

MINUTES OF THE MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
July 13, 2020

Meeting was called to order at 5:05PM by Chairman Thomas Cruso.

Present: Thomas (Tom) Cruso, Chairman
Lori Ann Pipczynski, Vice Chairwoman
Bob Kern, Treasurer
Anthony (Tony) Barresi, Secretary
James Farley, Asst. Treasurer

Absent:

Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director
Richard Ehlers, Counsel

The Chairman moved to adopt the proposed agenda with amendments in the order of business. Bob Kern motioned to approve the amended agenda by addressing Old Business after considering the minutes and then the Presentations. Tony Barresi seconded. The agenda was adopted.

MINUTES

The Board moved to dispense with the reading of and voted on the June 1, 2020 meeting minutes.

#26-20 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF June 1, 2020.

Member Lori Ann Pipczynski offered the following resolution, which was seconded by Member Tony Barresi.

RESOLVED, the minutes of the meeting of June 1, 2020 as prepared and e-mailed be and are hereby approved, and

BE IT FURTHER RESOLVED, that 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

OLD BUSINESS: **Compliance Hearing on Woolworth Revitalization, LLC.** The ED explained the intent of the hearing is to determine if the project is in default for non-reporting compliance. Should the board determine the project in default, a remedy would be explored during a Governance Committee meeting and considered during the next board meeting.

Reza Ehbrahimi, counsel for Woolworth, addressed the board and noted that his client is not disputing being in compliance, but wanted the board to understand the difficulty in getting the information from multiple tenants. He noted that they will submit the report by the end of the month. Michael Butler, owner of Woolworth Revitalization, LLC requested the board review the compliance forms to see if they could reduce the amount of information required. Although the reporting due date was February 15th, he pointed to the pandemic having an impact on his ability to get the information from the tenants. He also noted the timing of the report comes at a difficult time for businesses to focus on because it is in the beginning of the year and the businesses have not even completed their tax returns yet. He noted that he understands it is a state determined timeline and that the IDA board may have little control over that. He also stated that the burden of submitting the reports should be on the tenant and not the landlord.

The ED noted that the forms have undergone minor changes over the last several years. In addition to additional information being requested by the State, the Town board and Agency board has added requested additional statistics to be collected. The Chairman requested to have the Governance Committee review the forms.

PRESENTATIONS:

PECONIC COUNTY BREWERY – The applicant is a proposed tenant for the Riverview Lofts aka Riverhead Apartments/Georgica Green Ventures. The ED explained that all the commercial tenants need approval of the board. Connie Lossandro introduced the owner of the newly formed entity, Jeffery Schaeffer. He briefed the board on his background, passion and intent with Peconic County Brewery. Peconic Brewery projects hiring around 25 new employees within a couple of years of operation. They will occupy approximately 6,500 sq ft of the rear of the building overlooking the river with open air lounge area type seating. Georgica Green also requested to assist the tenant with the use of the sales tax exemption previously granted to the project. This can be accomplished internally by the Agency by notifying the State Department of Taxation and Finance and is allowable under the current exemption so long as it does not exceed the previously granted amount. There are no additional benefits granted. The board approves the leases of the subtenants as well. Peconic Brewery is hopeful for a September opening. State licenses are all in order. He is waiting for a special use permit from the town.

The board moved to act on the consideration of the project.

#28-20 RESOLUTION APPROVES TENANT FOR GEORGICA GREEN VENTURES, LLC PROJECT aka RIVERHEAD APARTMENTS, LLC

Member Lori Ann Pipczynski offered the following resolution, which was seconded by Member Bob Kern

WHEREAS, Resolution #42-17, dated September 11, 2017 appointed Georgica Green Ventures, LLC and Riverhead Apartments, LLC Agents of the Town of Riverhead Industrial Development Agency and approved documents in connection with the provision of financial

assistance by the Town of Riverhead Industrial Development Agency to and Riverhead Apartments, LLC, and

WHEREAS, It was determined that the Agency shall provide Georgica Green Ventures, LLC and the Related Parties with financial assistance with respect to the Project, and

WHEREAS, All tenants shall be subject to Agency approval upon 60 days written notice by Georgica Green Ventures, LLC to the Agency, and

WHEREAS, Georgica Green Ventures, LLC has proposed to lease the premise to Peconic County Brewery, LLC and

WHEREAS, written notification and necessary documents have been provided to the Agency for application approval, and

WHEREAS, it is now desired to approve Peconic County Brewery, LLC as a tenant and as a related party to the approved Agent, Georgica Green Ventures, LLC.

RESOLVED that Riverhead Industrial Development Agency, does hereby approve Peconic County Brewery, LLC as tenant of Georgica Green Ventures, LLC, subject to the approval of necessary Town and State permits and the execution of a written agreement between the Agency, Georgica Green Ventures, LLC and Peconic County Brewery, LLC

Vote: 5 Yes

331 EAST MAIN ST., LLC

The ED introduced the applicants noting that the introduction to the project developers came at the Opportunity Zone Luncheon hosted by the Agency back in December of 2018.

Chris Kent, Counsel for the applicant, opened the presentation by describing the proposal. He introduced Nick Terzulli, counsel for the client who specializes in financial assistance. The project is for a 37,385 sq ft, 36 unit market rate apartment building on a .36 acre parcel site where the former Subway deli was located. The projected capital investment is projected to cost \$12,943,851. It will be a four story building with covered terraces and a rooftop lounge area with other high end amenities. It includes 36 onsite parking spaces and will be pet friendly. They will be installing individual Merv air systems to address the concerns with air quality that have arisen during the pandemic. Mr. Kent submitted colored elevations to the board and informed the board that they have worked out a parking strategy with the aquarium to mitigate issues during construction. The principals behind the project are Greg DeRosa and Bobby Walsh from G2D Development and participated through virtual attendance. The developers explained that the project will encompass the demolition of 2 vacant buildings that are currently assessed at 81,800 and pay \$17,900 in taxes. The TOR Assessors estimated a new assessment value at 793,400, which is a 900% increase over the current use according to Mr. Kent. The developers historically focus on downtown development with best in class typically encompassing some form of mixed use. They have projects in Huntington Station, Huntington Village, Port Jefferson, Garden City and East

Meadow. They submitted a market study that establishes a need for housing for Riverhead. They project 125 construction jobs and 2 FTE when operational. G2D is the property management company which started in 2007 and they will be operating the building. Mr. DeRosa noted that the use of Opportunity Zone Funds creates a lasting relationship in the investment. They are near preliminary approval and wish to start construction around Labor Day. The applicant will be requesting assistance for the first market rate apartment building in downtown with sales tax, mortgage recording tax and real property tax deferment.

CORRESPONDENCE: None

TREASURER'S REPORT:

Cash Balance in as of June 30th	\$20,158.66
Money Market	\$170,426.01
Revenue for May	\$2,579.27
Profit and Loss	\$-12481.25
Total Expenses Paid	\$12,307.04

#27-20 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF June 1, 2020

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 June 1 to June 30, 2020 as attached,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated July 3, 2020 covering the month of June, be and are hereby accepted and expenses as listed are authorized for payment.

Member Anthony Barresi made a motion to accept Treasurer's Report, which was seconded by Member James Farley. **Motion approved.**

VOTE: 5 Yes

COMMITTEE REPORTS:

Audit: None

Governance Committee: None

Finance Committee: None

NEW BUSINESS: None

EXECUTIVE DIRECTOR REPORT:


The Agency received notice from the LI Aquarium and Exhibition Center that they will be applying for a building permit to make an alteration for the construction of what they are calling the "Eye Opener Jungle Gym" consisting of decks and platforms of challenges and learning on the site of the former Discovery Mast Ride. The Mast Ride had come into disrepair and they needed to deconstruct it. As they continue to be innovative, the Aquarium is making creative reuse of the space to continue to be viable and successful. They will likely need the agencies approval for the building permits. The Board members were all in agreement. The Agency was successful in assisting getting the Aquarium opened earlier than anticipated within the COVID phases. They are staying within the parameters of 25% capacity, so they are not out of the woods by any means.

The Town Square vision and purchasing are being led by the CDA since the Town is slated to purchase the properties, but the Agency role has been a resource for the financial structuring of the deal. The agency has used the National Development Council to create financial models for our projects and in making this introduction to the town hopes to assist in the financial structuring and justifying the public investments in the site by the town. In addition, the agency will likely be an integral part of the public private partnership crafted to assist in the selection process for a private developer. The CDA and IDA have already been meeting with interested developers.

The ED explained that she has been attending numerous virtual webinars and meetings in an effort to stay informed of all the economic incentives and health protocols being implemented as a result of COVID. LIBDC has been permanently postponed until 2021.

Seeing no further business, Bob Kern motioned to adjourn the meeting. Anthony Barresi seconded. The meeting adjourned at 6:06pm

Dated: 8/24/2020


Secretary/Asst. 