

At a regular meeting of the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, held at the Town Hall, 200 Howell Avenue, in Riverhead, New York, in said Town, on November 8, 2021 at 5:00 p.m. o'clock, Prevailing Time.

The meeting was called to order by Chairman James Farley and upon roll being called, the following were

PRESENT: James Farley, Chairman

Lori Ann Pipczynski, Vice Chair

Anthony Barresi, Secretary

Bob Kern, Treasurer

ABSENT: Thomas Cruso, Asst. Treasurer

The following resolution was offered by Member James Farley, who moved its adoption, seconded by Member Bob Kern, to wit:

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

RESOLUTION #40-21

DATED NOVEMBER 8, 2021

A RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE BY
THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO ISLAND
WATER PARK CORP. AND RELATED ENTITIES

WHEREAS, the Town of Riverhead Industrial Development Agency was created by Chapter 624 of the Laws of 1980 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, the Agency has received an application for financial assistance from Island Water Park Corp., a business corporation qualified to do business in the State of New York; Island Water Park Corp., as owner of the real property comprising the Project which is a business corporation qualified to do business in the State of New York; Island Water Park Operations, LLC, management entity of the Project and the entity which will construct and furnish the Project, which is a limited liability qualified to do business in the State of New York (collectively referred to herein as “Applicant”), with respect to a proposed development located within a formerly designated New York State Empire Zone and a designated urban renewal area at 5835 Middle Country Road (S.C.T.M. No. 0600-135-01-7.034) to replace the vacant land with 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, at an estimated project cost of \$25,000,000 (the “Project”); and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on September 14, 2021 and a Supplemental Public Hearing on November 8, 2021 with respect to the application for financial assistance and the Project and the proposed financial assistance requested by Applicant with respect to the Project; and

WHEREAS, the Agency provided notice of the public hearing to the chief executive officer of each affected tax jurisdiction within which the Project is located; and

WHEREAS, at the Public Hearing all interested parties were provided with reasonable opportunity, both orally and in writing, to present their views with respect to the Project and the providing of financial assistance therefore, as set forth in the notice of Public Hearing.

NOW, THEREFORE, BE IT RESOLVED, by the members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, as follows:

Section 1. Based upon the record of the proceedings of this application the Board makes the following findings necessary to provide a reasonable basis for the decisions of the Agency made herein. The total Project cost is estimated to be \$25,000,000 and would include 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.

The Facility will be used for recreational use as an indoor/outdoor extreme water sports park, to customers who personally visit the Facility and would be considered a “recreational facility” as defined in Section 854(9) and a facility described in accordance with the provisions of

Section 862(2) of the Act, however, based upon the representations and warranties of the Company in the application for financial assistance filed by the Company with the Agency, dated August 30, 2021 (the “**Application**”), Agency finds in accordance with Section 862(2)(b) of the Act the Facility will provide services not readily available to the residents of the Town of Riverhead and the Project will be located in the Enterprise Park at Calverton area and is within a former New York State Empire Zone as so designated by the Riverhead Town Board and the New York State Empire Zone which is a highly distressed area as defined in Section 854(18) of the Act. The Agency further finds pursuant to Section 862(a)(c) of the Act, that the Project will increase the number of permanent private sector jobs in the Town. Therefore, the restrictions on retail facilities contained in Section 862(a)(2) are not applicable to the Project. In accordance with Section 862(a)(c) of the Act, the Town Supervisor as the Chief Executive Officer of the Town of Riverhead shall confirm the proposed actions of the Agency with respect to the Project.

The real property comprising the Project site consists (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 will be 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**”), has a current assessed value of \$159,300. Special District taxes, which are not abated by the Agency are paid to Riverhead Ambulance District, Riverhead Water District, and Sewer Rent in the estimated amount of \$4,558.00 for 2021/2022. These Special District Taxes will continue to be paid directly by Tax Bill, based upon the assessed value determined by the Riverhead Board of Assessors without abatement during the term of the Project. It is estimated that the Special District Taxes will increase to \$13,093 during the first year that the Project is occupied, which is projected to be 2022. Special District taxes of \$143,364 are estimated to be paid during the term of the Project.

Since taxable status date is March 1st of each calendar year, all taxes will be billed by the Riverhead Tax Receiver for the 2021/2022 tax year based upon the current assessed value of \$933,800. For the 2022/2023 and 2023/2024 tax years, school, county town and fire taxes will be billed and collected by the Agency for full distribution to these governments. Thereafter, PILOT payments to the Agency shall be as shown on the attached Schedule A. PILOT taxes based upon a valuation determined as of the date hereof under Real Property Tax Law section 581-a shall be paid in years 2022 through 2032 as reflected on the attached Schedule A.

The Project is within the Enterprise Park at Calverton area and is within a former New York State Empire Zone as so designated by the Riverhead Town Board and the New York State Empire Zone and has been granted preliminary site plan approval and special permit approval to construct the project by Resolution #206 adopted at its regularly scheduled meeting of March 5, 2013.

Island Water Park Corp., and Island Water Park Operations, LLC have demonstrated ability and experience in the construction, maintenance and operation of Projects similar in nature to the Project.

The Board also finds that the Applicant has certified that the Project, as of the date of the Application, is in substantial compliance with all provisions of Article 18-A of the General Municipal Law of the State of New York, including, but not limited to GML section 859-a and section 862. The Board also finds that the Applicant has certified it is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations. This resolution is not effective until it is dated and countersigned by the Applicant as set forth at the foot hereof, certifying the truth of this finding and all other statements of facts and findings made by the Agency in this resolution based upon information provided by the Agency.

Section 2. It is hereby determined that the Agency shall provide Applicant with the following financial assistance with respect to the Project: (i) the provision of an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property in an amount not to exceed a total value of eligible goods and services in the amount of \$15,000,000 which will provide a maximum sales tax exemption not to exceed \$1,293,750 and (ii) a partial abatement of real property taxes by granting a real property tax abatement equal to the assessed value of the improvements, subject to completion of the improvements, for a period of ten years, effective for the 2022/2023 tax billing year. During Project construction estimated to be completed June 2022, the PILOT payment shall equal the new partial assessed value only for Tax Years 2021/2022 after which commencing for the 2022/23 Tax Year PILOT payment shall be paid on the land assessment of \$159,300 and 100% abatement of improvements assessment in Year 1 and declining 10% each year for a period of 10 years as set forth in the attached Schedule A. Real property taxes attributable to special districts including but without limitation public sewer, water, street lighting and ambulance district shall be paid separately to the Tax Receiver of the Town of Riverhead on duly issued tax bill on the assessed value as determined by the Riverhead Board of

Assessors. PILOT payments shall be paid as set forth in the attached Schedule A, and (iii) the provision of an abatement of Mortgage Recording Taxes, on all except that tax attributable to the Metropolitan Region Mortgage Transportation Tax (currently %.30) of the following mortgages, with respect to conventional Mortgages in the anticipated amount of \$15,000,000. The maximum amount of the Mortgage Recording Tax is not to exceed \$112,500. The Executive Director of the Agency is hereby directed to proceed, at the expense of Applicant, to cause agreements and documents to be prepared that will enable the aforesaid benefits to be provided to Applicant. The financial assistance authorized hereby shall not be effective until closing.

Section 3. Pursuant to State Environmental Quality Review Act (SEQRA) the Riverhead Town Board assumed Lead Agency Status by resolution dated August 4, 2020. The Lead Agency has determined that the Project will result in no significant adverse environmental impacts and issued a negative declaration pursuant to SEQRA by resolution dated April 20, 2021. This Agency therefore issues a negative declaration with respect to the Agency's providing financial assistance to the Applicant with respect to the Project, as described in Section 1 of this Resolution and as authorized pursuant to Article 18-A of the General Municipal Law, and has determined that the provision of said financial assistance will not have a significant effect on the environment.

Section 4. The Chairperson or Vice Chairperson of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver standard Agency documents including, but not limited to the Lease and Project Agreement, Company Lease, Mortgage if necessary, PILOT, Equipment Lease and Guarantees, necessary to grant the financial assistance set forth herein upon payment of the Agency fee in the amount of \$112,500 less the application fee of \$4,000 and reasonable Attorney fees. Closing shall occur no later than two years from the date hereof.

Prior to closing the Applicant shall file with the Agency a final certified development budget and evidence of availability of all proposed sources of funds including updated complete term sheets for all sources of funds.

Section 5. This resolution shall take effect upon immediately.

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

<u>Thomas Cruso</u>	<u>VOTE Absent</u>
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<u>James Farley</u>	<u>VOTE Yes</u>
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<u>Lori Ann Pipczynski</u>	<u>VOTE No</u>
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<u>Robert Kern</u>	<u>VOTE Yes</u>
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<u>Anthony Barresi</u>	<u>VOTE Yes</u>
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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 November 8, 2021, 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	10-25-21

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

11- 4-21

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said

Agency on 12/21/, 2021.



Secretary

(CORPORATE

SEAL)

SCHEDULE A
REAL PROPERTY TAX ABATEMENT
ISLAND WATER PARK CORP.
Base Assessment of \$159,300 Plus The % Correlating
To The Year Below Of The Increase Of the Assessed Value
Currently Projected To Be \$2,470,700

<u>Year</u>	<u>PILOT Payment Percentage of Increase Of A.V. Over the Base Amount</u>
2020/2021	Construction phase current assessed value
2021/2022	Construction phase current assessed value
Yr. 1-2022/2023	0%
Yr. 2-2023/2024	10%
Yr. 3-2024/2025	20%
Yr. 4-2025/2026	30%
Yr. 5-2026/2027	40%
Yr. 6-2027/2028	50%
Yr. 7-2028/2029	60%
Yr. 8-2029/2030	70%
Yr. 9-2030/2031	80%
Yr. 10-2031/2032	90%
Yr. 11-2032/2033	100%