

MINUTES OF THE MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
December 2, 2024

Meeting was called to order at 5:02 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)

The Chairman gave a fond farewell to Anthony Barresi who had served as a board member since 2017. He welcomed new member Barbara Rizzi, who took the Oath of Office and was sworn in by the Town Clerk, James Wooten.

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

MINUTES:

#31-24 RESOLUTION APPROVING MINUTES OF REGULAR MEETING OF October 7, 2024

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

RESOLVED, the minutes of the meeting of October 7, 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: The ED reported that 7 Foils were received over the course of the month.

PRESENTATIONS: None

TREASURERS REPORT:

Cash Balance in as of November 30th	\$24,831.17
Muni Now Account	\$428,167.58
Revenue for November	\$1,300.78
Profit and Loss	\$ -21,324.94
Total Expenses Paid	\$22,629.09
Project Deposit Account bal.	\$31,827.76

#32-24 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF November 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 November 1, 2024 to November 30, 2024 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated December 1, 2024 covering the month of November 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: 5 Yes

COMMITTEE REPORTS:

Audit Committee – None

Governance Committee -None

Finance Committee – None

OLD BUSINESS:

At this time the Chairman moved the consideration of Resolution #34-24 out of order to be addressed during the Executive Director's Report, but continued with the other items under old business.

33-24 RESOLUTION RATIFYING AUTHORIZATION FOR ATTENDANCE TO LIBDC CONFERENCE AND AUTHORIZING MEMBERSHIP FOR 2025

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

WHEREAS, the mission of the Long Island Business Development Council is to expand local business, create new jobs, attract new firms to the Island, and help create a viable future for Long Island's young talent, and

WHEREAS, the organization hosts informative events and conferences on a monthly basis that are instrumental in regional economic development efforts, and

WHEREAS, the Board of Directors finds it necessary and appropriate to join the economic development group in furtherance and consistency with the Agency's mission, and

WHEREAS, an individual membership is \$300, and

WHEREAS, the Long Island Business Development Council hosted its 2024 Annual Economic Development Conference October 9-11th at the Montauk Yacht Club, and

WHEREAS, the Board of Directors finds it necessary and appropriate for the representative(s) of the board to attend this informational conference; and

WHEREAS, a three day conference was held in Montauk October 9-11th 2024, thereby requiring a board member to stay at the Snug Harbor Motel from October 9-10th plus the cost of transportation, food and registration to be reimbursed upon submission of receipts in the amount of \$364.74.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors approves expenditures for registration and lodging at the Snug Harbor Motel and reimbursement of lodging and registration for the Chairman, James Farley to attend the LIBDC Annual Economic Development Conference in Montauk, NY from October 9th through October 11th, 2024 and authorizes an annual membership for 2024/2025 for a total of \$664.74 .

Vote: 5 Yes

RESOLUTION #35-24

RESOLUTION OF THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY APPROVING AMENDMENT AND MODIFICATION OF THE PILOT BENEFITS OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR THE RD AMERICA, LLC 2023 FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE LEASE AGREEMENT, AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION THEREWITH AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

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

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 of the State of New York, as may be amended from time to time (collectively, the “**Act**”), the Town of Riverhead Industrial Development Agency (the “**Agency**”) was created with the authority and power to issue its special revenue bonds for the purpose of, among other things, acquiring certain industrial development facilities as authorized by 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 job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency previously provided its assistance to 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 (the “**Company**”) 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 is 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**”); and

WHEREAS, the Agency by resolution duly adopted on February 6, 2023 (the “**Authorizing Resolution**”), authorized the acquisition, construction and equipping of such facility and the execution and delivery of the Agency Documents (as defined therein); and

WHEREAS, the Company currently leases the Facility to the Agency pursuant to a certain Company Lease Agreement, dated as of February 1, 2023 (the “**Original Company Lease**”), between the Company and the Agency, a memorandum of which Original Company Lease was submitted for recording in the Suffolk County Clerk’s office; and

WHEREAS, the Agency currently subleases the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of February 1, 2023 (the “**Original Lease Agreement**”), between the Agency and the Company, a memorandum of which Original Lease Agreement was submitted for recording in the Suffolk County Clerk’s office; and

WHEREAS, the Agency's exemption of the Facility from real property taxes, and the Company's obligation to make payments in lieu of taxes under the Original Lease Agreement, was intended to commence with the 2023/2024 tax year; and

WHEREAS, due to reasons outside of the control of the Agency or the Company, the Agency's exemption was not effectuated for the 2023/2024 tax year, and instead will commence with the 2024/2025 tax year; and

WHEREAS, the Company has requested the Agency to amend and modify the payment-in-lieu-of-tax payments, as described in the Original Lease Agreement (the "**Original PILOT Payments**"), in order to delay the start date of the Original PILOT Payments by one year, to begin in the 2024/2025 tax year, and to revise the schedule of payments in lieu of taxes to reflect the most up to date assessment information with respect to the Facility, as shown in Exhibit A hereto (the "**PILOT Amendment**"); and

WHEREAS, to provide for the PILOT Amendment the Agency and the Company will amend the Original Company Lease and the Original Lease Agreement pursuant to an Amendment and Modification Agreement, dated as of December 1, 2024, or such other date as may be determined by the Chairman or Vice Chair of the Agency and counsel to the Agency (the "**Amendment and Modification Agreement**"; and together with the Original Company Lease, the "**Company Lease**", and together with the Original Lease Agreement, the "**Lease Agreement**"); and

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

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

(d) The continued 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 continued leasing 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) The Amendment and Modification Agreement will be an effective instrument whereby the Agency and the Company agree to amend the Original Company Lease and the Original Lease Agreement to reflect the PILOT Amendment;

Section 2. In consequence of the foregoing, the Agency hereby (i) approves the PILOT Amendment, (ii) approves the form and substance of the Amendment and Modification Agreement, and (iii) authorizes the execution and delivery of the Amendment and Modification Agreement and such other related documents as may be necessary or appropriate to effect the PILOT Amendment.

Section 3. The form and substance of the Amendment and Modification 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) is hereby approved.

Section 4. Subject to the provisions of this resolution,

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

(b) The Chair, Vice Chair, or any member of the Agency is further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency.

Section 5. Subject to the provisions of this resolution, the Agency hereby authorizes and approves the following amendments to the Company Lease and the Lease Agreement of to reflect the PILOT Amendment (as set forth in the PILOT Schedules attached as Exhibit A hereof).

Section 6. Counsel to the Agency and Nixon Peabody LLP, Transaction Counsel to the Agency are hereby authorized and directed to prepare, for submission to the Agency, the Agency Documents described in the foregoing resolution.

Section 7. The Chairman, the Vice Chair, and any member of the Agency are each hereby authorized and directed (i) to distribute copies of this resolution to the Company, 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 8. This resolution shall take effect immediately.

VOTE: 5 Yes

NEW BUSINESS:

#36-24 RESOLUTION TO RATIFY DESIGNATING EFPR GROUP, CPA'S AS OFFICIAL AUDITING FIRM FOR THE RIVERHEAD IDA

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

RESOLVED, that the members of the board hereby ratify the approval of the auditing proposal with EFPR GROUP, CPA'S for the Agency and authorizes the Chairman to execute the engagement letters..

Vote: 5 Yes

#37-24 AUTHORIZES PUBLICATION OF NOTICE OF MEETING

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

RESOLVED, that the following Notice of Meeting shall be published once in The Riverhead News Review:

PUBLIC NOTICE

PLEASE TAKE NOTICE, that the meetings of the Riverhead Industrial Development Agency and the Riverhead IDA Economic Job Development Corporation (RIDA EJDC) shall take place on the first Monday of each month at 5:00pm at the Riverhead Town Hall, 4 West Second Street, Riverhead, New York. The annual meeting will take place during the February meeting of the calendar year. If a legal holiday should occur on the first Monday of a month then the meeting will be held on the second Monday of that month, unless otherwise amended by this Board. One additional meeting is scheduled at the end of March and only held as necessary to meet NYS deadlines.

All meetings will be aired live on Channel 22 and streamed on the Town of Riverhead Website www.Townofriverheadny.gov and available by Zoom.

The meetings will be recorded and minutes will be produced and posted as usual.

The Riverhead IDA and RIDA EJDC may add or remove items from the posted agendas upon its discretion without further notice. The order in which the agenda appears may also be changed at the discretion of the board.

Meeting notice changes are posted to the Riverhead IDA Facebook page and to the website as reasonably practicable.

**BY ORDER OF THE BOARD OF DIRECTORS
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**

2025 Meeting Schedule

January 6, 2025

February 3, 2025 Annual

March 3, 2025

March 24, 2025

April 7, 2025

May 5, 2025

June 2, 2025

July 14, 2025

August 4, 2025

September 8, 2025

October 6, 2025

November 3, 2025

December 1, 2025

Vote: 5 Yes

EXECUTIVE DIRECTOR'S REPORT

The Executive Director explained that the Agency is awaiting an amended application from 205 Osborn Avenue project. The Agency met with the investors and their counsel in October. In November, a follow up letter was sent which requested their presence during this meeting to provide the status of the project. The Agency did receive an amended app on the 26th, but it has not yet been reviewed.

In attendance, representing the project applicant, was Peter Curry from Farrell Fritz and Paul O'Brien the investors general counsel.

Paul O'Brien expressed to the board that there were two key items the investors sought to address in the aftermath of taking control of the 331 East Main St. project and the 205 Osborn project. The first was to ensure the comfort of residents at 331 East Main St, which was a stabilized, thriving project and to make certain of the project's continued success. While still gaining information from the financial institutions, insurance companies, stakeholders and vendors, he believes that they will continue to meet all its obligations to the IDA and community. They are still assessing the 205 Osborn project and the work that has been performed. They are investigating the draws taken from Dime bank which was financing the construction and trying to obtain a better understanding of what occurred with those monies to result in the mechanics liens. They are untangling what work was legitimately performed and what should be paid for, what was not performed, improperly requisitioned for or in some cases was drawn by G2D for purposes paying contractors who had interest in other projects with G2D where funds had stalled. They are unpacking the facts of what occurred and trying to communicate with the agency in real time, but are hesitant to put anything out there in public record or amended application which might be inaccurate or require further amendments at a later date. To that end, there is a time component for them to gather information which was at the repository of G2D, obtain it from a number of third-party sources which were initially reluctant to disclose certain information given the circumstances surrounding the exit of G2D from the project. He noted that the investors are committed to completing the project.

They requested time to get the project back on track.

Lee Mendelson asked about the experience of the investors who will be developing the project. He asked what the anticipated funding requirements will be and whether or not it will be properly funded to complete the project. Lee Mendelson also asked about the experience of the general contractor that has been retained to complete the project.

Mr. O'Brien explained that the investors have experience with several other projects with other IDA's throughout Suffolk and Nassau Counties. He stated that they have the capital and experience in working with ensuring all needs of the project are met. As to the contractor, Mr. McEvoy worked on parts of the 331 East Main St project, current projects in Westhampton, projects in the Town of Huntington and others. He believes they have put together an experienced and nimble team that is able to adapt to the situation they are dealing with given the inherited circumstances.

Lee Mendelson expressed concern about the general contractor's experience and requested information on the scope of work done at 331, as well as who sub contractors may be retained to complete 205. Lee Mendelson reminded Mr. O'Brien that the sub contractors must be duly licensed and insured. Lori Ann Pipczynski asked about the current work being done at the property. Mr. O'Brien relayed that when they came into control of the project they knew the building had not been attended to. Therefore, they worked quickly to clean exterior and to remove hazards. They needed an inspection of existing work to ensure what had already been done was not compromised. Next steps would be sheet rocking, additional prep to the exterior and that the project is prepared for additional interior and exterior work to meet the schedule to complete the project. Architect of record is going to remain the same. The new timeframe anticipates completion of project by June of 2025 with occupancy shortly after that. Chairman Farley asked where the project stands with the town at this time. Mr. O'Brien responded that they have a conditioned building permit for some work to continue.

The ED asked for information on the new management team for 331 East Main St. Arc Asset Management has been formed with principals who have extensive experience and several members are former G2D employees who have the familiarity with management and leasing of the properties. Arc uses a platform called Doorloop for lease and maintenance, rent collection etc. Every tenant is now on the platform for the service of their units. He noted the response from tenants has been positive. The retail tenant is occupying the space and will opt out as per their lease. They are currently marketing the space for a new tenant.

Chairman Farley reminded them that one of the obligations of the project specified a completion date of Dec 31, 2024 which is fast approaching.

Similarly, the Executive Director explained that a resolution to accept an amended application for Island Water Park (IWP) for the change in scope of the project was tabled due to some missing information within the amended application. Allison LaPointe from Certilman Balin spoke on behalf of the project. She stated that IWP submitted drafts with three rounds of comments from the agency. Some comments were misunderstood and they did not meet the timeline for submission. She expressed that they are working on the 21 items listed on the review, but still have 4 outstanding. The ED requested submission within 2 weeks.

Consideration to Accept Amended Application for Island Water Park dB Scott's Pointe Resolution #34-24

Douglas Williams motioned to table Resolution #34-24 until a more complete application has been submitted. Lee Mendelson seconded. Motion carried with 5 affirmative votes.

Seeing no further business, Lori Ann Pipczynski motioned to adjourn the meeting. Douglas Williams seconded. The meeting adjourned at 5:39pm

Dated: _____

Secretary/Ass