

08.19.14

08.19.14 TABLED
09.03.14 UNTABLED
09.03.14 NOT ADOPTED

**TOWN OF RIVERHEAD
Community Development Agency**

Resolution # 15

AUTHORIZES THE TOWN OF RIVERHEAD COMMUNITY DEVELOPMENT AGENCY TO INCUR INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$6,000,000.00 TO BE SECURED BY A MORTGAGE ON PROPERTY KNOWN AND DESCRIBED AS EPCAL; THE TOWN OF RIVERHEAD TO GUARANTEE SUCH LOAN INCURRED BY THE TOWN OF RIVERHEAD COMMUNITY DEVELOPMENT AGENCY AND AUTHORIZES THE SUPERVISOR TO EXECUTE A LOAN AGREEMENT, NOTE AND MORTGAGE, OR SIMILAR AGREEMENTS IN CONNECTION THEREWITH ON BEHALF OF THE RIVERHEAD COMMUNITY DEVELOPMENT AGENCY AND EXECUTE A GUARANTY OF THE TOWN OF RIVERHEAD TO GUARANTEE SUCH LOAN AND SUCH OTHER DOCUMENTS AS REQUIRED IN CONNECTION WITH SUCH LOAN, MORTGAGE AND GUARANTY FOR THE BENEFIT OF THE TOWN OF RIVERHEAD COMMUNITY DEVELOPMENT AGENCY AND THE TOWN OF RIVERHEAD

Councilman Dunleavy offered the following resolution,

which was seconded by Councilman Gabrielsen

WHEREAS, the Town of Riverhead, a municipal corporation with offices at 200 Howell Avenue, Riverhead, New York, duly organized and existing pursuant to the laws of the State of New York, and the Town of Riverhead Community Development Agency, a New York Public Benefit Corporation dedicated to promoting, sponsoring and overseeing economic development within the Town of Riverhead, have spent considerable time and effort to develop a revised land use plan, associated zoning, updated market assessment, and subdivision plan for the former Calverton Naval Weapons Industrial Reserve Plant (hereinafter "EPCAL"); and

WHEREAS, the Town of Riverhead has previously incurred certain economic development/urban renewal costs at or related to EPCAL on behalf of the Town of Riverhead Community Development Agency in an amount not less than \$2,800,000.00 ("Prior Economic Development Expenditures"); and

WHEREAS, the Town of Riverhead Community Development Agency expects to incur costs and expenses in connection with the ongoing development of the revised land use plan, associated zoning, updated market assessment, subdivision plan and proposed sale of certain land parcels at EPCAL; and

WHEREAS, the Town of Riverhead Community Development Agency proposes to incur a non-restoring line of credit loan evidenced by a note ("Note") from Suffolk County National Bank ("Lender") secured by a mortgage on the property known and described as EPCAL ("Mortgage"), in an amount not to exceed \$6,000,000.00, for a maximum term of two years, at an interest rate of prime plus 0% floating, with no

prepayment penalty (“Loan”), in order to repay to the Town of Riverhead all or a portion of the Prior Economic Development Expenditures and to pay for a portion of the Riverhead Community Development Agency’s costs and expenses to be incurred in connection with the ongoing development of the revised land use plan, associated zoning, updated market assessment, subdivision plan and proposed sale of certain land parcels at EPCAL; and

WHEREAS, the Town of Riverhead, in order to induce the Lender to extend the Loan, proposes to guaranty the Loan pursuant to Section 503-a(3) of Article 15 of the New York General Municipal Law (“Urban Renewal Law”); and

WHEREAS, pursuant to Section 503-a(3) of the Urban Renewal Law, such guaranty shall be authorized by a resolution of the Town Board, which resolution shall be adopted by at least a two-thirds vote of the total voting strength of the Town Board and shall prescribe the manner in which such guarantee shall be evidenced; and

WHEREAS, the Town Board, acting as governing body of the Community Development Agency, by resolution #4 adopted on February 4, 2014, did authorize the Supervisor to execute an agreement with Harris Beach, PLLC for legal services related to and necessary to secure a short term loan to be incurred by the Community Development Agency secured by property owned by the Community Development Agency located within EPCAL in an amount not to exceed \$6,000,000 and legal services related to the lease, sale or increment financing related to specific projects or infrastructure within EPCAL subject to the following: (1) an agreement between Harris Beach, PLLC and the Town of Riverhead Community Development Agency which includes (a) a restriction that fee for legal services related to a short term loan secured by property located within EPCAL shall not exceed the municipal rate of \$275.00 per hour (b) professional liability insurance equal to the amount of any such loan or financing secured for the Community Development Agency, (c) authorization, via Town Board resolution, for all such other tasks and/or assignments related to negotiation and/or preparation of documents for development projects and/or infrastructure improvements within EPCAL (d) the fees for all such other tasks and/or assignments outlined in 1 (c) shall not be borne by the Town of Riverhead and instead the fees for such services will be made the responsibility of any development project/lessee/purchaser of lands within EPCAL, and (e) such other terms deemed necessary and appropriate by the Office of the Town Attorney of the Town of Riverhead; and

WHEREAS, Harris Beach, PLLC was consulted and did provide legal advice with respect to all matters referenced in paragraphs 2 through 7 above.

NOW, THEREFORE, BE IT RESOLVED, that the Town Board does hereby authorize the Town of Riverhead Community Development Agency to incur the Loan, issue the Note, secure the Loan with the Mortgage on the property known and described as EPCAL and enter into and provide such agreements and such other documents as may be required to effectuate the Loan and the Mortgage, and authorizes the payment of \$25,000.00 as and for commitment fee to Suffolk County National Bank; and be it further

RESOLVED, that the Town Board does hereby authorize the Supervisor acting on behalf of the Town of Riverhead Community Development Agency to execute a loan agreement or similar agreement, the Note, a mortgage and such other documents as may be required to effectuate the Loan and the Mortgage, and authorizes the payment of \$25,000.00 as and for commitment fee to Suffolk County National Bank; and be it further

RESOLVED, that the Town Board does hereby authorize the Town of Riverhead to guaranty the Loan and the Supervisor acting on behalf of the Town of Riverhead to execute and deliver a guaranty, or similar agreement evidencing the guaranty of the Town of Riverhead of all principal of and interest on the Loan and such other documents as may be required to effectuate such guaranty; and be it further

RESOLVED, that upon the direction of the Supervisor, the Financial Administrator is authorized to prepare and deliver such reports as may be required by the Lender related to said Loan and prepare required accounting records, i.e. operating accounts, transfer of proceed reports, for and on behalf of the Town of Riverhead to record said Loan and any such transactions involving said Loan; and be it further

RESOLVED, that upon the direction of the Supervisor, the Financial Administrator is authorized to depositary amounts received from the Town of Riverhead Community Development Agency as repayment of Prior Economic Development Expenditures into the General Fund of the Town of Riverhead; and be it further

RESOLVED, that any act to draw down (withdraw) monies available through the loan shall require approval by adoption of a resolution of the Town Board; and

RESOLVED, that the Town Clerk is hereby directed to forward a certified copy of this resolution to Harris Beach, PLLC, and a copy to Christine Kempner, Community Development Agency Director, and Office of the Town Attorney; and be it further

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

THE VOTE

Giglio Yes No Gabrielsen Yes No
Wooten - ABSENT Dunleavy Yes No
Walter Yes No

The Resolution Was Thereupon Duly Declared **TABLED**

09.03.14

There was a motion by Councilman Dunleavy, seconded by Councilman Gabrielsen, to **UNTABLE** CDA resolution #15, motion carried by unanimous vote. Immediately thereafter on a motion by Councilman Dunleavy, seconded by Councilman Gabrielsen, CDA resolution #15 was offered for adoption. Motion failed.

THE VOTE

Giglio Yes No Gabrielsen Yes No
Wooten Yes No Dunleavy Yes No
Walter Yes No

The Resolution Was Thereupon Duly Declared **NOT ADOPTED**