03.15.2011
CDA1106

ADOPTED

TOWN OF RIVERHEAD

Community Development Agency

Resolution #6

AUTHORIZES CHANGE ORDER FOR OPTIMIZED RECONSTRUCTION OF CALVERTON RAIL SPUR

Councilman Dunleavy offered the following resolution,

which was seconded by Councilman Wooten

WHEREAS, the New York State Department of Transportation (NYS DOT) Calverton Industrial Enterprise Park Freight Rail Access Rehabilitation (PIN #0935.61) Economic Recovery Project in the Town of Riverhead, in Suffolk County, (hereinafter "the Municipality/Sponsor") is eligible for and has been awarded funding under Title 23 U.S. Code, as amended, that calls for the apportionment of the costs of such program to be borne at the ratio of 100% Federal funds and 0% non-federal funds to support, among other things, important infrastructure projects that help attract businesses, improve commerce and revitalize local economies; and

WHEREAS, the New York State Empire State Development Corporation through its Downstate Revitalization Fund awarded $650,000 towards the Calverton Industrial Enterprise Park Freight Rail Access Rehabilitation Project funds to support, among other things, important infrastructure projects that help attract businesses, improve commerce and revitalize local economies; and

WHEREAS, the Town of Riverhead Community Development Agency (CDA) Board desires to foster the continued development of infrastructure at the Calverton Enterprise Park site to attract businesses, improve commerce, enhance the tax base and the local economy and encourage continued economic development at the site consistent with the comprehensive plans; and

WHEREAS, on February 11, 2010, the CDA Board adopted Resolution No. 2 entitled, "Awards Calverton Rail Access Rehabilitation Contract" that awarded the construction bid for the above mentioned project to Railroad Construction Co., Inc.; and

WHEREAS, on April 6, 2010, the CDA Board adopted Resolution No. 8 entitled, "Awards Calverton Rail Access Rehabilitation Contract" that authorized Change Order #1 to the construction contract for acquisition of the Long Island Rail Road Mainline switch and adopted Resolution No. 6 entitled, "Authorizes Dunn Engineering Associates, P.C. to Proceed with Calverton Rail Construction Administration", that

authorized Dunn Engineering to proceed with construction inspection for the contract; and

WHEREAS, on October 5, 2010, the CDA Board adopted Resolution No. 17 entitled "Authorizes Optimized Reconstruction of the Calverton Rail Spur" to request the remaining ARRA funding certified for the Calverton Rail project to enhance the design and provide more efficient trackage that accommodates modern freight rail cars to eliminate the obsolete runaround track and relocate said runaround track to include an approximately 1800' long runaround track, creates a better functioning spur that will provide more efficient service; and

NOW, THEREFORE, BE IT RESOLVED, the Town of Riverhead Community Development Agency in cooperation with the Town Attorney and the Town Engineering Department are authorized to proceed with Change Order #6 to the construction contract to provide for construction of approximately 1800' long runaround track and elimination of the obsolete runaround track to the north of the Calverton Recreation Center utilizing remaining available grant funds of approximately $400,000 in ARRA NYSDOT funds towards construction/construction inspection and approximately $450,000 in NYS Empire State Development grant funds towards construction; and

BE IT FURTHER RESOLVED, that the CDA Board be and does hereby authorize the Accounting Department to issue a Town of Riverhead Purchase Order to progress the project described above; and

BE IT FURTHER RESOLVED, that the CDA Board does hereby authorize the Chairman to execute Change Order #6 subject to review and approval by the Town Attorney; and

BE IT FURTHER RESOLVED, that the Town Clerk forward copies of this resolution to the Accounting Department, the Engineering Department and the Community Development Department; and

BE IT FURTHER RESOLVED, that all Town Hall Departments may review and obtain a copy of this resolution from the electronic storage device and, if needed, a certified copy of same may be obtained from the Office of the Town Clerk.

THE VOTE

Giglio ☒Yes ☐No Gabrielsen ☒Yes ☐No
Wooten ☒Yes ☐No Dunleavy ☒Yes ☐No
Walter ☒Yes ☐No
The Resolution Was ☒ Thereupon Duly Declared Adopted

03.15.11
CDA1107

03.15.11 TABLED
04.05.11 UNTABLED
04.05.11 ADOPTED

TOWN OF RIVERHEAD
COMMUNITY DEVELOPMENT AGENCY

Resolution # 7

ACCEPTS ANNUAL REPORT AND ANNUAL FINANCIAL REPORT FOR 2010

Councilman Wooten offered the following resolution,

which was seconded by Councilman Gabrielsen

WHEREAS, the Public Authorities Accountability Act of 2005 as amended (the "PAAA") includes Town of Riverhead Community Development Agency (the "CDA") in its definition of a local authority; and

WHEREAS, the PAAA requires the preparation and submission of an Annual Report and an Annual Financial Report to the State Comptroller.

THEREFORE BE IT RESOLVED that the board of directors of the Community Development Agency hereby accepts the 2010 Annual Report and 2010 Annual Financial Report (attached) of the Town of Riverhead Community Development Agency.

RESOLVED, that all Town Hall Departments may review and obtain a copy of this resolution from the electronic storage device and, if needed, a certified copy of same may be obtained from the Office of the Town Clerk.

THE VOTE

Giglio ☒Yes ☐No Gabrielsen ☒Yes ☐No
Wooten ☒Yes ☐No Dunleavy ☒Yes ☐No
Walter ☒Yes ☐No
The Resolution Was ☒ Thereupon Duly Declared TABLED

04.05.11
On a motion of Councilman Wooten, seconded by Councilman Gabrielsen, CDA resolution #7 was UNTABLED

THE VOTE: YES-5 Giglio, yes; Gabrielsen, yes; Wooten, yes; Dunleavy, yes; Walter, yes
NO-0
On a motion of Councilman Wooten, seconded by Councilman Gabrielsen, CDA resolution #7 was ADOPTED
THE VOTE: YES-5 Giglio, yes; Gabrielsen, yes; Wooten, yes; Dunleavy, yes; Walter, yes
NO-0

1-CDA of the Riverhead Community Development Agency

ADOPTION OF BY-LAWS

Director Boschetti offered the following resolution which was seconded by Director Artale,

WHEREAS, the Riverhead Community Development Agency has been authorized by the State Legislature, pursuant to Article 15-A of the Urban Renewal Chapter of the General Municipal Law, and

WHEREAS, the Certificate of Establishment has been filed with the Secretary of State and the Commissioner of Labor designating the Directors and Chairman of said Agency, and

WHEREAS, such Board is assembled this day for the purpose of adopting By-Laws pursuant to Section 554 of the General Municipal Law, and

WHEREAS, such By-Laws have been reviewed by the Board and the Board finds them to be necessary for the proper functioning of the Riverhead Community Development Agency,

NOW, THEREFORE, BE IT

RESOLVED, that the directors of the Agency hereby adopt, ratify, and approve the attached By-Laws, to be known and sited as the By-Laws of the Riverhead Community Development Agency.

BY-LAWS

OF

THE RIVERHEAD

COMMUNITY DEVELOPMENT AGENCY

Riverhead, New York

ARTICLE I - THE AGENCY

Section 1. Name of Agency. The name of the Agency shall be the "Riverhead Community Development Agency".

Section 2. Members. In accordance with the Special Act of the Legislature establishing the Agency, the Agency shall consist of five members, including the Supervisor who shall be its Chairman, and the four Town Councilmen, or their respective successors to office.

Section 3. Seal of Agency. The seal of the Agency shall be in the form of a circle and shall bear the words Town of Riverhead Community Development Agency and the year of its establishment.

Section 4. Office of Agency. The office of the Agency shall be located at 200 Howell Avenue, Riverhead, New York.

ARTICLE II - OFFICERS

Section 1. Officers. The officers of the Agency shall be a Chairman, (Supervisor), a Vice-Chairman, and a Secretary-Treasurer, who shall also be the Director.

Section 2. Chairman. The Chairman shall preside at all meetings of the Agency. The Chairman shall sign all contracts, deeds and other instruments made by the Agency unless a resolution

has been passed by the Agency making a different designation. Such resolution may authorize another member of the Agency or its Director to sign a particular contract, deed or other instrument. At each meeting, the Chairman shall submit such recommendations and information as he may consider proper concerning the business affairs and policies of the Agency.

Section 3. Vice-Chairman. The Vice-Chairman 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.

Section 4. Secretary-Treasurer. The Secretary-Treasurer shall keep the records of the Agency, shall act as Secretary of the meetings of the Agency and shall record or cause there to be recorded all votes, and shall keep or cause there to be kept a record of the proceedings of the Agency in a minute book to be kept for such purposes, shall have the power to certify to the correctness of minutes and other records kept by the Agency, and shall perform all duties incident to his office. He shall keep in safe custody the seal of the Agency and shall have power to affix such seal to all contracts and instruments authorized to be executed.

At any regular or special meeting in the absence of the Secretary-Treasurer, a Secretary pro tempore may be appointed from among the members of the Agency who shall serve without compensation other than the payment of necessary expenses.

The Secretary-Treasurer will sign all vouchers and checks for the payment of money and shall pay out and disburse such moneys under the direction of the Agency except as otherwise authorized by resolution of the Agency. The Agency may by

resolution designate one or more members to countersign such vouchers and checks, and may from time to time qualify, change or cancel any such designation. Requests for the draw-down of funds from the United States government shall be in accord with federal letter of credit regulations, and such requests shall be signed by the Chairman, or in his absence the Vice-Chairman, or the Secretary-Treasurer. The Secretary-Treasurer and Chairman shall give such bond(s) for the faithful performance of their duties as the Agency shall deem necessary and appropriate.

Section 5. Duties of Members. The Members of the Agency shall perform such duties as are incumbent upon them by reason of their office and shall perform such other duties and functions as may from time to time be required by the Agency or the by-laws, or which may arise by reason of their office and shall perform such other duties and functions as may from time to time be required by the Agency or the by-laws, of which may arise by reason of their appointment to serve on committees functioning within the Agency or in cooperation with other persons or groups.

Section 6. Director. The Director of the Agency shall be the ex-officio Secretary-Treasurer and shall have general supervision over the administration of its business and affairs, subject to the direction of the Agency. He shall take care and custody of all funds of the Agency in such bank or banks as the Agency may select. He shall keep regular records of accounts showing receipts and expenditures and shall report to the Agency at the Agency's next regular meeting, held after the end of the Agency's Fiscal Year, that is, at the next regular meeting after

July 31 of each year, or oftener when requested, an account of his transactions and also of the financial condition of the Agency.

The compensation of the Director shall be determined by the Agency.

Section 7. Appointment of Personnel. The members of the Agency shall appoint one person to fill the office of Director. The person appointed to fill the office of Director, or any vacancy therein, shall have such terms as the Agency fixes, but no member of the Agency shall be eligible for this office.

The Agency may from time to time employ such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by Article XV-A of the General Municipal Law of the State of New York and all other laws of the State of New York applicable thereto.

Section 8. Vacancies. Should a vacancy occur among the members of the Agency, a successor to the vacant elected public office shall be named by the Town Board in accordance with the Town Law and said successor to such elected public office shall automatically become a member of the Agency in accordance with the Special Act of the Legislature creating the Agency.

ARTICLE III - MEETINGS

Section 1. General Provisions. All meetings shall be held at Town Hall in absence of the specific designation of some other meeting place by resolution.

Section 2. Annual Meetings. Annual meetings of the Agency shall be held without notice, at a time and place to coincide with the first meeting of the Town Board of the Town of Riverhead in January of each year.

Section 3. Regular Meetings. Regular meetings of the Agency shall be held without notice at least once in each month of January, March, May, July, September and December during the calendar year, upon the third Thursday of the months at 4:00 p.m. in the afternoon or as soon thereafter as is reasonably practicable for the transaction of the business of the Agency. The Chairman may adjourn a regular meeting, without the necessity of a quorum of the Agency being present, and should he so adjourn a meeting he shall notify members who were not present of the adjourned date and time of such adjourned meeting in the manner specified in Section 5 below.

Section 4. Special Meetings. The Chairman, Vice-Chairman, or Director of the Agency may, when any two of them might deem it expedient, call a special meeting of the Agency for the purpose of transacting any business designated in the call. Upon the written request of three members of the Agency, the Chairman shall call a special meeting of the Agency for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to any member of the Agency or may be mailed to his business or home address at least two days prior to the date of such special meeting. At such special meeting, no business shall be conducted other than as designated in the notice, but if all the members of the Agency are present at a special meeting, any and all business may be transacted at such special

meeting.

Section 5. Quorum. The powers of the Agency shall be listed in the members thereof in office from time to time. Three members shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes. They may meet and adjourn from time to time until the five members are available. At least twelve hours notice of the time and place of holding an adjourned meeting shall be given to the member who was not present at the meeting from which adjournment was taken.

Section 6. Order of Business. At the regular meetings of the Agency the following shall be the order of business.

1. Roll Call
2. Reading and approval of the minutes of the previous regular meeting and any intervening special meeting.
3. Report of the Director.
4. Reports of Committees.
5. Unfinished business.
6. New business.
7. Resolutions.
8. Adjournment.

All resolutions shall be in writing and shall be copied in a minute book of the Agency.

Section 7. Manner of Voting. All questions coming before the Agency shall be presented in the form of motions or resolution chronologically numbered. The vote on all resolutions shall be by voice unless a roll call vote is requested by one member

at which time a vote upon the resolution in question shall be by roll call, and each resolution and motion shall be entered in full upon the minutes of the meeting. For all resolutions, the ayes and noes shall be recorded.

ARTICLE IV - AMENDMENTS

Amendment to By-Laws. The by-laws of the Agency shall be amended only by resolution adopted by the affirmative vote of three members of the Agency at a regular or special meeting, held after seven days notice in writing of the proposed amendment shall have been sent to each member.

(5 yes)

13

12/14/82

AN ACT to [illegible]
establishing the [illegible]
providing for its func[illegible]

The People of the State of New York [illegible]
bly, do enact as follows:

1 Section 1. Article fifteen-B of the general munici[illegible]
2 by adding a new title one hundred sixteen to read as follow[illegible]
3 TITLE 116
4 TOWN OF RIVERHEAD COMMUNITY
5 DEVELOPMENT AGENCY
6 Section 680-c. Town of Riverhead community development agency.
7 § 680-c. Town of Riverhead community development agency. For the
8 benefit of the town of Riverhead and the inhabitants thereof, a commu-
9 nity development agency, to be known as the TOWN OF RIVERHEAD COMMUNITY
10 DEVELOPMENT AGENCY, is hereby established for the accomplishment of any
11 or all of the purposes specified in articles fifteen and fifteen-A of
12 this chapter. It shall constitute a body corporate and politic, and be
13 perpetual in duration. It shall have the powers and duties now or
14 hereafter conferred by articles fifteen and fifteen-A of this chapter
15 upon community development agencies and provided that the exercise of
16 the powers by such agency with respect to the acquisition of real
17 property whether by purchase, condemnation or otherwise, shall be lim-
18 ited to the corporate limits of the town of Riverhead, and such agency
19 shall take into consideration the local zoning and planning regulations
20 as well as the regional and local comprehensive land use plans. It
21 shall be organized in a manner prescribed by and be subject to the
22 provisions of articles fifteen and fifteen-A of this chapter. Its mem-

EXPLANATION—Matter in italics (underscored) is new; matter in brackets [ ] is old law to be omitted.

LBD1-43-21-544

1 bers shall consist of the supervisor of the town of Riverhead, who shall
2 be its chairman and the four councilmen of the town of Riverhead. The
3 agency, its members, officers and employees and its operations and ac-
4 tivities shall in all respects be governed by the provisions of articles
5 fifteen and fifteen-A of this chapter.
6 § 2. This act shall take effect immediately.

EXECUTIVE CHAMBER, Albany, New York

The attached legislation has passed both houses of the Legislature and will shortly be before the Governor for executive action.

The Governor would appreciate the benefit of your analysis, comments and recommendations within five days of receipt of this request. In order to expedite receipt and consideration of your views, please identify your memorandum by the bill's introductory number and use the enclosed envelope to submit your comments.

While the volume of correspondence concerning legislation precludes acknowledgement of every communication, you can be certain that your comments will receive careful consideration.

Thank you for your cooperation.

RECEIVED
JUN 29 1967

John G. McGoldrick
Counsel to the Governor

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TOWN OF RIVERHEAD
200 HOWELL AVE
RIVERHEAD NY 11901

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

5167273200 MGM TDMT RIVERHEAD NY 95 06-30 0236P EST
ZIP
JOHN A MCGOLDRICH COUNSEL TO GOVERNOR
EXECUTIVE CHAMBERS STATE CAPITOL
ALBANY NY 12224
ATTN LEGISLATIVE SECRETARY ROOM 225
RE SENATE BILL 3418 TOWN OF RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
THE TOWN OF RIVERHEAD HAD REQUESTED THAT THE ABOVE CAPTIONED BILL BE
INTRODUCED FOR THE BETTERMENT OF THE TOWN OF RIVERHEAD AND HAVE
WORKED FOR ITS PASSAGE THE TOWN OF RIVERHEAD WOULD APPRECIATE THE
GOVERNOR SEEING FIT TO SIGN SAID BILL INTO LAW. IF THE GOVERNOR
SHOULD SIGN SENATE BILL NUMBER 3418 I WOULD APPRECIATE RECEIVING A
PEN CERTIFICATE SINCERELY
JOSEPH F JANOSKI SUPERVISOR TOWN OF RIVERHEAD

14:53 EST

MGMCOMP

CDA ANNUAL REPORT for FY 2010

As required by the Bylaws of the Town of Riverhead Community Development Agency (CDA), the following information is provided for consideration and review by the Members of the CDA:

MEMBERSHIP- The Members of the Corporation shall be the members of the Riverhead Town Board, comprised of the following persons during FY 2010: Sean Walter, John Dunleavy, James Wooten, George Gabrielsen and Jodi Giglio. In addition, the 2010 CDA was served by: Executive Director Chris Kempner, Chief Finance Officer Bill Rothaar, Contracting Officer for real property Dawn Thomas and Contracting Officer for personal property Bill Rothaar. Neither members nor staff receives any compensation for their duties and responsibilities to the CDA.

The CDA established a Governance and Audit Committee as required by the Public Authorities Act of 2005 as amended (the "PAAA"). Sean Walter and John Dunleavy were appointed to the Governance Committee. Sean Walter, Deputy Supervisor Jill Lewis and George Gabrielsen were appointed to the Audit Committee. All other CDA policies and procedures required by the PAAA relating to investment, salary/compensation, whisteblowing, acquisition and disposition of real property and personal property, procurement, defense and indemnification for Directors, ethics, travel, remain in place as adopted by CDA Resolution #6 adopted May 1, 2007.

BACKGROUND

The five member Riverhead Town Board is the governing legislative body and consists of a supervisor and four council members, all of whom are elected at large. The Town Board acts separately in its capacity as the CDA Board, which is empowered under New York State General Municipal Law to foster economic development. The CDA consists of the Chairman (the Town Supervisor) and the four Town board members. In the capacity as the economic development agency of the Town of Riverhead, the CDA administers and secures financing for numerous downtown revitalization projects and public improvement projects.

The CDA, established in 1982, has been proactive in fostering economic revitalization in the downtown business district and was a major impetus in the establishment of a 3.2 acre waterfront aquarium. In addition, the CDA took title to the former Naval Weapons Industrial Reserve Plant at Calverton in 1998 as the result of special federal legislation, and as such is charged with the task of

overseeing economic development at the 2,900 acre site. Using powers granted under New York State Urban Renewal Law, pursuant to Section 505 of Article 15, the Community Development Agency has played a critical role in economic development at Calverton Enterprise Park, as well as downtown. Since 1998, the Calverton Enterprise Park real property, improved with buildings and infrastructure, has been leased and sold pursuant to the disposition of property procedures of Section 507 of the Urban Renewal Law. The Community Deve

The Community Development Agency has designated several Urban Renewal Areas for the purpose of encouraging neighborhood revitalization and economic development. The designated Urban Renewal Areas include: Calverton Enterprise Park, Millbrook Gables residential community, East Main Street Downtown Business District and Railroad Avenue Corridor. Within the designated boundaries of the urban renewal areas, available incentives are provided where feasible to attract investment and assist owners and businesses in improving their properties.

Portions of the Calverton Enterprise Park and East Main Street Urban renewal Areas were designated Empire Zones, a program that was sunsetted by New York State on June 30, 2010. This designation was initiated and administered by the CDA for its economic development benefits. Low interest loans and grants have also been made available to increase investment in these targeted areas. For instance, within the East Main Street Urban Renewal Area, the CDA has successfully developed an aquarium as a major tourist attraction, sold the 1930s art deco Suffolk Theatre for reuse, has completed restoration of an 1881 historic opera house, invested $500,000 in historic restoration of properties occupied by the East End Arts Council, as well as assisting in the development of a 100 room hotel expansion at Atlantis Aquarium and two new mixed use housing/retail developments on Peconic Avenue, one that will incorporate a currently deteriorated structure and the other that revitalized a vacant building located at the gateway to downtown that now is an active revitalized historic anchor building with retail, office and housing completed in 2010.

CDA Mission Statement

The CDA's mission is to foster economic revitalization in the Town of Riverhead Urban Renewal Areas to implement projects that improve the environment, economy and quality of life of the Riverhead Town residents, businesses and visitors through creation of jobs, development of infrastructure, generation of additional tax revenue, and leveraging investment of capital in the Town of Riverhead.

Measurements by which the CDA and the achievement of its goals may be evaluated by the following:

- Investment dollars and leveraging (public and private funding);
- Infrastructure development;
- Tax base expansion;
- Jobs created; and
- Quality of life enhancements (preservation and open space, recreation, enhancement of environment, transportation and housing choices)

Below is a list of projects that have been advanced these goals during 2010.

DOWNTOWN ACTIVITY IN 2010

The CDA continued to advance the goals of the East Main Street Urban Renewal Plan (http://riverheadli.com/Urban.Renewal.Plan.Update.October.10.01.08.pdf), final Generic Environmental Impact Statement (located at http://riverheadli.com/Final.Generic.Environmental.Impact.Stmt.10.01.08.pdf), and Findings Statement for the GEIS (located at http://riverheadli.com/Findings.Statement.10.01.08.pdf) issued and adopted in October 2008.

In 2010, the CDA and the Town of Riverhead Community Development Department assisted several significant downtown revitalization projects including:

- Atlantis Aquarium Hyatt Hotel expansion to develop 100 room hotel, catering hall and rotating gallery exhibit space through private funding, $2,400,0000 New York State Empire State Development RESTORE NY III Funding and Town of Riverhead Industrial Development Agency incentives
- 1 East Main Street (revitalization of vacant historic anchor property to provide retail, housing and office space through private investment, New York State Department of Housing and Community Renewal Main Street grant funds, Town of Riverhead Industrial Development Agency incentives);
- Revitalization of the 3-acre Grangebel Park – a key greenspace located at the entrance to Downtown Riverhead;
- Summerwind Square (revitalization of three vacant and underutilized parcels to create a 52 unit mixed use workforce housing complex with ground floor retail supported by Suffolk County Workforce Housing Funding and Town of Riverhead Industrial Development Agency incentives);

- Suffolk Theatre Revitalization (former CDA property transferred to private developer to be renovated from vacant building to active theater through private funding and New York State Department of Housing and Community Renewal Main Street grant funds;
- Infrastructure improvements including site redevelopment of the East End Arts Council greenspace and walkway that is a visual and physical connection of Main Street to the Peconic Riverfront and the Peconic Avenue crosswalk connecting the Peconic Riverfront to Grangebel Park (funded by HUD CDBG funds and Suffolk County Downtown Revitalization funds);
- Various other façade and building improvements in the downtown area funded by New York State Department of Housing and Community Renewal Main Street grant funds.

RAILROAD AVENUE CORRIDOR ACTIVITY IN 2010

In 2007, the CDA board held a hearing on the designation of Vintage Group, LLC, as a Qualified & Eligible (Q & E) Sponsor for the purchase and development of the parking lot owned by the Town of Riverhead located on Court Street together with the acquisition and development of some or all of the privately-owned properties located on the adjacent block bordered by Railroad Street, Griffing Avenue, Court Street and Cedar Avenue, for redevelopment consistent with the Town of Riverhead Urban Renewal Plan/Railroad Street Corridor adopted April 4, 1997. In 2009, Q & E status was extended after an additional public hearing and extensions of time for an Agreement of Sale to be fully executed were extended through June 15, 2010. On June 15, 2010, the CDA Board authorized amending CDA Resolutions #9, #17 and #27 of 2008 and Resolutions #13 and #19 of 2009 to provided that designation of Vintage Square Properties LLC as a Qualified and Eligible Sponsor would expire and be of no force and effect unless an Agreement of Sale consistent with CDA resolution #9 of 2008 be fully executed on or before December 15, 2010 subject to a new Qualified and Eligible Sponsor hearing if substantive changes made to the draft Agreement of Sale on file with the Town Clerk.

CALVERTON ENTERPRISE PARK ACTIVITY IN 2010

The CDA Board entered into contract with REPCAL LLC in 2007 for the sale of approximately 300 acres in response to a Request for Proposals ("RFP") to select an experienced developer(s) for the redevelopment of approximately 600 acres of land zoned for industrial and office uses at Calverton Enterprise Park. The CDA Board designated REPCAL, LLC as a Qualified and Eligible Sponsor for the redevelopment project to include 300 acres of land zoned Industrial, a portion of

the 600 acres. The CDA continued to work with REPCAL, LLC through 2009 to progress the project and the CDA agreed to extend the due diligence period as well as to execute a fifth amendment to the agreement of sale dated October 2, 2007, to reduce the sales price for the 300 acres to $18 million to facilitate the closing. The CDA Board designated REPCAL, LLC as a Qualified and Eligible Sponsor for the new terms of the agreement prior to authorizing the amendment. In 2010 the CDA board authorized the CDA Chair/Town Supervisor to Execute a Sixth Amendment to the Agreement of Sale with REPCAL, LLC, extending the Outside Condition Satisfaction Date for a three month period through October 31, 2010 in exchange for a payment of $125,000 to be credited to REPCAL, LLC, at closing or in the event that closing does not occur for any reason other than Seller's willful default, to remain the property of the CDA.

In 2007 the CDA Board issued a RFP to select an experienced developer(s) for the redevelopment of approximately 755 acres as a Hotel Conference Center and/or other commercial-recreational uses as permitted by zoning. Several proposals were received and had been presented at public meetings by year-end. During 2007, the CDA board held a hearing on the CDA's designation of Riverhead Resorts LLC as a Qualified & Eligible Sponsor. The CDA Board entered into a contract with Riverhead Resorts LLC for the sale of approximately 755 acres of property within the planned recreational park zone district of Calverton Enterprise Park in early 2008 and designated Riverhead Resorts LLC as a Qualified & Eligible Sponsor for redevelopment of said acreage. In 2009 the CDA board authorized an amendment to the agreement of Sale dated January 15, 2008, with Riverhead Resorts LLC to waive the extension fee due on December 15, 2009 in consideration of extending the date of Closing and releasing the escrow under new terms. In 2010, Riverhead Resorts LLC filed its application for subdivision approval with the Town Planning Board. The CDA Board subsequently authorized the CDA Chair to execute a Second Amendment to Agreement of Sale dated January 15, 2008 (extending the closing date to June 15, 2010) as amended by the First Amendment dated December 15, 2009 (extending the closing date to May 15, 2010) with Riverhead Resorts LLC. The Termination of the Agreement of Sale with Riverhead Resorts LLC was formally terminated by CDA resolution #18 on November 12, 2010 based upon the failure of Riverhead Resorts LLC to extend the Closing Date.

In 2008, the CDA board authorized and issued an RFP for rail design engineers for the Calverton Rail Access and Development Project and selected HDR, Inc., an employee-owned architectural, engineering and consulting firm with rail development expertise as the consultant for the project. In December 2008 the

CDA authorized HDR to proceed with initial preliminary planning for the Calverton Rail Access Rehabilitation Project. In March 2009 the CDA board authorized HDR to proceed with the NYSERDA funded design portion of the project (NYSERDA grant of $75,000) and in December 2009 the CDA board authorized HDR, Inc. to continue planning for the project with additional Town and CDA funds augmented with $650,000 funding secured in October 2009 from New York State Empire State Development. In December 2009 the CDA board authorized the Calverton Rail Access Project to receive American Reinvestment and Recovery Act funding from the New York State Department of Transportation for the construction of the Calverton Rail Access Rehabilitation Project in an amount up to $4.8 million. In April 2010 the project received a Gold GREENLites Transportation Sustainability Award from New York State Department of Transportation. The project broke ground in May 2010 and made significant progress toward completion by the time weather shut down construction in December 2010. Additionally, the CDA board authorized optimized reconstruction of the Rail Project by progressing a Change Order to the construction contract for optimized design and authorizing the CDA Chair to enter into amended professional services agreements with Dunn Engineering Associates, P.C. and/or directly with a rail design firm subject to review and approval by the Town Attorney. It is anticipated construction will be completed and the rail ready for operation by close of 2011.

In 2010 the CDA board held a public hearing and subsequently designated Altitude Express, d/b/a SkyDive Long Island, as a Qualified and Eligible Sponsor for the Extension of an existing runway use agreement.

AGREEMENTS ENTERED INTO BY THE CDA IN 2010

Agreements entered into by the CDA in 2010 include:

1) Acceptance of up to $4,800,000 in New York State Department of Transportation American Reinvestment and Recovery Act grant funding that included authorizing the Chairman of the CDA/Supervisor of the Town of Riverhead to execute all necessary agreements and certifications on behalf of the CDA/municipality and appropriated capital funds to cover first instance and all non-eligible costs of participation in the reimbursement grant program;
2) Award of the Calverton Rail Access Rehabilitation Contract to Railroad Construction Co., Inc. in the amount of $3,496,684 subject to the terms of a funding agreement with New York State Department of Transportation
3) Award of the Calverton Rail Access Rehabilitation Construction Administration Contract to Dunn Engineering Associates, P.C., in the amount of $439,587 subject to New York State Department of Transportation approval;

4) Award of Change Order #1 to the Calverton Rail Access Rehabilitation Contract to Railroad Construction Co., Inc. in the amount of $310,584.50 subject to approval by the New York State Department of Transportation;
5) Authorized Systra to Proceed with Professional Services for the rail planning consulting services not to exceed $40,000 for reconstruction of the Calverton Rail Rehabilitation;
6) Authorized CDA Chair/Town Supervisor to sign a tri-party agreement with New York State Department of Transportation and Long Island Railroad (for direct reimbursement by NYSDOT to LIRR) for the installation of the switch to the Calverton Rail Access on LIRR Right of way to cover LIRR force account labor and other costs subject to review and approval by the Town Attorney;
7) Authorized Optimized Reconstruction of the Calverton Rail Access Rehabilitation Project by progressing a Change Order to the construction contract for optimized design and authorizing the CDA Chair to enter into amended professional services agreements with Dunn Engineering Associates, P.C. and/or directly with a rail design firm subject to review and approval by the Town Attorney;
8) Authorized the CDA Chair/Town Supervisor to execute and addendum to an existing runway use agreement with Altitude Express, d/b/a SkyDive Long Island, after public hearing and designation of same as a Qualified and Eligible Sponsor resulting in approximately $32,192 in 2010 lease payments to CDA;
9) Authorized the CDA Chair to execute a Second Amendment to Agreement of Sale dated January 15, 2008 (extending the closing date to June 15, 2010) as amended by the First Amendment dated December 15, 2009 (extending the closing date to May 15, 2010) with Riverhead Resorts LLC;
10) Formally acknowledged the Termination of the Agreement of Sale with Riverhead Resorts LLC based upon the failure of Riverhead Resorts LLC to extend the Closing Date;
11) Amended CDA Resolutions #9, #17 and #27 of 2008 and Resolutions #13 and #19 of 2009 to provided that designation of Vintage Square Properties LLC as a Qualified and Eligible Sponsor to expire and be of no force and effect unless an Agreement of Sale consistent with CDA resolution #9 of 2008 if fully executed on or before December 15, 2010 subject to a new Qualified and Eligible Sponsor hearing if substantive changes made to the draft Agreement of Sale on file with the Town Clerk;
12) Authorized the CDA Chair/Town Supervisor to Execute a Sixth Amendment to the Agreement of Sale with REPCAL, LLC, extending the Outside Condition Satisfaction Date for a three month period through October 31, 2010 in exchange for a payment of $125,000 to be credited to REPCAL, LLC, at

closing or in the event that closing does not occur for any reason other than Seller's willful default, to remain the property of the CDA;

13) Authorized the CDA Chair/Town Supervisor to sign and submit subdivision applications to the New York State Department of Environmental Conservation and the Suffolk County Department of Health Services with respect to the Calverton Enterprise Park;

14) Authorized the CDA Chair/Town Supervisor to Execute a License Agreement and amendment with Laufer Wind Group to enter and use a portion of the Calverton Enterprise Park to test wireless detection system components for a fee of $2,000 for the first month and $1,000 per month thereafter until the agreement is terminated;

15) Ratified the Execution of an Agreement with the Isotope Films, LLC and Gotham Arts, Inc. for use of the runway for one day film production of a short film entitled, "Love, Lots of It" for the sum of $400;

16) Expressed Support for the Establishment of a YMCA at EPCAL on Property Adjoing the Town's Park at Calverton Enterprise Park;

DESCRIPTION OF MATERIAL PENDING LITIGATION

The Town of Riverhead Community Development is not a defendant in any pending lawsuits and as such, there is no pending litigation known which will have a material adverse effect on the financial condition of the Town.

GRANT FUNDING

CDA Parks Projects. The CDA applied for and received notification of a $100,000 grant from the New York State Office of Parks, Recreation and Historic Preservation in 2006 for funding under the Recreational Trails Program towards the development of an 8.9 mile multisport athletic trail. No funds were expended in 2009 and no funds were received for reimbursement by year-end although The project was bid, awarded and substantially constructed in 2010 a significant amount of the grant funds were received for reimbursement by year-end 2010. The project augments a town park project initiated by the CDA in 2001 involving $600,000 in grant funds from the New York State Office of Parks Recreation and Historic Preservation for public recreational improvements. Phase I was designed and engineered in 2006 and under construction in 2007/8. The majority of funds were expended in 2007 and a majority of the grant funds were received for reimbursement by year-end 2008. Close out and final audit of the Phase I grant funds are anticipated to be completed in 2011.

Calverton Rail Access Rehabilitation Project. The CDA applied for and received notification of a $75,000 grant from the New York State Energy Research and Development Authority (NYSERDA) in 2008 for funding under the Sustainable Transportation Systems Program towards design and logistics associated with rehabilitation of 2.65 miles of an existing rail spur that links Long Island Rail Road mile post 69.1 to the Calverton Enterprise Park. The infrastructure project is expected to remove vehicles from the roads, mitigate traffic congestion and allow area businesses to compete more effectively through reduced shipping costs and lower the prices of goods. In 2009, the CDA accepted the grant award from NYSERDA and entered into a professional services agreement with HDR, Inc. to proceed with design of the Calverton Rail Access Rehabilitation Project funded by NYSERDA. In December 2009 the CDA board authorized HDR, Inc. to continue planning for the project with additional Town and CDA funds augmented with $650,000 funding secured in October 2009 from New York State Empire State Development. In 2010 the CDA board authorized the Calverton Rail Access Project to receive American Reinvestment and Recovery Act funding from the New York State Department of Transportation for the construction of the Calverton Rail Access Rehabilitation Project in an amount up to $4.8 million. In April 2010 the project received a Gold GREENLites Sustainability Award from New York State Department of Transportation. The project broke ground in May 2010 and made significant progress toward completion by the time weather shut down construction in December 2010. It is anticipated construction will be completed and the rail ready for operation by close of 2011.

RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE YEAR ENDED 12/31/2010

General Fund (A)
Balance Sheet

Code Description	FOR THE FISCAL YEAR ENDED 2009	EDP CODE	FOR THE FISCAL YEAR ENDED 2010
Assets			
Cash	$ (27,081)	A 200	$ 3,502,723
Cash - Time Certificates	$ 4,790,901	A 201	$ -
TOTAL Cash	$ 4,763,820		$ 3,502,723
Accounts Receivable	$ -	A 380	$ -
Accrued Interest Receivable	$ -	A 381	$ -
Allowance for Uncollected Receivable	$ -		$ -
TOTAL Other Receivables	$ -		$ -
Due from Other Governments	$ -	A 440	$ 2,635,660
TOTAL Due from Other Governments	$ -		$ 2,635,660
TOTAL Assets	$ 4,763,820		$ 6,138,383

RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE YEAR ENDED 12/31/2010

General Fund (A)
Balance Sheet

Code Description	FOR THE FISCAL YEAR ENDED 2009	EDP CODE	FOR THE FISCAL YEAR ENDED 2010
Liabilities & Fund Equity			
Accounts Payable	$ -		$ 1,194,776
Due to Other Funds	$ 1,788	A 489	$ 4,513,915
Due to Other Governments	$ -	A 631	$ -
Deferred Rental Revenue	$ -	A 691	$ -
TOTAL Due to	$ 1,788		$ 4,513,915
TOTAL LIABILITIES	$ 1,788		$ 5,708,691
Reserve for Encumbrances	$ 3,475	A 821	$ 708,077
TOTAL Reserve for Encumbrances	$ 3,475		$ 708,077
Fund Balance - Unreserved	$ 4,758,557	A 911	$ (278,385)
TOTAL Fund Balance - Unreserved	$ 4,758,557		$ (278,385)
TOTAL Fund Equity	$ 4,762,032		$ 429,692
TOTAL Liabilities and Fund Equity	$ 4,763,820		$ 6,138,383

RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE YEAR ENDED 12/31/2010

General Fund (A)
Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2009	EDP CODE	FOR THE FISCAL YEAR ENDED 2010
Detail Revenues and Other Sources			
Agency Fees	$ -	A 2170	$ -
TOTAL Departmental Income	$ -		$ -
Interest and Earnings	$ 1,026	A 2401	$ 23,486
Lease Payments	$ 29,088	A 2410	$ 32,592
Sale of Real Property	$ 4,500,000	A 2660	$ 125,000
Sale of Equipment	$ -	A 2665	$ -
TOTAL Use of Money and Property	$ 4,530,114		$ 181,078
Refund of Prior Years Expenses	$ -		$ -
TOTAL Miscellaneous Income	$ -		$ -
State Aid	$ -	A3789	$ 134,009
Federal Aid	$ -	A4789	$ 3,585,658
TOTAL Federal/State Aid	$ -		$ 3,719,667
TOTAL REVENUES	$ 4,530,114		$ 3,900,745
Interfund Transfers - Other Gov't	$ 17,825	A4789	$ -
TOTAL Other Sources	$ 17,825		$ -
TOTAL Revenues & Other Sources	**$ 4,547,939**		**$ 3,900,745**

RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE YEAR ENDED 12/31/2010

General Fund (A)
Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2009	EDP CODE	FOR THE FISCAL YEAR ENDED 2010
Detail Expenditures and Other Sources			
Planning & Management Development - Equipment	$ -	A8684.2	$ 3,123,500
Planning & Management Development - Contr Expen. Prof. Serv.			$ 558,117
Planning & Management Development - Contr Expen.	$ 174,070	A8684.4	$ 51,468
TOTAL Planning and Management Development	**$ 174,070**	A8684.0	**$ 3,733,085**
CDA Administration, Contr Expen.	$ -	A8686.4	$ -
TOTAL CDA Administrator	**$ -**	A8686.0	**$ -**
TOTAL Home and Community Service	**$ 174,070**		**$ 3,733,085**
TOTAL Expenditures	**$ 174,070**		**$ 3,733,085**
Other Uses			
Transfer to Other Governments	$ 17,825		$ -
TOTAL Other Uses	**$ 17,825**		**$ -**
TOTAL Detail Expenditures and Other Uses	**$ 191,895**		**$ 3,733,085**

RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE YEAR ENDED 12/31/2010

General Fund (A)
Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2009	EDP CODE	FOR THE FISCAL YEAR ENDED 2010
ANALYSIS OF CHANGES IN FUND EQUITY			
FUND EQUITY-BEGINNING OF YEAR*	$ 405,988	A8021	$ 4,762,032
EQUITY ADJUSTMENTS			$ (4,500,000)
ADJUSTED EQUITY -BEGINNING OF YEAR	$ 405,988		$ 262,032
ADD-REVENUES AND OTHER SOURCES	$ 4,547,939		$ 3,900,745
DEDUCT-EXPENDITURES AND OTHER USES	$ 191,895		$ 3,733,085
FUND EQUITY-END OF YEAR*	$ 4,762,032	A8029	$ 429,692

* TOTAL INCLUDES RESERVED AND UNRESERVED FUND BALANCE IN GOVERNMENTAL FUNDS, OR RETAINED EARNINGS OR FUND EQUITY FOR PROPRIETARY FUNDS. ADJUSTMENTS TO BEGINNING FUND EQUITY RESULTING FROM A CORRECTION OF A PRIOR YEAR'S ACCOUNTING ERROR SHOULD BE REPORTED AS A PRIOR PERIOD ADJUSTMENT.

PLEASE EXPLAIN ALL PRIOR PERIOD ADJUSTMENTS BELOW.

Payments for sale of land at EPCAL correctly reported in 2009 as sale of property in CDA was changed when contract was amended. Amendement of contract gave Riverhead Resorts additional time to close on the sale, and changed the classification of the revenue to the Town of Riverhead and not the CDA. The sale was never completed and the CDA still owns the land. The payment is now reported as revenue in the Town of Riverhead General Fund.

DOUBLE ENTRY UNITS ** FUND EQUITY-END OF YEAR MUST AGREE WITH TOTAL FUND EQUITY AS SHOWN ON THE BALANCE SHEET.
SINGLE ENTRY FIRE DISTRICTS ** FUND EQUITY-BEGINNING OF YEAR PLUS TOTAL REVENUES MUST AGREE WITH FUND EQUITY-END OF YEAR PLUS TOTAL EXPENDITURES.