

Minutes of a Community Development Agency meeting held by the town board of the Town of Riverhead at Town Hall, Howell Avenue, Riverhead, New York on Tuesday, October 5, 2010 at 2:00 p.m.

**PRESENT:**

Sean Walter,	Chairman
John Dunleavy,	Member
James Wooten,	Member
George Gabrielsen,	Member
Jodi Giglio,	Member

**ALSO PRESENT:**

Christine Kempner,	Director
Diane M. Wilhelm,	Town Clerk
Dawn Thomas,	Town Attorney

Chairman Walter: "Go ahead, Chris."

Chris Kempner: "Okay, CDA Resolution #17."

Resolution #17

Chris Kempner: "Authorizes optimized reconstruction of the Calverton rail spur."

Member Dunleavy: "No, no, she called it. Acknowledging the termination of- authorizes optimized reconstruction of the Calverton rail spur. So moved."

Member Wooten: "I'll second it."

Chairman Walter: "Moved and seconded. Vote please."

The Vote: "Giglio, yes; Gabrielsen, yes; Wooten, yes; Dunleavy, yes; Walter, yes."

Chris Kempner: "The resolution was therefore duly adopted."

Resolution #18

Chris Kempner: "CDA Resolution #18 acknowledging the termination of the agreement of sale with Riverhead Resorts LLC."

Member Wooten: "Move to table."

Member Dunleavy: "And second."

Supervisor Walter: "Moved and seconded. Vote please."

The Vote: "Giglio, no; Gabrielsen, no; Wooten, yes; Dunleavy, yes; Walter."

Chairman Walter: "Now I've got to make the decision. Here's the thing. This is-- the Riverhead Resorts project-- I don't believe they have the wherewithal to finish this transaction.

I've been contacted from every single person that-- I'm not going to go into names, different levels of government asking not to do this resolution.

There is no contract currently with Riverhead Resorts. The contract ended by its own terms when they failed to make the June 15<sup>th</sup> payment.

The whole purpose of this resolution is to acknowledge the cancellation so that we could move forward with the subdivision of the property at the DEC because the DEC refuses to acknowledge that the Riverhead Resorts project is-- that there is no contract.

And this comes down to a case in my mind and I didn't mean to make a speech on this, but this comes down to a case for me since I'm the deciding vote of am I going to cut my nose off to spite my face?

Is the town-- I have no doubt that if John Nevins (phonetic) walked in even if we pass this resolution, that if John Nevins) walked in tomorrow with the \$6,000,000 check, I have no doubt that this town board, the majority of this board, myself included, wouldn't re-institute the contract and take the \$6,000,000 or the \$4,000,000.

I've been contacted by bankers in Britain, John Nevins himself, elected leaders that don't want me to mention their names for a variety of reasons, because they don't want to embroil themselves in

a Riverhead issue.

I- a friend of mine, Ken Auerbach, called me last night and if for no other reason I'm going to vote to table this because Ken Auerbach asked me as a personal friend to table it for a month.

I can't- I don't believe they have the money; I don't believe they have the wherewithal to close, but the bottom line is this. Do I shut the door because the only thing we have right now and what I want to do is to continue the subdivision. Continue the subdivision so that we can put the property on the market and try to sell it not subject to all these crazy permits.

And while in my heart of hearts I don't think that they're going to close or give us the money in this month, I don't want to be the guy that shuts that door.

So I'm going to vote to table it. Come the first meeting in November if the money is not here, we've brought them to the end of the road. If the money is not here, I cannot imagine how the entire board doesn't vote for this resolution but they're asking for 30 days."

Member Wooten: "If you don't want to move to table and you want to- I do have verbiage that we can add right now it with a drop dead of November 1<sup>st</sup>. But we can talk about that at work session."

Member Dunleavy: "I think we should talk about it at work session. You know, I don't think- I think we should table this and talk about it in the work session if you want, but I would rather (inaudible)."

Chairman Walter: "Well, they asked for two weeks and then they said to me in the conversations that they're coming to talk to us and I'm going to make them talk in open work session. They're coming to talk to us on Wednesday, the 13<sup>th</sup> and I think we're going to hold the work session on Wednesday the 13<sup>th</sup> because I have jury duty the next day.

But let them make their case in open work session. It will be open to the public. It should be interesting. I don't know what interest is hurt by tabling it. We are going to submit the- if I had my druthers I'd pass this and submit it with the subdivision application but you know when Ken Auerbach calls me and asks me for

something, when all these people call me and ask me for something that I know doesn't hurt us for 30 days, politically I know on RIV they're going to beat the heck out of me. I know the local papers are going to beat the heck out of me but that- I'm not here to do what is always politically expedient. I've got to keep the best interests of the town at heart.

So I vote to table the resolution."

Member Wooten: "Okay, I'd like to make a comment since (inaudible) and you did.

I think the people have got to understand we've been at this point months ago, two more weeks, two more weeks, two more weeks, and I think there comes a time when enough is enough. And I think that time has come now. (Inaudible)"

Member Giglio: "And I'd like to say the owner or the person that we're in contract with, Mr. Nevins, sent a letter dated October 2<sup>nd</sup> acknowledging that he owed us \$3.8 million dollars when he really owes us close to \$6 million dollars.

He has not make a payment to us since last year. We've been a whole year almost has past without any payments. We have people that are calling that are interested in the property that I won't even talk to because I don't want to violate any contract until we actually have a termination agreement or a resolution."

Chairman Walters: "There is no contract."

Member Giglio: "Well- "

Chairman Walter: "There is no contract."

Member Giglio: "They gave us \$7 million dollars, it's non-refundable. I can't imagine that they're just going to walk away and not try and get that money back.

A contract is a contract. A deal is a deal. They have been asking and we have been- or the board has been extending, not myself because I said enough is enough is March. But you know, what are you going to do."

Chairman Walter: "Well, there is no contract."

Member Gabrielsen: "Okay. There is no contract. So my question is, if there is no contract, so this thing is all for- a publicity stunt. That's exactly right."

Chairman Walter: "No, no. This is for the DEC because the DEC won't acknowledge- "

Member Gabrielsen: "Right. But if there's no contract with them- "

Chairman Walter: "You don't need to do this."

Member Gabrielsen: "Right. But do we also have to go out for an RFP now since they're null and void? So do we have to start with another RFP for everyone?"

Chairman Walter: "You- if you wanted to do another- "

Member Gabrielsen: "No. Are we obligated? Because they are off the contract now officially."

Chairman Walter: "No, no. There's not a requirement to do an RFP under the urban renewal law and- "

Member Gabrielsen: "No, we don't have to do one, but we could do one. We're not obligated to them anymore."

Chairman Walter: "No. We're not. And the real issue, this is to- was to basically- I mean and I have to tell you, this is my own doing. I had this drafted, I had this put in here to turn the heat up on Riverhead Resorts to make the payment.

So politically-- as some of my political advisers would say, this probably wasn't the best way to go but the bottom line is we wanted to close this thing because the \$6 million dollars is something that would be a great benefit to the town.

But if there is no contract and they have made a payment to us during the year, they release the escrow money, it's a couple million dollars. They have made a payment to us but the bottom line is we're going to table this and- I cannot imagine under any circumstances, George, that on- what's the first board meeting in November, that this- "

Member Giglio: "You've been saying this for months."

Chairman Walter: "Actually, no, we've never gotten to this point."

Member Giglio: "We had this resolution in the packet last time, at the last town board meeting- "

Chairman Walter: "No. We've never had it in the packet."

Member Giglio: "It was in for work session."

Member Dunleavy: "Can I just say something? That we have nobody waiting in the wings to buy this 755 acres."

Chairman Walter: "That is true."

Member Dunleavy: "So if we do get a payment by the end of this month, this is not hurting us not to pass this today."

Member Giglio: "So all the people that have been calling me, I can bring them in to work session on Thursday to discuss their plans that they'd like to do- "

(Inaudible comments)

Member Wooten: "Well, I don't just understand why anybody would want to do business with the town (inaudible)."

Member Dunleavy: "They're only calling you because they're not calling me, they're not calling- "

Chairman Walter: "This motion- this resolution has been tabled. This resolution has been tabled."

Jody, you and I have had the conversation. Put the list of people together and we will set them up for work session."

Member Giglio: "Okay."

Chairman Walter: "We've- Diane, let's call the next resolution- are we out of CDA? No, we've got another CDA."

Member Wooten: "Two more CDA's."

Chairman Walter: "Wow, it's a big CDA day for you."

Chris Kempner: "CDA Resolution #19."

Resolution #19

Chris Kempner: "Ratifies the execution of an agreement with the Isotope Films LLC for the use of the runway."

Member Gabrielsen: "Have we come up with a number on that?"

Chairman Walter: "I think it was \$400.00. They did it already."

Member Dunleavy: "I think it's \$100.00, isn't it?"

Chairman Walter: "Yeah, they did it already."

Member Dunleavy: "They did it. They used the runway, George."

Chairman Walter: "Okay, can we move that resolution?"

Member Gabrielsen: "Ratifies the execution of an- I'm still fuming over the last resolution. I'm a few seconds behind. I've got to re-set."

Chairman Walter: "Is that water cold? We need to calm you down, George."

Member Gabrielsen: "Enough is enough. What is it about that that nobody gets? I'll stop."

Ratifies execute of an agreement with the Isotope Films LLC for the use of the runway. So moved."

Member Giglio: "And seconded."

Chairman Walter: "Moved and seconded. Vote please."

The Vote: "Giglio, yes; Gabrielsen, yes; Wooten, yes; Dunleavy, yes; Walter, yes."

Chris Kempner: "The resolution is adopted."

Chairman Walter: "If nothing else, George, we'll get to have them in here during work session on the 13<sup>th</sup> and you can let them have it then because I plan to."

Member Gabrielsen: "I did already."

Chairman Walter: "I'm sorry. Do we have another one?"

Chris Kempner: "One more."

Chairman Walter: "All caught up in our banter."

(Inaudible discussion)

Chairman Walter: "Yes. One of them is the right one, one of them, hold on, Isotope is the right one. Twenty should be withdrawn."

Chris Kempner: "We're going to withdraw CDA Resolution 20 and that concludes the business of the CDA."

Chairman Walter: "Yeah, can we get a motion to withdraw this resolution?"

Member Dunleavy: "Make a motion to withdraw Resolution CDA #20. So moved."

Member Gabrielsen: "And seconded."

Chairman Walter: "Moved and seconded. Vote please."

The Vote: "Giglio, yes; Gabrielsen, yes; Wooten, yes; Dunleavy, yes; Walter, yes."

Chris Kempner: "CDA Resolution #20 is withdrawn.

And that concludes the business."

Chairman Walter: "Can we get a motion to adjourn the CDA portion of the meeting?"

Member Dunleavy: "I make a motion we adjourn the CDA meeting and reconvene the town board meeting. So moved."



Chairman Walter: "All in favor."

Collective response: "Aye."

Meeting adjourned

*Alicia M. Stillwell*  
*Town Clerk*