

**MINUTES OF THE MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**

February 4, 2019

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

Present: Thomas (Tom) Cruso, Chairman
Robert (Bob) Kern, Treasurer
Anthony (Tony) Barresi, Secretary
James Farley

Absent: Lori Ann Pipczynski, Vice Chairwoman

Signifying a quorum.

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

The Chairman opened the meeting by reminding the public that the meeting is now currently aired on channel 22 and can be reviewed on the Towns website.

By motion of Member Bob Kern with an amendment to the consideration of Resolution #13-19 by removing that it is tentative. A second was made by Member James Farley the agenda was adopted.

The Chairman took New Business out of order to consider resolution #13-19.

The Chairman prefaced the consideration with comments of support from Chairwoman Lori Ann Pipczynski who was not able to attend the meeting, but wanted to express her support.

- Beyond the retention of 300 local jobs, the creation of at least an additional 80 jobs, the vitality that the company brings to the EPCAL property, and the investment of tens of millions of dollars that has already taken place and is planned for the future - which is focused on reuse and expansion of existing buildings.
- Island Industries represents exactly what Riverhead had in mind when it began planning for the reuse of the Calverton property. I know this, because I worked at Town Hall when these discussions were taking place.
- Here's a company that originally rented property at EPCAL and then purchased property and has been expanding its footprint, its subsidiaries, and its local employment base ever since to become a fully-integrated manufacturer.
- There is a reason why regions throughout the country go to great lengths to retain and grow their manufacturing base.

- Manufacturing generates significant demand for goods and services from other industry sectors and is responsible for creating a large number of jobs outside of manufacturing. For instance, a recent reports showed that nationwide, manufacturing supports 12 million direct jobs but more than 17 million indirect jobs.
- The industry also provides good wages for workers – and gives those without a college degree an opportunity to advance within the company and earn family-sustaining wages in high-skill and high-productivity jobs.
- Island is also actively involved in helping to ensure that local residents are trained in the types of skills that will enable them to take advantage of these opportunities and that will help their company meet existing demand and enable further growth.
- Island Industries is not some vague, fantastical plan for EPCAL – it’s here, it’s thriving and it’s looking to grow - and I am happy to support their continued success right here in Riverhead.

The following resolution was offered by Member Anthony Barresi, who moved its adoption, seconded by Member Bob Kern, to wit:

RESOLUTION #13-19

DATED FEBRUARY 4, 2019

A RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO ISLAND INTERNATIONAL EXTERIOR FABRICATORS LLC

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 LLC 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 retention of the high quality manufacturing jobs at the EPCAL site in the face of efforts by out of state economic development agencies to cause the removal of this Facility from the Town of Riverhead has been highly prioritized by the State of New York, the County of Suffolk, and the Town of Riverhead. The incentives available to the Agency to promote the retention policy of the State, County, and Town are utilized through the grant of the inducements provided by this Agency action.

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 upon notice to the Agency additional manufacturing space of 68,816 square feet was leased at 393/347 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)(“Cal 81 site”), 393/347 Burman Boulevard, Calverton, New York (SCTM No. 0600135.10-1.00-16.00)(“393 Burman Boulevard site”), and 400 Burman Boulevard (SCTM No. 0600-135.02-01.00-24.00)(“400 Burman Boulevard site”). These three parcels comprise the Project Retention Facility which is which have a full market assessed value of \$12,693,389 The project includes the expansion of the 400 Burman Boulevard site through construction with an approximate 25,000 square foot addition and Phase II of the project includes the expansion of the Cal 81 site through construction of a 60,000 square foot addition or comparable additional space at a building located within EPCAL. (the “Project”) (collectively these actions comprise the Application at the Facility); and

WHEREAS, the proposed Phase II expansion of approximately 60,000 sf of assembly space at the EPCAL site is subject to future proceedings before the Agency and resolution through the development of site plan and engineering at a project cost to be determined.

WHEREAS, the expansion of the manufacturing facility for the production of wall panel components at the 400 Burman Boulevard site includes building expansion of approximately 25,000 sf with land assessed value of \$118,700 and building expansion having an improvement assessed value estimated by the Riverhead Board of Assessors to be \$375,000. This 25,000 square foot expansion project is currently in design and development and needs to be constructed and put in service within six (6) years and at that time it will be eligible for an enhanced abatement of 100% abatement of the assessed value of the new building for six (6) years thereafter declining 10% each year for an additional ten (10) years being fifteen (15) years in total after the building is placed in service.

WHEREAS, the Project will permit the retention and expansion of the Facility which will retain 214 manufacturing employees and provide for an additional employment of 47 employees in the first year and 33 in the second year for 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 through a New York State Consolidated Funding Application and been approved for assistance through the NYS Excelsior Jobs Program in the amount of \$4,050,006 in order to retain the tax base and jobs provided by the Applicant at its Facilities in the Town of Riverhead, and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on December 10, 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

WHEREAS, the Agency is presented with an application which both addresses the retention of desirable manufacturing jobs and the opportunity for expansion to increase

the total employment of the Applicant. Agency approval is predicated upon retaining employment levels at a total of 214 manufacturing jobs at the Companies facilities in Riverhead Town and, additional benefits are provided predicated upon increased employment in Riverhead Town at levels as certified by the Company, 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 Phase I project cost is \$3,942,209 of which \$1,242,209 was the cost to retrofit and equip the leased facility at Building 347 and the new construction costs of \$2,700,000 at 400 Burman Boulevard. The assessed market value of Project Facilities retained and new construction Phase I totals \$16,635,598. A cost benefit analysis has been prepared and reviewed by the Agency. Applicant has been approved through a New York State Consolidated Funding Application for assistance through the NYS Excelsior Jobs Program. Project 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 they are actively pursuing the construction of the additional 25,000 sf and 60,000 sf facility and have received encouragement for this application from the Town of Riverhead and its various departments and have been granted preliminary approval by the New York State Department of Environmental Conservation for the 25,000 sf expansion. The Applicant has demonstrated ability and experience in the construction, maintenance and operation of projects similar in nature to the Project.

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 a total value of eligible goods and services in the amount of \$3,942,209, for the outfitting, renovation and reconstruction of the Building 347 site for a total sales tax value not to exceed \$129,375. The Phase II 60,000 square foot expansion at the EPCAL site shall be the subject of future proceedings of the Agency, and (ii) a partial real property tax abatement for a period of fifteen (15) years as follows: during the period that the Applicant maintains employment as aforesaid stated at the Project site, a real property tax abatement as stated on Schedule A-Cal 81 and Schedule B-400 Burman shall be provided. A further real property tax abatement shall be granted to the Cal 81 facility in the net amount attributable to the Building 347 site as stated on Schedule C-Building 347 so long as the tenancy of Building 347 is maintained at no less than 60,000 square feet. No real property tax abatement shall be granted to Building 347 per se, Since both the Building 347

and the Cal 81 facility are located in identical taxing jurisdictions a dollar for dollar reduction of the assessment of the Cal 81 building equal to the benefit granted to Building 347 grants an equal benefit to the Applicant as if the benefit were specifically applied to Building 347. Therefore, any appropriate abatement for Building 347 shall be included in and calculated with the appropriate real property tax abatement for the Cal 81 site. A partial abatement of real property taxes for the 60,000 sf expansion at the EPCAL site shall be granted by subsequent proceedings of this Board.

A partial abatement/deferment of real property taxes for the 25,000 sf expansion of the 400 Burman Boulevard site shall be granted as shown on the attached Schedule D-400 Burman expansion-25,000 sf. The value of the property tax abatement/deferment value is estimated to be \$2,721,232, and (iii) the provision of an abatement of the Mortgage Recording Tax in a value not to exceed \$56,250.

Section 3. The Agency benefits provided by this resolution are granted for the purpose of retaining the 214 manufacturing jobs at the Project and providing for the additional 80 manufacturing jobs which will assure a continued employment at the Project for fifteen (15) years of 294 after two (2) years from the date hereof and continuing thereafter through fifteen (15) total years. In addition to all standard terms and conditions of the Agency, the Project Agreement shall include appropriate claw back provisions for all Agency benefits if these employment requirements are not met.

Section 4. The Chairperson or Vice Chairperson of the Agency is hereby authorized,
on behalf of the Agency, to execute and deliver Agency documents including, but not limited to the Extension of the Cal 81 Sale Agreement, Extension of the 400 Burman Boulevard

Agency Agreement, additional Personal Guaranty, Project Agreement, Amended PILOT Agreement for Cal 81 site, Amended PILOT Agreement for 400 Burman site, and any other necessary documents to effectuate this resolution upon payment of the Agency fee in the amount of \$88,483.47. and reasonable Attorney fees. Closing shall occur no later than six (6) months from the date hereof.

Agency fees and reasonable attorney fees for the Phase II expansion of Cal 81 shall be assessed and paid at the time of approval through subsequent proceedings of the Agency.

The Lease Leaseback Agreement by and between the Agency and the Applicant for the real property known as 400 Burman Boulevard shall be amended to reflect the terms and conditions of this resolution. The Real Property Tax Law form 412-a currently in effect and filed with the Riverhead Board of Assessors for 400 Burman Boulevard shall be amended to extend the term of the Real Property Tax Exemption for an additional fifteen (15) years which amended form shall be filed with the Riverhead Board of Assessors. The current reporting in PARIS of 400 Burman Boulevard shall be closed and all reporting for 400 Burman Boulevard shall be made under the Island International Exterior Fabricators LLC

The Sale Agreement by and between the Agency and the Applicant for the real property known as Cal 81 shall be amended to reflect the terms and conditions of this resolution. A Real Property Tax Exemption Form 412-a as set forth in this resolution shall be provided by the Agency to be filed with Riverhead Board of Assessors.

Section 5. 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 2 of this Resolution and as authorized pursuant to Article 18-A of the General Municipal Law, and has determined that the

The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

Thomas Cruso	VOTING	Yes
Bob Kern	VOTING	Yes
Anthony Barresi	VOTING	Yes
James Farley	VOTING	Yes
Lori Ann Pipczynski	VOTING	Absent

The resolution was thereupon declared duly adopted.

VOTE: 4 Yes
1 Absent

Resuming the regular order of the meeting, the Chairman then considered the minutes.

MINUTES

The Board moved to dispense with the reading of and voted on the January 7th and January 14th meeting minutes.

#10-19A RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF January 7, 2019

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

RESOLVED, the minutes of the meeting of January 7, 2019 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
1 Absent

#10-19B RESOLUTION APPROVES MINUTES OF SPECIAL MEETING OF January 14, 2019

Member James Farley offered the following resolution, which was seconded by Member Anthony Barresi.

RESOLVED, the minutes of the meeting of January 14, 2019 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
1 Absent

CORRESPONDENCE:

TREASURER'S REPORT:

Cash Balance in as of January 31	\$254,233.34
Revenue for January	\$42,478.83
Profit and Loss	\$21,479.87
Accounts Receivable (includes PILOTS)	\$95,619.66
Total Expenses Paid	\$20,663.22

#11-19 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF January 31, 2019

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 January 1 to January 31, 2019 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated January 31, 2019 covering the month of January, 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 Anthony Barresi. **Motion approved.**

Vote: 4 Yes
1 Absent

COMMITTEE REPORTS:

There were no committee reports. The Chairman noted that he would like to have a work session on initiatives for 2019 to continue to carry out the mission of the agency.

OLD BUSINESS: None

NEW BUSINESS:

#12 -19 RESOLUTION AUTHORIZING ATTENDANCE TO ECONOMIC SUMMIT

Anthony Barresi offered the following resolution, Bob Kern seconded.

WHEREAS, the Hauppauge Industrial Association will be hosting its 25th Annual Economic Summit on February 13th, and

WHEREAS, the Board of Directors finds it necessary and appropriate for the Executive Director, Tracy Stark – James and the Vice Chairwoman, to attend this informational summit; and

WHEREAS, registration is \$60 per attendee.

BE IT RESOLVED, that the Board of Directors approves the expenditures for attendance for two at \$120 and reimbursement of transportation for Executive Director, Tracy Stark-James and the Vice Chairwoman to attend the HIA Economic Summit, in Hauppauge, NY February 13th.


Vote: 4 Yes
1 Absent

EXECUTIVE DIRECTORS REPORT

The ED reported on new project initiatives, the Opportunity Zone seminar follow up and discussed newly proposed state legislation that may impact the agency and development. The Chairman discussed some of his findings during the NYSEDC conference.

Member Bob Kern motioned to adjourn the board meeting. Member Anthony Barresi seconded. The meeting was adjourned at 5:40pm.

Dated: 3/4/19



Secretary/Asst/