

CDA ANNUAL REPORT for FY 2007

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 2007: Phil Cardinale, Barbara Blass, George Bartunek, Edward Densieski and John Dunleavy. In addition, the CDA is served by: 2007 Executive Director Andrea Lohneiss, Chief Finance Officer Bill Rothaar and Contracting Officer Dawn Thomas. Neither members nor staff receive any compensation for their duties and responsibilities to the CDA

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, 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, this 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.

In its capacity as the economic development agency of the Town of Riverhead, the CDA also procures grant funds and administers numerous downtown revitalization projects and public improvement projects. The Community Development Agency has designated several additional Urban Renewal Areas for the purpose of encouraging neighborhood revitalization and economic development. The other

designated Urban Renewal Areas include: Millbrook Gables residential community, East Main Street Downtown Business District and Railroad Avenue. 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 are designated Empire Zones. 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, recently sold the 1930s art deco Suffolk Theatre for reuse, has completed restoration of an 1881 historic opera house and invested \$500,000 in historic restoration of properties occupied by the East End Arts Council, as well as making possible new retail development on Peconic Avenue in a currently deteriorated structure.

Downtown Activity in 2007

Town staff continued work on the update of the 1993 East Main Street Urban Renewal Plan and preparation of a generic Environmental Impact Statement in conjunction with the comprehensive planning process as authorized by the CDA board in 2006. The Urban Renewal Plan and final GEIS will be completed in fall 2008 and were funded by Riverhead Renaissance LLC, the entity with which the CDA entered into a Master Developer Designation Agreement in 2006 for redevelopment of the East Main Street Urban Renewal Area.

Railroad Avenue Corridor Activity in 2007

In 2007, the CDA board held a hearing on the designation of Vintage Group, LLC, as a Qualified & Eligible 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.

Calverton Enterprise Park Activity in 2007

The CDA Board entered into contract with REPCAL LLC 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.

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 and was set to enter an agreement with Riverhead Resorts LLC in early 2008.

Agreements with regard to Calverton Enterprise Park entered into by the CDA in 2007 include:

- 1) an agreement with REPCAL LLC for the sale of 300 acres for high tech business park (light industrial) in response to 2006 RFP for vacant acreage; and
- 2) a license agreement with Eastern Long Island Audubon Society, Inc. for observation of bird populations; and
- 3) an agreement with Suffolk County Department of Economic Development for the administration of the Empire Zone Program
- 4) an agreement with New York State Department of Economic Development for the administration of the Empire Zone Program.

Grant Funding

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 received or expended by 2007 year-end. This project will augment 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.