

Adopted

3/17/98

Town of Riverhead Community Development Agency

Resolution # 7

Authorizes Chairman to Sign Letter of Agreement with First Industrial Real Estate Investment Trust, Inc. (REIT)

COUNCILMAN LULL offered the following resolution,

which was seconded by COUNCILMAN KENT :

WHEREAS, the Community Development Agency (CDA) anticipates receiving title to the Naval Weapons Industrial Reserve Plant (NWIRP) site from the U.S. Navy on or about March 31, 1998; and

WHEREAS, First Industrial REIT has made a competitive offer to purchase the industrial core of approximately 500 acres, inclusive of buildings and the 10,000 foot runway; and

WHEREAS, said the terms of the proposal include a full cash payment at closing that would provide significant income to the Town of Riverhead; and

WHEREAS, the sale of a portion of the property to a master owner/developer will further provide additional revenue to the Town of Riverhead through the payment of real property taxes levied upon land improvements; and

WHEREAS, said purchase would obviate the Town of Riverhead from operation and maintenance responsibilities, anticipated to approach \$3 million annually, as well as infrastructure improvements estimated at \$5 million; and

WHEREAS, the RDC and the CDA will continue to market the balance of the property (2,400 acres less the 400 acres in the Pine Barrens core) to desirable tenants/purchasers; and

WHEREAS, the Riverhead Development Corporation (RDC) is incorporated as a Local Development Corporation pursuant to Not-For-Profit Corporation Law as a Type C Corporation for the purpose of the economic redevelopment of the former Naval Weapons Industrial Reserve Plant (NWIRP) at Calverton through the stimulation of economic growth and commercial, industrial, recreational and tourism development pursuant to an approved Comprehensive Reuse Plan; and

WHEREAS, the RDC Board of Directors by Resolution #4 unanimously recommended to the CDA the execution of a letter of agreement with First Industrial REIT based on the

substantial merits of their proposal and supported by evaluation and recommendation of the real estate advisor and legal counsel.

THEREFORE, BE IT RESOLVED, that the CDA authorizes the Chairman to sign a letter of agreement with First Industrial REIT in the form agreed to by the two parties initiating a due diligence period not to exceed 120 days.

The Vote:

Member Cardinale
Member Kent
Member Kwasna
Member Lull
Chairman Villella

abstain
Yes
Abstain
Yes
Yes