

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

REPORT ON OPERATIONS

December 31, 2024

(Unaudited)

GENERAL OVERVIEW

Created and established in 1980 as a public benefit corporation, the Riverhead Industrial Development Agency's mission is to attract new businesses to Riverhead and to help existing Riverhead businesses expand their operations and remain in Riverhead. The Riverhead Industrial Development Agency seeks to advance the job opportunities, health, general prosperity and economic welfare of the people of the Town of Riverhead and to improve their standard of living.

The Agency serves businesses by providing financial assistance and incentives. It acts as the conduit through which transactions take place and as an aggressive pathfinder through the government/financial maze.

It has the authority to issue tax exempt or taxable Industrial Development Bonds, offer real property tax abatements, sales and compensating use tax exemptions, and mortgage recording tax exemptions. In addition, it assists business owners and developers in locating suitable sites for development.

COMPLETED PROJECTS

The following is a summary of the Riverhead Industrial Development Agency's (Agency) projects closed or completed during the 2024 calendar year.

203 Riverhead, LLC

The Agency received an application for financial assistance from 203 Riverhead, LLC, on behalf of itself and/or the principals of 203 Riverhead and 203-213 East Main St. LLC, 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 projected capital investment is \$81,920,683.. A public hearing was held in December of 2023. There was a subsequent hearing held in February of 2024. This project closed in May of 2024.

RD America, LLC

The Agency previously provided assistance to RD America, LLC d/b/a Restaurant Depot 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 for the renovation of and equipping of the demised premise. The 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. 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. A request for an amendment to delay the commencement of the PILOT was made and authorized. The PILOT was amended and instead commenced with the 2024/2025 tax year.

PROJECT TENANT APPROVALS

Several new subtenants were approved to fill vacancies within commercial space of a mixed-use projects in downtown.

- Suffolk Hospitality Group d/b/s Riverhead Brew House and Me Time With Tonya took occupancy in vacated commercial space within the Riverhead Apartments/Georgica Green Ventures building.
- Myles on Main took occupancy of vacated restaurant space within the Atlantis III project known as the Preston House.

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PENDING APPLICATIONS

Landmark of Riverhead, LLC

The Agency received an application for financial assistance from 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. Project is still in site plan review. No further action has been taken.

REFINANCES/BOND MODIFICATIONS/ASSIGNMENTS

Riverhead Village Preservation retired its 2005 Multi Family Revenue bond series in the amount of \$9,500,000 at the end of 2023.

AMENDED APPLICATIONS

Island Water Park

The Agency previously approved an application for financial assistance from Island Water Park Corp and Island Water Park Operations, LLC, in connection with: (a) the acquisition of an approximately 46 acre parcel of land, the construction of an approximately 75,000 square foot building thereon and the acquisition and installation therein of certain equipment and personal property; and which Facility is to be used as an indoor/outdoor extreme water sports park for a total capital investment of \$25,000,000. The Agency authorized the provision of financial assistance on November 8th, 2021. A closing was held on December 31, 2021.

In 2024, Island Water Park submitted an amended application to comply with site plan changes. The project application is still under review.

205 Osborn Avenue, LLC

The Agency previously approved an application for financial assistance from 205 Osborn Ave, LLC, with respect to a development located within a Railroad Avenue Urban Renewal Overlay District to demolish an existing approximately 13,000 square foot vacant building and construct an approximately 41,867 square foot building on approximately 0.48 acres of land. The facility will include a 37-unit apartment building comprised of highly-amenitized, market-rate, rental units. The ground floor of the facility will include a Work-smart Coworking Space Project cost is estimated to be \$19,593,827.00. Financial assistance was authorized by the Agency in July 2022 and the project closed September 2022.

205 Osborn Ave. LLC submitted an amended application to restructure the ownership and management of 205 Osborn Avenue, LLC as well as request an extension of the completion date and PILOT. The application is still under review.

RETIRED PROJECTS in 2024

Projects that have completed the benefit term and are fully on the tax rolls:

1998 Peconic/Allied Building Products

Thirty 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.

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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 Long Island IDA's to corroborate on improving regulatory compliance, as well as cooperative marketing and public relations.

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.

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. Subsequently the Town of Riverhead cancelled its contract with the Calverton Aviation and Technology, LLC which prompted the entity to initiate a lawsuit against the Town and the Agency. Litigation is pending.

During the course of 2024 the Agency relocated its offices into the authorizing municipality's facilities at 55 Columbus Avenue.

During 2024 there were 24 active projects, two projects under construction.

Capital Investment Reported for 2024 from active projects: \$ 21,146,456.10

Investment projection on projects closed 2024: \$ 81,920,683.

Jobs Reported for 2024: 1695