

**Riverhead Industrial Development Agency**  
**Regular Business Meeting**  
**May 7, 2018 5:00 pm Riverhead Town Hall**

**A G E N D A**

*(Draft until adopted at the meeting)*

- I. Call to Order**
- II. OATH OF OFFICE – Larry Simms**
- III. Consideration of Proposed Agenda**
- IV. PUBLIC HEARING Continuation – Twin Fork Brewery**
- V. Consideration of the Minutes:** Consideration of April 2, 2018 minutes. **RESOLUTION #24-18**
- VI. Correspondence:** None
- VII. Treasurer’s Report:**  
**RESOLUTION #25-18 Accepts Report of Expenses and Authorizes Payment of Bills as of April 30, 2018**
- VIII. Committee Reports**
  - a. Audit: None
  - b. Governance: Report
  - c. Finance Committee: None
- IX. Old Business –**
  - a. Consideration of Resolution #26-18 Authorizing Twin Fork
- X. New Business-**
  - a. Consideration of Resolution #27-18 Authorizing Attendance to NYSEDC conference.
  - b. Consideration of Amendment & Refinance PMG
- XI. Executive Directors Report**
- XII. Adjournment**

*May 7, 2018*

**MINUTES OF MEETING  
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**

May 7 2018,

Meeting was called to order at 5:00PM by Chairman Thomas Cruso.

Present: Thomas Cruso, Chairman  
Lori Ann Pipczynski, Vice Chairwoman  
Robert (Bob) Kern, Treasurer  
Anthony (Tony) Barresi, Secretary  
Lawrence (Larry) Simms

Absent:

Signifying a quorum.

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

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

The Chairman welcomed and introduced the new board member Larry Simms. IDA Counsel administered new board member Oath of Office to Larry Simms.

The Chairman then requested to recess the regular board meeting to open the continuation of a Public Hearing. Member Tony Barresi motioned to recess the regular board meeting Member Lori Ann Pipczynski seconded at 5:02pm. Member Bob Kern motioned to open the continuation of the Public Hearing on Twin Fork Beer Co. Member Tony Barresi seconded. The Public Hearing was opened at 5:03pm

**PUBLIC HEARING**

The Chairman opened the Public Hearing and noted that the hearing is to continue and accept public comment regarding the application for financial assistance of the ADPC Raynor, LLC and Twin Fork Beer Co. Inc.

The Chairman opened up the floor for public comment or question. Seeing none, he asked if there were any more questions from the board. The Chairman asked how much floor area will be dedicated to the retail portion of the project. The ED explained that Industrial C Zoning, as explained to her by the Building Department Head, only provided for 10%

FAR for retail in Industrial C and that is what she believed the applicant's site plan approval reflects. Peter and Dan Checkijian confirmed same.

Member Larry Simms asked how many total barrels of beer the applicant currently produces and anticipates producing upon completion of the project. Peter Checkijian responded that they currently outsource and produce approximately 900 barrels and anticipate as much as 15,000. Member Simms also asked how many hours the part-time employees will be working as he is trying to determine payroll. Peter Checkijian responded that he could not estimate schedules this far in advance.

Seeing no further questions, the Chairman moved to close the hearing. Member Lori Ann Pipczynski motioned to close the hearing. Member Bob Kern seconded. The public hearing on ADPC Raynor/Twin Fork Beer Co. was closed at 5:12pm

Member Lori Ann Pipczynski motioned to reopen the regular meeting of the board. Member Bob Kern seconded. The regular meeting of the IDA was reopened at 5:13pm

The Chairman proceeded to take the agenda out of order, seeing it appropriate to consider Old Business.

**OLD BUSINESS**

The following resolution was offered by Member Lori Ann Pipczynski, who moved its adoption, seconded by Member Robert Kern, to wit:

RESOLUTION #26-18

A RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO ADPC 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, make necessary site improvements and construct the facility as depicted on the site plan at an estimated total project cost of \$1,492,196. inclusive of the land value addition (the "Project"); and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on April 2, 2018 and May 7, 2018 with respect to the application for financial assistance and the Project and the proposed financial assistance requested by Applicant with respect to the Project; and

WHEREAS, the Agency provided notice of the public hearing to the chief executive officer of each affected tax jurisdiction within which the Project is located; and

WHEREAS, at the Public Hearing all interested parties were provided with reasonable opportunity, both orally and in writing, to present their views with respect to the Project and the providing of financial assistance therefore, as set forth in the notice of Public Hearing; and

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

Section 1. Based upon the record of the proceedings of this application the Board makes the following findings necessary to provide a reasonable basis for the decisions of the Agency made herein. The total Project cost is \$1,492,196 and would include 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 for use as a craft brewing and storage and distribution facility, and associated tasting room and the purchase brewery equipment and tasting room furnishings.

The Project, as a manufacturing facility, is eligible for a real property tax deferment in an amount of double New York Real Property Tax Law 485-b, Tax Abatement

A cost benefit analysis has been prepared and reviewed by the Agency.

The Applicant testified that obtaining conventional financing was not available for this project.

The Applicant is currently brewing 800 barrels a year and is one of the few self-distribution breweries to service Montauk and Greenport as well as Manhattan and the Hudson Valley. The applicant currently outsources the production of their product. The

applicant proposes to build the Project to improve efficiencies and reduce production costs over time by brewing its products in house. As a new venture, the Project anticipates creating 5 new full time jobs and 6 part time jobs to the community in the Riverhead community.

The Project will be constructed on a currently vacant lot. The location of the property is a portal to the Polish Town community and downtown Riverhead. The Project will enhance the existing craft brewery tourism which is developing in the Town of Riverhead. The new infrastructure for the Project will lead to the orderly improvement of the immediately surrounding area.

The Applicant has been consulting with the Advanced Energy Center of Stony Brook University and plans to implement innovative wastewater treatment to diminish outflow of effluent and utilize efficient heating and cooling initiatives.

The Board also finds that the Applicant has certified that the Project, as of the date of the Application, is in substantial compliance with all provisions of Article 18-A of the General Municipal Law of the State of New York, including, but not limited to GML section 859-a and section 862. The Board also finds that the Applicant has certified it is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations. This resolution is not effective until it is dated and countersigned by the Applicant as set forth at the foot hereof, certifying the truth of this finding and all other statements of facts and findings made by the Agency in this resolution based upon information provided by the Agency.

Section 2. It is hereby determined that the Agency shall provide Applicant with the following financial assistance with respect to the Project: (i) the provision of an

exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property in an amount not to exceed an authorized amount of \$33,879 on a total value of eligible goods and services in the amount of \$392,800, and (ii) a partial abatement of real property taxes by granting a deferment of real property tax equal to 100% of the increase of the assessed value of the improvements declining 10% each year for a period of ten years, effective for the 2019/2020 tax billing year. PILOT payments shall be paid on the land assessment of \$20,000 plus a percentage abatement of improvements assessment over 10 years as set forth in the attached Schedule A, and (iii) no mortgage recording tax has been requested at this time. Such exemption may be considered by future application to the Agency as necessary in the interest of the Project.

The Executive Director of the Agency is hereby directed to proceed, at the expense of Applicant, to cause agreements and documents to be prepared that will enable the aforesaid benefits to be provided to Applicant, and to submit such agreements and documents to the Agency for approval. The financial assistance authorized hereby shall not be effective until closing.

Section 3. 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 4. The Chairperson or Vice Chairperson of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver standard Agency documents

including, but not limited to the Project Agreement, Ground Lease, Lease, Mortgage if necessary, PILOT, and Guarantees, necessary to grant the financial assistance set forth herein upon payment of the Agency fee in the amount of \$11,183 and Attorney fees. Closing shall occur no later than two years from the date hereof.

Section 5. This resolution shall take effect upon immediately.

The board commenced discussion of the resolution. Member Larry Simms expressed that he didn't have the benefit of working on these projects in the past, but has studied the Uniform Tax Exempt Policy and believes that the Double 485B should not be applicable to this project. He questioned the project as being considered Regional Tourism and Regionally Significant.

The ED explained that the project is not being processed as Regionally Significant, nor as a Tourist Destination as defined by the Agency for processing purposes. Although the applicant may have described the project as a tourist destination and that it will be complementing tourism, it does not meet the definition for consideration as a "Tourism Destination" by agency terms. There are additional steps to processing that type of project. This project is being processed and considered as a manufacturing concern. The ED also explained the historic interpretation of policy in matching the benefits offered by Suffolk County IDA. Counsel advised that the board should be cautious to evaluate the application fairly, but interpret the policies carefully. He reminded the board that these policies were put in place to maintain local control, as local control is always best. Counsel suggested that if the board wants to consider changes, perhaps the Governance Committee should conduct a review on the UTEP going forward. Member Simms asked if the language regarding matching the County benefit was to be interpreted for anyone at anytime or just in a particular case. Counsel responded that the interpretation is general.

Member Bob Kern suggested a review of the manufacturing benefit for the Governance Committee for future deliberations since tourism has grown to a \$5 billion industry, and manufacturing such as winery-breweries are important. He stated that we have a responsibility to protect that. Member Simms suggested consideration of amending the UTEP prior to the vote on the project in consideration of the retail component. Counsel reiterated that the project has been approved by the Town as a manufacturer in industrial zoning. Member Simms continued that he also believed the land value should not be considered is assessing the project. Counsel explained how the IDA looks at a project as a whole and that the Agency used the value assigned by the Town Assessors.

Seeing no more discussion, the Chairman called a roll call vote on the resolution on the floor.

VOTE: 4 Yes

1 No (Simms)

MINUTES



The Board moved to dispense with the reading of and voted on the April 2, 2018 meeting minutes.

**#24-18 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF April 2, 2018**

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

**RESOLVED**, the minutes of the meeting of April 2, 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:** 5 Yes

**CORRESPONDENCE:** None

**TREASURER'S REPORT:**

Cash Balance in as of April 30th	\$275,460.71
Revenue for April	\$78,800.91
Profit and Loss	\$60,287.93
Accounts Receivable	\$5,457.49
Total Bills Paid	\$10,625.75

**#25-18 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF April 30, 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 April 1 to April 30, 2018 **as attached**,

**NOW, THEREFORE, BE IT RESOLVED**, said monthly financial report dated May 3, 2018 covering the month of April, be and are hereby accepted and expenses as listed are authorized for payment.

Member Bob Kern made a motion to accept Treasurer's Report, which was seconded by Member Tony Barresi. **Motion approved.**

**Vote:** 5 yes

**COMMITTEE REPORTS:**

**Audit:** No report.

Governance Committee –Lori Ann Pipczynski, Committee Chairwoman reported that the committee reviews policies on an annual basis and is making recommendations to the Statement of Board Duties and Responsibilities to codify policy that is already in place. She distributed the suggested amendments to the board for review and consideration during the next meeting. Member Simms asked why is contact information defined as “official office contact information” and why is it suggested as the only means of communication. Chairwoman Pipczynski explained that the Agency provides the board with an interoffice contact sheet for use of the members for communication purposes regarding Agency business. She noted that she will put the UTEP on the next meeting agenda. Board Chairman Cruso reminded the board of the subcommittees that were formed as a result of the meeting with the Town Board and advised that Member Larry Simms will now work on the Fee Schedule with the Chairman and that Members Bob and Tony will work on the website.

Finance Committee: No report

**OLD BUSINESS:** Taken out of order. See above.

**NEW BUSINESS:**

a. Consideration of Resolution #26-18 Member Simms stated that he didn’t understand whether the language within the resolution meant the total cost was not to exceed \$1700 or if it was \$1700 plus the lodging cost. The ED replied that the total cost was not to exceed \$1700 and asked if the language within the resolution should be amended. No change was necessary to the resolution.

**#27-18 RESOLUTION AUTHORIZING ATTENDANCE TO NYSEDC CONFERENCE**

Member Lori Ann Pipczynski offered the following resolution, Member Bob Kern seconded.

**WHEREAS**, the New York State Economic Development Council will be holding its 2018 Annual Meeting in Cooperstown, NY, and

**WHEREAS**, the Board of Directors finds it necessary and appropriate for the Executive Director, Tracy Stark - James, to attend this informational conference; and

**WHEREAS**, a three day conference is scheduled in Cooperstown, NY May 23rd through May 25th, thereby requiring her to stay at the The Otesaga Hotel from May 22nd through May 25th, at \$316.02 per night, plus the cost of transportation, food and registration to be reimbursed upon submission of receipts not to exceed \$1700.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors approves expenditures for lodging at The Otesaga Hotel and reimbursement of transportation and food for Executive Director, Tracy Stark-James to attend the NYSEDC 2018 Annual Meeting in Cooperstown, NY from May 22<sup>nd</sup> -25th, 2018.

**BE IT FURTHER RESOLVED**, the request of the Suffolk County IDA to allow an Agency member to travel with the Executive Director is approved and no payment shall be made by the Suffolk County IDA to the Riverhead IDA for such transportation.

**Vote:** 5 Yes

b. Consideration of Refinance PMG II

Counsel Ehlers explained that Peconic Management Group, Phase II requested to refinance with permanent financing of phase II of their project on Roanoke Avenue. He explained that the project was originally financed with a \$1.3 million dollar loan and wants to refinance \$1.8 million. He expressed that the interest rates are rising and the applicant is looking to close Friday. The Chairman asked if we have everything we need. Counsel explained that the PILOT, Leases, and everything already exists and is in place. That there is no change in the PILOT and the only benefit of consideration is mortgage recording tax. The original authorized project amount was \$3.2, so this request does not necessitate additional processes.

Member Larry Simms expressed that he wants to see the terms of the original loan and the new loan and is not prepared to vote affirmatively without a summary sheet defining the original project. The ED noted that the board receives information prior to the board meetings and in the future he would have all the information the rest of the board requires.

Member Simms noted that he didn't have enough time to fully vet the consideration.

**#28-15 APPROVES PERMANENT FINANCING AND MORTGAGE RECORDING TAX EXEMPTION FOR PECONIC MANAGEMENT GROUP LLC**

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

**WHEREAS**, by resolution number 38-15, dated August 1, 2015, the Agency approved financial assistance for Peconic Management Group LLC (the "Applicant") which included an exemption for mortgage recording tax, and

**WHEREAS**, the specific amount of the permanent financing of the Project had not been determined at the time of approval and therefore, the amount of the mortgage to be exempt from appropriate mortgage recording taxes is subject to further Agency review and approval, and

**WHEREAS**, the applicant has requested that the exemption be applied to a mortgage to be made by the Applicant to BNB Bank in the amount of \$1,800,000., under the terms and conditions set forth in a Mortgage Commitment by BNB Bank dated April 20, 2018, and

**WHEREAS**, the Agency finds that permanent financing in the amount of \$1,800,000. is appropriate in relation to the total Project cost of \$3,109,140.

**NOW, THEREFORE, BE IT RESOLVED** that the permanent financing of the Agency Project located at 715 Roanoke Avenue, Riverhead, New York (SCTM# 0600-126-02-09.001)

by Peconic Management Group LLC in the amount of \$1,800,000. is approved by the Agency and an exemption of mortgage recoding tax, as permitted by law, is granted on the mortgage to be made by Peconic Management Group LLC to BNB Bank, and

**BE IT FURTHER RESOLVED** that an appropriate affidavit of exemption shall be issued for filing with the Clerk of Suffolk County contemporaneously with such mortgage upon payment of the Agency fee of \$2500. and payment of all appropriate Agency attorney fees related to this refinancing.

**Vote:** 4 Yes  
1 No (Simms)


**EXECUTIVE DIRECTORS REPORT**

The ED gave an update on the Opportunity Zone and distributed information to the board. Also distributed in the board packet was a Department of Labor informational piece of interest on the unemployment rates. Lastly, the ED distributed the first example of the Inform Analytics Report which was a practice report on the Twin Fork Beer Co project. She noted that she is still working on some quirks in the system and that the reports will always be an "ESTIMATE" using the RIMS economic forecasting model. It will differentiate slightly from the PILOT calculation that is generated in house, which is more accurate because this is a program used statewide but somewhat customized to our tax rates and jurisdictions. The PILOT calculation is just not as precise for each project. The ED noted that she is working with the reps on fine-tuning the program.

The next board meeting is currently schedule for June 4, 2018  
Member Lori Ann Pipczynski motioned to adjourn the meeting. Member Bob Kern seconded.

There being no further business, the meeting was adjourned at 6:00pm

Dated: 6/4/2018

  
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Secretary/Asst.