

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

January 17, 2023

Meeting was called to order at 5:16 PM by Chairman James Farley.

Present: James B. Farley, Chairman
Lori Ann Pipczynski, Vice Chairwoman
Lee Mendelson, Treasurer (Virtual)
Anthony (Tony) Barresi, Secretary
Douglas Williams, Asst. Treasurer

Absent:
Signifying a quorum.

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

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

ORGANIZATIONAL RESOLUTIONS:

The Vice Chairwoman recommended to authorize the organizational resolutions with one omnibus vote. Anthony Barresi motioned to authorize resolutions #01-23A through 03-23C

#01-23A RESOLUTION DESIGNATES OFFICERS OF THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY FOR THE ORGANIZATIONAL YEAR 2023

Anthony Barresi offered the following resolution as amended, which was seconded by Mendelson

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:

James Farley
Lori Ann Pipczynski
Anthony Barresi
Lee Mendelson

Chairman
Vice Chairperson
Secretary
Treasurer

Doug Williams
Lee Mendelson

Asst. Treasurer
Asst. Secretary

Vote: 5 Yes

RESOLUTION #01-23B ESTABLISHES MEMBERSHIP OF COMMITTEES FOR THE RIVERHEAD IDA 2023

RESOLVED, that the following is the membership of the Board committees:

Audit Committee – **Chair Anthony Barresi**, Doug Williams, James Farley
Governance Committee – **Chair Lori Pipczynski**, Anthony Barresi, James Farley,
Finance Committee – **Chair Lee Mendelson**, Doug Williams, James Farley,

Vote: 5 Yes

#02-23 RESOLUTION AUTHORIZING ENDORSMENT FOR DEPOSITORY MONEY MARKET ACCOUNT FOR 2023

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

WHEREAS, M&T 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 M&T Bank more specifically known as the Operating and PILOT accounts, and

WHEREAS, the Agency will add Doug Williams as Assistant Treasurer as an official representative to sign and otherwise act on behalf of the Riverhead Industrial Development Agency with respect to certain accounts, banking transactions or services for the Agency as assigned to M&T 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 M&T 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 M&T Bank more specifically with respect to the transactions necessary for the individual account known as the Money Market account.

Vote: 5 Yes

#3-23A RESOLUTIONS AUTHORIZES ENGAGEMENT AND APPOINTS GENERAL/BOND COUNSEL TO THE AGENCY

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

RESOLVED, that Nixon Peabody, LLP be and is hereby appointed as General and Bond Counsel to the Agency for 2023 to be paid upon the presentation of an itemized statement.

Vote: 5 Yes

#3-23B RESOLUTION APPOINTS DENISE M. COOPER AS CHIEF FINANCIAL OFFICER TO THE RIVERHEAD IDA

RESOLVED, that Denise M. Cooper, be and is hereby appointed as Chief Financial Officer and Contracting Officer for 2023 to the Riverhead IDA, to be paid upon presentation of an itemized statement.

Vote: 5 Yes

#03-23C RESOLUTION AUTHORIZES CHAIRMAN TO EXECUTE ENGAGEMENT CONTRACT WITH JONES, LITTLE & CO, LLP AS OFFICIAL AUDITING FIRM FOR THE RIVERHEAD IDA

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 2022 fiscal year 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: 5 Yes

MINUTES:

The Board moved to dispense with the reading of and voted on the December 5th and 21st 2022 meeting minutes.

#04-23 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF December 5th and 21st, 2022. Member Doug Williams offered the following resolution, which was seconded by Member Lee Mendleson.

RESOLVED, the minutes of the meeting of December 5th and 21st, 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: 5 Yes

CORRESPONDENCE: None

PRESENTATION:

Dan Deegan, Attorney for Lenape/Dr's Path, presented to the board a request for financial assistance in an effort to continue the project's PILOT payments for an additional 30 years. The site contains 40 units of affordable townhouses that were built around 1982. He explained that his clients took over the property in the early 2000s and is subject to a HAP agreement. The original pilot on the property was entered into 42 years ago with the Town of Riverhead through the Private Finance Laws, not the IDA. Lenape/D&F Group purchased the property in the early 2000's and at the request of the town board, the IDA took over administration of the existing pilot. In 2021 the client came to IDA to ask for an extension of the 40 yr pilot so it would be consistent with HAP agreement. This regulatory agreement with HUD restricts the property owner from raising rents, which means finances are limited. They have been up keeping the interiors of the townhouses. Mr. Deegan stated that they want to expend an additional 1 million dollars in improvements by residing the buildings, improving the landscaping, adding security gates and split units so the tenants would have air conditioning. He explained that Lenape is currently paying \$72,000 per year in taxes which is an increase from the prior \$34,000 they had been paying over the pilot term. If they were to go on the tax rolls, the taxes are anticipated to be approximately \$130,000. If the pilot is not extended, the affordability will not be sustainable. The proposed \$1 million dollar investment will cost approximately \$78,000 per year to finance over 30 years. Going back on the tax rolls would add another \$60,000. If they can't get a pilot, the property taxes use up the cash flow intended to be used to finance the improvements. Bruce Peterson expressed that it is a difficult property, they are just breaking even in the current market conditions and the collections are not there. They are looking to keep the consistency of where the pilot is now.

Lori Ann Pipczynski asked how HUD calculates the assistance they provide, noting that HUD does determine a fair market value for the region? Mr. Pederson explained that the tenant's income gets certified annually and they pay 30% of their income and HUD pays the rest of rent due. She asked if adding amenities would increase reimbursement from HUD? Mr Peterson said no. In response to a question on how HUD increases the per unit contribution, Mr. Peterson explained that they will do a mark to market analysis which is done every 5

years and developer must justify all its expenses to HUD making a case for the subsidy. Mr. Peterson didn't know when the next cycle of mark to market would be. If they get a new contract it should be at that time.

Lee Mendelson expressed that siding and landscaping does not warrant another 30 year pilot. In addition, there are no jobs. Lori Ann Pipczynski asked about using the 581A Real Property Tax Abatement. Mr Deegan explained that the 581A is at the Assessors discretion and more arbitrary then the certainty the IDA can provide. Doug Williams asked about the terms of the loan relative to a per unit cost. James Farley inquired about whether there was anticipation about future investment when it was initially made. Dan Deegan responded that in these cases of projects that had used the Private Finance Law and 40 year pilots, they have gone before the IDAs for assistance. Bruce Peterson stated that he has never seen a HAP agreement not renewed. The ED reminded the board that financial assistance does not have to include all the potential benefits and asked the client what the current rent ranges are? The ED asked about the developers efforts to add different types of housing on the site. Dan Deegan responded that the Town was not going to be able to provide additional density to the property. Lori reminded the board that the governance committee did recommend to the full board that they would consider a sales tax exemption. Dan Deegan stated however, the sales tax exemption would be moot as the investment will not be made without the real property abatement.

James Farley motioned to the board consider accept the application and to authorize a public hearing. Anthony Barresi seconded.

Vote: 5 Nays

Dan Deegan thanked the board, accepted the decision and requested the board's assistance in working with the Town Assessor.

At this point, Vice Chairwoman Pipczynski had to leave the meeting.

TREASURER'S REPORT:

Cash Balance in as of December 31	\$ 49,930.07
Money Market	\$ 45,039.60
Revenue for December	\$ 6,500
Profit and Loss	\$ -21,124.96
Total Expenses Paid	\$ 27,638.14

#05-23 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF December 31, 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 December 1 to December 31, 2022 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated January 5, 2023 covering the month of December be and are hereby accepted and expenses as listed are authorized for payment.

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

VOTE: 4 Yes

COMMITTEE REPORTS:

Audit: None

Governance Committee: None

Finance Committee: None

OLD BUSINESS: None

NEW BUSINESS: None

EXECUTIVE DIRECTOR REPORT

The ED informed the board that the Agency has received an estimated assessment on the Restaurant Depot property, therefore we will be calling a public hearing to be held during the next meeting. HK Ventures is working through their SEQRA process and may be on agenda as well. All compliance report forms went out to the companies and are due back to the Agency Feb 14th. Sales tax reporting reminders will go out this week. Those are due to the state by February 28th. She informed the board that the article regarding Riverhead Cider was a little misleading and the company is not applying for a physical expansion. The permits being reviewed are for prior improvements. The ED reviewed some legislation that was just signed into law and stated that the agency already complies with most of the requirements.

Seeing no further business, Anthony Barresi motioned to adjourn the meeting. Douglas Williams seconded. The meeting adjourned at 6:01pm

Dated: 2/06/2023


Secretary/Asst