

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

February 6, 2023

Meeting was called to order at 5:26 PM by Treasurer Lee Mendelson.

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

Absent: Lori Ann Pipczynski, Vice Chairwoman
Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director
William Weir, Counsel
Bob Kern, TOR Liaison
Milan Tyler, Transaction Counsel

Anthony Barresi moved to adopt the proposed agenda. Doug Williams seconded. The agenda was adopted.

MINUTES:

The Board moved to dispense with the reading of and voted on the January 17th, 2023 meeting minutes.

#06-23 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF January 17th 2023. Member Anthony Barresi offered the following resolution, which was seconded by Member Doug Williams.

RESOLVED, the minutes of the meeting of January 17th, 2023 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: 4 Yes
1 Absent

CORRESPONDENCE: None

PRESENTATION: 203 Riverhead, LLC

Dan Baker, Attorney from Greenberg Truarig, made a presentation on behalf of his clients related to 213 East Main Street, LLC which is the contract vendee proposing to build a mixed

use project of 165 apartment units at 213 East Main St. They wanted to get before the board as soon as possible because their proposed partnership is subject to town and IDA approvals. Alec Ornstein is in partnership with Metro Group Properties the original contract vendee since 2016. Subsequent headwinds with respect to Covid 19 found them forming a conditional partnership with Heatherwood that is subject to town and IDA approvals of the project. He explained that the combination of what Metro and Ornstein bring to the table and the financial and operational strength of Heatherwood will be important to the value of this project. They have filed DEIS and siteplan applications. Mr. Ornstein explained that he believes the town is on board with their development and they have designed it to be in conformance with the pattern book. Sean Sallie, a development director with Heatherwood, provided a look at the history and background of Heatherwood. He also went into the capital markets, population and wealth migration, market demand, etc. He claimed they are owner operators of their properties and have never sold a property. He reviewed some of their projects and track record.

Mr. Sallie talked about the material cost increase since the original estimation and where it may go by the time they build. He described the project in detail with regard to parking and retail. He talked about the residential demand. They are proposing lifestyle development that procures a deminimis amount of school children. Although filling the retail is a few years out and markets change, he discussed some creative and complimentary suggestions like Amazon grab and go and co work space. They requested a 25 year PILOT proposal, given all the economic factors and uncertainty. Dan Baker closed by stating that having some feedback from the board early on is welcome.

There were no questions from the board at this time.

At this point, the acting Chair moved to open a public hearing at 6pm.

PUBLIC HEARING: RD AMERICA, LLC

Craig Miller, Controller for Restaurant Depot (RD America) introduced himself and the Branch Manager from the Bohemia location Anthony Cambria. It was explained that RD is a cash and carry wholesale distributor serving independent restaurant owners, caterers, delis and not for profits. They provide food, equipment and supplies at the lowest possible prices. They are also open to the public.

He explained that they have been looking to locate on the eastern north shore of LI for a while. When they discovered the building at 765 Old Country Road, they liked the location but it need more work than they wanted or could justify.

They learned of the local IDA assistance and that could possibly make it feasible. In addition to the landlord's improvements to the site, they will be investing \$6 million on interior renovations.

Riverhead will be their 4th location on LI, second in Suffolk County. He explained that the use of incentives defray development costs and allows them to pass on the savings and helps them with their financial model.

RD America plans to hire 28 new employees within the first year and up to 40 by year five.

Lee Mendelson asked about the parking lot and lighting improvements that will come as a result of the project. Anthony Cambria explained that they work in compliance with the local municipality and will be new. The facility will also be open to the public with an anticipated opening at the end of 2023. Lee Mendelson asked if there was anyone from the public who would like to speak.

Attending virtually, Mr. Mike Foley stated Restaurant Depot would be a welcome addition, but he has concerns about asking the Riverhead taxpayers to subsidize their business endeavors. He also questioned the job offerings and the trickle economics expected to benefit the town residents. He stated that the town does not need jobs. Stating that Riverhead doesn't need any more jobs, He is against tax abatements for Restaurant Depot with the exception of sales tax.

Seeing no further comments, Lee moved to close the public hearing at 6:21pm.

Lee Mendelson took New Business out of order to address Resolution #08-23

NEW BUSINESS:

Anthony Barresi offered the following resolution. Douglas Williams seconded.

#08-23 RESOLUTION OF THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION RENOVATION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 624 of the Laws of 1980, the Town of Riverhead Industrial Development Agency was created 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, RD America, LLC d/b/a Restaurant Depot, a limited liability company organized and existing under the laws of the State of Delaware and authorized to transact business in the State of New York, on behalf of itself and/or the principals of RD America, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) has applied to the Town of Riverhead Industrial Development Agency (the “Agency”) for assistance

in connection with: the acquisition of an approximately 65,250 square foot portion of an approximately 128,455 square foot building (the “**Demised Premises**”), located on a portion of an approximately 21.89 acre parcel of land located at Riverhead Plaza Shopping Center, 765 Old Country Road, Riverhead, New York 11901 (the Demised Premises are located on portions of SCTM# 0600-104.00-02.00-016.000 and 019.000) (the “**Land**”), the renovation of and equipping of the Demised Premises, located on a portion of the Land (collectively, the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property including, but not limited to a refrigeration and free equipment, racking, telephones, computers, forklifts and other machinery (collectively, the “**Equipment**”; and together with the Demised Premises and the Improvements, the “**Facility**”), which Facility will be leased and subleased by the Agency to the Company for use in its business as a wholesaler of food and restaurant supplies to independent restaurant owners, caterers, delicatessens and not-for-profits (collectively, the “**Project**”); at an estimated project cost of \$6,000,000, and

WHEREAS, the Agency will acquire a leasehold interest in the Demised Premises and the Improvements pursuant to a certain Company Lease Agreement, dated as of February 1, 2023 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “**Company Lease**”), by and between the Company and the Agency; and

WHEREAS, the Agency will acquire title to the Equipment pursuant to a certain Bill of Sale, dated the Closing Date (as defined in the hereinafter defined Lease Agreement) (the “**Bill of Sale**”), from the Company to the Agency; and

WHEREAS, the Agency will sublease and lease the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of February 1, 2023, or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of: (i) exemptions from sales and use taxes in an amount not to exceed \$263,580, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof); and

WHEREAS, in connection with the abatement of real property taxes as set forth in the PILOT Schedule on Exhibit C hereof, the current pro-rata allocation of PILOT payments to each affected tax jurisdiction in accordance with Section 858(15) of the Act and the estimated difference between the real property taxes on the Facility and the PILOT payments set forth on the PILOT Schedule on Exhibit C hereof are more fully described in the estimated Cost Benefit Analysis (“CBA”) developed by the Agency in accordance with the provisions of Section 859-a(5)(b) of the Act, a copy of which CBA is attached hereto as Exhibit D; and

WHEREAS, the real property tax abatement for school, county, town and fire district taxes shall be subject to the payment of a PILOT Payments be distributed by the Agency to such taxing jurisdictions for a period of ten (10) years effective the first tax year immediately following the applicable tax status date, provided real property taxes attributable to special districts including but without limitation public parking, sewer, water, street lighting and business improvement district shall be paid separately to the Tax Receiver of the Town of Riverhead on duly issued tax bill on the assessed value as determined by the Riverhead Board of Assessors, and PILOT Payments shall be paid as set forth in the attached Exhibit C; and

WHEREAS, a public hearing (the “Hearing”) was held on February 6, 2023, so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility, could be heard; and

WHEREAS, notice of the Hearing was given on January 26, 2023, and such notice (together with proof of publication), was substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the report of the Hearing is substantially in the form annexed hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed transaction is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “SEQR Act” or “SEQR”), the Agency constitutes a “State Agency”; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “SEQR Act” or “SEQR”), the Agency constitutes a “State Agency”; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form and related documents (the “Questionnaire”) with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, the Questionnaire has been reviewed by the Agency; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company;

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The Facility constitutes a “project”, as such term is defined in the Act; and

(c) The Facility preserves the public purposes of the Act by preserving or increasing the number of permanent private sector jobs in the Town of Riverhead. The Company has represented to the Agency that it expects to retain thirty-three (33) permanent full-time employees within the first two years of operation; and

(d) The acquisition, renovation, and equipping of the Facility and the leasing of the Facility to the Company, will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Town of Riverhead, and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(e) The acquisition, renovation and equipping of the Facility is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York; and

(f) Based upon representations of the Company and counsel to the Company, the Facility conforms with the local zoning laws and planning regulations of the Town of Riverhead, Suffolk County, and all regional and local land use plans for the area in which the Facility is located; and

(g) It is desirable and in the public interest for the Agency to sublease the Demised Premises and the Improvements and to lease the Facility to the Company; and

(h) The Company Lease will be an effective instrument whereby the Agency leases the Demised Premises and the Improvements from the Company; and

(i) The Lease Agreement will be an effective instrument whereby the Agency leases and subleases the Facility to the Company, the Agency and the Company set forth the terms and conditions of their agreement regarding payments-in-lieu of taxes, the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will describe the circumstances in which the Agreement may recapture some or all of the benefits granted to the Company; and

Section 2. The Agency has assessed all material information included in connection with the Company's application for financial assistance, including but not limited to, the cost-benefit analysis prepared by the Agency and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Company.

Section 3. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Demised Premises and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) sublease and lease the Facility to the Company pursuant to the Lease Agreement, and (iv) execute, deliver and perform the Lease Agreement to which the Agency is a party.

Section 4. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement, and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, renovation and equipping of the Facility in the form of: (i) the provision of an exemption from sales and compensating use taxes in an amount not to exceed \$263,580 in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (ii) abatement of real property taxes. In connection with the phase-in of real property taxes as set forth in the PILOT Schedule on Exhibit C hereof, the current pro-rata allocation of PILOT payments to each affected tax jurisdiction (i.e., the school district, county, town and fire district) in accordance with Section 858(15) of the Act. Real property taxes attributable to special districts including but without limitation public parking, sewer, ambulance, water, street lighting (or other subsequently created taxing jurisdiction not affected by an exemption) shall be paid separately to the Tax Receiver of the Town of Riverhead on duly issued tax bill on the assessed value as determined by the Riverhead Board of Assessors. The estimated difference between the real property taxes on the Facility and the PILOT payments set forth on the PILOT Schedule on Exhibit C hereof are more fully described in the CBA developed by the Agency in accordance with the provisions of Section 859-a(5)(b) of the Act, a copy of which CBA is attached hereto as Exhibit D.

Section 6. Subject to the provisions of this resolution, the Company is herewith and hereby appointed the agent of the Agency to acquire, renovate and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, renovate and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agent of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency. The aforesaid appointment of the Company as agent of the Agency to acquire, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company has received exemptions from sales and use taxes in an amount not to exceed \$263,580, in connection with the purchase or lease of equipment, building materials, services or other personal property; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time. The aforesaid appointment of the Company is subject to the completion of the transaction and the execution of the documents contemplated by this resolution.

Section 7. The Company is hereby notified that it will be required to comply with Section 875 of the Act. The Company shall be required to agree to the terms of Section 875 pursuant to the Lease Agreement. The Company is further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this Authorizing Resolution is subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement.

Section 8. The form and substance of the Company Lease, and the Lease Agreement, to which the Agency is a party (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 9.

(a) The Chairman, Vice Chairman or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, and the Lease Agreement, to which the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "Agency Documents"). The execution thereof by the Chairman, Vice Chairman any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, the Vice Chairman of the Agency or any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 10. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 11. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. The Company shall agree to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 12. The provisions of this resolution shall continue to be effective for six months from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 11 hereof).

Section 13. This resolution shall take effect immediately.

VOTE: 4 Yes
1 Absent

Lee Mendelson resumed the regular order of the meeting.

TREASURER'S REPORT:

Cash Balance in as of January 31	\$ 40,102.42
Money Market	\$ 45,043.43
Revenue for December	\$ 20,270.97
Profit and Loss	\$ 609.78
Total Expenses Paid	\$ 19,661.19

It was reported that PILOT payments were due January 10th. Four projects were currently outstanding as of January 31st. These projects have been contacted to expedite payment.

#07-23 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF January 31, 2023

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, 2023 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated February 2, 2023 covering the month of January be and are hereby accepted and expenses as listed are authorized for payment.

Member Anthony Barresi made a motion to accept Treasurer's Report, which was seconded by Member Doug Williams. **Motion approved.**

VOTE: 4 Yes
1 Absent

COMMITTEE REPORTS:

Audit: None

Governance Committee: Tabled

Finance Committee: None

OLD BUSINESS: None

Lee Mendelson moved the meeting into executive session at 6:26pm
Anthony Barresi motion to open the Executive Session, Doug Williams seconded.
Anthony Barresi motioned to close executive session at 6:59pm and Doug Williams seconded.

Upon resuming the regular meeting, transaction counsel for the Calverton Aviation & Technology and Town of Riverhead application reported to the board that the Governance Committee had recommended to the full board that a memo that counsel had drafted titled, Tentative Approval Process, be posted onto the IDA's website. The memo outlines the process and some, but not all, of the items that we may be discussing as the agency goes through the process relative to EPCAL. It was the committee's desire for the public to see some of the issues that may come up as the

agency goes through the process. Lee Mendelson asked for a motion. Anthony Barresi motioned to approve the posting of the outline of tentative process for the CAT/TOR application. Doug Williams seconded.

VOTE: 4 Yes

1 Absent

There was no Executive Directors Report

Seeing no further business, Anthony Barresi motioned to adjourn the meeting. Douglas Williams seconded. The meeting adjourned at 6:59pm

Dated: 3/27/23


Secretary/Asst