

**48 Kroemer LLC: 2022 Riverhead Industrial Development Agency Application Summary  
Wholesale Propane Facility with Small Business Office and Industrial Shared Space including  
Full-Service Small Business Entrepreneurial Space with Logistics & Infrastructure Capacity Support**

48 Kroemer LLC, wholly owned by Frank Fisher, is a new entity formed in 2017 for the purpose of acquiring and redeveloping the property site located at 48 Kroemer Avenue, Riverhead, New York, 11901 (**SCTM#: 600-119-1-32.1**) in order to relocate and immediately house 3 existing businesses. 48 Kroemer LLC requests incentives from the Riverhead Industrial Development Agency (**RIDA**) to redevelop this 4.045-acre industrial property as the project cost estimated at a total investment of **\$15,704,204** would be prohibitive to the applicant moving forward without RIDA assistance. The Riverhead site is far more well suited for the economic health and growth of several tenant companies given space constraints on the existing location. One business (631 Propane) cannot expand as current zoning does not allow for a propane facility.

**Proposed Facilities to be Developed:**

- One **38,472sf Industrial Building** (2 stories with basement) including:
  - General Office Small Business Entrepreneurial space (13,000sf) including:
    - 15 Offices
    - 12 Workstations
    - Shared operational/meeting space (conference room, kitchen, filing, copying)
    - Logistical support onsite for all business office needs (attorney, accountant, marketing, printing, call center)
  - Nine (9) Commercial Rental Industrial Bays (13,000sf) targeting plumbing
  - Additional parking and Mini Storage (13,000sf) for tenants in the basement

**Proposed Uses:** The site will immediately house and expand capabilities of three (3) existing businesses (approximately 4,135sf of developed office space, 1,166sf Industrial Bay & 1.5 acres outdoor yard space) affiliated with the applicant:

1. **48 Kroemer LLC:** (25% of 4,135sf office) - real estate holding company
2. **631 Propane LLC:** (25% of 4,135sf office space; 1,166sf Industrial; Bay1.5 acres yard space)
  - a. State-of-the-art wholesale Liquid Propane Facility including
  - b. Six (6) 30,000-gallon tanks total 180,000 gallons
3. **Go Green Sanitation LLC:** (25% of 4,135sf office) - sanitation service for residential & commercial waste
4. **Fisher Organization LLC:** (25% of 4,135sf office) - rental property owner/management

**Need:** The availability of high-quality, full-service entrepreneurial space with full business logistical support is virtually non-existent in Riverhead and will provide enhanced capacity to our local small business entrepreneurs. We propose a unique model of fractional sharing in-house professional staff that will provide small businesses with affordable and readily available access to legal, accounting, marketing, branding, call center and printing services. For new and small businesses, the

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proposed project is responsive to the needs of small businesses for easy and economical access to a full suite of professional services so entrepreneurs can focus on business growth. The Project is located within a HUD designated LMI.

**Taxes/Abatement.** Applicant requests the following RIDA incentives:

- 1) Exemption from NYS sales tax (estimated benefit \$848,805). The estimated sales and use tax exemption figure represent the maximum amount eligible for exemption for construction materials, building systems and furnishings.
- 2) Exemption from Mortgage Recording Tax (estimated benefit \$75,000)
- 3) Real property tax, 100% abatement on all improvements for 10 years. The 4.045-acre parcel currently generates \$22,188.45 in property taxes; the proposed project will significantly increase taxes generated by the site over the long-term, resulting in a substantial increase in revenues distributed to the taxing jurisdictions.

**Economic Benefits of Project:**

**Construction Jobs:** Direct construction cost investment of \$9,748,672 (\$6,915,737 new construction; \$2,832,935 site work) into Riverhead over the next 12-18 months will employ approximately 150 area workers.

**Direct Jobs:** (See table below.) The committed proposed users will employ a projected 54 jobs within 5 years of construction completion with new average salaried jobs of \$70,000 and hourly wage earners exceeding \$50,000.

**Proposed Job Descriptions:** Drivers, Maintenance, Installers, Machine Operators, Sales, Service, and Administrative.

**48 Kroemer LLC**, the real estate holding company will employ building & grounds, office and administrative positions

**631 Propane LLC**, the wholesale liquid Propane facility. will employ drivers, sales, service, and administrative positions.

**Go Green Sanitation LLC**, the sanitation service, will employ drivers and administrative positions.

**Fisher Organization LLC** real estate holding, and management will employ building management; maintenance; groundskeepers; administrative assistants; and marketing/leasing.

**Indirect Jobs:** Approximately 39 secondary jobs by occupant businesses of available vacant office/industrial space:

- **Multi-user Office Space:** 15 offices@ minimum 1 Employees=15 secondary jobs. The project will host flexible full-service office space to support 20-30 small businesses and entrepreneurs.
- **Industrial Bays:** 8 Commercial Rentals@3 Employees=24 secondary jobs. Target industries are plumbing related.

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**Shared Full-Service Office Space:** The office space will provide tenant businesses with full-service shared business infrastructure and logistics in the style of an “incubator” to service the tenant businesses at fractional cost. The full-service office space will offer shared conferencing, filing, copying, kitchen, and other Class A office facilities. Additionally, the office will offer a full suite of on-site business logistical resources including housing an Attorney, an Accountant, a Call Center with 2 staff, as well as onsite Branding, Marketing and Printing services for tenant businesses to access.

**Project Community Benefits:**

- Local energy security – the Liquid Propane (LP) facility will secure LP availability to the local community in the event of supply chain disruption such as the recent pipeline hack that severely impacted availability of LP area supply.
- The project and its tenants will drive additional investment into the Riverhead business community and new diverse small business employment opportunities.
- Environmental restoration of one acre of the property under DEC guidance.
- New sidewalks along Kroemer Avenue.
- Three (3) classic rail cars donated to the Riverhead Railroad Museum.
- Supports Entrepreneurial Small Businesses and lowers barrier to entry to market.

**School Impact:** At full build-out and phase in of new tax revenue the project is estimated to generate approximately \$190,000 in tax revenue on an annual basis without adding any expenses toward the Riverhead CSD.

**Current Underutilized Site Use.** Currently the site is unoccupied (previously operated as a metal machining shop). The property currently has one vacant dilapidated building built circa 1947 to 1957 to be razed. RIDA incentives are requested to incentivize construction of a new state of the art liquid propane distribution facility with a 38,472 sf industrial building.

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**Measures of Growth and Benefits Job Summary:**

**Committed Tenants:**

<b>Go Green San</b>	<b>Current</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Salary	3 Admin FT/\$52K 5 Drivers FT/\$65K (50% formerly incarcerated) 4 FT Service/\$70k	13 FT	14 FT	15 FT	16 FT	18 FT
Hourly	1 PT/\$20/hr	1 PT	1 PT	1 PT	1 PT	1 PT

<b>631 Propane</b>	<b>Current</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Salary	1 FT Admin/\$52K 3 FT Drivers/\$65K	6FT/\$68K	12/\$68K	14/\$68k	16/\$68k	18/\$68k
Commission	1 Sales/\$160K	1 Sales	1 Sales	1 Sales	1 Sales	1 Sales
Part Time Hourly	0	5PT/\$30/hr	8 PT/\$30/hr	15 PT/\$30/hr	15 PT/\$30/hr	15 PT/\$30/hr

<b>48 Kroemer LLC</b>	<b>Current</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Salary	0	1 FT/\$60K	2/\$60K	5/\$60k	6/\$60k	6/\$60k
Part Time Hourly	0	2 PT	4 PT	5 PT	10 PT	10 PT
1099/Contract	0	1 Acct/ 1 Atty	1 Acct/ 1 Atty	1 Acct/ 1 Atty	1 Acct/ 1 Atty	1 Acct/ 1 Atty

<b>Fisher Org</b>	<b>Current</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Salary	0	1 FT/\$100K	2/\$100K	8/\$100k	10/\$100k	12/\$100k
Part Time	0	2 PT/\$30 hr	3 PT/\$30 hr	5 PT/\$30 hr	10 PT/\$30 hr	10 PT/\$30 hr

**Indirect Jobs Estimate Based on Available Vacant Commercial Space:**

<b>Company/Jobs</b>	<b>Current</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
15 offices @1 EE	0	15	15	15	15	15
8 Industrial @ 3EE	0	24	24	24	24	24

**Construction Jobs Estimate (Next 12-18 months):** Construction cost investment of \$9,748,672 (\$6,915,737 new construction; \$2,832,935 site work) into Riverhead will employ approximately 150 area workers FT/\$65-\$85/hour.



**Town of Riverhead**

# **Industrial Development Agency**

## **Application for Financial Assistance (6.28.22 revision)**

- 1. Project Description Summary**
- 2. IDA Application**



## PROJECT SUMMARY

### GENERAL

Name of Project 48 Kroemer LLC

Location of Project 48 Kroemer Ave. Riverhead

Urban Renewal Area \_\_\_\_\_ Empire Zone \_\_\_\_\_ Brownfield \_\_\_\_\_ Vacant \_\_\_\_\_ Blighted X

### PROJECT TYPE

Industrial X Not-for-Profit \_\_\_\_\_ Commercial \_\_\_\_\_ Office \_\_\_\_\_ Other \_\_\_\_\_

Housing \_\_\_\_\_ Manufacturing \_\_\_\_\_ Retail \_\_\_\_\_ Services \_\_\_\_\_

### KEY DATES

Application Submitted January 2022 Proposed Public Hearing July 2022

### PROJECT SIZE

Acreage 4.045 Building Sq Ft 38,472sf New Construction (sq. ft.) 38,472sf

Add Rehab/Expansion (sq. ft.) \_\_\_\_\_ Estimated Project Cost \$15,704,204

### TYPE OF ASSISTANCE REQUESTED

Tax Exempt Bonds \_\_\_\_\_ Taxable Bonds \_\_\_\_\_

Sales Tax X Mortgage Recording Tax X Real Property Tax Deferment X

Standard 485-b \_\_\_\_\_ Not-for-Profit \_\_\_\_\_ Double 485B \_\_\_\_\_

Affordable Housing \_\_\_\_\_ Downtown Policy \_\_\_\_\_

Other \_\_\_\_\_ Additional \_\_\_\_\_

### JOBS/PAYROLL (Estimated)

Retained Jobs 17 FT/1PT Current Payroll \$            Avg. Annual Wage \$           

New Jobs 54 FT/10PT Projected Payroll \$3.8M New Avg. Annual Wage \$70,000

Construction Jobs 150 Avg. Wage \$65 per hour

### ASSESSED VALUE/TAXES

Current Assessed Value \$113,500 Projected Increase AV \$966,342

Current Taxes \$22,188.45 Projected Increase in Taxes TBD



## RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

TOWN OF RIVERHEAD

200 Howell Avenue  
Riverhead, New York 11901

P(631) 369-5129  
F (631) 369-6925

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### APPLICATION FOR FINANCIAL ASSISTANCE

Date **1-12-2022 rev 5-9-22; 6-6-22; 6-28-22**

APPLICATION OF: **48 Kroemer LLC**

Name of owner/user of Proposed Project

**PO Box 1590, Southampton, New York 11969**

Address

Type of Application:

☐ Tax-Exempt Bond ☐ Taxable Bond

☒ Straight Lease ☐ Refinance

☐ Not-for-Profit ☐ Other

Please respond to all items either by filling in blanks, by attachment (by marking space "See Attachment Number 1," etc.) or by N.A., where not applicable. Unless otherwise directed, this application must be filed in 1 copy and forwarded electronically. A non-refundable application fee is required at the time of submission of this application to the Riverhead Industrial Development Agency (the "Agency"). The non-refundable application fee is \$2,000 for applications under \$5 million and \$4,000 for applications for \$5 million or more. This fee will be applied to the Agency's Administrative Fee at closing.

If applicable and at the time of inducement, Bond Counsel will require a \$3,000 deposit which will be applied to actual out-of-pocket disbursements made during the inducement and negotiation processes, and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an Official Inducement Resolution, but may be subject to disclosure under the New York State Freedom of Information Law.

**PLEASE NOTE:**

Prior to submitting a completed final application, please arrange to meet with the Agency's staff to review your draft application.

[www.riverheadida.org](http://www.riverheadida.org)

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## Part I: Owner & User Data

Phone Number: [REDACTED] E-mail: [REDACTED]

E. Principal Stockholders, Members or Partners, if any, of the Owner (5% or more equity):

Name	Percent Owned
<u>Frank Fisher</u>	<u>100 %</u>

F. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, member, officer, director, or other entity with which any of these individuals is or has been associated with:

- i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

No

- ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

No

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

**Fisher Organization LLC; 631 Propane LLC; Go Green Sanitation LLC; and Fisher and Sons LLC. Frank Fisher owns 100% of all companies.**

H. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

**Fisher Organization LLC; 631 Propane LLC; Go Green Sanitation LLC; and Fisher and Sons LLC; Frank Fisher owns 100% of all companies.**

I. List parent corporation, sister corporations and subsidiaries: N/A

J. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? If so, explain in full:

**All organizations are separate LLCs 100% owned by Frank Fisher.**

K. Has the Owner/Company made a public offering or private placement of stock within the last 3 years? If so, please describe and provide the Offering Statement used.

No

L. List major bank references of the Owner:

**Bridgehampton National Bank**

## 2. User Data

**\*\* (for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user) \*\***

A. User (together with the Owner, the "Applicant"): 631 Propane LLC  
(Company Name)

Address: PO Box 1590

Southampton, New York 11969

Federal Employer ID #:                      Website:                     

NAICS Code: 424710 (Petroleum Bulk Stations and Terminals)

User Officer Certifying Application: Frank Fisher

Title of Officer: Sole Member

Phone Number:                      E-mail:                     

B. Business Type:

Sole Proprietorship ☒ Partnership ☐ Privately Held ☐

Public Corporation ☐ Listed on                     

Date and State of Incorporation/Formation: 11/12/14 New York

C. Nature of Business:

(e.g., "manufacturer of            for            industry"; "distributor of X"; or "real estate holding company")

Wholesale Propane Distributor

D. Are the User and the Owner Related Entities? (**Separate Entities same owner**) Yes ☒ No ☐

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: Merrihew Law LLC Phone Number:                     

Address: 250 North Sea Road E-mail:                     

Southampton, New York 11968

Individual Attorney: Robert Merrihew

F. Principal Stockholders or Partners, if any (5% or more equity):

Name	Percent Owned
<b>Frank Fisher</b>	<b>100%</b>

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director, or other entity with which any of these individuals is or has been associated with:

- i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

**No**

- ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

**No**

H. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

**48 Kroemer LLC; Fisher Organization LLC; Go Green Sanitation LLC; and  
Fisher and Sons LLC; Frank Fisher owns 100% of all companies.**

I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

**48 Kroemer LLC; Fisher Organization LLC; Go Green Sanitation LLC; and  
Fisher and Sons LLC; Frank Fisher owns 100% of all**

J. List parent corporation, sister corporations and subsidiaries:

**All organizations are separate LLCs 100% owned by Frank Fisher**

K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

**No**

L. List major bank references of the User:

**Bridgehampton National Bank**



## **Part II – Applicant's Operation at Current Location**

***\*\* (This section seeks information related to the current location of the applicant's business operations.***

***If the Owner and the User are unrelated entities, please answer separately for each.) \*\****

1. Current Location Address: **500 Riverleigh Ave. Riverhead N.Y 11901**
2. Owned or Leased: **Leased\* (Fisher and Sons LLC a related entity owns the property)**
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.): **(Go Green Sanitation & 631 Propane Headquartered at 500 Riverleigh Avenue).  
1 floor (approx. 4,000sf) Office Space at 500 Riverleigh Ave., Riverhead N.Y 11901  
631 Propane has a Ground lease in Westhampton for 2 Delivery Trucks**
4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services at this location:  
**Sales/dispatch of propane gas, sales, and installation of propane tanks (631 Propane LLC);  
Sanitation Trucking (Go Green Sanitation LLC);**
5. Are other facilities or related companies of the Applicant located within the State?  
Yes ☒ No ☐  
A. If yes, list the Addresses:  
**500 Riverleigh Ave. Riverhead N.Y 11901**
6. Will the completion of the project result in the removal of such facility or facilities from one area of the state to another OR in the abandonment of such facility or facilities of the Applicant located within the State? Yes ☐ No ☒  
A. If no, explain how current facilities will be utilized: **Current facility will be redeveloped  
once all businesses relocate to 48 Kroemer Ave, Riverhead, NY**  
B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:  
**Current location does not allow for wholesale propane facility.**
7. Has the Applicant actively considered sites in another state? Yes ☐ No ☒
8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes ☒ No ☐  
A. Please explain: **The real property tax abatement will be passed on to the tenants via triple net leases giving them time to establish viable businesses. The NYS sale tax abatement and mortgage of recording tax will make construction of the facility economically feasible**
9. Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies? Yes ☐ No ☒
10. Number of full-time employees at current location and average salary:  
**17 Full-time/1 Part-time Average Wage**
11. Current annual payroll: **[REDACTED]**

### **Part III – Proposed Project Data**

#### **1. Project Type:**

A. What type of transaction are you seeking?: (Check one)

Straight Lease ☒ Taxable Bonds ☐ Tax-Exempt Bonds ☐

Equipment Lease Only ☐

B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

Sales Tax Exemption ☒ Mortgage Recording Tax Exemption ☒

PILOT Agreement: ☒ Bond Financing: ☐

#### **2. Location of proposed project:**

A. Street Address: 48 Kroemer, Riverhead, New York, 11901

B. Tax Map: District 600 Section 119 Block 01 Lot(s) 32.1

#### **3. Project Components (check all appropriate categories):**

A. Acreage: 4.045

B. Construction of a new building ☒ Yes ☐ No

i. Square footage: 38,472

C. Acquisition of an existing building ☒ Yes ☐ No

i. Square footage of existing building: BLDG#1 3600sf BLDG#2 2880sf

D. Construction of addition to an existing building ☐ Yes ☒ No

E. Renovations of an existing building ☐ Yes ☒ No

i. Square footage: \_\_\_\_\_

F. Demolition of an existing building ☒ Yes ☐ No

i. Square footage: 3600sf and 2880sf

G. Installation of machinery and/or Equipment ☒ Yes ☐ No

i. List principal items or categories of equipment to be acquired:

**One (1) each forklift, backhoe, skid steer (to be purchased during construction);**  
**Six (6) 30,000-gallon tanks (to be purchased to activate plant).**

4. Current Use(s) at Proposed Location:

- A. Present use of the proposed location: Empty building previously operated as metal machining shop. Prior owner retired and sold property.
- B. Does the Applicant currently hold fee title to the proposed location?
- i. If no, please list the present owner of the site: \_\_\_\_\_
- ii. If yes, indicate:
- a) Date of Purchase 3/22/18
- b) Purchase Price \$1,400,000 (\$1,706,472 including closing costs)
- c) Balance of existing mortgage \_\_\_\_\_
- d) Holder of mortgage \_\_\_\_\_
- e) Special conditions \_\_\_\_\_
- C. Is there an option or contract to purchase the site?): ☐ Yes ☒ No
- D. Is there an existing or proposed lease for the site? ☒ Yes ☐ No
- E. If yes to C. or D. above, please attach a copy of the option, contract or lease and indicate:
- i. Date signed: TBD upon determination of completion date
- ii. Purchase Price: Leases to be negotiated
- iii. Annual Leases for Fisher Organization, Go Green Sanitation, & Fisher & Sons LLC
- i. Proposed settlement/closing date: N/A
- F. Is the proposed property subject to an IDA transaction? ☐ Yes ☒ No

5. Proposed Use:

- A. Describe specific operations of the Applicant or other users to be conducted at project site:
- Propane Distribution Plant
- 1<sup>st</sup> floor Industrial Bays - 9 contractor/trade shops
- 2<sup>nd</sup> floor accessory office space for all identified tenants (4,135sf) & Tenants TBD (5,395sf)
- Basement level Storage and Parking
- B. Proposed product lines and market demands: Multi-Use – Proposed Contract Use:
- Wholesale Propane Gas Sales; Sales and installations of propane tanks and equipment
- C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant (an additional sheet may be used): (See attached highlighted floor plan identifying occupied space)
- 1) 631 Propane LLC: 1.5 acres yard space; 1,166sf Industrial Bay
- 2) 631 Propane LLC, Go Green Sanitation LLC, Fisher Organization LLC, & Fisher Landscaping: 4,135sf shared office space
- 3) Available/Vacant Office Incubator Space: 5,395sf Office
- 4) Available/Vacant Industrial Bays: 8 Bays approximately 1200-1400sf
- 5) Available/Vacant Storage: 5,028sf
- D. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes ☐ No ☒
- If yes, what percentage (sq footage) of the location will be utilized in connection with the sale of retail goods and/or services to ? N/A
- E. Existing Assessed Land Value from latest tax bill: \$55,400
- Total Assessed Value from latest tax bill: \$113,500
- Current Tax amount on property: \$22,288.45

## Retail Questionnaire

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

- A. Will any portion of the project consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

☐ Yes or ☒ No. If the answer is yes, please continue. If no, proceed to section V

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law).

- B. What percentage of square feet of the Project will be primarily used in making sales of goods or services to customers who personally visit the project? 5%. **If the answer is less than 33% do not complete the remainder of the retail determination and proceed to page 11, Adaptive Reuse.**

If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

1. Will the project be operated by a not-for-profit corporation ☐ Yes or ☐ No.
2. Is the Project location or facility likely to attract a significant number of visitors from outside the economic development region (Long Island) in which the project will be located?

☐ Yes or ☐ No

**If yes, please provide a third party market analysis or other documentation supporting your response.**

3. Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?

☐ Yes or ☐ No

**If yes, please provide a third party market analysis or other documentation supporting your response.**

4. Will the project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

☐ Yes or ☐ No.

If yes, explain \_\_\_\_\_

5. Is the project located in a Highly Distressed Area? ☐ Yes or ☐ No

## Adaptive Reuse Determination

(Adaptive Reuse is the process of adapting old structures or sites for new purposes) N/A

- A) What is the age of the structure (in years) N/A
- B) Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure not being utilized or being utilized for a use for which the structure was not designed or intended) ☒ Yes or ☐ No. How many years? \_\_\_\_\_
- C) Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) ☐ Yes or ☐ No  
If yes, what is the current market rate average income for this type of property: \_\_\_\_\_  
and please provide dollar amount of income currently being generated, if any: \_\_\_\_\_
- D) Does the site have historical significance? ☐ Yes or ☒ No
- E) Are you applying for either State/Federal Historical Tax Credit Programs? ☐ Yes or ☒ No. If yes, provide estimated value of tax credits \_\_\_\_\_
- F) Summarize the financial obstacles to development that this project faces without Agency or other public assistance. Please provide the Agency with documentation to support the financial obstacles to development (you may be asked to provide cash flow projections, documenting costs, expenses, and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages):  
Cost of redevelopment of property (\$15,704,204) would be prohibitive to the applicant moving forward without RIDA assistance.
- G) Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide the Agency documentation of this support in the form of signed letters from these entities:  
The Town of Riverhead Planning Board issued Final Site plan approval on 6-2-2022. NYSDEC permit #1-4730-01844/0001 was issued 1/15/2020  
\_\_\_\_\_  
\_\_\_\_\_
- H) Please indicate other factors that you would like the Agency to consider such as: structure or site presents significant public safety hazard and/or environmental remediation costs, site or structure is located in distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments:

Currently the site is blighted and unoccupied (previously operated as a metal machining shop). The property had one vacant dilapidated building built circa 1947 to 1957 that was razed. RIDA incentives will incentivize construction of a new state of the art liquid propane distribution facility with 38,472 sf industrial building including 13,000sf of shared full-service office space for entrepreneurial small businesses and 9 industrial bays.

6. Project Work:

A. Builder or contractor information:

**48 Kroemer LLC**  
**PO Box 1590**  
**Southampton, NY 11969**

B. Architect Information:

**Martin Sendlewski AIA**  
**215 Roanoke Ave**  
**Riverhead N.Y 11901**

C. Has construction work on this project begun? If yes, complete the following:

- |      |                 |                              |  |            |       |
|------|-----------------|------------------------------|--|------------|-------|
| i.   | Site Clearance: | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| ii.  | Foundation:     | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| iii. | Footings:       | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| iv.  | Steel:          | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| v.   | Masonry:        | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE | _____ |

Other: \_\_\_\_\_

D. Will the project meet zoning requirements at the proposed location?

Yes ☒ No ☐

- a) What is the present town zoning? **Industrial A (IA) Zoning District**
- b) What town zoning is required? **Industrial A (IA) Zoning District**
- c) If a change of zoning is required, please provide the details/status of any change of zoning request. \_\_\_\_\_

E. Have site plans been submitted to the appropriate planning department? Yes ☒ No ☐

F. Has the project received site plan approval? Yes ☒ No ☐

If yes, please provide the Agency with a copy of the planning department approval along with the related SEQRA approval. (**Attached**)

G. Is the proposed project located on a site where environmental constraints inhibits the development/use of the property? If yes, explain:

**The subject property required a permit from NYSDEC.**

\_\_\_\_\_

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: 3/22/18

ii. Construction/Renovation/Equipping: Summer 2022

B. Provide an accurate estimate of the time schedule to complete the project **and** when the first use of the project is expected to occur:

**Project will be complete and operating 20 months from building permit;**

**Licensing Procedure for 631 Propane: inspection within 6 months of selling gas**

**Part IV – Project Costs and Financing**

1. Project Costs:

A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement, and/or equipping of the project location. This page must be completed in addition to any attachments of sources and uses and/or detailed budgets. Translate your attached detailed budget to match the line items below. Be sure that the totals equal.

<u>Description</u>	<u>Amount</u>
Land* (cost or current market value)	\$ <b><u>1,400,000 (\$1,706,472 including closing costs)</u></b>
Acquisition and Rehabilitation**	\$ <u>N/A</u>
New construction	\$ <b><u>6,915,737</u></b>
New additions/expansions of existing	\$ <u>N/A</u>
Site Work	\$ <b><u>2,832,935</u></b>
Machinery and Equipment	\$ <b><u>3,275,000 (see attached equipment budget)</u></b>
Legal Fees	\$ <b><u>132,723 (professional fees)</u></b>
Architectural/Engineering Fees	\$ <b><u>129,000</u></b>
Financial Charges	\$ <b><u>20,000</u></b>
Other (Specify)	\$ <b><u>692,337 (misc soft costs detail attached)</u></b>
Total	\$ <b><u>15,704,204 (see attached detailed budgets)</u></b>

\* If acquiring land, please note that Federal law prohibits the use of 25% or more of tax-exempt IDB proceeds for the purchase of land.

\*\* If acquiring existing buildings, please note that Federal law prohibits the acquisition of existing buildings with tax-exempt IDB proceeds unless the rehabilitation expenses of the building are equal to or greater than 15% of the portion of the cost of acquiring the building that is financed with tax-exempt IDB proceeds. Rehabilitation does not include any amount expended on new construction (additions or expansions).

2. Method of Financing: (Must equal budget on page 13(revised to Page 16))

	Amount	Term
A. Tax-exempt bond financing:	\$ _____	_____ years
B. Taxable bond financing:	\$ _____	_____ years
C. Conventional Mortgage:	\$ <u>10,000,000</u>	<u>25</u> years
D. SBA (504) or other governmental financing:	\$ _____	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ _____	
F. Other loans:	\$ _____	_____ years
G. Owner/User equity contribution***:	\$ <u>5,704,204</u>	_____ years

Total Project Costs \$ 15,704,204

i. What percentage of the project costs will be financed from public sector sources?

0%

\*\*\* If a project financing with IDB proceeds is to be owned by a realty company/partnership, but will be subleased for use by another person, at least a 5% owner equity contribution is suggested.

3. Project Financing:

- A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? x Yes ☐ No **Acquisition of Property**
- B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

N/A

- C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

N/A

- D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

N/A

- E. Has a commitment for financing been received as of this application date Yes ☐ No ☒

If so, please attach a copy of the commitment and provide the institution name and contact:

**We have met with 2 Banks for financing and waiting on term sheets after recent site visits**



## **Part V – Requested Project Benefits**

### **1. Mortgage Recording Tax Benefit:**

- A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

**\$ 10 Million**

- B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and .75%):

**\$ 75,000**

### **2. Sales and Use Tax Benefit:**

- A. Estimated gross amount of COSTS for goods and services that will be subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

**\$ 9,841,222 (based on 65% of construction materials costs + equipment)**

- B. Estimated State and local Sales and Use Tax exemption (typically a product of 8.625% and figure above):

**\$ 848,805**

- C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

i. Owner: **\$ 100% (48 Kroemer LLC will buy all materials and equipment)**

ii. User: \$ \_\_\_\_\_

**\*\*Please attach a copy of the calculations used to derive the above numbers (ATTACHED)**

### **3. Real Property Tax Benefit:**

- A. Identify and describe if the project will utilize a real property tax exemption benefit in addition to the Agency's PILOT benefit: **No**

**48 Kroemer LLC Estimated Sales Tax Calculation**

Revised 6-22

Item	Quantity	Cost	Estimated NYS Sales Tax	
Propane Transport Truck	3	\$900,000.00	\$77,625.00	\$0.00
Maintenance Trucks	2	\$200,000.00	\$17,250.00	\$0.00
Forklift	1	\$175,000.00	\$15,093.00	\$15,093.75
Backhoe	1	\$125,000.00	\$10,787.00	\$10,781.25
Skid Steer	1	\$75,000.00	\$6,468.00	\$6,468.75
30,000 Gallon Propane Tanks	6	\$1,800,000.00	\$155,250.00	\$155,250.00
<b>Equipment Total</b>		<b>\$3,275,000.00</b>	<b>\$282,473.00</b>	<b>\$187,593.75</b>

**Estimated NYS Sales Tax**

Construction cost =		\$11,794,187.00		
Material @ 65 percent total =		\$7,666,221.55	\$661,211.61	\$661,211.61
Equipment Tax			\$282,473.00	\$187,593.75
Total NYS sales tax approx			\$943,684.61	\$848,805.36

**TOTAL**  
**Equip & Material**  
**\$10,941,221.55**

**B. Agency PILOT Benefit:**

RIDA provides real property tax abatements in accordance with the Uniform Tax Exemption Policy which is attached hereto.

       We are requesting the standard PILOT Abatement

  **X**  **Yes**   No Based upon the RIDA Uniform Tax Exempt Policy, I believe this project qualifies for an enhanced real property tax abatement or one that deviates from the standard and request consideration for a variation from the standard abatement in order to make the project viable.

If you check yes above, please provide a brief explanation as to why:

**We believe this project qualifies for the enhanced tax abatements. The real estate tax abatement will be passed on to tenants (new small businesses) through triple net leases. The enhanced abatement will be split equally among the tenants to directly lower their monthly payments and give these new business incentives to locate in Riverhead as well as time to expand here.**

- i. Term of PILOT requested:   **10 years**
- ii. Upon acceptance of this application, the Agency staff will draft a PILOT schedule and attach such information to Exhibit A hereto. Applicant hereby requests such PILOT benefit as estimated in EXHIBIT A.

*\*This application will not be deemed complete and final until Exhibit A hereto has been completed\**

## Part VI – Measures of Growth and Benefits

1. List the Applicant's and each users present employment, and estimates of (i) employment at the proposed project location at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area\* ("LMA") that would fill the full-time and part-time jobs at the end of the second year following completion:

\* The Labor Market Area includes Nassau and Suffolk Counties.

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Residents of LMA</u>
Full-Time	<u>17 FT</u>	<u>22 FT</u>	<u>31 FT</u>	<u>100%</u>
Part-Time**	<u>1 PT</u>	<u>7 PT</u>	<u>8 PT</u>	<u>100%</u>

**Please prepare a separate attachment describing in detail the types of employment at the Project site. Such attachment should outline the titles and corresponding pay scale/benefits.**

\*\* Agency staff converts Part-Time jobs into Full Time Equivalent (FTE) for state reporting purposes by dividing the number of Part-Time jobs by two (2).

2. Salary and Fringe Benefits:

<b>Category of Jobs to be Retained and Created</b>	<b>Average Salary</b>	<b>Average Fringe Benefits</b>
Salary Wage Earners	\$1250/week	
Commission Wage Earners		
Hourly Wage Earners	\$30/hr	
1099 and Contract Workers	1 Accountant 1 Attorney	

3. INDIRECT/CONSTRUCTION JOBS – please indicate the projected number of indirect construction jobs that will be created as a result of the project: 150

Please provide the estimated average wage for the indirect jobs: \$65-85/hour

4. What, if any, will be the expected increase in the annual gross dollar amount of sales (or rent)? \$750,000 sales resulting from increased capacity and savings from buying gas directly from supplier.

5. How many jobs will be retained as a result of this project? 17FT/1PT existing increased to 54FT/10PT

6. Describe other public benefits anticipated as a result of this Project.  
**Remove 2 vacant dilapidated buildings; Construct new sidewalks along Kroemer Ave; Construct new industrial complex creating permanent jobs here in Riverhead; Local energy security – the Liquid Propane facility will secure LP availability to the local community in the event of supply chain disruption such as the recent pipeline hack that severely impacted availability of LP area supply; The project and its tenants will drive additional investment into the Riverhead business community and new diverse small business employment opportunities; Environmental restoration of one acre of the property under DEC guidance; Three (3) classic rail cars donated to the Riverhead Railroad Museum; Supports Entrepreneurial Small Businesses and lowers barrier to entry to market.**

*Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.*

## **Part VII – Representations, Certifications, and Indemnification**

1. Is the Applicant in any litigation or does the Applicant anticipate any litigation which would have a material adverse effect on the Applicant's financial condition? (if yes, furnish details on a separate sheet)  
Yes ☐ No ☒
2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state, or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution or other operating practices? (If yes, furnish details on a separate sheet)  
Yes ☐ No ☒
3. Is there a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency? (If yes, explain why)  
Yes ☒ No ☐

### **The bank funding the project is relying on the assistance of the RIDA agency. Sales tax and mortgage recovery tax abatement is needed to allow cashflow for the construction**

4. If the Project could be undertaken without the financial assistance of the Agency, then provide a statement in the space below indicating why the Project should be undertaken by the Agency and what would be the impact on the Applicant and on the municipality if the applicant was unable to obtain financial assistance?

**Relocating the three (3) businesses currently located in the Town of Southampton requires reduced costs of operations for first 10 years. One business (631 Propane) cannot expand as current zoning does not allow for a propane facility but the other businesses and office for the propane facility could remain at the Southampton location for a much lower cost of operations. While the Riverhead site is far more well suited for several tenants given space constraints on existing location, the estimated project cost, estimated at an investment of \$15,704,204, would be prohibitive to the applicant moving forward without RIDA assistance and incentives. Tax abatements will be passed onto tenants through triple net leases.**

5. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither

restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

Initial [REDACTED]

6. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law and any amendment thereto, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies").

Initial [REDACTED]

7. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state, and federal tax, worker protection and environmental laws, rules and regulations.

Initial [REDACTED]

8. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.

Initial [REDACTED]

9. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Initial [REDACTED]

10. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

Initial [REDACTED]

11. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block



Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial [REDACTED]

12. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees, and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project.

Initial [REDACTED]

13. The Applicant confirms and hereby acknowledges it has received the Agency's Local Labor Policy attached hereto as Schedule B and agrees to comply with the same

Initial [REDACTED]

14. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's [Recapture and Termination] Policy, attached hereto as Schedule C.

Initial [REDACTED]

Date: JUNE 28, 2022

[REDACTED]

Frank Fisher

Printed Name

Sole OWNER

Print Title

NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 01HA6405361  
Qualified in Suffolk County  
Commission Expires March 9, 2024

Sworn to me before this 28<sup>TH</sup>  
Day of June, 20 22  
Erin Haney  
(seal)

Erin P Haney  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 01HA6405361  
Qualified in Suffolk County  
Commission Expires March 9, 2024

Date: JUNE 28, 2022

[REDACTED]

Fac [REDACTED] ature

Frank Fisher

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(seal)

### **Part VIII – Submission of Materials**

1. A cover letter providing a narrative of the project and the purpose. (New build, renovations and/or equipment purchases). Identify specific uses occurring within the project. Describe any new tenants and end users. Provide an historical picture and overview of the project.
2. Certified Financial statements for the last two fiscal years (unless included in the Applicant's annual report).
3. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
4. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.
5. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
6. Completed Long Environmental Assessment Form and/or applicable short form.
7. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.
8. A copy of the most recent real property tax bill for the proposed project location.
9. Attach a map highlighting the location of the project.
10. An electronic copy and 2 paper copies of preliminary plans or sketches of the proposed project.
11. Attach a detailed budget for the project
12. A copy of the proposed employment schedule reference on page 17 under Part VI Measures of Growth
13. Socio/Economic Impact Study or Market Study if requested or if you answered yes to questions 2 or 3 within the Retail Questionnaire on page 10, then you must also submit a third party market study.
14. Attach an explanation of how you calculated the requested sales tax exemption.
15. In addition to 7 hard copies, THE APPLICATION MUST BE PROVIDED IN ELECTRONIC FORM along with a separate electronic redacted version to be used by the Agency in the event of a FOIL request. Signatures, ID Numbers, personal contact phone numbers and other confidential information should be redacted. If you have any questions, please contact the Agency personnel.



**Part IX – Certification**

Frank Fisher (name of representative of company submitting application) deposes and says that he or she is the sole member (title) of 48 Kroemer LLC, the corporation (company name) named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entity named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as in formation acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Riverhead Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

Sworn to me before this 28<sup>th</sup>  
Day of June, 20 22  
Erin P Haney  
(seal)

Erin P Haney  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 01HA6405361  
Qualified in Suffolk County  
Commission Expires March 9, 2024

## EXHIBIT A

### Proposed PILOT Schedule

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule, together with the estimates of net exemptions based on estimated tax rates and assessment values to this Exhibit.



## SCHEDULE A

### RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY FEE SCHEDULE

A non-refundable application fee of \$2,000 for applications for projects costs under \$5 million and \$4,000 for applications for project costs over \$5 million is required at the time of application. This fee will be credited to the Agency's Administrative Fee, payable at closing. The **Administrative Fee** charged by the Agency at closing are based on the project costs as determined by the Agency (and as depicted in Section IV of the application for financial assistance) and is as follows:

¾ of 1% of the total project costs for financial assistance on the first \$10 million.

¼ of 1% of the total project costs for financial assistance on projects over \$10,000,000

1% of the increase of the total project over the original cost projections for amended applications post initial financial approval.

#### **Reporting/Compliance Fee:**

State law requires that the Town of Riverhead Industrial Development Agency file certain financial and compliance reports with the State of New York. Much of the information within these reports is required to be furnished by your company and the IDA is obligated to meet a state submission deadline.

Annual Compliance Reporting fee for Lease Projects \$250 annually

Annual Compliance Reporting fee for Bond Projects \$300 annually

Annual Compliance Reporting fee for Commercial Mixed Use and Multi Family Housing Projects \$500  
(with 21 or more residential units and/or more than 3 commercial tenant spaces)

\*Compliance fees apply to each phase of a project which necessitates a separate NYS filing for reporting.

#### **Late Reporting/Compliance Fee:** commencing the day following report due date

State law requires that the Town of Riverhead Industrial Development Agency file an Annual Financial and Compliance Report with the State of New York. Much of the information within this report is required to be furnished by your company and the IDA is obligated to meet a state submission deadline. In order to meet this deadline, the Agency will impose a \$500 penalty for late or incomplete filings (applied the day immediately following the due date) with an additional two hundred and a \$250 pro-ratable fee for every 30 days thereafter until the submission of the report or benefit recapture provision is implemented. For timely incomplete submissions, the pro-rata fee will commence from the date of notification by the Agency of the deficiencies.

#### **Processing Fee:**

During the course of IDA ownership/involvement, the Agency may occasionally be required, by the company, to consent to a variety of items, i.e. prepayment of bonds, sales tax extension, etc. The Agency will charge a \$250 processing fee for each request.

#### **Assignments & Assumptions:**

Occasionally, the IDA is asked to transfer benefits that were assigned to the original company, i.e. PILOT or mortgage recording tax benefits, to a different company, typically upon the sale of the IDA property. The new company often wishes to continue IDA involvement to maintain the viability of the project and needs to retain the incentives. The Agency will charge a \$4000 fee for each of these transactions if requests are made prior to any transfer, otherwise the assignment/assumption will require a full administrative fee of ¾ of 1%.

#### **Reprocessing/Refinance Fee:**

During the course of IDA ownership/involvement, the Agency may be required, by the company, to consent to a variety of simple refinancing mechanisms i.e. second mortgages, additional secured financing, refinancing, etc. The Agency will charge a \$2500 processing fee for each request and reserves the right to increase the fee to reflect the complexity of each transaction, but not to exceed the basic administrative application fee.

**Late PILOT Payment:**

In addition to requirements of GML 874(5), the Agency shall impose its own 5% penalty, plus \$1000 administrative fee for delinquent PILOT payments that are 5 days late, commencing on the sixth day.

**Re-Notification Fee**

Occasionally, an applicant will cause an adjournment of a public hearing. The IDA will charge a fee of \$100 per requested adjournment to re-notify and repost public notice and payment by the applicant of any necessary stenography or incidental costs associated with the reprocessing.

**Recapture Fee**

Ten percent 10% of the recapture amount will be assessed on the amount determined to be recaptured.

- All Agency fees are non-refundable and are as amended from time to time.

Adopted as Amended 6-1-2020

A black rectangular box redacting the signature of the official.

Signature



## SCHEDULE B

### **Agency's Local Labor Policy**

#### **Purpose**

The purpose of this part is to request companies benefitting from the Riverhead Industrial Development Agency (the "Agency") programs to engage local residents from the Town of Riverhead and the County of Suffolk during the construction phase of projects through the addition of an amendment to the Agency project application. All Agency projects are subject to monitoring by the Riverhead IDA.

#### **Construction Jobs**

Construction jobs, although limited in duration, are vital to the overall employment opportunities within the region since construction wages earned by local residents are reinvested in the local economy. It is hereby established to be the policy of the Agency that companies to which it has provided inducement use best efforts to employ local residents during the construction phase of projects. This will ensure that maximum public benefit is realized from Agency assistance.

#### **Requirements of the Applicant**

As a condition of receiving inducement and/or financial assistance from the Agency, the Company will agree to satisfy the following requirements, in form and substance satisfactory to the Agency.

The Company hereby represents and warrants that it will use commercially reasonable efforts to advertise, hire and cause any agent of the Company, general contractor, subcontractor, or subcontractor to a subcontractor working on the Project, to hire employees who live within Suffolk County, prioritizing Riverhead Residents. The Agency understands and acknowledges that at certain times local labor may not be available.

Submit to the Agency a "Construction Completion Report" listing the names and business locations of prime contractors, subcontractors and vendors who have been engaged for the construction phase of the project by companies benefitting from the Agency programs. Said report shall identify the name, title, mailing address, phone/fax/email of the project contact person who will be responsible and accountable for providing information about the award of construction contracts relative to the project.

3. The Agency, may at any time during the benefit period, enhance the monitoring and reporting requirements relative to tracking and encouraging the use of local labor.

—  — Initial

**SCHEDULE C**  
**RECAPTURE AND TERMINATION POLICY**  
**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**  
**EFFECTIVE June 16, 2016**

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the "Act"), the Riverhead Industrial Development Agency (the "Agency") is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project.

**Termination or Suspension of Financial Assistance**

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the "Applicant") or any other document entered into by such parties in connection with a project (the "Project Documents"). Such Events of Default may include, but shall not be limited to, the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Documents; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Documents or any other materials delivered pursuant to the Project Documents.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term "Financial Assistance" shall mean all direct monetary benefits, tax exemptions and abatement and other financial assistance, if any, derived solely from the Agency's participation in the transaction contemplated by the Project Documents including, but not limited to:

- (i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;
- (ii) sales tax exemption savings realized by or for the benefit of the Applicant, including the savings realized by any agent of the Applicant pursuant to the Project Documents in connection with the Facility; and



- (iii) real property tax abatements granted under the Project Documents.

#### **I. Recapture of Financial Assistance**

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents at least as stringent as stated in the attached Exhibit A and Exhibit B. Such Recapture Events may include, but shall not be limited to the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Documents; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Documents or any other materials delivered pursuant to the Project Documents.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents along with statutory interest as provided by law.

All fees and costs including reasonable attorney fees shall be paid by the Applicant.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

The Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

#### **II. Modification of Payment In Lieu of Tax Agreement**

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending, or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Documents, so that the payments in lieu of taxes payable under the Project Documents are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Documents. The amount of such adjustments shall be determined by the provisions of the Project Documents.



**EXHIBIT A to Schedule C**  
**PROJECT AGREEMENT RECAPTURE PROVISIONS**

Termination, Modification and/or Recapture of Agency Financial Assistance. It is understood and agreed by the Parties hereto that the Agency is entering into the Ground Lease Agreement, the Lease Agreement, the PILOT Agreement, the Sales Tax Authorization Letter, and the Project Agreement in order to provide Financial Assistance to the Company for the Facility and to accomplish the public purposes of the Act. The Company hereby makes the following representations and covenants in order to induce the Agency to proceed with the Project/Facility:

(a) In accordance with Section 875(3) of the New York General Municipal Law, the policies of the Agency, and the Resolutions, the Company covenants and agrees that it may be subject to a Recapture Event (as hereinafter defined) resulting in the potential recapture of any and all Financial Assistance, as described below, if the Company receives, or its Subagents receives any Financial Assistance from the Agency, and it is determined by the Agency that:

(1) the Project shall be placed in service no later than five (5) years from the date hereof and shall have received a valid and subsisting Certificate of Occupancy for all structures and uses; or

(2) the Company or its Subagents, if any, authorized to make purchases for the benefit of the Project is not entitled to the sales and use tax exemption benefits; or

(3) the sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the Company or its Subagents, if any; or

(4) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or

(5) the Company has made a material false or misleading statement, or omitted any information which, if included, would have rendered any information in the application or supporting documentation false or misleading in any material respect, on its application for Financial Assistance; or

(6) the Company fails to meet and maintain the thresholds and requirements representing certain material terms and conditions, said Investment Commitment, Employment Commitment, and Local Labor Commitment, all as further defined below, being additional purposes to be achieved by the Agency with respect to its determination to provide Financial Assistance to the Project and required by the Agency to be complied with and adhered to, as evidenced by submission, as so required by the Agency, of written confirmation certifying and confirming on an annual basis beginning in the first year in which Financial Assistance is so claimed, through the conclusion of the later of either two (2) years following the (i) construction completion date or (ii) the calendar year of the termination of the PILOT Agreement or final bond payment whichever is later (said date hereinafter referred to as the "Project Completion Date" and the time period so referenced being hereinafter defined as the "Material Terms and Conditions Monitoring Period") confirming the following:

(a) Investment Commitment - that the total investment actually made with respect to the Project at the Project's construction completion date equals or exceeds (insert amount) (which represents the product of 85% multiplied by (insert amount) being the total project cost as stated in the Company's application for Financial Assistance); and

(b) Employment Commitment - that there are at least (insert number) existing full time equivalent ("FTE") employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the "Baseline FTE"); and

• the number of current FTE employees in the then current year at the Facility; and  
that the Company has maintained and created FTE employment at the Facility equal to (insert number) FTE employees (representing the sum of (insert number) Baseline FTE plus the product



of 85% multiplied by (insert number) (being the total number of new FTE employee positions as proposed to be created by the Company as stated in the Company's application for Financial Assistance); and

(c) Local Labor Commitment - that the Company adheres to and undertakes or has undertaken construction activities in compliance with the Agency's Local Labor Workforce Policy on an annual reporting basis during the construction period; and

(d) Project Assessment Reporting Commitment - that the Company shall provide, annually, to the Agency, certain information to confirm that the Project is achieving the investment, job retention, job creation, and other objectives of the Project.

In order to accomplish the foregoing, the Company shall provide annually, to the Agency, a certified statement and documentation: i) enumerating the full time equivalent jobs retained and the full time equivalent jobs created as a result of the Financial Assistance, by category, including full time equivalent independent contractors or employees of independent contractors that work at the Project location, and (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created in form as supplied by the Agency and as may be amended from time to time by the Agency.

The findings made by the Agency with respect to Section 3(a)(1), (2), (3) and/or (4) and/or failure to provide the written confirmation as required by Section 3(a)(5) with respect to the thresholds and requirements as identified in Section 3(a)(5), above, and/or failure to meet the thresholds and requirements as identified in Section 3(a)(5) above, may potentially be determined by the Agency, in accordance with the Sales Tax Authorization Letter and Section 6.15 Recapture of Agency Benefits contained in the Lease Agreement and/or a failure to comply with the Agency's policies and Resolutions (collectively, findings and determinations made as described herein with respect to Section 3(a)(1), (2), (3) and/or (4) and/or the failure under Section 3(a)(5) to submit the required certification and/or the failure to meet the required thresholds and requirements as specified in Section 3(a)(5) are hereby defined as a "Recapture Event"). If the Agency declares a Recapture Event, the Company agrees and covenants that it will (i) cooperate with the Agency in its efforts to recover or recapture any or all Financial Assistance obtained by the Company and (ii) promptly pay over any or all such amounts to the Agency that the Agency demands in connection therewith. Upon receipt of such amounts, the Agency shall then redistribute such amounts to the appropriate affected tax jurisdiction(s). The Company further understands and agrees that in the event that the Company fails to pay over such amounts to the Agency, the New York State Tax Commissioner may assess and determine the New York State and local sales and use tax due from the Company, together with any relevant penalties and interest due on such amounts.

(b) In accordance with the Resolutions the Company further: (i) covenants that the purchase of goods and services relating to the Project and subject to New York State and local sales and use taxes are estimated in an amount up to (insert amount), and, therefore, the value of the sales and use tax exemption benefits authorized and approved by the Agency, subject to Section 3(a) of this Agent Agreement, cannot exceed (insert amount).

(c) The Company acknowledges and understands that a Recapture Event made with respect to Section 3(a)(4) of this Project Agreement will, in addition, immediately result in the loss and forfeiture of the Company's right and ability to obtain any and all future Financial Assistance with respect to the Project.



**EXHIBIT B to Schedule C**  
**LEASE AGREEMENT RECAPTURE PROVISIONS**

**Recapture of Agency Benefits.**

(a) It is understood and agreed by the parties to this Lease Agreement that the Agency is entering into this Lease Agreement in order to accomplish the public purposes of the Act. In consideration therefor, the Company hereby agrees as follows:

(i) If there shall occur a Recapture Event (as defined below) prior to the completion of the construction and equipping of the Project and the Company thereafter sells all or substantially all of the Project or causes all or substantially all of the Project to be sold within two years of the exercise of such option to terminate this Lease Agreement, the Company shall pay to the Agency, as a return of public benefits conferred by the Agency, all Benefits as defined below.

(ii) If there shall occur a Recapture Event after the earlier of (i) the date on which the Project shall have been substantially completed, or (ii) twenty-four months from the date of execution of this Lease Agreement (the earlier of said dates hereinafter the "Operations Commencement Date"), the Company shall pay to the Agency as a return of public benefits conferred by the Agency, the amounts set forth in this paragraph (a)(ii) of Section 6.15.

1. one hundred percent (100%) of the Benefits if the Recapture Event occurs within the first six (6) years after the Operations Commencement Date;
2. eighty percent (80%) of the Benefits if the Recapture Event occurs during the seventh (7th) year after the Operations Commencement Date;
3. sixty percent (60%) of the Benefits if the Recapture Event occurs during the eighth (8th) year after the Operations Commencement Date;
4. forty percent (40%) of the Benefits if the Recapture Event occurs during the ninth (9th) year after the Operations Commencement Date;
5. twenty percent (20%) of the Benefits if the Recapture Event occurs during the tenth (10th) year after the Operations Commencement Date.

The term "Benefits" shall mean, collectively, all Financial Assistance realized by the Company including, but not limited to, exemption from real property tax, mortgage recording tax, transfer tax, sales or use tax, and filing and recording fees.

The term "Recapture Event" shall mean any of the following events:

1. The Company shall have liquidated its operations and/or assets or shall have ceased all or substantially all of its operations at the Project (whether by relocation to another facility or otherwise, or whether to another facility either within or outside of the Town);
2. The Company shall have leased all or any portion of the Project in violation of the limitations imposed by Section 7.1 hereof, without the prior written consent of the Agency;
3. The Company shall have effected substantial changes in the scope and nature of the Company's operations at the Project;
4. The Company shall have transferred all or substantially all of its employees to a location outside of the Town; or
5. The Company shall have sold, leased, transferred, or otherwise disposed of all or substantially all of its interest in the Project.

Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event shall have arisen as a direct immediate result of (i) a taking or condemnation by governmental authority of all or substantially all of the Project, (ii) the inability at law of the Company to rebuild, repair, restore or replace the Project after the damage or destruction of the project, in whole or in part, to substantially its condition prior to such event, which inability shall

have arisen in good faith through no fault on the part of the Company, or (iii) a matter to which the Agency shall have given its express prior written consent.

6. The submission of any knowingly materially false or knowingly materially misleading information in the Application or proceedings held by the Agency on the Application. This is a continuing obligation of the Company.

7. Failure to comply with the requirements of General Municipal Law Section 875.

(b) The Company covenants and agrees to furnish the Agency with written notification upon any Recapture Event occurring within ten (10) years of the Operations Commencement Date, which notification shall set forth the terms thereof. The provisions of this Section 6.15 shall survive the termination of this Lease Agreement for any reason whatsoever, notwithstanding any provision of this Lease Agreement to the contrary.

(c) In the event any payment owing by the Company under this Section 6.15 shall not be paid on demand by the Company, such payment shall bear interest from the date of such demand at the rate of nine percent (9%) per annum until the Company shall have paid such payment in full, together with such accrued interest to the date of payment, to the Agency.

(d) The Agency, in its sole discretion, may waive all or any portion of any payment owing by the Company under this Section 6.15.

(e) The Company covenants and agrees to furnish the Agency with written notification upon any such disposition of the Project or any portion thereof made within ten (10) years of its completion, which notification shall set forth the terms of such sale. The provisions of this Section 6.15 shall survive the termination of this Lease Agreement for any reason whatsoever, notwithstanding any provision of this Lease Agreement to the contrary.

(f) In the event of a conflict between this section 6.15 "Recapture of Agency Benefits" and the General Municipal Law Section 875, Section 875 shall control.



# RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

TOWN OF RIVERHEAD



200 Howell Avenue  
Riverhead, NY 11901

(631) 369-5129

## NEW YORK STATE FINANCIAL REPORTING REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES

Section 859 of the General Municipal Law requires additional financial reporting requirements by all IDA's in New York State and is of particular importance to IDA applicants. (copy attached). This section requires the Agency to transmit financial statements within 90 days following each December end of the Agency's fiscal year., prepared by an independent, certified public accountant, to the New York State Comptroller, the Commissioner of the New York State Department of Economic Development, and the governing body of the municipality for whose benefit the Agency was created (Town of Riverhead). These audited financial statements shall include supplemental schedules listing the following information:

All bonds and notes issued, outstanding or retired during the period and whether or not they are obligations of the Agency.

All new bond issues shall be listed and for each new bond issue, the following information is required:

Name of the project financed with the bond proceeds.

Name and address of each owner of the project.

The amount of tax exemptions granted for each project.

Purpose for which the bond was issued.

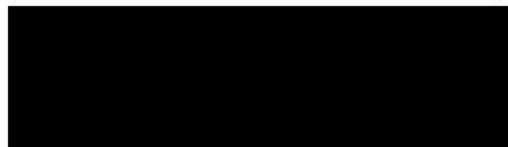
Bond interest rate at issuance and, if variable, the range of interest rates applicable.

Bond maturity date.

Federal tax status of the bond issue.

The Public Authorities Reform Act of 2009, Section 2800 requires annual reports of operations and accomplishments which includes projects undertaken by the Agency. The Annual Compliance Reports shall include company provided information relative to individual projects including but not limited; to capital investment made, salaries, employee count, exemptions received, and pilot payments made. Your company must submit this information no later than February 10<sup>th</sup> of each year.

Please sign below to indicate that you have read and understood the above.



6/28/22  
Date

## MRB Cost Benefit Calculator

Town of Riverhead Industrial Development Agency

Date   
 Project Title   
 Project Location

### Construction Phase - Project Assumptions

#### Project Costs

**Project Costs**  
 Enter total project costs:   
**Local Construction Spending\***  
 % of locally sourced materials and labor   
 In-region construction spending

#### Construction Economic Impacts

Industry	NAICS	% of Total Investment	Investment by Type
Oil and Gas Pipeline and Related Structures Construction	237120	25%	\$3,926,051
Industrial Building Construction	236210	75%	\$11,778,153
[Not Applicable]	0		\$0
<i>Most projects will only have one line related to construction type.</i>		100%	\$15,704,204

### Operation Phase - Project Assumptions

#### Jobs and Earnings from Operations

[NAICS Lookup](#)

**Year 1 - Enter NAICS**

	NAICS	Count	Per Job Annual Earnings	Total Earnings
Industrial Building Construction	236210	22	\$65,000	\$1,430,000
0				\$0
0				\$0
0				\$0
0				\$0
0				\$0
<b>Total</b>		22		\$1,430,000

**Year 2**

	NAICS	Count	Per Job Annual Earnings	Total Earnings
Industrial Building Construction	236210	35	\$65,000	\$2,275,000
0	0	0		\$0
0	0			\$0
0	0			\$0
0	0			\$0
0	0			\$0
<b>Total</b>		35		\$2,275,000

**Year 3+ (Full Employment)**

	NAICS	Count	Per Job Annual Earnings	Total Earnings
Industrial Building Construction	236210	35	\$65,000	\$2,275,000
0	0			\$0
0	0			\$0
0	0			\$0
0	0			\$0
0	0			\$0
<b>Total</b>		35		\$2,275,000

### Fiscal Impact Assumptions

#### Estimated Costs of Incentives

Sales Tax Exemption	%	Value	PILOT Term (Years)	<input type="text" value="10"/>
Local Sales Tax Rate	4.63%	\$455,156	Escalation Factor	<input type="text" value="2%"/>
State Sales Tax Rate	4.00%	\$393,648	Discount Factor	<input type="text" value="2%"/>
Mortgage Recording Tax Exemption		<input type="text" value="\$75,000"/>		
Local	0.25%	\$25,000		
State	0.50%	\$50,000		
<b>Total Costs</b>		<input type="text" value="\$2,733,721"/>	<i>Includes PILOT exemption, calculated below.</i>	

Property Tax Exemption							
Year #	Year	Property Tax WITHOUT Project	Estimated PILOT	Property Tax on Full Assessment	Difference in Current vs. PILOT	Difference PILOT vs Full Taxes	
1	2022	\$22,632	\$30,000	\$192,691	\$7,368	-\$162,691	
2	2023	\$23,085	\$30,000	\$196,545	\$6,915	-\$166,545	
3	2024	\$23,547	\$30,000	\$200,476	\$6,453	-\$170,476	
4	2025	\$24,018	\$30,000	\$204,486	\$5,982	-\$174,486	
5	2026	\$24,498	\$30,000	\$208,575	\$5,502	-\$178,575	
6	2027	\$24,988	\$30,000	\$212,747	\$5,012	-\$182,747	
7	2028	\$25,488	\$30,000	\$217,002	\$4,512	-\$187,002	
8	2029	\$25,997	\$30,000	\$221,342	\$4,003	-\$191,342	
9	2030	\$26,517	\$30,000	\$225,769	\$3,483	-\$195,769	
10	2031	\$27,048	\$30,000	\$230,284	\$2,952	-\$200,284	
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## Other Benefits to Public and Private Individuals - If Applicable

[illegible]

## Notes

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Does the IDA believe the project can be accomplished in a timely fashion?

Yes

# Town of Riverhead Industrial Development Agency

## MRB Cost Benefit Calculator

Date July 5, 2022  
Project Title 48 Kroemer, LLC Client Request  
Project Location 48 Kroemer Avenue, Riverhead NY



## Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment

\$15,704,204

### Temporary (Construction)

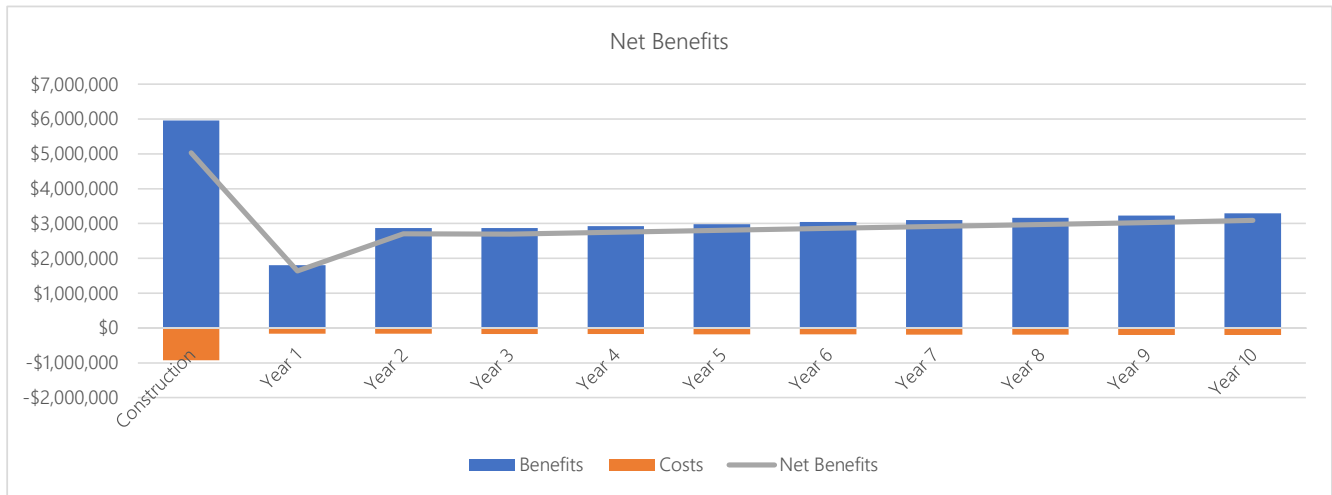
	Direct	Indirect	Total
Jobs	75	19	94
Earnings	\$4,768,632	\$850,204	\$5,618,836
Local Spend	\$15,704,204	\$3,806,398	\$19,510,602

### Ongoing (Operations)

Aggregate over life of the PILOT

	Direct	Indirect	Total
Jobs	35	9	44
Earnings	\$23,231,255	\$4,334,318	\$27,565,573

Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

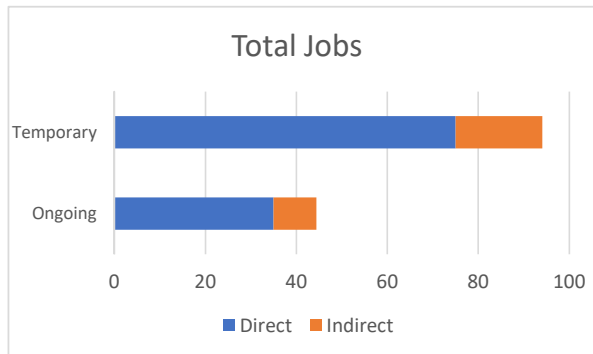
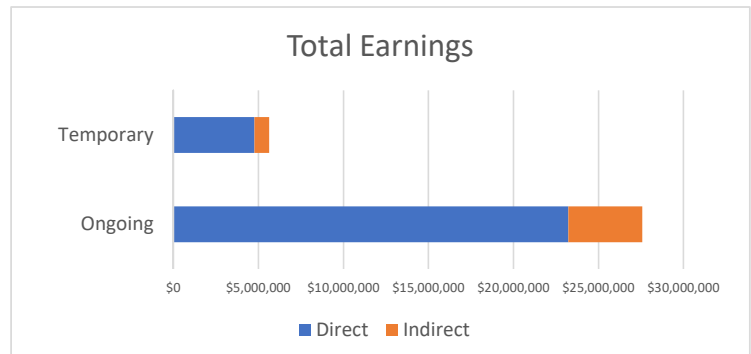


Figure 3



Ongoing earnings are all earnings over the life of the PILOT.



## Fiscal Impacts

### Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$1,809,917	\$1,619,654
Sales Tax Exemption	\$848,804	\$848,804
Local Sales Tax Exemption	\$455,156	\$455,156
State Sales Tax Exemption	\$393,648	\$393,648
Mortgage Recording Tax Exemption	\$75,000	\$75,000
Local Mortgage Recording Tax Exemption	\$25,000	\$25,000
State Mortgage Recording Tax Exemption	\$50,000	\$50,000
<b>Total Costs</b>	<b>\$2,733,721</b>	<b>\$2,543,458</b>

### State and Local Benefits

	Nominal Value	Discounted Value*
<b>Local Benefits</b>	<b>\$33,505,179</b>	<b>\$30,519,276</b>
To Private Individuals	\$33,184,409	\$30,227,033
Temporary Payroll	\$5,618,836	\$5,618,836
Ongoing Payroll	\$27,565,573	\$24,608,197
Other Payments to Private Individuals	\$0	\$0
To the Public	\$320,769	\$292,243
Increase in Property Tax Revenue	\$52,183	\$47,593
Temporary Jobs - Sales Tax Revenue	\$45,477	\$45,477
Ongoing Jobs - Sales Tax Revenue	\$223,109	\$199,173
Other Local Municipal Revenue	\$0	\$0
<b>State Benefits</b>	<b>\$1,725,589</b>	<b>\$1,571,806</b>
To the Public	\$1,725,589	\$1,571,806
Temporary Income Tax Revenue	\$252,848	\$252,848
Ongoing Income Tax Revenue	\$1,240,451	\$1,107,369
Temporary Jobs - Sales Tax Revenue	\$39,332	\$39,332
Ongoing Jobs - Sales Tax Revenue	\$192,959	\$172,257
<b>Total Benefits to State &amp; Region</b>	<b>\$35,230,768</b>	<b>\$32,091,081</b>

### Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$30,519,276	\$2,099,809	15:1
State	\$1,571,806	\$443,648	4:1
<b>Grand Total</b>	<b>\$32,091,081</b>	<b>\$2,543,458</b>	<b>13:1</b>

\*Discounted at 2%

### Additional Comments from IDA

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Does the IDA believe that the project can be accomplished in a timely fashion?

Yes