

# ISLAND INTERNATIONAL EXTERIOR FABRICATORS LLC

February 13, 2019

Ms. Tracy Stark-James  
Executive Director  
Members of the Board  
Town of Riverhead Industrial Development Agency  
200 Howell Avenue  
Riverhead, NY 11901

Dear Board Members:

We would like to thank all of you for your hard work and efforts to extend the Financial Assistance proposal to Island International Exterior Fabricators, LLC.

As you know, we are faced with considerable challenges in trying to operate a large manufacturing company here on Long Island. Our competition has the significant advantage of operating in low cost areas such as Pennsylvania, Mexico, Asia, etc. This has placed us at a severe competitive disadvantage and is forcing us to reduce overhead and labor costs in order to survive.

Our research, which we shared with you, shows a labor cost savings of \$5.3 million **PER YEAR** if we were to move 300 manufacturing jobs to Pennsylvania. This does not account for other significant savings that would also be enjoyed – lower real estate taxes and energy costs, friendlier development processes and laws, and insurance costs which would be close to 50% less than what we are currently experiencing here in New York.

Our preference is to stay here in Calverton, but the Financial Assistance that was offered does not do enough to offset these additional expenses we incur here, which would prevent us from being competitive. We cannot put the company in this position. It is for these reasons that we must respectfully decline your proposed Financial Assistance.

We ask that you reconsider the proposal and extend the same abatement provided for the 347 building to our existing buildings at CAL 81 and the existing building at 400 Burman. This would allow us to invest these funds into the business in order to increase productivity and efficiency. Without this effort, we will not be able to continue to operate here, at this cost level.

In conjunction with this, we have researched several other NYS and federal credits which are available to us in an effort to reduce this competitive disadvantage. We feel that these efforts, when taken together, along with the more highly skilled labor we enjoy here in Calverton, would bring us to a level that is sustainable, and allow us to stay here. We are Long Islanders, we grew up here, our families are here, and our work family is here. We need your help in order to accomplish this.

Calverton  
Boston  
New York

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Thank you for your consideration.



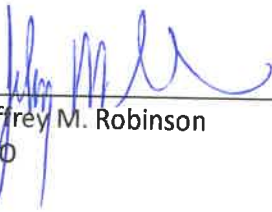
Tim Stevens  
Managing Partner



Ed Harms  
Managing Partner



Kevin Haber  
Managing Partner



Jeffrey M. Robinson  
CFO