

**Town of Riverhead Industrial Development Agency
Board Meeting
July 7, 2025 5:00 pm Riverhead Town Hall**

P R O P O S E D A G E N D A

- I. Call to Order**
- II. Consideration of Proposed Agenda**
- III. Consideration of the Minutes:** Consideration of June 2, 2025 minutes.
RESOLUTION #17-25
- IV. Correspondence:** State Comptroller
- V. Treasurer's Report:**
 - i. **RESOLUTION #18-25** Accepts Report of Expenses and Authorizes Payment of Bills as of June 30, 2025.
- VI. Committee Reports**
 - a. Audit: None
 - b. Governance: None
 - c. Finance Committee: None
- VII. Old Business** – None
- VIII. New Business**
 - a. Consideration of **Resolution #19-25** Assignment GGV/Riverhead Brew
 - b. Consideration of **Resolution #20-25** Approving Amended Application IWP (Tentative)
 - c. Consideration of **Resolution #21-25** Accepting Amended Application 205 Osborn Ave, LLC (Tentative)
- IX. Executive Directors Report**
- X. Adjournment**

June 30, 2025

MINUTES OF THE MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
June 2, 2025

Meeting was called to order at 5:05 PM by Vice Chairman Lee Mendelson.

Present: James B. Farley, Chairman (Virtually)
Lori Ann Pipczynski, Secretary
Lee Mendelson, Vice Chairwoman
Douglas Williams, Treasurer
Barbara Rizzi, Asst. Treasurer

Absent:

Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director
Terance Walsh, Agency Counsel (Virtual)

Barbara Rizzi moved to adopt the proposed agenda. Douglas Williams seconded. The agenda was adopted.

MINUTES:

#13-25 RESOLUTION APPROVING MINUTES OF REGULAR MEETING OF March 24, 2025

Member Douglas Williams offered the following resolution, which was seconded by Member Barbara Rizzi

RESOLVED, the minutes of the meeting of March 24, 2025 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

CORRESPONDENCE: The ED reported that numerous FOILS (Freedom of Information Requests) have been filed with the office. Since March 5th, 19 Foils have been filed relative to the Town Square, Atlantis, J. Petrocelli, the Agency's Authority, some of which were asking for information dating back 10 years. The work to provide the information was extensive and took a lot of time away from daily operations. It was noted that the amount of foils is not unusual during an election year and some candidates were even copied on some of the correspondence. Noting it is a one person office, the Vice Chair

recognized it is difficult to conduct regular business as it stops operations. Further discussion will be had if the influx of requests continues.

PRESENTATIONS: The Vice Chairman took the agenda out of order and continued with the Treasurers Report

TREASURERS REPORT: Includes April and May

| | |
|------------------------------------|--------------|
| Cash Balance as of April | \$33,218.15 |
| Muni Now Account Bal April 30th | \$333,423.10 |
| Revenue for April | \$3,489.79 |
| Profit and Loss April | \$-15,523.89 |
| Total Expenses Paid April | \$19,013.65 |
| Project Deposit Account bal. April | \$31,730.91 |
| | |
| Cash Balance as of May 31st | \$12,895.66 |
| Muni Now Account Bal May 31st | \$334,414.23 |
| Revenue for May | \$1,017.88 |
| Profit and Loss May | \$-22,187.92 |
| Total Expenses Paid May | \$23,205.80 |
| Project Deposit Account bal. May | \$31,843.61 |

#14-25 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF June 2, 2025.

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, 2025 to April 31, 2025 and May 1, 2025 to May 31, 2025 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated May 5, 2025 covering the month of April and the financial report dated June 2, 2025 covering the month of May be and are hereby accepted and expenses as listed are authorized for payment.

Member Barbar Rizzi made a motion to accept Treasurer's Report, which was seconded by Member Douglas Williams. **Motion approved.**

VOTE: 5 Yes

COMMITTEE REPORTS:

Audit Committee – None

Governance Committee - None

Finance Committee – None

OLD BUSINESS: -None

At this point the Vice Chairman resumed the order of the agenda and continued with the presentation.

PRESENTATION:

The Vice Chairman reviewed the impacts of the Agency for the 2023 reporting year with the following highlights: v (see attached Power Point):

He noted that IDA ensures financial health of town in terms of lessening the tax burden on the residents. As costs rise and government contributions shrink, he commented that we must proactively explore ways to increase tax revenue without overburdening residents.

3 Ways for government to make up deficit:

- Cut Services
 - Raise Taxes
 - Increase Tax Revenue on non-residential parcels
- The IDA provides a strategic advantage, leveraging incentives to attract businesses, create jobs, and generate significant tax revenue—without using taxpayer dollars.
 - A small agency with a staff of 1 and a part time CFO
 - The board is comprised of 5 Riverhead residents committed to responsible development that balances business growth with community needs who are just as concerned as anyone else about easing the tax burden, the school district and want smart development. That is why each project undergoes thorough scrutiny to ensure that incentives are justified and that the town and school district ultimately benefit.
 - Rather than viewing incentives as a loss, the agency wants the public to understand that the IDA incentives are a strategic investment in our town's future. Without them, Riverhead risks losing out to other municipalities that are aggressively courting the same developers.
 - In 2023, there were over 16,500 parcels of property in the town and the IDA only had 21 projects/parcels in the PILOT program. A tiny percentage of parcels that are impacted by the IDA.
 - The town is competing with over 100 other municipalities to stabilize the tax base.
 - The taxes on those 21 parcels prior to IDA involvement were \$720,578.
 - In 2023 the taxes were \$2,932,601. A \$2.2 million dollar increase after IDA involvement.
 - That equates to over \$1.1 million to the school district. That equates to over \$1.1 million in tax revenue just to the school alone in 2023 (prior they were getting \$429,895 from those same parcels).
 - Some confusion lies in the term "exemption." A true exemption usually lowers taxable value right. In Riverhead's case, the agency is mostly measuring new value rather than exempting something that already exists.

- In 2023, IDA projects claimed \$504,386 in sales tax exemption on building materials and equipment.
- Eight of those projects reported generating \$3,326,793.50 in sales tax revenue in 2023 alone.
- Three of the projects generated \$856,015.64 in occupancy tax which is used mostly for cultural tourism related projects.
- In 2023, 22 projects were generating 39 jobs prior to IDA inducement. After IDA improvements, they now generate over 1400 jobs. The IDA removes blight, adds jobs, provides housing, improves infrastructure and the overall aesthetics of the town. These projects have also become the home to several start-up businesses.
- The school and local papers have suggested that over a 10-year period, the cost of the IDA to the school has been upwards of \$15 million. The Agency is still trying to analyze where that calculation came from.
- The school budgets, over the last ten years, the school budget totaled \$1.548 billion. In that case, The IDA's temporary proportional impact is less than 1% of the school budget.
- This does not take into account how much has been added to school budgets as a result of the development of these IDA parcels. Many are commercial that don't increase school population.
- IDA should not be used as scapegoat for school budgets.

Conclusion:

- IDA impacts very few properties
- IDA increase tax revenue
- IDA increases assessed value
- IDA increases jobs

NEW BUSINESS:

#15-25 RESOLUTION RATIFYING AND ADOPTING AGENCY CREDIT CARD POLICY

The following resolution was offered by Lori Ann Pipczynski
And seconded by Douglas Williams

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 624 of the Laws of 1980, the Town of Riverhead Industrial Development Agency was created and is a public benefit corporation and an industrial development agency of the State of New York (the "**Agency**") having those powers set forth in, and subject to the requirements of, Article 18-A of the General Municipal Law; and

WHEREAS, under Section 858 of the Act, the Agency has the power to make certain appointments and approve certain administrative matters; and

WHEREAS, the Agency determines the necessity for the use of a credit card; and

WHEREAS, the Agency applied for and was approved for a credit card through M&T Bank; and

WHEREAS, as provided to the Agency's Governance Committee, the members have reviewed the Policy prior to this meeting with no additional comments; and

WHEREAS, copies of the draft Policy have been presented to members of the Agency and the members of the Agency have reviewed the drafts of this Policy at this meeting; and

NOW, THEREFORE, BE IT RESOLVED, the Agency hereby ratifies the approval of the Credit Card Policy.

(see attached policy)

Vote: 5 Yes

#16-25 RESOLUTION RATIFIES AUTHORIZATION OF CHAIRPERSON TO NEGOTIATE AND EXECUTE LICENSE AGREEMENT with Town of Riverhead

Lori Ann Pipczynski offered the following resolution, which was seconded by Barbara Rizzi.

RESOLVED, that the Board Members of the Riverhead IDA ratify authorization for the Chairman to negotiate and execute a License Agreement for office space located at 55 Columbus Avenue, Riverhead, New York in substantially the same form as attached hereto subject to clarifying insurance considerations.

Vote: 5 Yes

EXECUTIVE DIRECTOR'S REPORT

The Executive Provided a quick update on two projects the Agency is reviewing amended applications for. She noted that IWP received preliminary site plan approval and are allowed to use the indoor space for a catering hall. The Pickle ball courts and go cart track will not be approved until all issues are resolved with the DEC, which the company believes will be handled shortly. She noted that the agency board did not want to consider the amended application until all approvals were received.

The ED stated that work is being done on 205 Osborne. As far as their amended application is concerned, the agency is still confirming the insurance meets the agency's requirements and ensuring the agency has all contractor insurance.

The ED confirmed late pilots were from 400 Burman Blvd, LLC and Island Water Park. All pilots have been paid, as well as late fees.

Seeing no further business, Lori Ann Pipczynski motioned to adjourn the meeting. Barbara Rizzi seconded. The meeting adjourned at 5:38pm

Dated:_____

Secretary/Ass



All Roads Lead to Riverhead™

Town of Riverhead Industrial Development Agency

4 West Second Street

Riverhead, New York 11901

www.riverheadida.org

ph. 631.369.5129 • fax. 631.369.6925

July 2, 2025

Board of Directors
Riverhead Industrial Development Agency
4 West Second Street
Riverhead, NY 11901

RE: June 2025 Financial Reports

To the Board of Directors,

I have prepared and attached the financial reports for the month of June 2025. Please take note of the following items:

Cash in Checking Account

The balance in the M&T Bank checking account as of June 30, 2025 was \$15,608.58.

Investment – Hanover Bank - Muni NOW

The balance at June 30, 2025 was \$315,320.63. A transfer of \$20,000 was made to the M&T checking account on June 2, 2025 and interest earned for the month was \$906.40 at an APY of 3.56%.

Project Deposit Account

The account earned interest of \$2.61 for the month and there was a bank charge of \$22.00. The month end balance was \$31,824.22.

Revenues

Revenues for the month of June 2025 included interest earnings of \$948.29, late compliance fees of \$1,383.33 and project fees in the amount of \$10,969.03.

Expenses

Expenses for the month of June 2025 totaled \$21,063.37.

M&T Bank One Card

Credit card charges for the month amounted to \$1,205.19.

LDC Activity

The balance in the LDC bank account at June 30, 2025 was \$682.27. Activity for the month included bank charges in the amount of \$3 and a disbursement of funds collected for Riverhead Charter School in the amount of \$77,776.72.

If you have any questions or would care to discuss, please contact me.

Very truly yours,

Denise M. Cooper, CPA
Chief Financial Officer

Riverhead Industrial Development Agency

Balance Sheet

As of June 30, 2025

Accrual Basis

| | <u>Jun 30, 25</u> |
|---|--------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 10010 · M&T Bank - Operating Account | 15,608.58 |
| 10017 · Hanover - Muni NOW | 315,320.63 |
| 10210 · M&T Bank - PILOT Account | 1,497.78 |
| 10220 · M&T - Project Deposit | <u>31,824.22</u> |
| Total Checking/Savings | 364,251.21 |
| Accounts Receivable | |
| 11000 · Accounts Receivable | <u>13,242.53</u> |
| Total Accounts Receivable | 13,242.53 |
| Other Current Assets | |
| 12000 · Prepaid Expenses | <u>6,313.00</u> |
| Total Other Current Assets | <u>6,313.00</u> |
| Total Current Assets | 383,806.74 |
| Fixed Assets | |
| 15000 · Furniture and Equipment | 1,479.95 |
| 15500 · Accumulated Depreciation-F&E | -1,479.95 |
| 16000 · Office Equipment | 9,535.01 |
| 16500 · Accumulated Depreciation-Equip | <u>-8,866.83</u> |
| Total Fixed Assets | 668.18 |
| Other Assets | |
| 18710 · Def Outflow - Pension Related E | <u>67,404.00</u> |
| Total Other Assets | <u>67,404.00</u> |
| TOTAL ASSETS | <u><u>451,878.92</u></u> |

Riverhead Industrial Development Agency

Balance Sheet

As of June 30, 2025

Accrual Basis

| | <u>Jun 30, 25</u> |
|---------------------------------------|--------------------------|
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 20000 · Accounts Payable | <u>24,561.12</u> |
| Total Accounts Payable | 24,561.12 |
| Credit Cards | |
| 20501 · M&T One Card | <u>1,205.19</u> |
| Total Credit Cards | 1,205.19 |
| Other Current Liabilities | |
| 20075 · Expense Deposit - CAT | 31,824.22 |
| 21000 · Accrued Expenses | 6,544.93 |
| 24000 · Payroll Liabilities | |
| 24007 · DBL Payable | <u>15.60</u> |
| Total 24000 · Payroll Liabilities | 15.60 |
| 26000 · Compensated Absences | <u>4,012.00</u> |
| Total Other Current Liabilities | <u>42,396.75</u> |
| Total Current Liabilities | 68,163.06 |
| Long Term Liabilities | |
| Net Pension ERS - Liability | 51,278.00 |
| 26020 · Deferred Inflows-Pension rel | <u>30,285.00</u> |
| Total Long Term Liabilities | <u>81,563.00</u> |
| Total Liabilities | 149,726.06 |
| Equity | |
| 32000 · Fund Balance | 381,284.30 |
| Net Income | <u>-79,131.44</u> |
| Total Equity | <u>302,152.86</u> |
| TOTAL LIABILITIES & EQUITY | <u>451,878.92</u> |

Riverhead Industrial Development Agency

Profit & Loss

Accrual Basis

January through June 2025

| | Jan 25 | Feb 25 | Mar 25 | Apr 25 | May 25 | Jun 25 | TOTAL |
|--|------------------|------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| Ordinary Income/Expense | | | | | | | |
| Income | | | | | | | |
| 46400 · Other Types of Income | | | | | | | |
| 46410 · Interest Income | 1,141.85 | 1,014.04 | 1,051.00 | 989.76 | 1,017.88 | 948.29 | 6,162.82 |
| 46430 · Miscellaneous Revenue | 0.00 | 10,213.57 | 2,500.00 | 1,700.00 | 0.00 | 1,383.33 | 15,796.90 |
| Total 46400 · Other Types of Income | 1,141.85 | 11,227.61 | 3,551.00 | 2,689.76 | 1,017.88 | 2,331.62 | 21,959.72 |
| 47200 · Program Income | | | | | | | |
| 47240 · Program Service Fees | 4,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10,969.03 | 14,969.03 |
| Total 47200 · Program Income | 4,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10,969.03 | 14,969.03 |
| 47241 · Annual Compliance Fees | 30,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 30,000.00 |
| Total Income | 35,141.85 | 11,227.61 | 3,551.00 | 2,689.76 | 1,017.88 | 13,300.65 | 66,928.75 |
| Gross Profit | 35,141.85 | 11,227.61 | 3,551.00 | 2,689.76 | 1,017.88 | 13,300.65 | 66,928.75 |
| Expense | | | | | | | |
| 62100 · Contract Services | | | | | | | |
| 62110 · Accounting (Audit) Fees | 0.00 | 0.00 | 12,500.00 | 0.00 | 0.00 | 0.00 | 12,500.00 |
| 62150 · Outside Contract Services | | | | | | | |
| 62145 · Website Development | 1,250.00 | 0.00 | 1,250.00 | 0.00 | 0.00 | 0.00 | 2,500.00 |
| 62150 · Outside Contract Services - Oth... | 3,120.00 | 3,007.50 | 1,462.50 | 1,350.00 | 1,195.94 | 2,003.75 | 12,139.69 |
| Total 62150 · Outside Contract Services | 4,370.00 | 3,007.50 | 2,712.50 | 1,350.00 | 1,195.94 | 2,003.75 | 14,639.69 |
| Total 62100 · Contract Services | 4,370.00 | 3,007.50 | 15,212.50 | 1,350.00 | 1,195.94 | 2,003.75 | 27,139.69 |
| 62800 · Facilities and Equipment | | | | | | | |
| 62890 · Rent, Parking, Utilities | 0.00 | 0.00 | 0.00 | 0.00 | 5,220.00 | 400.00 | 5,620.00 |
| Total 62800 · Facilities and Equipment | 0.00 | 0.00 | 0.00 | 0.00 | 5,220.00 | 400.00 | 5,620.00 |
| 65000 · Operations | | | | | | | |
| 65005 · Bank Service Charges | 45.00 | 60.00 | 15.00 | 17.00 | 15.00 | 0.00 | 152.00 |
| 65020 · Postage, Mailing Service | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 165.36 | 165.36 |
| 65040 · Supplies | 104.10 | 261.95 | 36.58 | 0.00 | 0.00 | 483.92 | 886.55 |
| 65050 · Telephone, Telecommunications | 253.54 | 0.00 | 254.54 | 0.00 | 197.71 | 801.20 | 1,506.99 |
| 65060 · Maintenance | 125.00 | 125.00 | 125.00 | 62.50 | 125.00 | 125.00 | 687.50 |
| Total 65000 · Operations | 527.64 | 446.95 | 431.12 | 79.50 | 337.71 | 1,575.48 | 3,398.40 |
| 65100 · Other Types of Expenses | | | | | | | |
| 65120 · Insurance - Liability, D and O | 0.00 | 920.00 | 0.00 | 0.00 | 0.00 | 0.00 | 920.00 |
| 65150 · Memberships and Dues | 450.00 | 0.00 | 0.00 | 1,000.00 | 0.00 | 0.00 | 1,450.00 |
| Total 65100 · Other Types of Expenses | 450.00 | 920.00 | 0.00 | 1,000.00 | 0.00 | 0.00 | 2,370.00 |
| 66000 · Payroll Expenses | | | | | | | |
| 66010 · Salaries | 17,849.82 | 11,899.88 | 11,899.88 | 11,899.88 | 11,899.88 | 11,899.88 | 77,349.22 |
| 66015 · Health Care Buyback | 1,477.25 | 1,477.25 | 1,477.25 | 1,477.25 | 1,477.25 | 1,477.25 | 8,863.50 |
| 66030 · Social Security Expense/FICA | 1,106.69 | 737.79 | 737.79 | 737.80 | 737.79 | 737.79 | 4,795.65 |
| 66035 · Medicare Expense | 258.82 | 172.55 | 172.55 | 172.55 | 172.55 | 172.54 | 1,121.56 |
| 66037 · SUI Expense | 268.80 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 268.80 |
| 66040 · Disability Insurance | 0.00 | 149.00 | 0.00 | 0.00 | 0.00 | 0.00 | 149.00 |
| 66060 · Workers Compensation | 0.00 | 0.00 | 264.00 | 0.00 | 0.00 | 0.00 | 264.00 |
| 66070 · NYS Retirement Contribution | 3,141.57 | 2,094.38 | 2,094.38 | 2,296.68 | 2,296.68 | 2,296.68 | 14,220.37 |
| Total 66000 · Payroll Expenses | 24,102.95 | 16,530.85 | 16,645.85 | 16,584.16 | 16,584.15 | 16,584.14 | 107,032.10 |
| 68300 · Travel and Meetings | | | | | | | |
| 68310 · Conference, Convention, Meeting | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 500.00 | 500.00 |
| Total 68300 · Travel and Meetings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 500.00 | 500.00 |
| Total Expense | 29,450.59 | 20,905.30 | 32,289.47 | 19,013.66 | 23,337.80 | 21,063.37 | 146,060.19 |
| Net Ordinary Income | 5,691.26 | -9,677.69 | -28,738.47 | -16,323.90 | -22,319.92 | -7,762.72 | -79,131.44 |
| Net Income | 5,691.26 | -9,677.69 | -28,738.47 | -16,323.90 | -22,319.92 | -7,762.72 | -79,131.44 |

For Management Purposes Only.

Riverhead Industrial Development Agency

Accounts Receivable

As of June 30, 2025

| | Jun 30, 25 |
|--------------------------|------------|
| 205 Osborne Ave, LLC | 750.00 |
| 331 East Main Street LLC | 15.17 |
| Firehouse | 125.00 |
| Georgica Green | 1,383.33 |
| Restaurant Depot | 10,969.03 |
| TOTAL | 13,242.53 |

Riverhead Industrial Development Agency

Accounts Payable

As of June 30, 2025

| | Jun 30, 25 |
|-------------------------------|------------------|
| NYS & Local Retirement System | 14,220.37 |
| Tracy Stark-James | 10,340.75 |
| TOTAL | 24,561.12 |

**TOWN OF RIVERHEAD
INDUSTRIAL DEVELOPMENT AGENCY
DATED: July 7, 2024**

**#19-25 RESOLUTION APPROVES TENANT FOR GEORGICA GREEN
VENTURES, LLC PROJECT aka RIVERHEAD APARTMENTS, LLC**

Member _____ offered the following resolution, which was seconded by
Member _____

WHEREAS, Resolution #42-17, dated September 11, 2017 authorized certain financial assistance for Riverhead Apartments, LLC (the “**Company**”), as agent of the Town of Riverhead Industrial Development Agency (the “**Agency**”) and approved documents in connection with the provision of financial assistance by the Agency to the Company, and

WHEREAS, capitalized terms not otherwise defined herein shall have the meanings given thereto in the hereinafter defined Lease Agreement; and

WHEREAS, the Agency took a leasehold interest in the Project pursuant to a Ground Lease (the “**Ground Lease**”) from the Company, and leased the Project back to the Company pursuant to a certain Lease Agreement (the “**Lease Agreement**”), each dated November 2, 2017, and

WHEREAS, Section 7.2 of the Lease Agreement requires that commercial tenants shall be subject to Agency approval upon 60 days written notice by the Company to the Agency, and

WHEREAS, the Company has proposed to have its affiliate lease an approximately 6,583 square foot portion of the Project to Moonfish Brewery, Inc. d/b/a Riverhead Brew House, and

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

WHEREAS, it is now desired to approve Moonfish Brewery, Inc. d/b/a Riverhead Brew House as a tenant of the Project.

RESOLVED that the Agency, does hereby approve Moonfish Brewery, Inc. d/b/a Riverhead Brew House as tenant of the Project, subject to the approval of necessary Town

and State permits and the execution of a written agreement between the Agency, the Company, and Moonfish Brewery, Inc. d/b/a Riverhead Brew House.

Vote:

Date

Secretary/Asst.

DRAFT

Date: July 7, 2025

At a meeting of the Town of Riverhead Industrial Development Agency (the “**Agency**”), held at Town Hall, 4 West Second Street, in Riverhead, New York, in said Town, on July 7, 2025 at 5:00 p.m. o’clock, Prevailing Time.

Present: James B. Farley, Chairman (Virtual)
Lee Mendelson, Vice Chair(Virtual)
Lori Ann Pipczynski, Secretary
Doug Williams, Treasurer
Barbara Rizzi, Assistant Treasurer

Absent:

Also Present: Tracy Stark-James, Executive Director
Terance V. Walsh, Esq., Transaction Counsel (Virtual)

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action to approve a revised application and authorize certain documents for a certain industrial development facility more particularly described below (Island Water Park Corp./Island Water Park Operations, LLC 2021 Facility).

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

RESOLUTION #20-25

DATED JULY 7, 2025

A RESOLUTION AUTHORIZING THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO APPROVE AN AMENDED APPLICATION AND AUTHORIZE THE EXECUTION OF CERTAIN DOCUMENTS FOR A CERTAIN PROJECT AMENDMENT FOR THE AGENCY'S ISLAND WATER PARK CORP./ISLAND WATER PARK OPERATIONS, LLC 2021 FACILITY

WHEREAS, the Town of Riverhead Industrial Development Agency (the "**Agency**") previously provided assistance to Island Water Park Corp., a business corporation organized and existing under the laws of the State of New York (the "**Company**"), and Island Water Park Operations, LLC, a limited liability company organized and existing under the laws of the State of New York (the "**Sublessee**"), for a project originally described as: (a) the acquisition of an approximately 42 acre parcel of land located at 5835 Middle Country Road, Calverton, New York 11933 (SCTM# 0600-135.00-01.00-007.034) (the "**Land**"), the construction of an approximately 75,000 square foot building thereon (the "**Improvements**"), and the acquisition and installation therein of certain equipment and personal property, not part of the Equipment (as defined below) (the "**Facility Equipment**"; and together with the Land and the Improvements, the "**Company Facility**"), which Company Facility is subleased by the Agency to the Company and subleased by the Company to the Sublessee; and (b) the acquisition and installation of certain equipment and personal property, including but not limited to, kitchen equipment, computer and information technology systems, lighting, furniture, televisions, HVAC, plumbing and equipment for its attractions as more fully described below (the "**Equipment**"; and together with the Company Facility, the "**Facility**"), which Equipment is leased by the Agency to the Sublessee and which Facility is used by the Sublessee as an indoor/outdoor extreme water sports park including an indoor surf pool, rock climbing walls, indoor and outdoor volleyball courts, a zip line, spectator seating, obstacle courses, bumper boats, water slides, fitness center, spa, a pro shop, restaurants and recreational facility to be used year-round by visitors of the Town of Riverhead (the "**Original Project**"); and

WHEREAS, the Agency acquired a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of December 1, 2021 (the "**Company Lease**"), by and between the Company, as lessor, and the Agency, as lessee, and a memorandum of Company Lease was to be recorded in the Suffolk County Clerk's office; and

WHEREAS, The Agency currently leases the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of December 1, 2021 (the "**Lease Agreement**"), by and between the Agency, as lessor, and the Company, as lessee, and a memorandum of Lease Agreement was to be recorded in the Suffolk County Clerk's office; and

WHEREAS, the Equipment is leased to the Sublessee by the Agency pursuant to an Equipment Lease Agreement, dated as of December 1, 2021 (the “**Equipment Lease**”), between the Agency and the Sublessee; and

WHEREAS, the Company is sub-subleasing the Company Facility to the Sublessee pursuant to a certain Sublease Agreement, dated as of December 1, 2021 (the “**Sublease Agreement**”), by and between the Company, as sublessor and the Sublessee, as sublessee; and

WHEREAS, it has since come to the Agency’s attention that the construction and configuration of the project by the Company and the Sublessee deviates substantially from the description of the Original Project that was previously authorized by the Agency; and

WHEREAS, the Agency previously determined to afford the Company and the Sublessee with the opportunity to submit an amended application to the Agency describing the project that the Company and the Sublessee now intend to develop; and

WHEREAS, the Company and the Sublessee have submitted an Amended Application for Financial Assistance, received by the Agency on November 13, 2024 (the “**Amended Application**”), to the Agency in order to reflect a change in the description of the Original Project, which amended application was submitted by the Agency on December 2, 2024, as amended on June 27, 2025; and

WHEREAS, the Agency, subject to the provisions of this resolution, shall accept the Amended Application for further consideration of the amended project described in the Amended Application (the “**Amended Project**”), all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 624 of the Laws of 1980 of the State of New York, as the same may be amended from time to time (collectively, the “**Act**”); and

WHEREAS, the Amended Application also reflected an increased cost of the Project, for a total Project cost of \$38,000,000 (the “**Capital Investment**”), and a decrease in the number of employees at the Project to 75 full-time equivalent employees in 2024, the projected 94.5 full-time equivalent employees in 2025, and 135 full-time equivalent employees in 2026 (the “**Employment Commitment**”); and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the economic development and construction job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “**SEQR Act**” or “**SEQR**”), the Agency constitutes a “Local Agency”; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company prepared and submitted to the Agency an Environmental Assessment Form (the “**EAF**”) and related documents (the “**Questionnaire**”) with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, the Agency has reviewed the Questionnaire and such other documents as the Agency felt necessary or appropriate to examine to adequately review the proposed Facility; and

WHEREAS, based upon the Questionnaire and other information, the proposed Facility constitutes a “Unlisted” action under SEQR; and

WHEREAS, the Town of Riverhead reviewed the Facility pursuant to the provisions of SEQR; and

WHEREAS, the Town of Riverhead determined that the Facility would not have a significant impact on the environment, and adopted a conditional negative declaration for the Facility, attached hereto as Exhibit A; and

WHEREAS, the Company and the Sublessee have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the Amended Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Based upon the Questionnaire completed by the Company and other representations and information furnished regarding the Facility, the appropriate criteria for determination of significance, and other such and further information which the Town of Riverhead felt necessary to review relating to the Facility, the Town of Riverhead determined that the Facility constitutes an Unlisted action and will not have a “significant effect” on the environment and, therefore, an environmental impact statement was not prepared. This determination constitutes a negative declaration for purposes of SEQR, which is attached hereto as Exhibit A. Based upon the Agency’s independent review of the Questionnaire, the appropriate criteria for determination of significance, and such other and further information which the Agency felt necessary to review the Facility, the Agency concurs with the conditional negative declaration attached hereto as Exhibit A, and adopts it as its own conditional negative declaration.

Section 2. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The Facility continues to constitute a “project”, as such term is defined in the Act; and

(c) The Facility continues to preserve the public purposes of the Act by increasing capital investment in the Town of Riverhead in the amount of the Capital Investment and preserving or increasing the number of permanent private sector jobs in the Town of Riverhead in the amount of the Employment Commitment, notwithstanding the decrease in the Employment Commitment set forth in the initial application for the Project; and

(d) The continued leasing of the Facility to the Company and the Sublessee will promote and maintain the job opportunities, health, general prosperity and economic welfare of

the citizens of Town of Riverhead, and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(e) Based upon representations of the Company and the Sublessee and counsel to the Company and the Sublessee, the Facility conforms with the local zoning laws and planning regulations of the Town of Riverhead and all regional and local land use plans for the area in which the Facility is located; and

(f) It is desirable and in the public interest for the Agency to continue sublease the Land and the Improvements and to lease the Equipment to the Company and the Sublessee.

Section 3. The Agency has assessed all material information included in connection with the Amended Application, and such information has provided the Agency a reasonable basis for its decision to continue provide the financial assistance previously approved for the Company and the Sublessee.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (i) continue lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) continue sublease and lease the Facility to the Company pursuant to the Lease Agreement, (iii) execute, deliver, and perform any document necessary to reflect the Amended Project and the information set forth in the Amended Application, and (iv) charge a project fee to the Company and the Sublessee in the amount of \$130,000 as a result of the increased cost of the Project, as provided in the Agency's fee schedule.

Section 5. The Chairman, Vice Chair, Executive Director, or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver an amendment to the Lease Agreement to reflect necessary changes as a result of the information provided in the Amended Application, and any documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "**Agency Documents**"). The execution thereof by the Chairman, Vice Chair, Executive Director, or any member of the Agency shall constitute conclusive evidence of such approval.

Section 6. The Chairman, Vice Chairman or any member of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company and the Sublessee, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 7. Any expenses incurred by the Agency with respect to the Original Project or the Amended Project shall be paid by the Company and the Sublessee. By its acceptance hereof, the Company and the Sublessee agree 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 Facility.

Section 8. Nothing herein shall be construed to waive any rights or remedies of the Agency as provided in the Lease Agreement with respect to any further Events of Default that occur under the Lease Agreement after the date hereof, and the Agency reserves the right to exercise such rights and remedies to the fullest extent permitted by the Lease Agreement if any such Event of Default shall occur.

|

Section 9. This Resolution shall take effect immediately.

DRAFT

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The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

| | |
|----------------------------|-------------|
| <u>James B. Farley</u> | <u>VOTE</u> |
| <u>Doug Williams</u> | <u>VOTE</u> |
| <u>Lee Mendelson</u> | <u>VOTE</u> |
| <u>Lori Ann Pipczynski</u> | <u>VOTE</u> |
| <u>Barbara Rizzi</u> | <u>VOTE</u> |

The resolution was thereupon declared duly adopted.

[illegible]

I, the undersigned Chairman of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Members of said Agency, including the resolution contained therein, held on July 7, 2025, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting.

I FURTHER CERTIFY that, pursuant to Section 103 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public.

I FURTHER CERTIFY that, PRIOR to the time of said meeting, I duly caused a public notice of the time and place of said meeting to be given to the following newspapers and/or other news media as follows:

| Newspaper and/or other news media | Date given |
|-----------------------------------|------------|
| Riverhead News Review | |

I FURTHER CERTIFY that PRIOR to the time of said meeting, I duly caused public notice of the time and place of said meeting to be conspicuously posted in the following designated public location(s) on the following dates:

| Designated Location(s) of posted notice Website | Dated of Posting |
|--|------------------|
|--|------------------|

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency on _____, 2025.

James B. Farley, Chairman

(CORPORATE
SEAL)

|

EXHIBIT A

NEGATIVE DECLARATION

DRAFT

Date: July 7, 2025

At a meeting of the Town of Riverhead Industrial Development Agency (the “**Agency**”), held at Town Hall, 4 West Second Street, in Riverhead, New York, in said Town, on July 7, 2025 at 5:00 p.m. o’clock, Prevailing Time.

Present: James B. Farley, Chairman (Virtual)
Lee Mendelson, Vice Chair (Virtual)
Lori Ann Pipczynski, Secretary
Doug Williams, Treasurer
Barbara Rizzi, Assistant Treasurer

Also Present: Tracy Stark-James, Executive Director
Terance V. Walsh, Esq., Transaction Counsel (Virtual)

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the approval of an amended application for a certain industrial development facility more particularly described below (205 Osborn Ave, LLC 2022 Facility).

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

RESOLUTION OF THE TOWN OF RIVERHEAD
INDUSTRIAL DEVELOPMENT AGENCY APPROVING
THE AMENDMENT OF AN APPLICATION, AND MAKING
CERTAIN FINDINGS AND DETERMINATIONS WITH
RESPECT TO THE FACILITY AND APPROVING THE
FORM, SUBSTANCE AND EXECUTION OF RELATED
DOCUMENTS

RESOLUTION #

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 624 of the Laws of 1980 of the State of New York, as may be amended from time to time (collectively, the “**Act**”), the Town of Riverhead Industrial Development Agency (the “**Agency**”) was created with the authority and power to issue its special revenue bonds for the purpose of, among other things, acquiring certain industrial development facilities as authorized by the Act; and

WHEREAS, 205 Osborn Ave, LLC, a limited liability company organized and existing under the laws of the State of New York (the “**Company**”), previously applied to the Agency for assistance in connection with: (a) the acquisition of an approximately 0.48-acre parcel of land located at 205 Osborn Avenue, Riverhead, New York 11901 (SCTM# 0600-128.00-02.00-021.001 & 022.000) (the “**Land**”), (b) the demolition of an approximately 13,000 square foot existing building and the construction thereupon of an approximately 41,867 square foot building, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Facility Equipment**”; and together with the Land and the Improvements, the “**Company Facility**”), which Company Facility will be leased by the Company to the Agency and will be subleased by the Agency back to the Company. The Facility will include a 37-unit apartment building comprised of highly-amenitized, market-rate, rental units, consisting of three (3) studio apartments, twenty-four (24) one-bedroom apartments and ten (10) two-bedroom units. The ground floor of the facility will include approximately 4,334 square feet of Worksmart Coworking Space offering a variety of business space and services to local entrepreneurs, freelancers, small businesses and remote workers. The Facility will be pet-friendly and feature a full gym, basement storage units, a rooftop entertainment space, a dedicated package room and a virtual doorman. The Facility will provide 35 parking spaces. (the “**Project**”); and

WHEREAS, the Company previously agreed to lease the Land and the Improvements to the Agency pursuant to and in accordance with a certain Company Lease Agreement, dated as of September 1, 2022 (the “**Company Lease**”); and

WHEREAS, the Company has agreed to transfer to the Agency title to the Equipment pursuant to a Bill of Sale, dated the Closing Date (the “**Bill of Sale**”); and

WHEREAS, the Agency has agreed to sublease and lease the Facility to the Company pursuant to the terms of a certain Lease and Project Agreement, dated as of September 1,

2022 (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, certain Events of Default occurred with respect to the Project under the Lease Agreement, including, but not limited to failure to provide annual reports, failure to provide insurance required by the Lease Agreement, and failure to keep the Project free from liens;

WHEREAS, concurrent with such Events of Default, the Project Work (as defined in the Lease Agreement) was delayed; and

WHEREAS, in addition, due to such Events of Default and delays, certain material information with respect to the Project has changed, including the budget for the Project, the timeline for completion of the Project, and certain contractors for the Project; and

WHEREAS, at the request of the Agency, the Company has submitted an amended application (the “**Amended Application**”) to reflect such changed information; and

WHEREAS, at the time of this resolution, certain Events of Default of the Company remain outstanding and unresolved; and

WHEREAS, the Agency intends to give the Company until its August 4, 2025 meeting to resolve all outstanding Events of Default, at which time the Agency will consider approving the Amended Application if all Events of Default are resolved, provided the Agency reserves the right to consider terminating financial assistance for the Project if Events of Default are not resolved; and

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

NOW, THEREFORE, BE IT RESOLVED by the Town of Riverhead Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. In consequence of the foregoing, the Agency hereby determines to allow the Company additional time to resolve all outstanding Events of Default under the Lease Agreement prior to the Agency’s regularly scheduled August 4, 2025 board meeting, at which time the Agency will consider approving the Amended Application if all Events of Default have been resolved, provided the Agency reserves the right to consider terminating financial assistance for the Project if Events of Default are not resolved by August 4, 2025.

Section 2. This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

| | |
|----------------------------|-------------|
| <u>James B. Farley</u> | <u>VOTE</u> |
| <u>Lori Ann Pipczynski</u> | <u>VOTE</u> |
| <u>Doug Williams</u> | <u>VOTE</u> |
| <u>Lee Mendelson</u> | <u>VOTE</u> |
| <u>Barbara Rizzi</u> | <u>VOTE</u> |

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) ss.:
COUNTY OF SUFFOLK)

I, the undersigned Secretary of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Members of said Agency, including the resolution contained therein, held on July 7, 2025, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting.

I FURTHER CERTIFY that, pursuant to Section 103 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public.

I FURTHER CERTIFY that, PRIOR to the time of said meeting, I duly caused a public notice of the time and place of said meeting to be given to the following newspapers and/or other news media as follows:

| Newspaper and/or other news media | Date given |
|-----------------------------------|------------|
| The News Review | |

I FURTHER CERTIFY that PRIOR to the time of said meeting, I duly caused public notice of the time and place of said meeting to be conspicuously posted in the following designated public location(s) on the following dates:

| Designated Location(s) of posted notice | Dated of Posting |
|---|------------------|
| Website | |

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency on _____, 2025.

Secretary

(CORPORATE
SEAL)