

**MINUTES OF THE MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**

May 3, 2021

Meeting was called to order at 5:05PM by Chairman James Farley.

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

Absent:
Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director
Richard Ehlers, Counsel
Tim Hubbard, TOR Liaison (Virtual)

Lori Ann Pipczynski moved to adopt the proposed agenda.. Anthony Barresi seconded. The agenda was adopted.

MINUTES:

The Board moved to dispense with the reading of and voted on the March 29th and April 5th 2021 meeting minutes.

#23-21 RESOLUTION APPROVES MINUTES OF REGULAR MEETINGS OF March 29th, and April 5th, 2021. Member Tom Cruso offered the following resolution, which was seconded by Member Bob Kern.

RESOLVED, the minutes of the meeting of March 29 and April 5, 2021 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

At this point the Chairman took the agenda out of order to address New Business items beginning with the request for tenancy at the project known as Mirah Max.

NEW BUSINESS:

Consideration of tenant, Antiqua Café, to replace the operations at the Blue Duck Bakery location. Proprietor Mary Ellis Nunez and her Attorney Mark Easton were represented as well as the property owner Ike Israel. Mr. Easton explained that the principal's family has operated a number of food establishments in the area. She would like to open a bakery/restaurant serving small plates of sandwiches, tacos, burritos and would like to obtain a beer and wine license. They have been trying to open for over a year. Ms Nunez is actually taking it over from some other family member that has been trying to open the storefront. They hope to employ 4 people the first year. The operation will be a sit down restaurant with a bar. They have operated and currently operate the Village Deli, which is across the street from the proposed project. Reporting requirements were discussed. The timeline for opening is targeted for the end of May.

The board questioned "the bar" aspect of the proposal. Counsel explained that a "bar" is not considered a nuisance use and therefore allowed. Mary Ellis stated that there will be about 6 bar seats. She denied any violations with any authority in Suffolk County at any of the other family establishments. The Chairman asked if the establishment was to be operated primarily as a bakery and café or a bar? Mr. Easton explained that it will primarily be operated as a bakery/café where you can get beer and wine if the liquor license is obtained. She is anticipating 20 seats, but the location has prior approval for 45 seats.

#26 RESOLUTION APPROVES TENANT FOR MIRAH MAX PROJECT

Bob Kern offered the following resolution as amended, which was seconded by Anthony Baressi.

WHEREAS, Resolution #15-12, dated February 6, 2012 appointed Mirah Max, LLC Agent 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 Mirah Max, LLC, and

WHEREAS, It was determined that the Agency shall provide Mirah Max and the Related Parties with financial assistance with respect to the Project: (i) the provision of an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property by the appointment of Mirah Max as agent of the Agency with respect to the renovation and reconstruction of the building, purchase and installation of equipment in the building and the making of payments in respect of such purchases in the name of the Agency in accordance with the terms of this resolution, and (ii) an abatement of real property taxes by granting an abatement of real property taxes attributable to any increase in

assessed value of the real property comprising the Project over the present assessed value of such real property (\$70,400.00) subject to the following: This agreement shall be for five years subject to a five year renewal in the event that more than 50% of floor area of the property is rented to Agency approved tenants and none of the premises are rented to unapproved tenants, and

WHEREAS, All tenants shall be subject to Agency approval upon 60 days written notice by Mirah Max to the Agency. Said written notice by Mirah Max to the Agency shall be made 60 days prior to occupancy by proposed tenant which notice shall include a copy of the proposed lease, complete Agency application completed by the proposed tenant and a written narrative describing the proposed use.

WHEREAS, the formerly approved tenant known as Blue Duck Bakery, has terminated its lease agreement with Mirah Max, LLC leaving the premise now vacant, and

WHEREAS, the proposed tenant, Antigua Café, Inc. made an application and necessary documents have been provided to the Agency for approval, and

WHEREAS, it is now desired to approve Antigua Café, Inc. as a tenant and as a related party to the approved Agent, Mirah Max, LLC.

RESOLVED by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, do hereby approve Antigua Café, Inc as an eligible recipient to the financial assistance made available as a tenant to the directly appointed Agent, Mirah Max, LLC,

BE IT FURTHER RESOLVED: That this Resolution shall not take effect until Mirah Max and Antigua Café, Inc enter into a written agreement with the Agency acknowledging their obligation to provide information pursuant to section 6.5 of the Lease as entered into between the Agency and Mirah Max LLC dated February 10, 2012 and copies of all necessary use and health permits

filed with the Agency as well as a copy of the NYS liquor license application and approval will be supplied to the Agency upon approval.

Vote: 5 Yes

Bryan Deluca from Atlantis Aquarium requested an extension of a sales tax exemption that was previously granted in 2019, but due to the pandemic was not able to use to its full authorization.

The board then considered RESOLUTION #28-21 AUTHORIZES EXTENSION OF SUPPLEMENTAL SALES AND COMPENSATING USE TAX EXEMPTION AGREEMENT WITH ATLANTIS HOLDING COMPANY, LLC AND AFFILIATED COMPANIES

Lori Ann Pipeczynski offered the following resolution, which was seconded by Bob Kern.

WHEREAS, pursuant to proceedings held by the Agency, and resolution adopted January 14, 2019, Financial Assistance for a \$4,349,486 combined heat and power facility, roof repairs and building rehabilitation Project was granted to Atlantis Holding Company, LLC, Atlantis Marine World, LLC and Affiliated Companies ("Atlantis"), as more particularly set forth therein, consisting of a sales and compensating use tax exemption on goods and services in an amount not to exceed \$3,472,212. for a tax exemption not to exceed \$299,478.31, and

WHEREAS, the Agency and Atlantis duly entered into a certain "Supplemental Sales and Compensating Use Tax Exemption Agreement dated January 15, 2019" (Supplemental Agreement) which is in full force and effect, and

WHEREAS, due to the negative effect of the Global Covid 19 Pandemic, Atlantis has been unable to complete the Project due to the State of Emergency declared by the Governor, and

WHEREAS, Atlantis has requested, in writing filed with the Agency, an extension of the previously authorized, but unused sales and compensating use tax exemption from January 15, 2021 through January 15, 2023 in the amount of \$105,554.84., which request has been duly considered by the Agency, and

WHEREAS, a public hearing was previously held prior to granting the financial assistance set forth in the Supplemental Agreement, and no further hearing is required or necessary to grant such extension of the previously authorized exemption.

NOW, THEREFORE, BE IT RESOLVED, that exemption for sales and compensating use tax set for the Supplemental Agreement between the Agency and Atlantis is hereby retroactively extended from January 15, 2021 through January 15, 2023 and the date to which the Project shall be placed in service is hereby extended to January 15, 2023, and

BE IT FURTHER RESOLVED, that Atlantis Holding Company, LLC and Atlantis Marine World, LLC shall execute the attached affidavit attesting to the accuracy of this Resolution and consent and agree to the terms of this Resolution, and

BE IT FURTHER RESOLVED, that Atlantis shall pay the Agency fee of \$250. and any Agency attorney fees upon execution of the attached affidavit, and the Executive Director shall issue and execute the necessary Sales Tax Agreement and New York ST60.

Vote: 5 Yes

Counsel explained that correspondence was received from Island International Exterior Fabricators requesting that the operating entity used by the Island Companies and reflected in the Agency documents be replaced by a new operating entity as part of succession planning. Counsel explained that there are two sides to this. There is getting the legal paperwork in the right order which is an assignment and assumption agreement. Then there is the conceptual approval by the Agency that the Island International would be replaced with Island Exterior. With regard to the Real Property at 400 Burman Boulevard and the Scott Avenue Property, there is no change in the ownership of the entities. The real property tax abatement is not affected. It is just the operating and the payroll entities that are impacted, so the Agency does not need to file anything with the assessors. The lease has been amended on the rental property at 393 Burman Blvd., but does not affect real property tax abatement because the agreement with the Agency spread the exemption for property tax purposes over the other real properties. This was done because we could not put an exemption on the leased parcel without complicating things with owner of the leased parcel. Jeff Robinson, CFO for the Island Companies agreed that they were doing succession planning and put all of their shop labor in the same entity that all of the contracts were in and made it a cleaner transaction by having all fabrication in the contract holding entity. The Island Exterior Fabricators LLC entity has been in existing since 2016 and was in the original application, but not as the employer. It held the contracts. He stated that the ownership of the real estate entities has not changed and no deeds have been filed. Guarantees will continue and Mr. Harms will be added as well. The project scope remains the same.

RESOLUTION #27-21 AUTHORIZES ASSIGNMENT AND ASSUMPTION AGREEMENT REGARDING CAL 81 REALTY LLC DESIGNATING ISLAND EXTERIOR FABRICATORS LLC IN THE PLACE AND STEAD OF ISLAND INTERNATIONAL EXTERIOR FABRICATORS LLC, AS OPERATING ENTITY OF THE FACILITY

Tom Cruso offered the following resolution, which was seconded by Bob Kern.

WHEREAS, the Riverhead Industrial Development Agency has held proceedings to provide financial assistance for the manufacturing facility operating at 1101 Scott Avenue, Calverton, New York (SCTM# 0600-135.10-1.00-2.00) (the "Facility") which is owned by Cal 81 Realty LLC ("Cal 81") and operated by Island International Fabricators LLC, "International Fabricators") pursuant to resolution adopted February 22, 2019 by the Agency, and

WHEREAS, the Facility is currently in service and in compliance with all Agency requirements of supervision and control, and

WHEREAS, by correspondence dated November 30, 2020, Jeffrey M. Robinson, Chief Financial Officer, has requested Agency approval that Island International Exterior Fabricators LLC will no longer be the operating entity of Facility and that Island Exterior Fabricators LLC ("Exterior Fabricators") will operate the facility due to secession planning and payroll processing considerations, and

WHEREAS, the Real Property Tax Abatement granted by the November 30, 2019 Resolution will remain in full force and effect since the fee ownership of the real property at 1101 Scott Avenue and Agency Leases will remain in full force and will not be effected by the requested change in the operating entity, and

WHEREAS, the Agency has duly considered the request and determines that the assignment and assumption of the operation of the Facility by Exterior Fabricators is acceptable and should be approved.

NOW, THEREFORE, BE IT RESOLVED, that the Assignment and Assumption of the obligations and duties to manage the Facility from Island International Exterior Fabricators LLC to Island Exterior Fabricators LLC is hereby approved subject to the terms and conditions set forth herein, and

BE IT FURTHER RESOLVED, the Chairperson or Vice Chairperson of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Assignment and Assumption Agreement, and

BE IT FURTHER RESOLVED, that the personal Guaranty of Timothy W. Stevens, Managing Member of Cal 81 Realty LLC shall be continued and an additional personal Guaranty, in form acceptable to the Agency, shall be entered into and executed by Edward Harms, Managing Member of Island Exterior Fabricators LLC, and

BE IT FURTHER RESOLVED, that the Agency fee for assignment and assumption of \$4,000. and associated legal fees of the Agency shall be paid by Cal 81 Realty LLC.

Vote: 5 Yes

RESOLUTION #27A-21 AUTHORIZES ASSIGNMENT AND ASSUMPTION AGREEMENT REGARDING 400 BURMAN BOULEVARD LLC DESIGNATING ISLAND EXTERIOR FABRICATORS LLC IN THE PLACE AND STEAD OF ISLAND INTERNATIONAL EXTERIOR FABRICATORS LLC, AS OPERATING ENTITY OF THE FACILITY

Thomas Cruso offered the following resolution, which was seconded by Bob Kern.

WHEREAS, the Riverhead Industrial Development Agency has held proceedings to provide financial assistance for the manufacturing facility operating at 400 Burman Boulevard, Calverton, New York (SCTM# 0600-135.02-01.00-24.00) (the "Facility") which is owned by 400 Burman

Boulevard LLC ("400 Burman") and operated by Island International Fabricators LLC, "International Fabricators") pursuant to resolution adopted February 22, 2019 by the Agency, and

WHEREAS, the Facility is currently in service and in compliance with all Agency requirements of supervision and control, and

WHEREAS, by correspondence dated November 30, 2020, Jeffrey M. Robinson, Chief Financial Officer, has requested Agency approval that Island International Exterior Fabricators LLC will no longer be the operating entity of Facility and that Island Exterior Fabricators LLC ("Exterior Fabricators") will operate the facility due to secession planning and payroll processing considerations, and

WHEREAS, the Real Property Tax Abatement granted by the November 30, 2019 Resolution will remain in full force and effect since the fee ownership of the real property at 400 Burman Boulevard and Agency Leases will remain in full force and effect and will not be effected by the requested change in the operating entity, and

WHEREAS, the Agency has duly considered the request and determines that the assignment and assumption of the operation of the Facility by Exterior Fabricators is acceptable and should be approved.

NOW, THEREFORE, BE IT RESOLVED, that the Assignment and Assumption of the obligations and duties to manage the Facility from Island International Exterior Fabricators LLC to Island Exterior Fabricators LLC is hereby approved subject to the terms and conditions set forth herein, and

BE IT FURTHER RESOLVED, the Chairperson or Vice Chairperson of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Assignment and Assumption Agreement, and

BE IT FURTHER RESOLVED, that the personal Guaranty of Timothy W. Stevens, Managing Member of Cal 81 Realty LLC shall be continued and an additional personal Guaranty, in form acceptable to the Agency, shall be entered into and executed by Edward Harms, Managing Member of Island Exterior Fabricators LLC, and

BE IT FURTHER RESOLVED, that the Agency fee for assignment and assumption of \$4,000. and associated legal fees of the Agency shall be paid by 400 Burman Boulevard LLC.

Vote: 5 Yes

RESOLUTION #27B-21 AUTHORIZES ASSIGNMENT AND ASSUMPTION AGREEMENT REGARDING LEASE OF REAL PROPERTY LOCATED 393 BURMAN BOULEVARD, CALVERTON, NEW YORK DESIGNATING ISLAND EXTERIOR FABRICATORS LLC IN THE PLACE AND STEAD OF ISLAND INTERNATIONAL EXTERIOR FABRICATORS LLC, AS TENANT AND OPERATING ENTITY OF THE FACILITY

Tom Cruos offered the following resolution, which was seconded by Bob Kern.

WHEREAS, the Riverhead Industrial Development Agency has held proceedings to provide financial assistance for the manufacturing facility operating at 393 Burman Boulevard, Calverton,

New York (part of SCTM# 0600-135.10-01.00-16.00) (the "Facility") consisting of approximately 153,000 rentable square feet operated by Island International Fabricators LLC, "International Fabricators") pursuant to resolution adopted February 22, 2019 by the Agency, and

WHEREAS, the Facility is currently in service and in compliance with all Agency requirements of supervision and control, and

WHEREAS, by correspondence dated November 30, 2020, Jeffrey M. Robinson, Chief Financial Officer, has requested Agency approval that Island International Exterior Fabricators LLC will no longer be the operating entity of Facility and that Island Exterior Fabricators LLC ("Exterior Fabricators") will operate the facility due to secession planning and payroll processing considerations, and

WHEREAS, the terms and conditions contained in the November 30, 2019 Resolution will remain in full force and effect since the use of the real property at 393 Burman Boulevard will not be effected by the requested change in the operating entity, and

WHEREAS, the Agency has duly considered the request and determines that the assignment and assumption of the operation of the Facility by Exterior Fabricators is acceptable and should be approved.

NOW, THEREFORE, BE IT RESOLVED, that the Assignment and Assumption of the obligations and duties to manage the Facility from Island International Exterior Fabricators LLC to Island Exterior Fabricators LLC is hereby approved subject to the terms and conditions set forth herein, and

BE IT FURTHER RESOLVED, the Chairperson or Vice Chairperson of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Assignment and Assumption Agreement, and

BE IT FURTHER RESOLVED, that the personal Guaranty of Timothy W. Stevens, Managing Member of Cal 81 Realty LLC shall be continued and an additional personal Guaranty, in form acceptable to the Agency, shall be entered into and executed by Edward Harms, Managing Member of Island Exterior Fabricators LLC, and

BE IT FURTHER RESOLVED, that the Agency fee for assignment and assumption of \$4,000. and associated legal fees of the Agency shall be paid by Island Exterior Fabricators LLC.

Vote: 5 Yes

The Chairman returned to the regular order of the agenda.

PRESENTATION: Island Water Park

The Executive Director reminded the board that this project has been in the system for many years. The proposed project has been subject to many delays and transitions, but is nearing local approval and now seeks to finalize financial assistance from the Agency.

Representing the project and in attendance virtually were Eric Scott the sole principal, Ken Meyers Director of Food Beverage and Special Events for Island Water Park, Brendan DiRiggi and Daniel Baker from Certilman Balin.

Daniel Baker gave an overall description of the project and its proposed timeline. This will be a waterpark destination unrivalled on LI with 46 acres, a 20 acre manmade lake and a 75,000 square foot indoor facility attracting visitors from all over the Tri State area. The facility will house an indoor wave pool, rock walls, ax throwing, bumper cars, restaurant, spa, closed circuit TV system, outdoor volleyball, obstacle course, bumper boats and waterslides. There will be a pro shop and show room for fly boards. Outdoor zip lining and wakeboarding will be a focus. They will be able to host regional and national competitions. The property was acquired property in 2003 and has taken some time to go through the planning process after hitting numerous hurdles. At this point the project is awaiting an amended site plan approval slated for May 19th. Then they will be ready to complete the park with an anticipated opening in September 2021. Much has been completed but there is much to do. So far \$15 million has been expended and they project as much as another \$15 million necessary to become fully operational. Projecting 350 jobs both fulltime and seasonal and 35 full time construction jobs. They are seeking mortgage recording tax exemption on a \$10 million dollar loan (approximately \$75,000), sales tax exemption in the amount of approximately \$1.3 million and a 20 year pilot due to the amount of project and operational costs once up and running. They believe the economic impacts to the community and region analyzed in the economic impact study supports the requested financial assistance.

Ken Meyers introduced himself as the Director of Hospitality. He has been in the hospitality industry for over 30 years. For the last 10 years he has focused on rehabilitation of restaurants and venues that have underperformed in quality earnings and reputation and has been successful by implementing a community development program with local partnerships. They intend on working with local educational facilities for interns. Level of employment is a full range. Eric Scott then briefed the board on his background and his love for providing fun for kids. This park has been a dream of his for some time. He specializes in water sports. He explained that he has over 25 businesses up and down the East Coast in the wake board and boating business. Mr. Scott noted that there will be a discount for Riverhead residents. He explained that he has a team of professionals that have experience in the industry. One team member, has opened 40 theme parks across the country including Urban Air in Ronkonkoma. The Bios will be supplied in the completed application. The restaurant will be able to seat 180 indoor seats and will be approximately 3000 sq ft in size. The applicant will also supply financials and job descriptions with the final application. Counsel explained that given the timeline and taxable status date, the PILOT would not impact the upcoming years' taxes. The board also requested renderings from the applicant.

CORRESPONDENCE: There was no correspondence

TREASURER'S REPORT:

Cash Balance in as of April 30 th	\$ 101,677.90
Money Market	\$ 45,572.11
Revenue for April	\$ 4,012.52
Profit and Loss	\$ -21,035.88
Total Expenses Paid	\$ 30,047.53

#24-21 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF May 1, 2021

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 April 1 to April 31, 2021 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated May 1, 2021 covering the month of April be and are hereby accepted and expenses as listed are authorized for payment.

Member Tom Cruso made a motion to accept Treasurer's Report, which was seconded by Member Bob Kern. **Motion approved.**

VOTE: 5 Yes

The Chairman requested a cash basis report for expenses in addition to the accrual.

COMMITTEE REPORTS:

Audit: None

Governance Committee: None

Finance Committee: None

OLD BUSINESS: The ED clarified the late penalties applied to the City Cider project to allow the board to deliberate the request for leniency on the penalties. The penalties applied according to general municipal law should not be alleviated, however, there are charges by the Agency that can be waived by the board. The board noted that although the client does not have a prior history of non-compliance, a late pilot rises higher than the level of submitting the compliance report because it is taxes going to the taxing jurisdictions. Additionally, the governance committee goes to great lengths to set policy and inform the clients of repercussions if they are late. Additionally, the ED made numerous attempts to remind the client that the pilot was due. The board decided that a fair assessment would be to reduce the Agency fee by 2.5% and maintain the \$1000 administrative fee.

RESOLUTION #25-21 RESOLUTION CONSIDERING REQUEST FOR LATE PILOT PAYMENT WAIVER J KING REALTY/CITY CIDER, LLC

Bob Kern offered the following resolution which was seconded by Anthony Baressi.

Whereas, the Agency has in place a Fee Waiving Policy, and

Whereas, Susan Findlay on behalf of J King Realty aka known as City Cider has submitted a request to waive the late pilot payment penalty fees implemented in accordance with NY GML Title 1 874(5) and the Riverhead Industrial Development Agency Late Pilot Payment Policy, and

Whereas, the board has determined that the project has been in good standing, and

Whereas, the applicant has provided a reasonable explanation for the late payment, and

Whereas, the board has determined that the request to waive the late pilot penalty fees imposed according to NY GML Title 1 874(5) is inconsistent with the board policy, and

Whereas, the board has determined to maintain the penalty imposed by GML and the Agency administrative fee but to reduce the Agency imposed 5% penalty to 2.5%, and

Now, Therefore, Be it Resolved, that J King Realty/City Cider, LLC be notified that the request to waive the late Pilot Penalty Fee has been reduced and to promptly remit the payment due.

Vote: 5 Yes

EXECUTIVE DIRECTORS REPORT

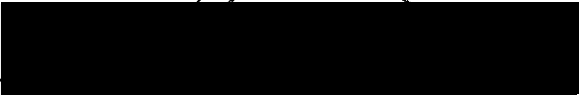
The ED reported that there is no update on 48 Kroemer, but has heard from Hildreth Advisors and the Agency is anticipating an application.

The TOD RFQ has been extended to May 28th and the Town Square zoom meeting open to the public will reveal the conceptual drawings for the Town Square. She briefed the board on a couple of industrial projects that the Agency is working with.

VOTE: 5 Yes

Seeing no further business, Anthony Baressi motioned to adjourn the meeting. Lori Ann Pipczynski seconded. The meeting adjourned at 6:32pm

Dated: 7/19/21


Secretary/Asst.