

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

February 5, 2024

Meeting was called to order at 5:07 PM by Vice Chairwoman Lori Ann Pipczynski.

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

Absent: Anthony Barresi, Secretary

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.

The Vice Chairwoman then moved to recess the regular meeting and open a public hearing on behalf of 203 Riverhead, LLC. Lee Mendelson motioned to recess. Douglas Williams seconded. The regular meeting was recessed at 5:08pm.
Vice Chair opened the public hearing at 5:08pm.

PUBLIC HEARING:

Daniel Baker from Greenberg Traurig, as attorney representing 203 Riverhead, LLC, opened the presentation noting that the applicant has addressed some questions that resulted from the prior public hearing, it is part of the record and asked if there were any additional concerns that needed to be addressed. Chairman Farley requested a short paper on the retail capabilities of the project. Sean Sallie addressed the board and shared that they have a defined retail strategy for this property. It's a 73 year old company with significant experience in mixed-use development. He affirmed tenanting Main Street frontage about 3500 sq ft, but the end user is undetermined at this time. They fully expect to work with the agency on filling the space with a complimentary tenant. They have a firm retail, food and beverage user relationship on the ground floor of other buildings, like downtown Huntington. He explained that whatever user they market too needs to distinguish itself from Route 58. It has to be something experiential and compliment the downtown area. The Vice Chairwoman then opened the floor to anyone from the public.

Colin Palmer, President of the Riverhead Central School District Board of Education spoke on behalf of his colleagues. He noted, the RCSB of Education is not taking a position whether the project should be awarded any benefits, however he asked the agency to consider a change in policy that determines what tax incentives will be for projects under consideration such as exempting the school district taxes. He went on to explain the costs of education are continually rising, retirement, transportation costs, health insurance, and technology cost

,infrastructure etc are rising. He also mentioned the annual costs to charter schools has risen. This year is over \$11million dollars. He claimed that providing tax abatements of real propertytax to developments, especially those that generate students, puts significant pressure on the district budget. It strains the ability to maintain or consider increases in student opportunities without putting an added burden on the resident taxpayers to make up those lost revenue dollars. Additionally they are facing a negative impact that Governor Hochul is proposing a recalculation of state aid. He anticipates less than what they will receive. Finally he reminded the agency board that the school district serves three townships, Brookhaven, Southampton and Riverhead. Of the 6500 enrollment, approximately 2200 students reside in the towns of Southampton and Brookhaven equally. He noted that any decision of the board to reduce the tax revenue that the school would otherwise receive, unfairly impacts the residents of Southampton and Brookhaven who have students in the district and contribute to the tax base. He thanked the board and as one of the largest employers in the town, stated that they take economic development seriously. However given the outline of facts, he hopes the board gives consideration to fully exempting the school district from any abatement from this project and any future projects. At the very least, he requested that the board greatly reduce the pilot term as it relates to the school district taxes, particularly residential projects.

Chairman Farley then explained to Mr. Palmer that the board was trying to get a handle on a couple things as it relates to these projects. One is in terms of the studies that developers use in making their projections of the impact of new students that would be residing in the new project. These studies are typically referred to the Rutgers Report and the Stony Brook Report, two reports that based upon historical development have tried to attempt a projection model on how many students a multi housing development like this would house. The models are suggesting somewhere between 20-26 new students for this project and he then asked if the school board had an issue with that projection? Mr. Palmer replied that the school board doesn't have an issue with new students coming into the district. Their problem specifically is the tax revenue and he explained that the school's revenue comes mostly from state aid and property taxes. They just want to make sure that those making the investment in property are making the same kind of investment that regular residents are making in our schools. He wants to ensure the playing field is level and that the board remember the working members of Riverhead as well as the concerns of any business investment in the town. The Chairman then asked what the cost was to educate a student in the school district? Understanding the state aid may be somewhat of a variable, Chairman Farley asked Mr. Palmer if the property tax contribution to the school is about \$103-105,000,000? Mr. Palmer did not have the exact number but agreed that his estimation was about right. Chairman Farley went on to note he was intrigued by a simplistic look at how many enrolled students there are in the district and dividing that by the tax levy of the school. That would roughly provide the number of what property owners contribute annually toward the education of one student- in just trying to get to what the contribution is to the school per student. Mr. Palmer responded that he did not have that information, but confirmed that the RSCD cost per student is below the state average per student cost in NY as well as the County of Suffolk. He continued that RSCD is not spending as much as their neighbors. He deferred to the Town Assessor or the school's business official for those numbers. Chairman Farley asked if Mr. Palmer could get that information for the Agency.

Vice Chair Pipczynski noted that for the 2023-24 proposed school budget, the property tax levy was \$103,000,789. The state contribution was \$66 million. Pilots were proposed to be \$4.6 million.

In the context of the projects, Chairman Farley is focused on the school concern about the cost of new children to the school and if it has not been anticipated in their budgets. He also asked if the school system has reached its capacity? He explained that when he looks at the cost of new students coming into town, he is looking at both the cost incurred in educating that child and also whether or not this will necessitate additional cost burdens because the school has crossed a threshold. Chairman Farley asked if we are at that point of crossing the threshold of capacity? Mr. Palmer responded that the system is dangerously close, mostly Riley Avenue School. He stated that they have spoken to the Town and the Town of Southampton. Next they will speak to Brookhaven. He continued that he is not looking for each student to be accounted for, however, anyone that comes into Riverhead to build that they are making the same investment in the schools that everyone else is expected to. He noted that the school is not the only group concerned with this and referred to the legislation currently proposed in the state. Dan Baker clarified the projection of new students for this project as 11 new students. As a point of information, Vice Chair Pipczynski noted the 2022-23 school district tax revenue provided by Riverhead IDA projects was \$418,189 prior to IDA assistance. After the projects were realized, the IDA projects now generated \$1,454,975 in school taxes for 2022-2023 tax year alone which is \$1 million more to the school district than they had been receiving prior to RIDA assistance.

The Vice Chair asked if there was anyone else who wanted to comment during the public hearing. Seeing none both present or virtual Lee Mendelson motioned to close the public hearing. Douglas Williams seconded. The hearing was closed at 5:32pm.

Lee Mendelson motioned to resume the regular board meeting. Douglas Williams seconded. The board meeting resumed at 5:32.

CONSIDERATION OF ORGANIZATIONAL RESOLUTIONS

The Vice Chair motioned to consider all the organizational resolutions in one motion. Lee Mendelson motioned to approve Resolutions 01-24 thru 03-28B. Douglas Williams seconded. Motion carried.

#01-24A RESOLUTION DESIGNATES OFFICERS OF THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY FOR THE ORGANIZATIONAL YEAR 2024

Lee Mendelson offered the following resolution as amended, which was seconded by Douglas Williams

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

Chairman

Lori Ann Pipczynski
Douglas Williams
Lee Mendelson
Doug Williams
Lee Mendelson

Vice Chairperson
Secretary
Treasurer
Asst. Treasurer
Asst. Secretary

Vote: 4 Yes
1 Absent

RESOLUTION #01-24B ESTABLISHES MEMBERSHIP OF COMMITTEES FOR THE RIVERHEAD IDA 2024

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

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

Vote: 4 Yes
1 Absent

#02-24 RESOLUTION AUTHORIZING ENDORSMENT FOR DEPOSITORY MONEY MARKET ACCOUNT FOR 2024

Lee Mendelson offered the following resolution, which was seconded by Douglas Williams

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, Douglas Williams as Asst. 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, it is necessary for the separation of powers to authorize different endorsements to the money market account, and

WHEREAS, Lee Mendelson as Treasurer, Douglas Williams as Asst. 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 James Farley, Lori Ann Pipczynski, Lee Mendelson, Douglas Williams, Tracy Stark James 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 accounts more specifically with respect to the transactions necessary for the individual accounts assigned above.

Vote: 4 Yes
1 Absent

#3-24 RESOLUTIONS AUTHORIZES ENGAGEMENT AND APPOINTS GENERAL/BOND COUNSEL TO THE AGENCY

Lee Mendelson offered the following resolution, which was seconded by Douglas Williams

RESOLVED, that Nixon Peabody, LLP be and is hereby appointed as General and Bond Counsel to the Agency for 2024 to be paid upon the presentation of an itemized statement.

Vote: 4 yes
1 Absent

#3-24B RESOLUTION APPOINTS DENISE M. COOPER AS CHIEF FINANCIAL OFFICER AND CONTRACTING OFFICER TO THE RIVERHEAD IDA

RESOLVED, that Denise M. Cooper, be and is hereby appointed as Chief Financial Officer and Contracting Officer for 2024 to the Riverhead IDA, to be paid upon presentation of an itemized statement.

Vote: 4 Yes
1 Absent

MINUTES:

#04-24 RESOLUTION APPROVING MINUTES OF REGULAR MEETING OF December 18, 2023

Member Lee Mendelson offered the following resolution, which was seconded by Member Douglas Williams.

RESOLVED, the minutes of the meeting of December 18, 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

TREASURERS REPORT:

Cash Balance in as of January 31st	\$284,532.16
Money Market	\$45,092.32
Revenue for January	\$26,203.94
Profit and Loss	\$ 4,281.
Total Expenses Paid	\$21,923.20
Project Deposit Account bal.	\$35,543.36

#05-24 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF January 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, 2023 to January 31,, 2024 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated February 3, 2024 covering the month of January 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 Douglas Williams. **Motion approved.**

VOTE: 4 Yes
1 Absent

The Vice Chairwoman then recessed the regular meeting to go into an Audit Committee Meeting. Lee Mendelson motioned to recess. Douglas Williams seconded. Motion carried.

COMMITTEE REPORTS:

Audit Committee – The Vice Chair opened the audit committee meeting at 5:35pm. She explained that the audit committee was simply reviewing the engagement of the auditors and considering making recommendation to the full board for engagement. There were no comments from the committee. The ED noted that the fee increased \$400 over the prior year. Douglas Williams

motioned to recommend engaging Jones Little to the full board. James Farley seconded. Motion carried with the full vote of the 3 member committee. Douglas Williams then motioned to close the committee meeting. James Farley seconded. Motion carried. Committee meeting closed at 5:39pm

Douglas Williams motioned to resume the regular meeting. Lee Mendelson seconded. The regular meeting resumed at 5:39pm

Governance Committee –

Chairwoman Pipczynski reported that the committee met virtually on the January 8th. The initial discussion centered around the need for increased cooperation from the Assessor's Office related to property assessment estimates and general administration of exemptions and how best to address these ongoing items. A meeting was suggested between the agency and the assessor's office to foster improved cooperation. As part of its annual start of the year review, the committee requested counsel determine whether any changes are warranted to the LDC documentation, the agency's virtual meetings policy and its foil policy. The committee acknowledged the expressions of interest from the Woolworth Revitalization project for an extension of benefits and Suffolk Theater and exploring opportunities for assistance for their expansion. Consideration of these proposals will occur once and if these principals submit an application. Finally, the committee reviewed expressions of interest by board members to serve as officers and committee placement and developed a proposed slate for consideration during the February meeting.

Finance Committee: None

OLD BUSINESS: None

NEW BUSINESS:

Wayne Mehan from Lily Flanigans restaurant group informed the board of their intentions to open the Riverhead Brew House, in the space formerly occupied by Peconic County Brewery. They will serve food and full service. They expect 12 employees, stay open year round, new brew recipes and expand the patio to be year round by enclosing it. They are hoping to be open in May. They envision a family venue, closing by 10pm.

Connie Lossandro, President of the Chamber spoke in admiration of the company, welcomed them to Riverhead and expressed excitement about working with them in the community.

**#07-24 RESOLUTION APPROVES TENANT FOR GEORGICA GREEN VENTURES, LLC
PROJECT aka RIVERHEAD APARTMENTS, LLC**

Member Lee Mendelson offered the following resolution, which was seconded by Member Douglas Williams.

WHEREAS, Resolution #42-17, dated September 11, 2017 authorized certain financial assistance for Riverhead Apartments, LLC (the "**Company**"), as agent of the Town of Riverhead

Industrial Development Agency (the “Agency”) and approved documents in connection with the provision of financial assistance by the Agency to the Company, and

WHEREAS, capitalized terms not otherwise defined herein shall have the meanings given thereto in the hereinafter defined Lease Agreement; and

WHEREAS, the Agency took a leasehold interest in the Project pursuant to a Ground Lease (the “Ground Lease”) from the Company, and leased the Project back to the Company pursuant to a certain Lease Agreement (the “Lease Agreement”), each dated November 2, 2017, and

WHEREAS, Section 7.2 of the Lease Agreement requires that commercial tenants shall be subject to Agency approval upon 60 days written notice by the Company to the Agency, and

WHEREAS, the Company has proposed to have its affiliate lease an approximately 8,500 square foot portion of the Project to Suffolk Hospitality Group, Inc. d/b/a Riverhead Brew House, and

WHEREAS, written notification and necessary documents have been provided to the Agency for application approval, and

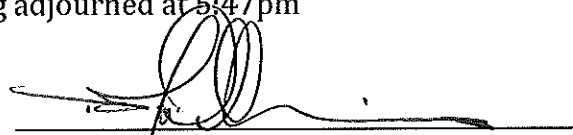
WHEREAS, it is now desired to approve Suffolk Hospitality Group, Inc. d/b/a Riverhead Brew House as a tenant of the Project.

RESOLVED that the Agency, does hereby approve Suffolk Hospitality Group, Inc. d/b/a Riverhead Brew House as tenant of the Project, subject to the approval of necessary Town and State permits and the execution of a written agreement between the Agency, the Company, and Suffolk Hospitality Group, Inc. d/b/a Riverhead Brew House.

Vote: 4 Yes
1 Absent

Seeing no further business, Douglas Williams motioned to adjourn the meeting. Lee Mendelson seconded. The meeting adjourned at 5:47pm

Dated: 3-25-24


Secretary/Asst.