

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

May 9, 2022

Meeting was called to order at 5:11 PM by Chairman James Farley.

Present: James Farley, Chairman
Anthony (Tony) Barresi, Secretary
Lee Mendelson, Treasurer

Absent: Thomas (Tom) Cruso, Asst. Treasurer
Lori Ann Pipczynski, Vice Chairwoman

Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director
William Weir, Counsel (Virtual Attendance)
Bob Kern, Town Board Liaison

Anthony Barresi moved to adopt the proposed agenda. Lee Mendelson seconded. The agenda was adopted.

MINUTES:

The Board moved to dispense with the reading of and voted on the March 2022 meeting minutes.

#20-22 RESOLUTION APPROVES MINUTES OF REGULAR MEETINGS OF March 28, 2022. Member Anthony Baressi offered the following resolution, which was seconded by Member Lee Mendelson.

RESOLVED, the minutes of the meetings of March 28, 2022 as prepared and e-mailed be and are hereby approved, and

BE IT FURTHER RESOLVED, that the 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
2 Absent

CORRESPONDENCE: The ED distributed the annual request from the SC Comptroller's Office for project information and noted that it had been responded to with information from PARIS.

TREASURER'S REPORT:

Cash Balance as of April 30th	\$ 19,779.02
Money Market	\$ 70,018.43
Revenue for April	\$ 16.90 plus credit \$760.86

Profit and Loss	\$ -17,712.43
Total Expenses Paid	\$ 16,986.47

#21-22 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF May 3, 2022

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 April 1, 2022 to April 30, 2022 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial reports dated May 3, 2022 covering the months of April be and are hereby accepted and expenses as listed are authorized for payment.

Member Anthony Baressi made a motion to accept Treasurer's Report, which was seconded by Member Lee Mendelson. **Motion approved.**

VOTE: 3 Yes
2 Absent

COMMITTEE REPORTS:

Audit: None

Governance Committee: In the absence of the Governance Chair, the ED provided a brief summary of the governance committee meeting held virtually on April 28. She explained that an annual review of the Fee Policy was discussed, noting that the last Audit encouraged the Agency to review revenue sources. Various calculations and formulas were discussed being mindful of the size of projects, costs to the Agency, impact of raising fees and remaining competitive. To reduce the impact of the increase, the committee discussed pacing in the increase of several of the category increases over a three year period. The committee decided to make a recommendation to the board. The ED reported on two projects that submitted ST 340's and they were being researched for accuracy. The ED provided an update on the TOD project.

Finance Committee: None

OLD BUSINESS: None

NEW BUSINESS:

#22-22 RESOLUTION CONSIDERATION AND AUTHORIZING OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH THE TOWN OF RIVERHEAD

Anthony Baressi offered the following resolution, which was seconded by Lee Mendelson.

WHEREAS Town of Riverhead Industrial Development Agency (the "Agency"), is an industrial development agency and a public benefit corporation of the State of New York, created by and subject to the Industrial Development Agency Act, Title 1 of Article 18-A of

the New York General Municipal Law and Section 925-p of the New York General Municipal Law (collectively, the "Act"), with all of the powers and purposes as set forth in the Act; and

WHEREAS, the Town of Riverhead (the "Town") has requested that the Agency provide certain professional services to the Town, which such services shall include, without limitation, assisting the Town in the implementation and development of community and economic development projects in the Town such as Transit-Oriented Development ("TOD") mixed use development projects, the Town Square Project, and other economic development projects, the marketing, advertising and promotion of such economic development projects, and other economic development services requested by the Town from time to time; and

WHEREAS, in connection with such economic development services, the Town and the Agency shall enter into an agreement (the "Economic Development Agreement"), which shall set forth the duties and responsibilities of the Agency to the Town and the payment by the Town to the Agency for rendering such services to the Town; and

WHEREAS, the Agency has the power and authority under the Act to execute, deliver and perform contracts such as the Economic Development Agreement for the benefit of the Agency, the Town and the residents of the Town to promote economically sound commercial and industrial development, the creation and retention of permanent private sector employment, to mitigate economic blight and deterioration within the Town and to promote the economic health of the Town and the residents of the Town; and

NOW THEREFORE BE IT RESOLVED, consistent with the policies and procedures of the Agency and the Act, the Agency is hereby authorized to execute and deliver the Economic Development Agreement and perform the duties, responsibilities and services to the Town under the Economic Development Agreement;

AND FURTHER, the Chair of the Agency is hereby authorized, in the name of the Agency, to execute and deliver the Economic Development Agreement with the Town; this Resolution shall take effect immediately.

Vote: 3 Yes
2 Absent

RESOLUTION #23-22 AMENDS AGENCY FEE SCHEDULE

Anthony Baressi offered the following resolution, which was seconded by Lee Mendelson.

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.

Application Fee

A non-refundable application fee of \$2,000 for applications for projects costs under \$5 million and \$4,000 for applications for project costs over \$5 million is required at the time

of application. This fee will be credited to the Agency's Administrative Fee, payable at closing.

Administrative Fee

The Administrative Fee charged by the Agency at closing is based on the project costs as determined by the Agency (and as depicted in Section IV of the application for financial assistance) and is as follows:

¾ of 1% (0.0075) of the total project costs for financial assistance on the first \$10 million plus

¼ of 1% (0.0025) on the amount of the total project costs for financial assistance over \$10,000,000

1% of the increase of the total project over the original cost projections 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 Reporting Compliance fee for single entity occupancy:

For year 2022 - \$400, Year 2023- \$600, Year 2024 - \$750

Annual Compliance Reporting fee for bond projects: \$1000 annually

Annual Compliance Reporting fee for Multi Corporate Entity/Multi Residential Units/or Accommodations thereof: Year 2022- \$1000, Year 2023 - \$1250, Year 2024- \$1500

(21 or more residential tenants and/or 3 or more commercial tenants/ multiple tenant or corporate entity)

All compliance fees apply to each phase of a project which necessitates a separate NYS filing for reporting.

Late Reporting/Compliance Fee:

Late reporting compliance fees become due on the day following a 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 \$250 fee for every 30 days thereafter (pro ratable) until the submission of the report or the benefit recapture provision is implemented. For timely incomplete submissions, the \$250 pro-ratable 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. simple organizational changes, sales tax extension without increase, etc. The Agency will charge a \$500 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 based on guidelines set out above.

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.

Termination Fee

A termination fee is applied to all projects at the time inducement ends and the fee amount is at the discretion of the Agency between \$750-2,000.

Recapture Fee

Ten percent 10% of the recapture amount will be assessed on the amount determined to be recaptured.

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

Vote: 3 Yes
2 Absent

#24-22 RESOLUTION AMENDING APPLICATION FOR FINANCIAL ASSISTANCE

The following resolution was offered by Anthony Baressi
And seconded by Lee Mendelson

WHEREAS, it is necessary to update the application form for financial assistance to the Agency to meet State and Local regulations from time to time.

NOW THEREFORE BE IT RESOLVED, it is the decision of the Board of the Riverhead Industrial Development Agency to approve the attached form for the Application for Financial Assistance.

(see attached Application)

Vote: 3 Yes
2 Absent

#25-22 RESOLUTION AUTHORIZING ENDORSMENT FOR DEPOSITORY MONEY MARKET ACCOUNT FOR 2022

Anthony Baressi offered the following resolution, which was seconded by Lee Mendelson.

WHEREAS, Peoples United Bank has been designated official depository for the Agency, and

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

WHEREAS, James Farley as Chairman, Lori Ann Pipczynski as Vice Chairwoman, Lee Mendelson as Treasurer, and Tracy Stark-James as Executive Director/CEO were previously designated as the official authorized representatives to sign and otherwise act on behalf of the Riverhead Industrial Development Agency with respect to certain accounts, banking transactions or services for the Riverhead Industrial Development Agency as assigned to Peoples United Bank more specifically known as the Operating and PILOT accounts, and

WHEREAS, it is necessary for the separation of powers to authorize different endorsements to the money market account, and

WHEREAS, Lee Mendelson as Treasurer and Denise Cooper as Chief Financial Officer be and hereby designated as the official authorized representatives to sign and otherwise act on behalf of the Riverhead Industrial Development Agency with respect to certain account, banking transactions or services for the Agency as assigned to Peoples United Bank known as the Money Market account.

BE IT RESOLVED, consistent with the policies and procedures of the Agency Lee Mendelson and Denise Cooper are hereby authorized by the Board of Directors to sign and otherwise act on behalf of the Riverhead Industrial Development Agency as assigned to Peoples United Bank more specifically with respect to the transactions necessary for the individual account known as the Money Market account.

Vote: 3 Yes
2 Absent

The Chairman then explained that although consideration for tenants at Riverhead Apts/Georgica Green was tentatively on the agenda, there will be no action taken on the request. However, the tenants requesting approval each provided a brief overview of their business proposals.

American Muscle Studio owned and operated by Jeannie Brady, which is currently located on Main Street, needs to downsize and offer a different venue that will be more conducive to her rebranding as "Empower." She will offer specialized Pilates and light Training for those in need of physical therapy, in addition to regular physical training.

Palertia Mexicandy, a new business to be opened by Christopher Aguilar and his wife Veronica Fernandez, will offer natural and organic flavored exotic Mexican style ice cream at a sit in venue along with homemade fruit pops and specialty fruit desserts.

Casa Dorado Deli Taqueria, another new business to be opened and operated by Raul De Jesus Dorado and his wife Xiomara Guevera, is proposed to provide authentic, home made Mexican food in a family friendly atmosphere. They will not be selling alcohol and intend to corner the market in service speed to set themselves above the rest. Both have previous experience in the food industry. Raul was a former partner in a taqueria in the TJ Maxx Shopping Centre.

Long Island Selfie Studio, proposed by Alex Rodriguez, will offer various indoor staging and backdrops that will rotate by season for taking selfie photos, similar to Miami Selfie Museum. It is a new venture for Alex and his wife, who already operate Quick Stop Deli and a home based daycare in Riverhead. Alex's wife is also an up and coming Tik Tok celebrity.

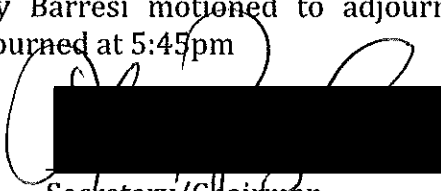
The tenant requests are expected to be considered during the next board meeting.

EXECUTIVE DIRECTORS REPORT

The ED reported that the St-62 NYS Sales Tax recapture report was submitted to ESD, NYS Division of Budget, Comptroller, NYS Tax & Finance, Town Supervisor. The agency did not have a recapture event in 2021. All the annual reports and audit were uploaded onto Paris. The Paris compliance data was input and submitted and certified by March 31 deadline. Audits were submitted to the state and town supervisor and clerk. The Annual Board Evaluation was submitted to the ABO. SC comptroller requested information for GASB 77 was responded to. The office is now in the process of uploading all annual information to the web. The Agency received an annual inquiry from the state comptroller's office and responded appropriately. The ED reported that she virtually attended a NYSEDC IDA Academy.

Seeing no further business, Anthony Barresi motioned to adjourn the meeting. Lee Mendelson seconded. The meeting adjourned at 5:45pm

Dated: 6/6/22


Secretary/Chairman