

Equal Time: The IDA does so much for Riverhead Town

by [Thomas Cruso](#) |
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BARBARAELLEN KOCH FILE PHOTO | The Riverhead Free Library was one example touted by Thomas F. Cruso of the good the Riverhead IDA has done.

On behalf of the Riverhead Industrial Development Agency board of directors, this piece is written to correct statements recently published in the [op/ed section of the News-Review](#). The agency believes it is important to disseminate accurate information about its operations.

- The agency has not induced any big box stores to open on Route 58.
- The agency, by law, is selective on what businesses it can and will induce.
- The executive director is not paid based on what tax abatements are granted.
- The agency is not supported by governmental subsidies.

If you are a patron of Riverhead Free Library or have been a patient at the newly remodeled and improved Peconic Bay Medical Center you have first-hand experience how a Riverhead IDA project can benefit our town. Yes, the expansion of the library and renovation and enlargement of Peconic Bay Medical Center were made possible through financing granted by the Riverhead IDA.

The more recent projects on Route 58 that are receiving real property tax abatements include a cancer care center, bringing innovative and state-of-the-art radiation therapy not currently available; the bowling and recreation center on Route 25, which was a blighted parcel for several years; and the first hotel to be built on Route 58.

These projects, respectively, received five-, seven- and 10-year abatements. Two older projects, an emergency veterinary clinic and a retinal care center, are fully on the tax rolls at the end of next year. Tanger Outlets has never received a real property tax abatement. Tanger received only a sales tax exemption for building materials and is now the highest taxpayer in Riverhead Town.

In keeping with the vision of the current administration, downtown has been the focus of the agency's attention. Without agency assistance, the town would not have the Long Island Aquarium & Exhibition Center, Summerwind Square, the Dark Horse restaurant and apartments, the renovated Suffolk Theater, Ralph's Italian Ices, Blue Duck Bakery and Papa John's, as well as the soon-to-be-revitalized former Woolworth Building.

A world-class hotel, the Hyatt, and an exhibition center were a new project connected to the former Atlantis Marine World Aquarium, now known as the Long Island Aquarium and Exhibition Center. Surely, no Riverhead resident can question that the aquarium has been the catalyst for downtown's revitalization, as well as the source for public infrastructure improvements to downtown that typically result from all IDA projects.

The "100 percent abatement" terminology leads the public to believe that businesses are not paying taxes to the town. On the contrary — and unlike with the Suffolk County IDA — standard Riverhead IDA projects continue to pay their current tax bill on the property, plus half of the increase in the taxes beginning the year after the company makes improvements to the property, which increases assessed value. The agency's standard policy gradually increases taxes over a negotiated period of time. (The standard is 10 years.) Additionally, by law, businesses pay all the other ad valorem taxes on their tax bills, as set by Riverhead Town. There are instances, particularly in downtown, where the agency has used its authority to grant greater benefits to a project in an effort to ensure a project's viability.

It doesn't take statistics to prove that the inducements are working. Nevertheless, the public can be confident that the agency is held to strict reporting requirements by New York State.

Additionally, the agency provides other services to the community. The agency initiated and hosts the East End Employment Expo, Workforce Development Symposium and other free events and seminars open to the public. In October, the agency will tackle the highly charged subject of health care by coordinating a health care symposium with Peconic Bay Medical Center and the Riverhead Chamber of Commerce.

Riverhead residents should know that many factors go into the decision to induce a project and negotiate a Payment in Lieu of Taxes (PILOT) agreement. The current administration appointed a new board that, over the last two years, has worked diligently to negotiate shorter benefit periods while still remaining competitive. The board members each reside, work and pay taxes within the Town of Riverhead. All board members are volunteers who do not receive a stipend for their efforts. There is no personal gain for the board to grant tax abatements.

We trust this information has provided the public with some facts and clarified the inaccuracies currently being written about the agency. We work hard to uphold the integrity and character of the agency for Riverhead and do not wish the public to be misled.

If you have questions regarding Riverhead IDA projects, please contact us.

Mr. Cruso is the chairman of the board of directors for the Riverhead Industrial Development Agency. He is writing on behalf of the entire board