

MINUTES OF THE MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
October 7, 2024

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
Absent: Anthony Barresi, Secretary

Signifying a quorum.

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

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

MINUTES:

#28-24 RESOLUTION APPROVING MINUTES OF REGULAR MEETING OF September 9, 2024

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

RESOLVED, the minutes of the meeting of September 9, 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: 4 Yes
1 Absent

CORRESPONDENCE: None

PRESENTATIONS: None

TREASURERS REPORT:

Cash Balance in as of September 30th	\$38,831.06
Muni Now Account	\$445,351.34
Revenue for September	\$1,662.35
Profit and Loss	\$ -20,673.21

Total Expenses Paid	\$22,335.56
Project Deposit Account bal.	\$31,866.44

#29-24 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF September 30, 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 September 1, 2024 to September 30, 2024 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated October 1, 2024 covering the month of September 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 Lee Mendelson. **Motion approved**.

VOTE: 4 Yes
1 Absent

COMMITTEE REPORTS:

Audit Committee – None

Governance Committee

Chairwoman Pipczynski reported that the virtual meeting was called to order at 3 pm on September 26th and the Executive Director informed the committee about potential compliance issues revolving around G2D Development Group and its projects at 205 Osborn, LLC and 331 East Main, LLC. A letter was sent on September 19th requesting information on the non-specified liens attached to the properties. The Agency documents require that if there are liens, the company must dispose of them within 30 days. The committee discussed how potential responses of the agency to any potential bankruptcy or other financial event of the owner and reviewed potential remedies with counsel. The owner was given 10 days to respond with details about the liens and their intentions to rectify the situation and made the owners aware that their failure to respond would result in an event of default. Members discussed with the attorney remedies available to the IDA. It was noted that the Osborne Avenue project had not yet benefited significantly from property tax exemptions given that the project only began a year ago. Given that the 10-day period had not yet lapsed, Committee members agreed to meet again once the cure period had ended. It was noted that there are currently no outstanding financial obligations to the agency.

Counsel was also asked if the agency could declare an event of default based upon the abandonment of a project. The agency does not have that specific remedies outline within its

documents, but there are other means to declare an event of default. The committee discussed adding the ability to default into future agreements should a project be abandoned prior to the set construction completion date.

Discussions then turned to the Restaurant Depot project and the need to amend the start date of the exemption to 2024/25 given that the Assessor's Office did not implement the exemption upon receipt of notification of the approved benefits. As the project represents only a portion of the total strip mall property and represents a unique and complex set of circumstances, the Executive Director and Committee members worked with the attorney to ensure that implementation of property tax benefits on the increase in assessment is being implemented as intended. Further discussions are anticipated at a future committee meeting.

The committee also discussed Island Water Park which is expected to submit an application to the IDA to reflect a change in scope from the originally approved project. According to the principals, they have received feedback from the planning department and additional information has been provided for consideration by the planners. The Agency was made aware that the NYSDEC apparently no longer has any issues with the park. The ED did inform the principals that the IDA should be on the site plan application as an interested party so that this information is shared with the Agency in a timely manner. The meeting was adjourned at 4pm.

The committee met virtually again on October 2nd to further discuss implementation measures for benefits for the Restaurant Depot project with the Agency's attorney as it relates to Restaurant Depot receiving one bill for the PILOT portion of their property taxes and a separate tax notice from the landlord for their portion of the special district taxes that are charged to the property as a whole, including fire district taxes, which are exempt on the increase in assessment but not reflected in current information provided by the Assessor's office.

The Committee was notified that there has been no response to the Agency's original letter to G2D. Committee members discussed remedies with the Agency attorney, including termination and potential recapture efforts. After extensive discussion, Committee members decided as a show of good faith and in a desire to have the project succeed in its original goal of providing market rate apartments in the TOD area of downtown, to send one more letter demanding response within 7 days before having the Agency consider termination proceedings. While recapture remains an option, the viability of recovering any of the sales tax exemptions utilized for the Osborne Avenue project was acknowledged to be very unlikely.

The final item of discussion was the need to issue an Agency credit card for use by the Executive Director for conference and other Agency-related expenses that are currently addressed on a reimbursement basis.

Chairman asked if the letter has gone out and the ED responded that it was placed in the outbox today and will likely get mailed tomorrow. The meeting was adjourned at 12:56 pm.

Finance Committee – None

OLD BUSINESS:

**#30-24 RESOLUTION APPROVING BUDGET FOR FISCAL YEAR
01/01/25-12/31/25**

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

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.

WHEREAS, there were no additional comments or changes to the proposed budget, and

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 01/01/25 through 12/31/25; 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: 4 Yes
1 Absent

NEW BUSINESS: None

EXECUTIVE DIRECTOR'S REPORT

None

Seeing no further business, Douglas Williams motioned to adjourn the meeting. Lee Mendelson seconded. The meeting adjourned at 5:098pm

Dated: _____

Secretary/Ass