

**MINUTES OF MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**

April 2, 2018,

Meeting was called to order at 5:05PM by Chairman Thomas Cruso.

Present: Thomas Cruso, Chairman
Robert (Bob) Kern, Treasurer
Lori Ann Pipczynski

Absent: Anthony (Tony) Barresi

Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director
Richard Ehlers, IDA Counsel

By motion of Bob Kern and second by Lori Ann Pipczynski the agenda was adopted.

The chairman moved to take the agenda out of order and address Old Business items.

**II. Consideration of Resolution #20-18 Ratifies Public Hearing Twin Fork
Brewery**

**#20-18 A RESOLUTION RATIFYING THE PUBLICATION OF NOTICE OF A PUBLIC
HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE
TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO APDC RAYNOR LLC
AND TWIN FORK BEER CO. INC.**

WHEREAS, the Town of Riverhead Industrial Development Agency was created by Chapter 624 of the Laws of 1980 and is a public benefit corporation and an industrial development agency of the State of New York (the "Agency") having those powers set forth in, and subject to the requirements of, Article 18-A of the General Municipal Law; and

WHEREAS, the Agency has received an application for financial assistance from ADPC Raynor LLC, a limited liability company qualified to do business in the State of New York, as Owner of the Project, and Twin Fork Beer Co. Inc., a corporation qualified to do business in the State of New York, as User of the Project (collectively known as the "Applicant"), with respect to the construction of an approximately 11,480 square foot manufacturing building on a 2.1 acre vacant lot located at 807 Raynor Avenue, Riverhead, New York (S.C.T.M. No. 0600-108-2-12) and associated site improvements for use as a craft brewing and storage and distribution facility, and associated tasting room. The Applicant will purchase brewery equipment and tasting room furnishings at an estimated total project cost of \$1,492,196. (the "Project"); and

WHEREAS, Section 859-a of the General Municipal Law, being part of Article 18-A of the General Municipal Law, provides that, prior to providing financial assistance to any applicant with respect to any project, industrial development agencies, including the Agency, must hold a public hearing with respect to the project and the proposed financial assistance being contemplated to be provided by the agency; and

WHEREAS, it is now desired to ratify the publication of notice of public hearing with respect to the application for financial assistance and the Project and the proposed financial assistance now being contemplated by the Agency to be provided to the Applicant with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED, by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, as follows:

Section 1. A public hearing will be held at the Riverhead Town Hall, 200 Howell Avenue, in Riverhead, New York, on April 2, 2018 at 5:00 p.m. prevailing time with respect

to the Project and the proposed financial assistance now being contemplated to be provided to the Applicant by the Agency with respect to the Project, as described in Section 4 of this Resolution, and to hear all persons interested in the subject thereof, concerning the same. At said public hearing, interested parties shall be provided reasonable opportunity, both orally and in writing, to present their views with respect to the Project and the providing of financial assistance now being contemplated to be provided to the Applicant by the Agency with respect to the Project.

Section 2. The Agency has declared itself "lead agency", in accordance with the provisions of the State Environmental Quality Review Act with respect to the Agency's providing financial assistance to the Applicant with respect to the Project, as described in Section 4 of this Resolution and as authorized pursuant to Article 18-A of the General Municipal Law, and has determined that the provision of said financial assistance will not have a significant effect on the environment.

Section 3. It is hereby determined that a general, functional description of the Project is as follows: the construction of an approximately 11,480 square foot manufacturing building on a 2.1 acre vacant lot located at 807 Raynor Avenue, Riverhead, New York (S.C.T.M. No. 0600-108-2-12) and associated site improvements for use as a craft brewing and storage and distribution facility, and associated tasting room. The Applicant will purchase brewery equipment and tasting room furnishings at an estimated total project cost of \$1,492,196. (the "Project").

Section 4. It is hereby determined that the financial assistance that the Agency is now contemplating providing to the Applicant with respect to the Project is (i) the provision of an exemption from Sales and Compensating Use Taxes on certain property,

including tangible personal property, and (ii) a partial abatement of real property taxes for a manufacturing project, and (iii) the provision of an exemption from Mortgage Recording Taxes. The financial assistance described in (i), (ii) and (iii), above, would be consistent with the uniform tax-exemption policy adopted by the Agency pursuant to Subdivision 4 of Section 874 of the General Municipal Law.

Section 5. The Secretary of the Agency is hereby authorized and directed to cause a copy of this resolution to be published once in the March 22, 2018 edition of The News Review, the newspaper hereby designated as the official newspaper of the Agency for this purpose, and being a newspaper having a general circulation in, and available to residents of the Town.

Section 6. This resolution shall take effect immediately.

VOTE: 3 Yes
1 Absent

At this point the Chairman moved to recess the regular board meeting to open a public hearing. Bob Kern motioned to recess the regular board meeting and to open the public hearing on Twin Fork Beer Co. Lori Ann Pipczynski seconded at 5:04pm.

PUBLIC HEARING

The Chairman opened the public hearing and noted that the hearing will remain open until May 7th in order to provide proper notification to the taxing jurisdictions. Peter and Dan Checkijian introduced themselves as owners of Twin Fork Beer Co, Inc and provided a synopsis of their proposed project to build a 11,480 sq ft pre-engineered building at 807 Raynor Avenue, currently vacant property owned by the family. Peter runs a construction company and Dan currently works full time at Twin Fork. Their project is a proposed craft micro brewery and tasting room with a projected capital investment of \$1.3 million and approximately 18 PT and FT jobs when fully operational. They claimed to have 5 part time people 1099's working at the moment and their office is located at 30 West Main. Lori Ann Pipczynski asked what the anticipated volume of product is anticipated to be produced. Peter Checkijian responded that they would like to produce 6-12,000 barrels per year up to 30,000 at full potential. This amount is trending a little higher than other brewers on the East End. Bob Kern questioned the amount of tasting room space, which is dictated by town code. Tom Cruso asked if there was a lease between the operating company and the landowner. Mr.

Checkijian stated there was going to be one and they were leasing the entire property. They currently outsource the production. Tom Cruso also questioned the source of financing and noted the additional financial information is forthcoming. Bob Kern inquired about their growth patterns over the last couple of years. Peter Checkijian responded that they have gained approximately 100 customers year over year and they will be introducing 3 new products. There are 4-5 other micro breweries in the Town. They will be filing for a partial farm brewers license as well.

The Chairman opened up the hearing to questions from the public. Mr. Larry Simms asked what the PILOT term was. The ED responded that it was the double 485B for manufacturing which phases in the new tax revenue over 10 years. The first year the applicant pays the current taxes and then the tax revenue is increased 10% each year over the current tax burden until it reaches 100%. He asked if DGC was incorporated or if anyone else was involved in providing the construction figures. He wanted to know what the base building would be if there were no IDA assistance versus what was being portrayed in the drawings. Mr. Simms continued that he took issue with the "tourism attraction" by stating that tourism is already here. The project will not add to tourism in his opinion. He expressed concern about the impact to other businesses and stealing employees from other brewers. He noted that the financials should be reviewed to see the company can compete with other brewers.

Seeing no more comments from the public, the Chairman moved to recess the hearing until May 7, 2018.

Lori Ann Pipczynski motioned to recess the public hearing. Bob Kern seconded. The hearing was recessed at 5:32PM

Lori Ann Pipczynski motioned to reopen the regular meeting of the board. Bob Kern seconded. The regular meeting of the IDA was reopened at 5:33pm

MINUTES

The Board moved to dispense with the reading of and voted on the March 5, 2018 meeting minutes.

#21-18 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF March 5, 2018

Lori Pipczynski offered the following resolution, which was seconded by Bob Kern.

RESOLVED, the minutes of the meeting of March 5, 2018 as prepared and e-mailed be and are hereby approved, and

BE IT FURTHER RESOLVED, that copies of said minutes be maintained in the files of the Agency and become a part of the record of the Agency.

Vote: 3 Yes
1 Absent (Barresi)

CORRESPONDENCE: The ED distributed correspondence from Island Industries and briefed the board on retention efforts. The ED informed the board of the number of FOILS for the month and that she was seeking an opinion on one from Bob Freeman.

TREASURER'S REPORT:

Cash Balance in as of March 31	\$208,818.88
Revenue for March	\$7,647.81
Profit and Loss	\$-7,596.02
Accounts Receivable	\$10,174.16
Total Bills Paid	\$23,009.94

#22-18 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF February 28, 2018

WHEREAS, Denise Cooper, CPA and Tracy Stark-James, Executive Director, submitted a monthly financial report, including a report of expenses, to the Riverhead Industrial Development Agency for the period of March 1 to March 31, 2018 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated March 29, 2018 covering the month of March, be and are hereby accepted and expenses as listed are authorized for payment.

Lori Ann Pipczynski made a motion to accept Treasurer's Report, which was seconded by Tom Cruso. **Motion approved.**

Vote: 3 yes

1 Absent (Barresi)

COMMITTEE REPORTS:

Audit: No report.

Governance Committee –Lori Ann Pipczynski, Chairwoman reported that the committee met to discuss items brought up during the Town Board work session and other items that the IDA board has been working on to enhance the distribution of information to the public. Addressing the overarching concern about greater transparency, several objectives were compiled. In an effort to address them, the discussion of hiring a consultant to handle certain tasks toward accomplishing an update of the website, implementing Inform Analytics cost benefit analysis software, cross checking data and perhaps preparing meeting minutes was suggested. In order to work toward these goals, it was recommended that board members be appointed as a liaison to each effort. It was requested that Bob take the lead in researching the Agency Fee structure, that Anthony review and guide the agency on its website and Tom and Lori will implement measures toward greater transparency. The committee would like each of the board members to have prepared a report on efforts made toward their goals and recommendations during the next board meeting for prioritization and implementation, in advance of a follow-up meeting with the Town Board in June or July. In addition, it was suggested that the

agency draft a quarterly synopsis of the actions of the agency and post it to the website as well as continuing to making presentations in the community. Tom Cruso then briefed the board on the meeting with the Supervisor.

Finance Committee: No report

OLD BUSINESS:

a. Consideration of Resolution #02-18 Designates Officers 2018

The Chairman noted that the agency had postponed this resolution pending decision on roles, but was now prepared to consider the appointments.

#02-18 RESOLUTION DESIGNATES OFFICERS OF THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY FOR THE ORGANIZATIONAL YEAR 2018

Lori Ann Pipczynski offered the following resolution as amended, which was seconded by Bob Kern.

WHEREAS, in accordance with Article II of the By-Laws of the Riverhead Industrial Development Agency, it is necessary to make appointment of the officers of the Agency at the annual meeting of the Agency.

NOW, THEREFORE, BE IT RESOLVED, that the officers of the Riverhead Industrial Development Agency be and are hereby appointed as follows:

Thomas Cruso	Chairman
Lori Ann Pipczynski	Vice Chairperson
Bob Kern	Treasurer/Asst Sect.
Anthony Barresi	Secretary/Asst. Treasure

Vote: 3 Yes

1 Absent

b. Consideration of Resolution #10-18 Endorsements of Depository

#10-18 RESOLUTION AUTHORIZING ENDORSMENT FOR DEPOSITORY ACCOUNTS

Lori Ann Pipczynski offered the following resolution, which was seconded by Bob Kern

WHEREAS there has been a change to the membership of the board of directors for the Riverhead Industrial Development Agency, and

WHEREAS it is necessary to amend the current endorsements and authorize representatives to sign and otherwise act on behalf of the Agency,

NOW THEREFORE BE IT RESOLVED, that Thomas Cruso as Chairman, Robert Kern as Treasurer and Assistant Secretary, Lori Ann Pipczynski as Vice Chairman, Anthony Barresi Secretary and Assistant Treasurer and Tracy Stark-James as Executive Director/CEO be and are hereby designated as the official authorized representatives to sign and otherwise act on behalf of the Riverhead Industrial Development Agency with respect to accounts, banking transactions or services for the Riverhead Industrial Development Agency as assigned to Peoples United Bank.

BE IT FURTHER RESOLVED, that the Agency authorizes each of these designees to countersign checks in the amount of \$3,000 or more that require dual signatures consistent with the policies and procedures of the Agency.

Vote: 3 Yes

1 Absent (Barresi)

NEW BUSINESS:

a. Consideration of PARIS report RESOLUTION #23-18 Adopting, Ratifying and Authorizing Submission of the PARIS report

The ED informed the board that it was a struggle to get compliance reports this year. Some are still outstanding, but the PARIS reporting system allows for job estimation. Therefore on those projects estimates were made. She also informed the board of an error in job reporting on Solutions. Job numbers were accidentally entered into the construction job line. That will be corrected by decertifying the report and then recertifying it when the other reports come in completed. Formalized letters of non-compliance will go out and the ED intends on preparing a synopsis of the report for the board.

#23-18 RESOLUTION RATIFYING, AFFIRMING AND AUTHORIZING SUBMISSION OF THE 2017 PARIS REPORT

The following resolution was offered by Lori Ann Pipczynski
And seconded by Bob Kern.

WHEREAS, Public Authorities Law, as amended in 2005 by the Public Authorities Accountability Act, requires state and local authorities to file specific financial and budgetary information with the ABO and Public authorities have been submitting these reports through the Public Authorities Reporting Information System (PARIS), and

WHEREAS, in accordance with the Public Authorities Law, the information must be submitted to the State 90 days after the fiscal year end date which is March 31st, and

WHEREAS, the PARIS report was presented in substantial form to the board for review and authorization for final submission and certification by the CFO and CEO by March 31st, and

NOW, THEREFORE, BE IT RESOLVE, the Board of Directors of the Riverhead Industrial Development Agency ratifies, affirms and authorizes the final submission of the PARIS report for 2017.
(see attached report)

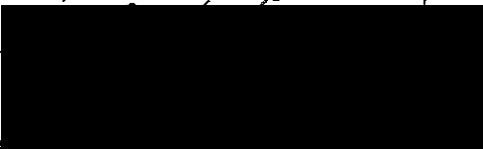
Vote: 3 Yes
1 Absent (Barresi)

EXECUTIVE DIRECTORS REPORT

The ED reported that she had been working with the CDA director to explore the Opportunity Zone Designation, met with LI Region ESD representatives and also gave a downtown tour to the SCED representative in charge of the downtown revitalization committee and grants. Retention efforts for Island Exterior Fabricators were discussed during correspondence. Sales tax report and Paris submitted timely.

The next board meeting is currently schedule for May 6, 2018
Lori Ann Pipczynski motioned to adjourn the meeting. Bob Kern seconded.
There being no further business, the meeting was adjourned at 6:06pm

Dated: 4/7/2018


Secretary/Asst.