

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

REPORT ON OPERATIONS

December 31, 2023

(Unaudited)

COMPLETED PROJECTS

The following is a summary of the Riverhead Industrial Development Agency's (Agency) projects closed or completed during the 2023 calendar year.

RD America, LLC

The Agency received an application for financial assistance from RD America, LLC dba 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, on behalf of itself and/or the principals of RD America, LLC for assistance in connection with: the acquisition of an approximately 65,250 square foot portion of an approximately 128,455 square foot building located on a portion of an approximately 21.89 acre parcel of land; the renovation of and equipping of the Demised Premises. The Facility will be 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. The estimated project cost is \$6,000,000. A public hearing was held, authorized and closed by February 2023.

Riverhead Housing, LP

The Agency received an application for financial assistance from Riverhead Housing, L.P., a limited partnership organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Riverhead Housing, L.P. in connection with the acquisition of an approximately 6.8 acre parcel of land located together with an affordable housing complex located thereon consisting of nine (9) two-story buildings totaling approximately 137,606 square feet, comprised of thirty-three (33) one-bedroom units, ninety-two (92) two-bedroom units, and ten (10) three-bedroom units. The estimated project cost is \$57,629,897. The facility will be leased and subleased by the Agency to the Company for its continued use by the Company as multifamily affordable housing and the Agency and the Company will execute and deliver to the Town of Riverhead IDA Economic Job Development Corporation (the “Issuer”), a Multifamily Fee and Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of a date to be determined in connection with the financing of the Facility . The public hearing was held on October 23, 2023. Financial Assistance was authorized in November and the project closed in December 2023.

PENDING APPLICATIONS

Landmark of Riverhead, LLC

The Agency received an application for financial assistance from Landmark at Riverhead, LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Landmark at Riverhead, LLC for assistance in connection with the acquisition of an approximately 0.2779 acre parcel of land, the demolition of an approximately 9,500 square foot existing building located on the Land, and the construction thereon of an approximately 43,989 square foot four-story building. The Facility will be leased and subleased by the Agency to the Company to be used as a residential apartment building, consisting of forty (40) one-bedroom units, five (5) two-bedroom units, and first floor specialty retail, restaurant and food hall/court. The proposed project costs are \$10,764,000. The agency accepted the application for processing and to call a public hearing in May of 2023. No further action has been taken.

203 Riverhead, LLC

The Agency received an application for financial assistance from 203 Riverhead, LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of 203 Riverhead and 203-213 East Main St. LLC, a limited liability company organized and existing under the laws of the State of New York as co-applicants for assistance in connection with the acquisition of an approximately 1.42 acre parcel of land, the construction thereon of an approximately 238,342 square foot five-story building which Facility will be leased and subleased by the Agency to the Company to be used as a residential apartment building, consisting of approximately fifty-two (52) studio units, approximately eighty (80) one-bedroom units, approximately thirty-three (33) two-bedroom units, and approximately 6,000 square feet of amenity and retail space on the ground floor . The project costs are estimated to be \$81,693,690. The Agency accepted the application in August and authorized a public hearing in November. A public hearing was held in December of 2023. There was a subsequent hearing held in February of 2024. No further action took place in 2023.

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Calverton Aviation and Technology, LLC

The Agency entered into a Preliminary Agreement in 2022 and an amended Preliminary Agreement in 2023 (to engage new counsel) between Calverton Aviation & Technology LLC, a limited liability company organized and existing under the laws of the State of Delaware and the Town of Riverhead Community Development Agency, a community development agency created under Section 680-c of the General Municipal Law which have jointly submitted an application to the Agency for assistance in connection with a multi-phase industrial development facility consisting of the acquisition and development of certain parcels of land aggregating approximately 2,106 acres located at Enterprise Park at Calverton. In October of 2023, the agency made certain determinations with respect to the proposed project and declined to provide financial assistance.

REFINANCES/BOND MODIFICATIONS/ASSIGNMENTS

During 2023, the following projects were refinanced or had bond modifications.

Calverton Addiction Treatment, LLC

Proceedings were held and the agency authorized a mortgage modification for Calverton Addiction Treatment, LLC the Agency did not authorize exemptions from mortgage recording taxes or any other financial assistance in connection with the Amendment and Modifications, and the Company shall pay mortgage recording taxes to the same extent as if the Agency were not a party to the Loan Documents.

Bradford Allen Hospitality Riverhead JV, LLC

The Agency received an application from Bradford Allen Hospitality Riverhead JV, LLC, a limited liability company organized and existing under the laws of the State of Delaware, on behalf of itself and/or the principals of Bradford Allen Hospitality Riverhead JV, LLC making a request for the Agency's consent to an assignment by Browning Hotel Properties. The request was for the (i) assignment by the Original Company of all of its rights, title, interest, duties, liabilities and obligations under the Existing Sale Agreement and the Existing PILOT Agreement, and certain other agreements in connection with the Facility to the Company and the assumption by the Company of all of such rights, title, interest, duties, liabilities and obligations of the Original Company... It was determined the Existing Sale Agreement will be assigned by the Original Company to the Company pursuant to a certain Assignment and Assumption of Sale Agreement, to be dated as of October 1, 2023, or such other date as may be determined with a purchase price for real property only in an amount of \$37,000,000.

John Wesley Village LP Following the closing on the Project in 2018, the Riverhead Board of Assessors (the "Board of Assessors") billed the Company \$789,000 in the 2019/2020 tax year, which the Company paid and subsequently filed suit against the Board of Assessors. John Wesley Village LP successfully challenged the Board of Assessor's assessment in a tax certiorari proceeding, and by court order the assessed value of the Facility had been reduced. The PILOT Agreement provides that, for any year taxes are charged during the term of the PILOT Agreement, PILOT Payments shall be reduced by a corresponding amount, and therefore the Agency was required to abstain from billing the Company for PILOT Payments until such time as the Company succeeded in obtaining a refund from the Board of Assessors, or the amount of unpaid PILOT payments equaled \$789,000. The Agency did not bill the Company for PILOT Payments during the 2019/2020 tax year, the 2020/2021 tax year, and the 2021/2022 tax year, for a total of \$225,000 in deferred PILOT Payments. As result of the refund the Company received from the tax successful challenge, the Executive Director and the Chief Financial Officer are hereby authorized to determine the amount of PILOT Payments that have been deferred to date, in the amount of \$225,000, bill for collection thereof.

Browning Properties

Browning Hotel Properties successfully challenged the Board of Assessor's assessment in a tax certiorari proceeding, and by court order the assessed value of the Facility has been reduced from \$5,054,000 to \$3,739,086. The Court Order provided that to the extent PILOT Payments in preceding years exceeds the amount due on the reduced assessment, such excess shall appear as a credit on the next future statement for PILOT Payments. Accordingly, the Agency Amended and Restated PILOT Agreement, further amending the Amended and Restated the PILOT Agreement in order to make adjustments to the PILOT Payments to reflect the reduced assessed value of the Facility, and applying a credit towards future PILOT Payments to reflect past overpayments. A public hearing was held in June and the Agency authorized the amendment in July.

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RETIRED PROJECTS in 2023

Woolworth Revitalization

Lenape/Drs Path

Suffolk Theater/Pike Realty

In 2024

1998 Peconic/Allied

30 West Main, LLC

THE AGENCY MARKETING

The Agency works closely with local economic development organizations, such as the Town of Riverhead Community Development Agency, the Riverhead Chamber of Commerce, Suffolk County Economic Development and Empire State Development agencies to market the Town of Riverhead as a business location. Cooperative meetings are arranged to provide incentive proposals to potential companies.

The Agency also works closely with regional and national economic development organizations and municipal economic development departments on Long Island. The Agency participates in the LIA's IDA Long Island Coalition to boost the cooperative efforts and marketing of the region.

Memberships to the New York State Economic Development Council not only provides exposure, but is a resource for leads and networking. The Agency coordinates regularly with the Suffolk County IDA's to corroborate on improving regulatory compliance as well as cooperative marketing ideas.

GENERAL BUSINESS

The Agency fields calls from real estate brokers, attorneys, and companies interested in establishing a presence in the Town of Riverhead who are seeking direction as to location, permitting processes and information regarding benefits and incentives.

The Agency Executive Director participates on the CTEA (Career & Technical Education Act 2009) Local Advisory Council for Suffolk County Community College to assist with the grant planning process toward workforce development efforts, participates on the Business Advisory Committee for the local municipality and has the experience and knowledge to handle inquiries for assistance programs offered outside those of the Agency; providing a one stop service for businesses.