

**MINUTES OF MEETING  
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**

October 15, 2018

Meeting was called to order at 5:02PM by Chairman Thomas Cruso.

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

Absent:

Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director

By motion of Member Tony Barresi and second by Member Bob Kern the agenda was adopted.

**RESOLUTION #47-18 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 PROJECT KNOWN AS ISLAND INTERNATIONAL EXTERIOR FABRICATOR LLC JOB RETENTION AND EXPANSION PROJECT**

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 Island International Exterior Fabricators LLC, a limited liability company qualified to do business in the State of New York (the "Applicant") with respect to the retention and expansion of an existing manufacturing facility located in several buildings on three tax map parcels at the Enterprise Park at Calverton (EPCAL)(the "Facility"). Island International Exterior Fabricators, Inc. is a manufacturer of exterior wall building component systems and ancillary construction products serving the North East Region of the United States. Wall systems manufactured at EPCAL are shipped to construction sites throughout the New York metropolitan area for installation during new building construction and reuse and renewal of existing structures. The Facility began service as a single building leased from the Town of Riverhead Community Development Agency in early 2000. Riverhead IDA Bond issue in Series 2001 \$3,500,000. as authorized by the New York Statewide Bond Reserve, provided

the financing for the acquisition of 27 acres, the repurpose of an existing aircraft manufacturing facility and renovations sufficient for use as a building wall systems manufacturing facility. These Bonds were refinanced in 2006 and Agency Bonds Series 2006 were additionally issued in the amount of \$1,500,000. to permit additional improvements to the manufacturing facilities. In 2013 the acquisition and construction of additional manufacturing facilities were authorized by the Agency at 400 Burman Boulevard comprising a manufacturing facility for the production of steel studs and related steel components from raw steel coils. Thereafter in March of 2018 additional manufacturing space of 68,816 square feet was leased at 347 Burman Boulevard. The renovation and equipping of this building for the manufacture and storage of building wall systems is also included. The location and identification of the parcels included are 1101 Scott Avenue, Calverton, New York (SCTM No. 0600-135.10-1.00-2.00), 393 Burman Boulevard, Calverton, New York (SCTM No. 0600135.10-1.00-16.00), and 400 Burman Boulevard (SCTM No. 0600-135.02-01.00-24.00). The project includes the expansion of the Cal 81 site through construction of a 60,000 square foot addition and the expansion of the 400 Burman Boulevard site through construction with a 30,000 square foot addition at a total estimated cost of \$9,000,000 (collectively these actions comprise the "Project" located at the "Facility"); and

WHEREAS, the Project will permit the retention and expansion of the Facility which will retain 213 employees and provide for an additional employment of 47 employees in the first year after construction is completed and a total of 80 new employees in the second year and thereafter, and

WHEREAS, the Facility is located within the Enterprise Park at Calverton (EPCAL) and is within a New York State Empire Zone, Town of Riverhead designated Urban Renewal Area, and a Federal Opportunity Zone. The Applicant represents that it has made application and been approved through a New York State Consolidated Funding Application for assistance through the NYS Excelsior Jobs Program, 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 authorize 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 October 15, 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 that the Applicant has requested of 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 retention and expansion of an existing manufacturing facility located in several buildings on three tax map parcels at the Enterprise Park at Calverton (the "Facility"). Island International Exterior Fabricators, Inc. is a manufacturer of exterior wall building component systems and ancillary construction products serving the North East Region of the United States. Wall systems manufactured at EPCAL are shipped to construction sites throughout the New York metropolitan area for installation during new building construction and reuse and renewal of existing structures. The Facility began service as a single building leased from the Town of Riverhead Community Development Agency in early 2000. Riverhead IDA Bond issue in Series 2001 \$3,500,000. as authorized by the New York Statewide Bond Reserve, provided the financing for the acquisition of 27 acres, the repurpose of an existing aircraft manufacturing facility and renovations sufficient for use as a building wall systems manufacturing facility. These Bonds were refinanced in 2006 and Agency Bonds Series 2006 were additionally issued in the amount of \$1,500,000. to permit additional improvements to the manufacturing facilities. In 2013 the acquisition and construction of additional manufacturing facilities were authorized by the Agency at 400 Burman Boulevard comprising a manufacturing facility for the production of steel studs and related steel components from raw steel coils. Thereafter in March of 2018 additional manufacturing space of 68,816 square feet was leased at 347 Burman Boulevard. The renovation and equipping of this building for the manufacture and storage of building wall systems is also included. The location and identification of the parcels included are 1101 Scott Avenue, Calverton, New York (SCTM No. 0600-135.10-1.00-2.00), 393 Burman Boulevard, Calverton, New York (SCTM No. 0600135.10-1.00-16.00), and 400 Burman Boulevard (SCTM No. 0600-135.02-01.00-24.00). The project includes the expansion of the Cal 81 site through construction of a 60,000 square foot addition and the expansion of the 400 Burman Boulevard site through construction with a 30,000 square foot addition at a total estimated cost of \$9,000,000 (collectively these actions comprise the "Project" located at the "Facility")

Section 4. It is hereby determined that the financial assistance that the Applicant has requested of the Agency 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) an enhanced partial abatement of real property taxes, 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 October 5, 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: 4 Yes

**The Chairman noted that a public hearing was on the agenda for this evening, but due the need for additional information and the absence of counsel as a result of a family emergency, the public hearing will be re-noticed and postponed until November 5<sup>th</sup>.**

**MINUTES**

The Board moved to dispense with the reading of and voted on the September 10, 2018 meeting minutes.

**#48-18 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF September 10, 2018**

Member Bob Kern offered the following resolution, which was seconded by Member Tony Barresi

**RESOLVED**, the minutes of the meeting of September 10, 2018 as prepared , e-mailed and amended 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:** 4 Yes

**CORRESPONDENCE:** Distributed in packet

**TREASURER'S REPORT:**

Cash Balance in as of September 30	\$353,852.95
Revenue for September	\$9.16
Profit and Loss	\$-18,071.37
Accounts Receivable	\$500
Total Expenses Paid	\$15,966.33

**#49-18 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF September 30, 2018**

**WHEREAS**, Denise Cooper, CPA and Tracy Stark-James, Executive Director, submitted monthly financial reports, including a report of expenses, to the Riverhead Industrial Development Agency for the period of September 1 to September 30, 2018 **as attached**,

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

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

**Vote:** 4 yes

**COMMITTEE REPORTS:**

**Audit:** The Chairman recessed the regular meeting to move into an Audit Committee Meeting.

Member Bob Kern motioned to adjourn the regular meeting and open an Audit Committee meeting at 5:09pm. Member Tony Barresi seconded.

During the committee meeting the committee moved to recommend the engagement letters of the Auditors to the regular board for authorization.

Member Tom Cruso motioned to recommend the engagement letters of Jones, Little & Co. for auditing services for year ending December 31, 2018. Member Tony Barresi seconded. The motion unanimously carried.

Member Bob Kern motioned to close the committee meeting and reopen the regular board meeting at 5:10pm. Member Tony Barresi seconded.

The board continued with the meeting agenda.

**Governance Committee:**

Chairwoman Lori Ann reported that the committee addressed a number of questions that were posed during prior board meetings regarding the UTEP. The committee gave careful consideration to the language regarding matching PILOTs and recommended no changes to the UTEP at this time. They had also been reviewing the fee schedule and is recommending minor amendments to include language to more specifically address late filings and/or incomplete filings. In addition, the committee is recommending an increase to the project fees for capital investments over \$10 million. The committee reviewed the Fee Waiving Policy as well and recommended striking "on a form provided by the Agency." Chairwoman continued that the committee is satisfied with the increase in transparency and will be reaching out to the school district again to see if they have any new questions.

**Finance Committee:** No Report

The Chairman then moved to take Resolutions #55 and #56 out of order to consider them.

**RESOLUTION #56-18 AMENDS FEE SCHEDULE**

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

**RESOLVED**, that the following is established as the fee schedule of the Riverhead Industrial Development Agency based upon total project cost and subsequent administrative expenses. All costs of issuance of bonds, including local counsel and bond counsel, shall be borne separately by the applicant.

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY  
FEE SCHEDULE**

A non-refundable application fee of \$2,000 for applications under \$5 million and \$4,000 for applications over \$5 million is required at the time of application. This fee will be credited to the Agency's Administrative Fee, payable at closing. The **Administrative Fee** charged by the Agency at closing is as follows:

- ¾ of 1% of the financial assistance on the first \$10 million.
- ¼ of 1% of the financial assistance on projects over \$10,000,000
- 1% of the financial assistance for amended applications post initial financial approval.

**Reporting/Compliance Fee:**

State law requires that the Town of Riverhead Industrial Development Agency file certain financial and compliance reports with the State of New York. Much of the information within these reports is required to be furnished by your company and the IDA is obligated to meet a state submission deadline.

Annual Compliance Reporting fee for Lease Projects \$250 annually

Annual Compliance Reporting fee for Bond Projects \$300 annually

Annual Compliance Reporting fee for Commercial Mixed Use and Multi Family Housing Projects \$500

(with 21 or more residential units and/or more than 3 commercial tenant spaces)

\*Compliance fees apply to each phase of a project which necessitates a separate NYS filing for reporting.

**Late Reporting/Compliance Fee:** commencing the day following report due date

State law requires that the Town of Riverhead Industrial Development Agency file an Annual Financial and Compliance Report with the State of New York. Much of the information within this report is required to be furnished by your company and the IDA is obligated to meet a state submission deadline. In order to meet this deadline, the Agency will impose a \$500 penalty for late or incomplete filings (applied the day immediately following the due date) with an additional two hundred and a \$250 pro-ratable fee for every 30 days thereafter until the submission of the report or benefit recapture provision is implemented. For timely incomplete submissions, the pro-rata fee will commence from the date of notification by the Agency of the deficiencies.

**Processing Fee:**

During the course of IDA ownership/involvement, the Agency may occasionally be required, by the company, to consent to a variety of items, i.e. prepayment of bonds, sales tax extension, etc. The Agency will charge a \$250 processing fee for each request.

**Assignments & Assumptions:**

Occasionally, the IDA is asked to transfer benefits that were assigned to the original company, i.e. PILOT or mortgage recording tax benefits, to a different company, typically upon the sale of the IDA property. The new company often wishes to continue IDA involvement to maintain the viability of the project and needs to retain the incentives. The Agency will charge a \$4000 fee for each of these transactions if requests are made prior to any transfer, otherwise the assignment/assumption will require a full administrative fee of ¾ of 1%.

**Reprocessing/Refinance Fee:**

During the course of IDA ownership/involvement, the Agency may be required, by the company, to consent to a variety of simple refinancing mechanisms i.e. second mortgages, additional secured financing, refinancing, etc. The Agency will charge a \$2500 processing fee for each request and reserves the right to increase the fee to reflect the complexity of each transaction, but not to exceed the basic administrative application fee.

**Late PILOT Payment:**

In addition to requirements of GML 874(5), the Agency shall impose its own 5% penalty, plus \$1000 administrative fee for delinquent PILOT payments that are 5 days late, commencing on the sixth day.

**Re-Notification Fee**

Occasionally, an applicant will cause an adjournment of a public hearing. The IDA will charge a fee of \$100 per requested adjournment to re-notify and repost public notice and payment by the applicant of any necessary stenography or incidental costs associated with the reprocessing.

- All Agency fees are non-refundable and are as amended from time to time.

Vote: 4 Yes

**#55-18 A RESOLUTION AMENDING, ADOPTING, AND CONFIRMING THE FEE WAIVING POLICY**

The following resolution was offered by Lori Ann Pipeczynski  
And seconded by Tony Barresi.

**WHEREAS**, the Fee Waiving Policy has been reviewed and recommended for amendment by the Governance Committee, and

**WHEREAS**, after discussion, the Board of Directors of the Riverhead Industrial Development Agency the Board wishes to approve the above mentioned policy as amended.

**NOW, THEREFORE, BE IT RESOLVED**, that the Fee Waiving Policy is hereby amended, adopted, ratified and confirmed.

(see attached policy)

**The Agency will consider applications for waiver of fees in cases of financial and other hardships. An application for waiver of fees must be made in writing to the Agency within 30 days of receipt of the Agency Invoice or written notification. The written application will contain documentary evidence supporting the hardship experienced by the applicant. Should the board require testimony from the applicant; the applicant will be notified and given the opportunity to provide testimony in support of the application. Upon completion of the application and review of all information submitted in support thereof, the IDA Board will consider same and render a determination thereon by resolution within 60 days.**

**Vote:** 4 Yes

The Chairman then resumed the order of the agenda.

**OLD BUSINESS:**

**#50-17 RESOLUTION ADOPTING PROPOSED BUDGET FOR FISCAL YEAR  
01/01/19-12/31/19**

Thomas Cruso offered the following resolution, which was seconded by Bob Kern

**WHEREAS**, it is recommended accounting practice that an operating budget be established for the Riverhead Industrial Development Agency; and

**WHEREAS**, Section 2801 of Public Authorities Law provides budget reporting requirements for state and local public authorities and requires the submission of proposed budget reports not more than 90 days and no less than 60 days before the commencement of their fiscal year; and

**WHEREAS**, Article 18-A of GML requires a copy of the draft budget to be forwarded to the chief executive office and the governing body of the municipality for whose benefit the agency was established for inspection and comment of its proposed budget for the forthcoming fiscal year, no later than twenty business days before its adoption.

**WHEREAS**, a preliminary budget was prepared and submitted to the Town Board of the Town of Riverhead and Town Clerk's office for review and comment, and

**WHEREAS**, there were no comments received from the municipality, and



**WHEREAS**, there were recommendations to increase the marketing line item and adjustments to actual expenses, and

**NOW, THEREFORE BE IT RESOLVED**, that the attached is hereby adopted as the Operating Budget of the Riverhead Industrial Development Agency for fiscal year 01/01/19 through 12/31/19; and

**BE IT FURTHER RESOLVED**, copies of this resolution be and hereby are authorized to be filed with all necessary parties as described by law.

**Vote:** 4 Yes

**#51-18 RESOLUTION DESIGNATES JONES, LITTLE & CO, LLP AS OFFICIAL AUDITING FIRM FOR THE RIVERHEAD IDA**

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

**RESOLVED**, that the Chairman of the Agency is hereby authorized to execute a contract with Jones, Little & Co, LLP as the official auditing firm of this Agency for 2019 and that said books are to be audited annually with a copy of said audit to be provided to the Agency and become part of the record of such Agency.

**Vote:** 4 Yes

**RESOLUTION #52-18 AUTHORIZES AMENDMENT OF PAYMENT IN LIEU OF TAX AGREEMENT RE: PHASE III - PECONIC MANAGEMENT GROUP LLC**

Bob Kern offered the following resolution, which was seconded by Tony Barresi.

**WHEREAS**, by letter dated April 30, 2018, Rajesh Mehta of Peconic Management Group did advise the Agency that due to unforeseen circumstances the originally anticipated date for construction of project known as Phase III - Peconic Management Group LLC located at 1224 Ostrander Avenue will not be completed by originally anticipated date, and

**WHEREAS**, the letter did advise that it is anticipated that the construction of the project will be completed and placed into service July 2019, and

**WHEREAS**, letter further requested that the start date of schedule of partial abatement of real property taxes be delayed one year.

**NOW, THEREFORE, BE IT RESOLVED**, that Resolution #33-17 adopted August 7, 2017 be and is hereby amended as stated to include the attached Schedule A reflecting a one-year delay to start date of real property tax benefits from 2018-2019 to 2019-2020; and

**BE IT FURTHER RESOLVED**, that the Chairman is authorized to execute the attached amended Schedule A and any other documents necessary to confirm the approved adjustment in PILOT start date; and

**BE IT FURTHER RESOLVED**, that the Executive Director be and is hereby authorized and directed to prepare and file an amended 412-a with the Riverhead Board of Assessors and taxing jurisdictions reflecting the approved amendment.

**VOTE:** 3 Yes

1 Abstention (Pipczynski)

**NEW BUSINESS:**

**#53-18 RESOLUTION APPROVES TENANT FOR EPIC/SUMMERWIND PROJECT**

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

**WHEREAS**, Resolution #47-11, dated October 21, 2011 appointed Eastern Property Investor Consultant, LLC Agent of the Town of Riverhead Industrial Development Agency and approved documents in connection with the provision of financial assistance by the Town of Riverhead Industrial Development Agency to Eastern Property Investor Consultant, LLC, and

**WHEREAS**, It was determined that the Agency shall provide Eastern Property Investor Consultant, LLC and the Related Parties with financial assistance with respect to the Project, and

**WHEREAS**, All tenants shall be subject to Agency approval by Eastern Property Investor Consultant, LLC to the Agency, and

**WHEREAS**, Eastern Property Investor Consultant, LLC has proposed to lease the premise to River Walk Bar & Grille, Inc, and

**WHEREAS**, written notification and necessary documents have been provided to the Agency for application approval, and

**WHEREAS**, it is now desired to approve River Walk Bar & Grille, Inc as a tenant and as a related party to the approved Agent, Eastern Property Investor Consultant, LLC.

**RESOLVED** that Riverhead Industrial Development Agency, does hereby approve River Walk Bar & Grille, Inc as tenant of Eastern Property Investor Consultant, LLC,

subject to execution of a written agreement between the Agency, Eastern Property Investor Consultant, LLC. and River Walk Bar & Grille, Inc.

**Vote:** 4 Yes

**#54-18 RESOLUTION APPROVES TENANT FOR WOOLWORTH REVITALIZATION, LLC PROJECT**

Tony Barresi offered the following resolution, which was seconded by Bob Ken.

**WHEREAS,** Resolution # 06-13, dated February 4 , 2013 appointed Woolworth Revitalization, LLC Agent of the Town of Riverhead Industrial Development Agency and approved documents in connection with the provision of financial assistance by the Town of Riverhead Industrial Development Agency to Woolworth Revitalization, LLC, and

**WHEREAS,** It was determined that the Agency shall provide Woolworth Revitalization, LLC and the Related Parties with financial assistance with respect to the Project, and

**WHEREAS,** All tenants shall be subject to Agency approval upon 60 days written notice by Woolworth Revitalization to the Agency, and

**WHEREAS,** Woolworth Revitalization, LLC has proposed to lease the premise to Zainab Wireless of Riverhead, Inc (aka Metro PCS) and

**WHEREAS,** written notification and necessary documents have been provided to the Agency for application approval, and

**WHEREAS,** it is now desired to approve Zainab Wireless of Riverhead, Inc as a tenant and as a related party to the approved Agent, Woolworth Revitalization, LLC.

**RESOLVED** that Riverhead Industrial Development Agency, does hereby approve Zainab Wireless of Riverhead, Inc as tenant of Woolworth Revitalization, LLC, subject to execution of a written agreement between the Agency, Woolworth Revitalization, LLC and Zainab Wireless of Riverhead, Inc

**Vote: 4 Yes**

Consideration of Resolutions #55 and #56 were taken out of order.

Resolution #57 Consideration of Tenant for Firehouse was withdrawn from consideration pending additional information.

**EXECUTIVE DIRECTORS REPORT**

The ED informed the board that the Town's East End Employment Expo is tomorrow. She has a little over 30 companies registered with diverse positions. The ED mentioned a steady decline in attendance of job seekers and will assess the need for the expo in the future after the event. She updated the board on the manufacturers symposium coordinated with the New York State Economic Development Council and NYSTAR. It is tentatively scheduled for November 27 at the Melville Marriott. The ED also informed the board of the efforts being made to coordinate a workshop on the Opportunity Zone with the Town of Brookhaven. She informed the board the Agency and the CDA have been meeting with developers to advertise the Opportunity Zone and available properties in downtown. Also, the Agency is working with Dawn on a commercial agriculture project.

The Chairman informed the board that interviews for the board will be held on Tuesday and the Supervisor and Councilman Hubbard will narrow the applicants down to two. The Chairman will be included in the final interviews.

The next board meeting is currently scheduled for November 5<sup>th</sup>.

Member Lori Ann Pipczynski motioned to adjourn the meeting. Member Tony Barresi seconded.

There being no further business, the meeting was adjourned at 5:44pm

Dated: 11/15/18

  
Secretary/Asst