

**MINUTES OF THE MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
September 20, 2023**

Meeting was called to order at 6:38 PM by Chairman James Farley.

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

Absent:
Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director
Terance Walsh, Counsel (Virtual Attendance)

Douglas Williams moved to adopt the proposed agenda. Lori Ann Pipczynski seconded. The agenda was adopted.

PUBLIC HEARINGS: None

MINUTES:

The Board moved to dispense with the reading of and voted on the August 7, 2023 meeting minutes.

#32-23 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF August 7, 2023.
Member Douglas Williams offered the following resolution, which was seconded by Member Lori Ann Pipczynski.

RESOLVED, the minutes of the meeting of August 7, 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: 5 Yes

CORRESPONDENCE: The ED reported that correspondence had been received and forwarded to the board from the Town Supervisor, Riverhead Central School District, John McAuliff, and Ms. Rittner.

The Chairman then noted for those looking for information on the EPCAL project, that the Agency is waiting on the final reports from the due diligence advisors that the Agency has engaged on the EPCAL project and as soon as the Agency receives them, the board can review them and the board can move forward with a public hearing.

TREASURER'S REPORT:

Cash Balance in as of August 31st	\$23,665.07
Money Market	\$ 45,069.60
Revenue for August	\$ 26.43
Profit and Loss	\$-25,957.34
Total Expenses Paid	\$ 25,983.77
Project Deposit Account bal.	\$ 93,113.39

#33-23 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF August 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 August 1 to August 31, 2023 **as attached,**

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated September 3, 2023 covering the month of July be and are hereby accepted and expenses as listed are authorized for payment.

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

VOTE: 5 Yes

COMMITTEE REPORTS:

Audit: None

Governance Committee: None

Finance Committee:

Lee Mendelson reported that there was a hybrid meeting on September 19th. Lee began by stating that the CFO reviewed the projections for the remainder of the year anticipating two project closings during the last six months. The projections start by using actual numbers for the first 6 months of the year and then estimate for the second 6 months. The second six months uses the actuals from the first six months plus. At the end of the year the presented projection reflects a net income of

\$266,010. Although revenue from two closings are used in the projection, there are other projects in the pipeline. The deposit account on the CAT application is not included in the projections as it is an inflow/outflow account.

A draft budget of \$246,383 for 2024 was provided to the committee reflecting the first year in a while that the Agency did not have to use a fund balance from prior years to balance the budget. Historically, the draft budget uses the average of three prior years for most of the line items with the exception of consultants and payroll. The increase in compliance reporting fees and other changes assisted in a more balanced projection. Denise explained that the Agency just received the estimated NYS retirement costs and that was not included in this prepared budget draft. That will increase expenses approximately \$3500. The timing of the budget approval was discussed. It was agreed that the draft budget would be sent to the Supervisor to meet the 20 day review period.

Lee Mendelson motioned to recommend the draft budget to the full board with amendments to include the actual forecast for the NYS Retirement expense in the 2024 proposed budget. James Farley seconded. Committee approved recommending the draft 2024 budget to the full board with amendments.

At this time the Committee Chair motioned to suspend the meeting. Doug William seconded. The meeting was suspended at 11:59pm.

At 12:48pm the Committee Chair moved to reconvene the meeting. The committee reviewed the fee schedule and discussed minor amendments with the exception of Assignments/Assumptions. After much deliberation, it was the consensus of the committee to increase that fee.

Doug Williams motioned to recommend the amended fee schedule to the full board for consideration. James Farley seconded. Committee approved the motion.

James Farley motioned to adjourn the meeting. Lee Mendelson seconded.
The meeting was adjourned at 1:26pm

Douglas Williams moved to accept the minutes/report. Lee Mendelson seconded. Motion carried.

OLD BUSINESS:

Terance Walsh reported that there was a virtual working group kickoff meeting yesterday regarding River Pointe. The whole due diligence, document drafting process is picking up in earnest now. The applicant has requested the special meeting on October 23rd for resolutions to authorize both the IDA and LDC. The big issue is site plan. We made it clear that they needed site plan prior to authorization. The applicant has been working with the Town. They would like to close on the financing before Thanksgiving.

NEW BUSINESS:

**#34-23 RESOLUTION APPROVING DRAFT BUDGET FOR FISCAL YEAR
01/01/24-12/31/24**

Anthony Barresi offered the following resolution, which was seconded by Douglas Williams

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 days before its adoption.

NOW, THEREFORE BE IT RESOLVED, that the attached is hereby approved for submission to the CEO and governing body of the Town of Riverhead as the proposed Operating Budget of the Riverhead Industrial Development Agency for fiscal year 01/01/24 through 12/31/24; 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: 5 Yes

#35-23 RESOLUTION AUTHORIZING ENGAGEMENT OF CONSULTING SERVICES WITH EPOCH 5

Douglas Williams offered the following resolution, which was seconded by Lori Ann Pipczynski

WHEREAS, EPOCH 5, offers consulting services in the field of Marketing and Public Relations, and

WHEREAS, the Agency desires to retain the services of the Consultant to render consulting services for general Issues Management Services for the Agency, and

WHEREAS, the Consultant agrees that it shall provide its expertise to the Agency for a rate range of \$120 to \$280/hour based on the level of personnel expertise utilized, but not to exceed \$6,000. and

RESOLVED by the Members of the Town of Riverhead Industrial Development Agency authorize the Chairman to execute the engagement of EPOCH 5 Solutions, LLC.

Vote: 5 Yes

RESOLUTION #36-23 AMENDS AGENCY FEE SCHEDULE

Anthony Barresi offered the following resolution, which was seconded by Douglas Williams.

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.

SCHEDULE A
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
FEE SCHEDULE

Application Fee

A non-refundable application fee of \$2,000 for applications for project costs up to and including \$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.

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

	2023	2024
Annual Compliance Reporting Fee Single Entity Occupancy	\$600	\$750
Annual Compliance Reporting Fee Multi Corp Entity/Multi Residential Units/or Accommodations thereof (21 or more residential tenants and/or 3 or more commercial tenants/ multiple tenant or corporate entity)	\$1250	\$1500

Annual Compliance Reporting Fee Bond Projects		\$1000	\$1000

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 rata) 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 or a related entity. 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 application fee and a \$5000 assignment/assumption fee for each of these transactions if requests are made prior to any transfer for related entities, otherwise the assignment/assumption will require a full administrative fee based on guidelines set out above on a case by case basis.

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 and publishing.

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.

Counsel

All costs of issuance of bonds, including local counsel and bond counsel, shall be borne separately by the applicant.


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

Adopted as amended
9-20-23

Vote: 5 Yes

Seeing no further business, Lori Ann Pipczynski motioned to close the board meeting. Douglas Williams seconded. The board meeting adjourned at 6:57pm.

Dated: 10/2/23


Secretary/Asst