

Minutes of the Community Development Agency held by the Town Board of the Town of Riverhead at Town Hall, Howell Avenue, Riverhead, New York on July 3, 2018 at 2:00 p.m.

PRESENT:

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| Laura Jens Smith | Chairwoman |
| James Wooten | Member |
| Jodi Giglio | Member |
| Timothy Hubbard | Member |
| Catherine Kent | Member |

ALSO PRESENT:

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| Diane Wilhelm | Town Clerk |
| Robert Kozakiewicz | Town Attorney |

Resolution #8

Member Kent: “Adopts Amendment to Rules and Procedures of the Riverhead Community Development Agency for Designation of a Person, Firm or Corporation as a Qualified and Eligible Sponsor Pursuant to Article 15 of the General Municipal Law.

Chairwoman Jens Smith: “I second. So a first and second. Vote please.”

The Vote: “Kent.”

Member Kent: I vote against this and I urge my councilmembers to vote against this. I think it’s important that we get the financial documents needed for this large business deal. This is a very important deal to our town and actually I was surprised at the work session that there was so much push back with a deal that’s so important. It makes me think of a line from Hamlet, lady doth protests too much, me thinks. I think that you guys know that it’s the right thing that we vote on this and that we should be receiving these financial documents and I hope you will follow through with these feelings.”

Chairwoman Jens Smith: “You know, before we do this and I always forget this, is there anybody from the audience that wants to comment on this resolution before we vote on it?”

Richard Amper: “My name is Richard Amper and I’m the Executive Director of the Long Island Pine Barrens Society here in Riverhead. Those of us who have been around for a while and this doesn’t apply specifically to these people but over the last twenty years proposal after proposal has been brought forward and as far as I can tell none of them have worked out. I’ve heard a couple of times in conversations that this Town Board has not or passed Town Boards have not required the maximum information that would allow you to determine the fiscal capacity of an organization. I would think that the fact that you have never done that before, not that you have but the Town Board hasn’t done it before, actually contributes to the lack of success of some of the projects before.

This is the biggest one ever to come before the Town Board. I know all of you, I know all of you want to do what's right for the people of Riverhead, so it is just completely incomprehensible to me why you would want any less than the maximum information that you can to make the best-informed decision. This is the biggest, this is the most significant decision that you folks will ever make. The people of Riverhead will be affected profoundly for all of the future, so I can't understand an argument that says we would prefer to proceed with less information than is available.

I urge you to look at all of the information that you have in front of you, all the fiscal information. Whether they are obliged to provide it as a private organization is not interesting to me. You're the people who represent the people of the Town of Riverhead and I think the implications for EPCAL go way beyond the borders of Riverhead. But I can't imagine you're voting to make this decision with less information on the fiscal integrity of this organization to do something very big, very ambitious and possibly disastrous. I urge you all to require the outlet to give you all of the information that he can and to make the most informed decision about the greatest choice that you guy are ever going to make."

Chairwoman Jens Smith: "Thank you."

Member Kent: "Thank you Dick and I want to reiterate, I can't imagine with a deal of this magnitude that we would move forward without seeing all of the financial documents. I mean certainly as a resident and as a representative from the government I'm not willing to risk that."

Richard Amper: "It's not that you cannot reach an informed decision either for or against this project. You will have a chance to do that but you'll want to do it with the most information available."

Chairwoman Jens Smith: "Is there anybody else who wants to comment? Seeing no one I have a first from Kathrine, I'll second the resolution."

Member Hubbard: "We already voted on it. Katherine voted on it."

(Inaudible)

Chairwoman Jens Smith: "Sorry, sorry, continue the vote then."

Vote Continued: "Hubbard, no; Giglio."

Member Giglio: "I just want to say that I think this is, it's not wise to change the rules in the middle of the game. This is not having to do with a single applicant or an application. This is having to do with changing the CDA rules all together. We have been informed by our outside counsel on numerous occasions by the request of the Supervisor as to how this should be done and the Town Attorneys have told us this should be done in a resolution to either approve or disapprove the qualification and eligibility of this particular applicant. This resolution right here changes the rules for anybody that comes in in the future that has to do with an (inaudible) property that doesn't require them to submit the information when the information is available and that goes to publicly traded companies where the information is available. So the town has sold off a lot of assets. The

town has ventured to try and sell this property on numerous occasions including Riverhead Resorts that did submit all of the financial information and that project fell. So, I don't, I think that there has been a lot of financial information that has been submitted on a particular application, but this is not addressing a particular application. This is changing the rules that we don't need any of the financial information of any application for any town asset being sold and for that reason I'm voting no."

Vote Continued: "Wooten."

Member Wooten: "I can tell you I, of course I'm glad that Katherine agrees with us that it should be a no. My whole thing is I normally I don't know what generated this or who drafted this. I think time means everything but I also think that resolutions should have some sort of consensus on the Board before they're even introduced. I don't like to support resolutions that I know I don't have support on the floor for because then it's a moot point. So I was a little bothered by the fact that it was even in the packet but I will vote no for the fourth vote, no."

Vote Continued: "Jens Smith."

Chairwoman Jens Smith: "Well the reason why the resolution is here is because the Board has expressed that they are interested in seeing the financial documents that are listed in the Qualified and Eligible hearing that was adopted on June 6th I believe of 2018 when the amendment for the Qualified and Eligible hearing which we had already accepted the letter of intent were changed. So, this is also being changed during that process so it was several Board members who said they were not interested in seeing all of the documents that a town financial person came up and said they were not provided to us. So this gives the opportunity for you to not request those documents and you know, you're voting no so I'm not sure if that means you are requesting these documents or you're not."

As far as public versus private I think that argument is kind of, makes no sense to me because you're saying if someone is a public traded company they have to provide their financials but if they're not a public traded financial company then we can just waive it and not have to see their private financial statement including the pro-forma statement which is the statement that says what they project to do at the project. We're in an urban renewal zone, there is a Qualified and Eligible hearing and we have a contract that has an intended development plan. The intended development plan called for a certain amount of build out from maintenance of the runway and all of that would require some sort of funding as well as the upgrade of the sewer and the upgrade of the water and that is well beyond the forty-million-dollar purchase price.

We have seen nothing at all for a pro-forma statement for what this project is going to cost. Whether it's the applicant now or the next applicant or the applicant after that or another piece or another parcel of property and I think it's imperative that we do see the financial wherewithal of anybody coming in to purchase a town asset.

So, this application is in here because there's been expression amongst several Board members that have said they don't require it. This gave you the opportunity to not require it. I vote no on this because I feel they should be required and I hope by you voting no on this that you would require to see these financial documents also. So, I vote no."

Diane Wilhelm: "CDA Resolution #8 is not adopted."

(Inaudible)

Chairwoman Jens Smith: “It gave you the opportunity to waive the financial and you just didn’t do it.”

(Inaudible)

Member Giglio: “The town attorneys have told us that we are not waiving them. It’s whether or not.”

Chairwoman Jens Smith: “Not requiring them.”

Member Giglio: “No we have broad discretion as to whether or not the materials that have been submitted is adequate and that is what we have to weigh as a Board. The outside counsel has said that we’re not waiving anything, it’s what we are saying that (inaudible)

Chairwoman Jens Smith: “Our own financial administrator said that they have not given us any of these documents so it’s not a matter of seeing them or not seeing them. They haven’t given us any of them. So you’re making a bases.”

Member Giglio: “I don’t agree with you.”

Chairwoman Jens Smith: “I’m going to go with our financial administrator.

Member Wooten: “I make a motion we close the CDA meeting and reopen the Town Board meeting, so moved.”

Member Giglio: “Thank you, yes, I’ll second.”

Chairwoman Jens Smith: First and second. Vote please.”

Diane Wilhelm: “Who seconded it?”

Member Giglio: I seconded it.”

The Vote: “Kent, yes; Hubbard, yes; Giglio, yes; Wooten, yes; Jens Smith, yes. Town Board meeting is now reopened.”