputy Town Clerk

July 19, 1994

RIVERHEAD COMMUNITY DEVELOPMENT AGENCY

Resolution #1 - Community Development Agency
Adopted July 19, 1994

RATIFIES MEMBERS AND OFFICERS OF THE RIVERHEAD COMMUNITY
DEVELOPMENT AGENCY

Member Prusinowski offered the following resolution which was
seconded by Member Stark.

WHEREAS, pursuant to Article 15-A and 15-B of the General Municipal Law, and pursuant to the Town of Riverhead Municipal Home Rule Request, Assembly Bill #6115 and Senate Bill #3418, and pursuant to Law signed by the Governor on July 13, 1982, Title 116 of the General Municipal Law was enacted thereby establishing the "Town of Riverhead Community Development Agency"; and

WHEREAS, by Resolution #1-Community Development Agency of the Riverhead Community Development Agency, adopted 12/30/82, the Riverhead Community Development Agency adopted, ratified and approved By-Laws stipulating the structure and organization of the Community Development Agency; and

WHEREAS, the By-Laws of the Riverhead Community Development Agency stipulate that the Agency shall consist of five (5) members, including the Supervisor, who shall be its Chairman, and the four Town Councilmen, or their respective successors to office; and

Whereas, the By-Laws of the Riverhead Community Development Agency further stipulate that the officers of the Agency shall be a Chairman (Supervisor), a Vice-Chairman who shall perform the duties of the Chairman in the absence or incapacity of the Chairman, and in case of a vacancy in the office of the Chairman, and a Secretary-Treasurer who shall also be the Director; and

WHEREAS, pursuant to Article II, Section 8 of the By-Laws, a successor to a vacant elected public office shall automatically become a member of the Agency; and

WHEREAS, since the adoption of the By-Laws by the Riverhead Community Development Agency certain changes in the individuals holding office within the Community Development Agency have occurred; and

WHEREAS, to ensure proper functioning of the Agency, in order to undertake certain Urban Renewal activities, clarification of those members and officers currently serving the Riverhead Community Development Agency is appropriate.

THEREFORE, BE IT RESOLVED, that the current members of the Riverhead Community Development Agency are: Joseph F. Janoski, James R. Stark, Victor J. Prusinowski, Frank W. Creighton and Harriet A. Gilliam.

BE IT FURTHER RESOLVED, that the Riverhead Community Development Agency hereby appoints the following officers of the Agency: Joseph F. Janoski, Chairman; James R. Stark, Vice-Chairman; and Andrea Lohneiss, as Director of the Riverhead Community Development Agency, Secretary-Treasurer.

BE IT FURTHER RESOLVED, that the Town Clerk shall forward a certified resolution to Joseph F. Janoski, James R. Stark, Victor J. Prusinowski, Frank W. Creighton, Harriet A. Gilliam, Robert Kozakiewicz, Thomas Rothman, Jack Hansen and Andrea Lohneiss.

THE VOTE

Gilliam	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Creighton	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Stark	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Prusinowski	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
			Janoski	<input type="checkbox"/> Yes	<input type="checkbox"/> No

THE RESOLUTION WAS WAS NOT
THEREUPON DULY DECLARED ADOPTED

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TOWN OF RIVERHEAD
COMMUNITY DEVELOPMENT AGENCY
Resolution # 2

At a special meeting of the Members of the Town of Riverhead Community Development Agency, Town of Riverhead, Suffolk County, New York, held at the Town of Riverhead Town Hall, 200 Howell Avenue, in Riverhead, New York, in said Town, on July 19, 1994, at 7:00 o'clock P.M., Prevailing Time.

The meeting was called to order by Member Stark, and upon roll being called, the following were

PRESENT:

Member James R. Stark
Member Victor J. Prusinowski
Member Frank W. Creighton
Member Harriet A. Gilliam

ABSENT:

Chairman Joseph F. Janoski
Secretary/Treasurer Andrea Lohneiss

The following resolution was offered by Member Prusinowski who moved its adoption, seconded by Member Stark, to-wit:

RESOLUTION DATED JULY 19, 1994.

A RESOLUTION CALLING A PUBLIC HEARING ON THE AGENCY'S DESIGNATION OF THE OKEANOS OCEAN RESEARCH FOUNDATION, INC. AS THE SPONSOR OF AN APPROXIMATELY 82,000 SQUARE FOOT AQUARIUM AND MARINE MAMMAL/SEA TURTLE RESCUE, REHABILITATION AND EDUCATION CENTER AND THE ACQUISITION OF LAND LOCATED ON EAST MAIN STREET, IN RIVERHEAD, NEW YORK, INCLUDING ORIGINAL FURNISHINGS, EQUIPMENT, MACHINERY, APPARATUS, APPURTENANCES AND INCIDENTAL IMPROVEMENTS AND EXPENSES IN CONNECTION THEREWITH, AND ON THE ISSUANCE OF BONDS BY THE AGENCY TO PAY COSTS THEREOF.

WHEREAS, by Articles 15 and 15-A, and Section 680-c of Article 15-B, of the General Municipal Law of the State of New York, as amended (collectively, the "Act"), the Town of Riverhead Community Development Agency (the "Agency") was created with the authority and power to, among other things, acquire, construct, reconstruct and equip certain projects in accordance with the Act and to issue its revenue bonds to pay costs of such projects;

WHEREAS, there has been submitted to the Agency a proposal for, and the Agency is considering, (i) the construction of an approximately 82,000 square foot aquarium and marine mammal/sea turtle rescue, rehabilitation and education center and the acquisition of land located on East Main Street, in Riverhead, New York, including original furnishings, equipment, machinery, apparatus, appurtenances and incidental improvements and expenses in connection therewith (the "Facility"), (ii) authorizing the issuance of not exceeding \$58,000,000 bonds of the Agency (the "Bonds") to provide financing to pay costs of the Facility and capitalized interest and a debt service reserve fund on the Bonds and certain costs of issuance thereof, (iii) designating the Okeanos Ocean Research Foundation, Inc., a New York not-for-profit

corporation, the "qualified and eligible sponsor", pursuant to Sections 556(2) and 507(2)(c) of the General Municipal Law and in accordance with established rules and procedures prescribed by the Agency (the "Sponsor"), of the Facility and (iv) entering into a sale agreement by and between the Agency and Okeanos pursuant to which Okeanos will occupy the Facility and will acquire the Facility from the Agency after the Bonds have been paid; and

WHEREAS, Sections 556(2) and 507(2)(c) of the General Municipal Law require that a public hearing, following at least ten days public notice, be held by the Agency on the question of designating the Sponsor; and

WHEREAS, the Town of Riverhead (the "Town"), on October 19, 1993, adopted the East Main Street Urban Renewal Plan (the "Plan"), which Plan includes the construction of the Facility in the Central Business District Urban Renewal Area of the Town (the "Area"); and

WHEREAS, the construction of the Facility will arrest and prevent conditions of deterioration or blight in the portion of the Area in which the same is proposed to be located and is necessary for the overall redevelopment of the Area, which entire Area, including the portion in which the Facility is proposed to be located, has been determined in the Plan to be vastly under utilized; and

WHEREAS, the Bonds would constitute "private activity" bonds within the meaning of Section 141 of the Internal Revenue Code of 1986 (the "Code") and "qualified Section 501(c)(3) bonds" within the meaning of Section 145(a) of the Code due to the proposed use

of said Facility by Okeanos; and

WHEREAS, Section 147(f) of the Code requires that bonds which are "private activity" bonds within the meaning of Section 141 of the Code be approved by the governmental unit on whose behalf the Agency is issuing such bonds after a public hearing following at least fourteen days public notice, in order for interest on such bonds to be excludable from gross income for federal income tax purposes; and

WHEREAS, the Town, 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" for acquisition, construction, equipping and its limited guarantee of the financing of the Facility, and the Town has concluded its SEQRA analysis with respect to the Facility; and

WHEREAS, the Agency anticipates the Town will adopt its SEQRA "findings" with respect to the Facility prior to the public hearing hereinafter specified; and

WHEREAS, the Agency will designate itself "lead agency" for its financing of the Facility and anticipates concluding its SEQRA analysis prior to the public hearing herein specified; and

WHEREAS, the Agency now desires to call a public hearing on the designation of Okeanos as the Sponsor of the Facility and on the issuance of the Bonds of the Agency; and

WHEREAS, a majority of the Town Board of the Town will attend such public hearing; NOW, THEREFORE, BE IT

RESOLVED, by the Members of the Agency, as follows:

Section 1. A public hearing will be held at the Town Hall, 200 Howell Avenue, in Riverhead, New York, in said Town on August 2, 1994, at 7:15 o'clock P.M., Prevailing Time, on the question of designating Okeanos the Sponsor of the Facility and on whether the Bonds should be issued by the Agency to provide financing to pay costs of the Facility, and to hear all persons interested in the subject thereof, concerning the same, and to take such action thereon as is required or authorized by law.

Section 2. The Secretary of the Agency is hereby authorized and directed to cause a copy of the Notice of Public Hearing hereinafter provided to be published once in The Suffolk County Life the newspaper hereby designated as the official newspaper for this purpose and one having general circulation in, and available to residents of, the Town, such publication to be made not less than fourteen days before the date designated for the hearing. The Secretary is hereby further authorized and directed to cause a copy of such Notice of Public Hearing to be posted in such places as she deems appropriate under the circumstances, such posting to be done not less than 14 days before the date designated for the hearing.

Section 3. The notice of public hearing shall be in substantially the form attached:

NOTICE OF PUBLIC HEARING

TOWN OF RIVERHEAD COMMUNITY DEVELOPMENT AGENCY,
TOWN OF RIVERHEAD, SUFFOLK COUNTY, NEW YORK

NOTICE IS HEREBY GIVEN that the Members of the Town of Riverhead Community Development Agency, Town of Riverhead, Suffolk County, New York (the "Agency"), will meet at the Town of Riverhead Town Hall, 200 Howell Avenue, in Riverhead, New York, in said Town, on August 2, 1994, at 7:15 o'clock P.M., Prevailing Time, for the purpose of conducting a public hearing on whether bonds should be issued by the Agency to provide financing to pay costs of the construction of an approximately 82,000 square foot aquarium and marine mammal/sea turtle rescue, rehabilitation and education center and the acquisition of land located on East Main Street, in Riverhead, New York, including original furnishings, equipment, machinery, apparatus, appurtenances and incidental improvements and expenses in connection therewith (the "Facility") and whether the Okeanos Ocean Research Foundation, Inc., a New York not-for-profit corporation ("Okeanos") should be designated the "sponsor" thereof. The estimated cost of said Facility, and capitalized interest and a debt service reserve fund on the bonds, hereinafter defined, and certain costs of issuance thereof, is \$60,000,000, for which the issuance of not exceeding \$58,000,000 bonds of the Agency (the "Bonds") would be authorized. It is proposed that Okeanos will occupy the Facility and will acquire the Facility from the Agency after the Bonds have been paid pursuant to a sale agreement. The Okeanos Aquarium, a New York Education Corporation, whose sole member is Okeanos ("Okeanos Aquarium"), will operate the aquarium

portion of the Facility. Okeanos will operate the marine mammal/sea turtle rescue, rehabilitation and education center portion of the Facility.

The Bonds will be special obligation revenue bonds of the Agency payable solely from the revenues derived from the operation of the Facility, from certain ancillary activities of Okeanos, from the sale, leasing or other disposition of the Facility, from general guarantees to be provided by Okeanos and Okeanos Aquarium and from a limited guarantee to be provided by the Town. It is intended that the interest on the Bonds will be excludable from gross income for federal income tax purposes.

At said public hearing the Members of the Agency will hear all persons interested in the subject matter thereof.

Approval of the issuance of the Bonds by the Town, through its Town Board, is necessary solely in order for the interest on the Bonds to qualify for exclusion from gross income from federal income tax purposes.

Dated: Riverhead, New York
July 19, 1994

BY ORDER OF THE MEMBERS OF THE TOWN OF RIVERHEAD
COMMUNITY DEVELOPMENT AGENCY, TOWN OF RIVERHEAD,
SUFFOLK COUNTY, NEW YORK

By Andrea Lohneiss
Secretary

Section 4.

This resolution shall take effect immediately.

I FURTHER CERTIFY that PRIOR to the time of said meeting, I duly caused public notice of the time and place of said meeting to be conspicuously posted in the following designated public location(s) on the following dates:

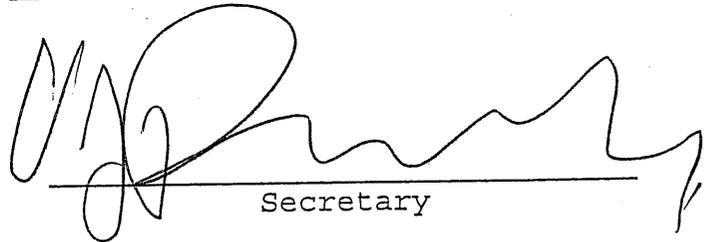
Designated Location(s)
of posted notice

Date of Posting

Town Clerk's Bulletin Board

July 20, 1994

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency on July 19, 1994.


Secretary

(CORPORATE
SEAL)

July 19, 1994

RIVERHEAD COMMUNITY DEVELOPMENT AGENCY

Resolution #3 - Community Development Agency
Adopted July 19, 1994

**DECLARES LEAD AGENCY AND DETERMINES ENVIRONMENTAL SIGNIFICANCE
OF OKEANOS PROPOSAL**

Member Creighton offered the following resolution,
which was seconded by Member Gilliam.

WHEREAS, the Town of Riverhead Community Development Agency is in receipt of a proposal for the construction of an 82,000 sq. ft. aquarium and marine mammal rehabilitation and education center on land located on East Main Street, Riverhead; such facility to be financed through the issuance of \$58,000,000 in bonds of the Agency; and

WHEREAS, the Agency has carefully considered the merit of the financing proposal together with the attending Environmental Assessment Form as well as the other relevant planning, economic and fiscal information.

THEREFORE, BE IT RESOLVED, that in the matter of the financing of the Okeanos Ocean Research Facility, the Town of Riverhead Community Development Agency hereby declares itself to be the Lead Agency pursuant to Article 8 of the Environmental Conservation Law; and

BE IT FURTHER RESOLVED, that the Riverhead Community Development Agency determines the action to be Type I without a significant impact upon the environment and that an Environmental Impact Statement need not be prepared; and

BE IT FURTHER RESOLVED, that the Director of the Community Development Agency be authorized to publish and post those notices of Non-Significance as required by Article 8 of the New York State Environmental Conservation Law.

BE IT FURTHER RESOLVED, that the Town Clerk shall forward a certified resolution to Andrea Lohneiss, Director of the Community Development Agency.