

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**  
Management's Discussion and Analysis  
December 31, 2020  
(Unaudited)

**COMPLETED PROJECTS**

The following is a summary of the Riverhead Industrial Development Agency's (Agency) projects closed or completed during the 2020 calendar year.

**Calverton Addiction and Treatment Center aka Peconic Care**

In December of 2019, the Agency authorized a project cost increase from \$59,062,000. to \$89,639,494. with no change to the financial assistance granted by the Agency. This project was originally authorized and closed in 2018. The additional Agency fee is based on the increase in project cost and was paid in February 2020.

**Georgica Green Ventures, LLC**

In 2016 the Agency received an application for financial assistance from Georgica Green Ventures, LLC, to replace an existing deteriorated and outdated retail storefront with a five-story, mixed-use building consisting of 117 rental apartments and 13,024 square feet of ground floor retail fronting the Main Street. The Project unit mix will consist of 29 studio, 60 one-bedroom and 28 two bedroom units. Project cost was estimated to be \$47, 338,188.

The project was slightly modified. Georgica Green Ventures, LLC, also known as Riverhead Apartments LLC, as owner of the real property comprising the Project; Jobco Incorporated, the entity which will construct and furnish with respect to this proposed development located within a New York State Empire Zone and a designated urban renewal area at 221 East Main Street and 31 McDermott Avenue to replace the existing deteriorated and outdated retail storefront with a five-story, mixed-use building consisting of 116 rental apartments and 12,623 square feet of ground floor retail. The unit mix will now consist of 31 studio, 57 one-bedroom and 28 two-bedroom. The majority of apartments will be kept affordable to residents. Project cost is estimated to be \$57,072,763. Public hearing was held in July. The project was authorized in September and closed in December. Demolition began in 2018.

In 2020 the Agency approved an increase in the total project cost to \$57,860,798. and an increase in sales tax exemption in the amount of \$67,968.

**331 East Main Street, LLC –**

The Agency received an application for financial assistance from 331 East Main Street, LLC, a limited liability company, as Owner of the Project, and G2D Construction Corp. as Project builder, and G2D Properties Corp. as Facility Manager with respect to the elimination of two vacant buildings consisting of vacant retail space on the ground floor and three vacant residential apartments above located at 331 East Main Street, Riverhead with the construction, furnishing, and equipping of a building of approximately 37,385 square feet for the development of a 36 market-rate rental unit apartment community with amenities including approximately 838 square feet of ground floor commercial space and a parking garage at an estimated total project cost of \$13,143,850. Public hearing was held in August 2020. The project was authorized in October, but did not close in 2020.

**CLOSED PROCEEDING/WITHDRAWN PROJECT**

The Agency is empowered by its enabling legislation to grant various benefits in connection with qualifying projects in return for a commitment from the business receiving agency benefits consistent with the terms of the lease and operating agreements or the life of bonds. Failure to do so can result in financial penalties being imposed on the business in the form of a recapture event of benefits payments. As required, the Agency would remit any applicable sales and use taxes recaptured to New York State including the local portion. Real Property tax recaptured would be allocated back to the taxing jurisdictions.

During 2020 The Agency executed a benefit termination with Peconic Management Group III and recaptured PILOT payments and sales tax exemption in the amount of \$17,443. which was returned to the appropriate taxing authorities.

**REFINANCES/BOND MODIFICATIONS**

During 2020, the following project was refinanced or had bond modifications.

- 400 Burman Boulevard, LLC refinanced in the amount of \$2,796,373.

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### **RETIRED PROJECTS**

#### **Peconic Management Group Phase I and II**

The Agency granted an early termination of benefits in December 2020. The project had been constructed and put in service in accordance with the terms of the Agreements and operated in compliance with under Agency supervision and control.

### **THE AGENCY MARKETING**

The Agency works closely with local economic development organizations, such as the Town of Riverhead Community Development Agency, the Riverhead Chamber of Commerce, Suffolk County Economic Development and Empire State Development agencies to market the Town of Riverhead as a business location. Cooperative meetings are arranged to provide incentive proposals to potential companies. Co-sponsored seminars/events are both cost effective and effectual means from a public relations standpoint as well as marketing and general business assistance.

The Agency also works closely with regional and national economic development organizations and municipal economic development departments on Long Island, LIBDC (Long Island Business Development Council) and the Long Island Association (LIA). The Agency participates in the LIA's IDA Long Island Coalition to boost the cooperative efforts and marketing of the region.

Memberships to the New York State Economic Development Council and the International Economic Development Council not only provide exposure, but are resources for leads and networking. The Agency participated in and on virtual panels such as the New York State Economic Development Council's Annual Economic Development Conference. The Agency coordinates regularly with the Suffolk County IDA's to corroborate on improving regulatory compliance as well as cooperative marketing ideas.

Efforts however were disrupted as the World Health Organization declared a pandemic and New York was put into a State of Emergency shutting down operations in the beginning of March 2020. Due to the pandemic, which continued to hamper operations through the remainder of the year, normal marketing operations were refocused to small business assistance offered through the state and federal government through the use of electronic media, such as the Agency website and social networks. Agency meetings became virtual as did as conferences and seminars when businesses were authorized to return to work.

### **GENERAL BUSINESS ASSISTANCE**

The Agency fields calls from real estate brokers, attorneys, and companies interested in establishing a presence in the Town of Riverhead who are seeking direction as to location, permitting processes and information regarding benefits and incentives. This year the Agency continued to increase its active role in town planning and zoning to encourage business growth through increased coordinated efforts interdepartmentally.

The Agency Executive Director participates on the CTEA (Career & Technical Education Act 2009) Local Advisory Council for Suffolk County Community College to assist with the grant planning process toward workforce development efforts. In addition, the current Executive Director has the experience and knowledge to handle inquiries for assistance programs offered outside those of the Agency; providing a one stop service for businesses.

The Agency administers the Suffolk County/Town of Riverhead SC/TOR Empire Zone Program. The Empire Zone Program is a New York State Tax Credit program that has goals consistent with that of the Industrial Development Agency in regard to business attraction, expansion and retention. Although the program has sunset to new certifications, continued service to the zone certified entities and reporting is mandated by the State of New York for the life of the certified entity's benefit period. The SC/TOR Zone currently services 9 businesses. The Agency receives an annual fee for the administration of the zone. 2020 ends this contract.

In March of 2020, the World Health Organization declared a public health emergency of international concern and a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus outbreak included restrictions on travel and business forcing closures. The coronavirus virus and the actions taken in New York State to mitigate the effects have had and are expected to continue to have an adverse effect on the economies, financial markets and development across the globe. The pandemic forced the Agency to shift resources to assist businesses with keeping up on the latest and interim guidance for businesses. The Agency acted as a resource for very fluid government regulations, as well as a resource to state and federal grants and assistance made available due to the State of Emergency.

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As a result the Agency experienced a retraction of interest and anticipated investment. While it is unknown how long these conditions will continue and what the complete financial effect will be to the Agency, the Agency is expecting this matter to negatively impact its revenues.

This financial report is designed to provide a general overview of the Agency finances. If you have any questions about this report or need additional information, contact the following:

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