

**MINUTES OF THE MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
January 6, 2025**

Meeting was called to order at 5:00 PM by Chairman James Farley.

Present: James B. Farley, Chairman
Lori Ann Pipczynski, Vice Chairwoman
Lee Mendelson, Treasurer
Douglas Williams, Asst. Treasurer
Barbara Rizzi

Absent:

Signifying a quorum.

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

Lee Mendelson moved to adopt the proposed agenda. Douglas Williams seconded. The agenda was adopted.

MINUTES:

#01-25 RESOLUTION APPROVING MINUTES OF REGULAR MEETING OF December 2, 2024

Member Lee Mendelson offered the following resolution, which was seconded by Member Barbara Rizzi

RESOLVED, the minutes of the meeting of December 2, 2024 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

PRESENTATIONS: None

TREASURERS REPORT:

Cash Balance in as of December 31st	\$27,797.85
Muni Now Account	\$369,388.24
Revenue for December	\$4,975.27

Profit and Loss	\$ -27,669.41
Total Expenses Paid	\$32,644.68
Project Deposit Account bal.	\$31,808.47

#02-25 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF December 31, 2024

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, 2024 to December 31, 2024 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated January 3, 2025 covering the month of December 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

RESOLUTION #03-25 RESCINDS FEE FOR PROJECT PREVIOUSLY BILLED BY THE AGENCY

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

WHEREAS, the benefit period for D&F Development Group/Lenape has ended, and

WHEREAS, there is an outstanding receivable in the amount of \$800, and

RESOLVED, that the 2022 Annual Compliance Report Fee charged to D&F Development Group/Lenape is rescinded as not collectible.

VOTE: 5 Yes

COMMITTEE REPORTS:

Audit Committee – None

Governance Committee -None

Finance Committee – None

OLD BUSINESS:

The board requested that counsel representing Island Water Park approach the podium to answer a few questions before considering the acceptance of the amended application. Member Lori Ann Pipczynski requested an explanation of items that were presented in the original application as compared to the proposed changes, particularly the job numbers.

Allison LaPointe from Certilman Balin, representing IWP, explained that the bumper boats and zip line have been removed. Pickle Ball and racetrack have been added. The included budget reflects those changes. The job numbers have changed for a few reasons. The original estimates were based on expectations prior to the pandemic. The new projections will seem more conservative, yet the applicant has goals that the numbers will exceed the stated projections, but wanted to make sure they were committing to a reasonably conservative number before the Agency. They submitted revised job numbers again just this afternoon to ensure consistency within the application. With regard to the related entities that are included in the application, there is a symbiotic relationship of the three entities with co-ownership for which they have not put together leases. The ED explained that leases between the entities have been discussed with counsel and the applicant. The lease are not necessary, however the applicant is considering it. The entities will be treated as operators within the application and accounted for same as the applicant but as a consortium.

The Chairman asked where the entity stood with the town? Ms. LaPointe explained that her firm is not handling site plan review, but IWP is still under site plan review with expected approvals in Mid March.

The Chairman further inquired about the DEC issues. Ms. LaPointe's understanding is that it's a matter of finishing up the plantings which cannot be done until the spring. The Chairman also asked what the current status of the IDA agreement is with the applicant? The ED explained that IWP is currently an active IDA project, but because of the change in project scope, the board requested the project provide an amended application and is charged with approving the new scope, denying the application and/or withdrawing agency benefits, which may be considered during the next meeting if all is in order. This resolution is accepting the application for further review.

RESOLUTION #34-24 Lee Mendelson motioned to approve the resolution. Lori Ann Pipczynski seconded. The motion was approved.

A RESOLUTION AUTHORIZING THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO ACCEPT AN APPLICATION FOR A CERTAIN PROPOSED PROJECT AMENDMENT FOR THE AGENCY'S ISLAND WATER PARK CORP./ISLAND WATER PARK OPERATIONS, LLC 2021 FACILITY

WHEREAS, the Town of Riverhead Industrial Development Agency (the "Agency") previously provided assistance to Island Water Park Corp., a business corporation organized and existing under the laws of the State of New York (the "Company"), and Island Water Park

Operations, LLC, a limited liability company organized and existing under the laws of the State of New York (the “**Sublessee**”), for a project originally described as: (a) the acquisition of an approximately 42 acre parcel of land located at 5835 Middle Country Road, Calverton, New York 11933 (SCTM# 0600-135.00-01.00-007.034) (the “**Land**”), the construction of an approximately 75,000 square foot building thereon (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property, not part of the Equipment (as defined below) (the “**Facility Equipment**”; and together with the Land and the Improvements, the “**Company Facility**”), which Company Facility is subleased by the Agency to the Company and subleased by the Company to the Sublessee; and (b) the acquisition and installation of certain equipment and personal property, including but not limited to, kitchen equipment, computer and information technology systems, lighting, furniture, televisions, HVAC, plumbing and equipment for its attractions as more fully described below (the “**Equipment**”; and together with the Company Facility, the “**Facility**”), which Equipment is leased by the Agency to the Sublessee and which Facility is used by the Sublessee as an indoor/outdoor extreme water sports park including an indoor surf pool, rock climbing walls, indoor and outdoor volleyball courts, a zip line, spectator seating, obstacle courses, bumper boats, water slides, fitness center, spa, a pro shop, restaurants and recreational facility to be used year-round by visitors of the Town of Riverhead (the “**Original Project**”); and

WHEREAS, the Agency acquired a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of December 1, 2021 (the “**Company Lease**”), by and between the Company, as lessor, and the Agency, as lessee, and a memorandum of Company Lease was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, The Agency currently leases the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of December 1, 2021 (the “**Lease Agreement**”), by and between the Agency, as lessor, and the Company, as lessee, and a memorandum of Lease Agreement was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, the Equipment is leased to the Sublessee by the Agency pursuant to an Equipment Lease Agreement, dated as of December 1, 2021 (the “**Equipment Lease**”), between the Agency and the Sublessee; and

WHEREAS, The Company is sub-subleasing the Company Facility to the Sublessee pursuant to a certain Sublease Agreement, dated as of December 1, 2021 (the “**Sublease Agreement**”), by and between the Company, as sublessor and the Sublessee, as sublessee; and

WHEREAS, it has since come to the Agency’s attention that the construction and configuration of the project by the Company and the Sublessee deviates substantially from the description of the Original Project that was previously authorized by the Agency; and

WHEREAS, the Agency has determined to afford the Company and the Sublessee with the opportunity to submit an amended application to the Agency describing the project that the Company and the Sublessee now intend to develop; and

WHEREAS, the Company and the Sublessee have submitted an Amended Application for Financial Assistance, received by the Agency on November 13, 2024 (the “**Amended**

Application”), to the Agency in order to reflect a change in the description of the Original Project; and

WHEREAS, the Agency, subject to the provisions of this resolution, shall accept the Amended Application for further consideration of the amended project described in the Amended Application (the “**Amended Project**”), all pursuant to Title 1 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 of the State of New York, as the same may be amended from time to time (collectively, the “**Act**”); and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the economic development and construction job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

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

WHEREAS, as of the date of this due diligence resolution, no determination for the Amended Project has been made under SEQR; and

WHEREAS, based on representations from the Company and the Sublessee in the Amended Application submitted to the Agency, the continued “financial assistance” (as such term is defined in the Act) with respect to the Amended Project in the form of abatement of real property taxes, exemptions from mortgage recording taxes and exemptions from sales and use taxes will be an inducement to the Company and the Sublessee to undertake the Amended Project and there is a likelihood that the Amended Project would not be undertaken but for the granting of such “financial assistance” by the Agency to the Company and the Sublessee; and

WHEREAS, the Company and the Sublessee have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the Amended Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby accepts for review the Amended Application from the Company and the Sublessee, and authorizes the staff of the Agency to undertake such preliminary due diligence and analysis of the Amended Application and to obtain from the Company and the Sublessee and other third parties any information related thereto as staff of the Agency may deem necessary or advisable.

Section 2. Nothing herein shall be construed as committing the Agency to consider the approval of the Amended Project until such time as: (i) all of the requirements of SEQR have been satisfied to the extent applicable, (ii) all necessary and appropriate information related to the Amended Project received and reviewed, and (iii) the Company and the Sublessee have provided the Agency with evidence that all necessary state and local approvals, including

but not limited to site plan approvals, architectural review, zoning approvals, environmental approvals, and permits with respect to the Facility have been approved.

Section 3. The Chairman, Vice Chairman or any member of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company and the Sublessee, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 4. Any expenses incurred by the Agency with respect to the Original Project or the Amended Project shall be paid by the Company and the Sublessee. By its acceptance hereof, the Company and the Sublessee 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 5. The law firm of Nixon Peabody LLP, is hereby appointed transaction counsel to the Agency with respect to all matters in connection with the Project. Counsel for the Agency is hereby authorized, at the expense of the Company and the Sublessee, to work with the Company and the Sublessee, counsel to the Company and the Sublessee, and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution.

Section 6. This Resolution shall take effect immediately.

VOTE: 5 Yes

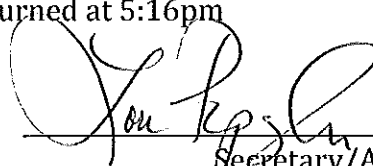
NEW BUSINESS: None

EXECUTIVE DIRECTOR'S REPORT

The Executive Director reported the Agency received a website review from the Authority Budget Office. There were some corrections that need to be made and almost all of them have been made. Some of the disconnect was between the agency and web server, some were glitches, some were misplaced or mistitled documents. The project listing was already being crafted by Camoin and half the projects are already up. She explained that our Web Server will be out on medical for a couple weeks, so updating will now come to a stop for a while. She reported that the PILOTS were sent, compliance reports sent out, the sales tax reminders were sent out and some pilot payments have already begun to come in. A new computer was purchased for the agency.

Seeing no further business, Lori Ann Pipczynski motioned to adjourn the meeting. Barbara Rizzi seconded. The meeting adjourned at 5:16pm

Dated: 3/24/25



Secretary/Ass