

RIVERHEAD IDA ECONOMIC JOB DEVELOPMENT CORPORATION

Report on Operations

December 31, 2022

(Unaudited)

GENERAL OVERVIEW OF THE CORPORATION FUNCTION

The Riverhead IDA Economic Job Development Corporation (the corporation) was created in January 24th 2011 for the charitable and public purpose of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing and training individuals to improve and develop their capabilities for such jobs, and carrying on scientific research for the purpose of aiding the Town of Riverhead by attracting new industry to the Town and by encouraging the development of, or retention of, industries in the Town, thereby increasing economic activity in the Town, lessening the burdens of government, and acting in the public interest.

The lawful public or quasi public objectives which each business purpose will achieve are the following: training the community residents in the development of their business skills; the reduction of unemployment; the promotion of maximum employment by bettering and maintaining job opportunities; the stimulation of the economic growth of the Town; lessening the burdens of government; and acting in the public interest.

The mission is to sustain and promote industry and commerce in the Town of Riverhead, improve economic opportunities for businesses and residents, create jobs, improve the quality of life, and promote a healthier community.

The Corporation works to insure long-term viability in Riverhead by creating opportunities for economic and community development. The Corporation is intended to be a vehicle to initiate, research, develop, incubate, fund, manage and stimulate projects, programs and business thereby empowering the community with independence and control over its own destiny/future.

Through a holistic approach, the Corporation seeks to integrate and balance the needs of the natural, cultural, business and social environments that constitute the Town of Riverhead through initiatives that include, but are not limited to: community development, economic development, education, preservation and resource conservation, and new technology development and implementation.

PROJECTS

Riverhead Charter School

In April 2012, the Corporation received an application for financial assistance from the Riverhead Charter School, a New York State Not For Profit Organization, with respect to the construction and equipping of a new building and related site improvements at 3685 Middle Country Road, Calverton, NY.

The Corporation issued special revenue bonds in an aggregate amount not to exceed \$21,553,000 (the "Bonds"), for the purpose of providing funds to finance certain costs for the Riverhead Charter School in connection with a proposed project (the "Project") consisting of (i) the reconstruction of the existing school facility located at 3685 Middle Country Road, Calverton, New York, currently known as the Riverhead Charter School and owned by the School; (ii) pay off the Institution's outstanding promissory note on the Existing Facility, (iii) fund a Debt Service Reserve Fund with respect to the Series 2013A Bonds; (iv) fund capitalized interest on the Series 2013A Bonds during the construction period, and (v) pay the costs of issuing the Series 2013 Bonds (collectively, the "Project").

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The School received an allocation of authority to issue “qualified school construction bonds” from the State in the amount of \$5,000,000 (the “*Allocation*”) pursuant to the provisions of the American Recovery and Reinvestment Tax Act of 2009 and the Hiring Incentives to Restore Employment Act of 2010. The School requested the Corporation to use the Allocation to issue a series of taxable qualified school construction bonds on behalf of the School as part of the issuance of the Bonds.

The Corporation entered into a collection agreement in August 2014 with the Charter School (the collection agreement). Under IRS regulations, the Education Facility may not be a direct payee of the Federal Subsidy. This Subsidy must be paid to an agent for the payment to the Education Facility. The Education Facility elected to transfer to the LDC, the allocation of the semi-annual Federal Subsidy received in connection with the project’s facility revenue bonds. The LDC in accordance with the terms of the collection agent agreement will receive the Federal Subsidy and disburse the collection amount to the Education Facility. The collection agent agreement provides for a processing fee payment to be deducted from the Federal Subsidy of \$250 for payments disbursed as well as any additional expenses.

During the year ended December 31, 2022, the Corporation received three payments totaling \$275,504.75 related to this agreement and disbursed \$275,504.75 to the Education Facility and authorized a distribution in furtherance of its mission pursuant to NYS Not for Profit Corporation Law Section 201(14) of \$750 to the Riverhead Industrial Development Agency.

Construction of the facility was completed in 2015. The Corporation monitors the project’s compliance with agreements and continues to receive the Federal Subsidy and disburse the collection amount to the Education Facility.

PENDING APPLICATIONS

There are currently no pending applications before the corporation.

This report is designed to provide a general overview of the RIDA Economic Job Development Corporation’s operations. If you have any questions about this report or need additional information, contact the following:

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