

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 April 4, 2016 at 5:00 p.m. o'clock, Prevailing Time.

The meeting was called to order by Thomas Cruso and upon roll being called, the following were

PRESENT: Thomas Cruso
Lou Kalogeras
Lori Ann Pipczynski
Robert Kern

ABSENT: Dawn Thomas

The following resolution was offered by Member Lou Kalogeras, who moved its adoption, seconded by Member Lori Ann Pipczynski, to wit:

RESOLUTION #21-16

DATED: May 2, 2016.

A RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE
BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO J.
KING REALTY INC. AND CITY CIDER HOUSE LLC

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 J. King Realty Inc. and City Cider House LLC, each a company qualified to do business in the State of New York (the "Applicant"), with respect to the construction and equipping of a cider manufacturing, bottling and tourism facility initially estimated to occupy 24,106 sf of total 108,178 sf of building located at 2711 Sound Avenue, Calverton, New York, SCTM #0600-041.000-0002-003.001 with anticipated expansion (the "Facility"). The project will include renovation of existing space and equipping of space to provide for a cider manufacturing plant, cider center, regional tourism center, and regional bottling facility including expenses in connection therewith, at an aggregate cost, including costs associated with the financing thereof, estimated to be \$6,115,000.00 (the "Project"); and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on April 6, 2015 with respect to the application for financial assistance and the Project and the proposed financial assistance requested by Applicant with respect to the Project.

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 Project is a manufacturing facility which supports local Agriculture and Food Processing and Tourism. As such the Project will create jobs, through full time employment of 6 in year 2 after construction is complete. Wage rates for Brewers are above median wage rates for Riverhead. Local labor is encouraged for construction. Regional wealth will be created with the majority of customers from outside of Riverhead. Local and New York region hops will be purchased from local and New York growers. Bottling capacity to support Riverhead craft beer production will support other existing and planned Riverhead craft breweries thereby supporting local vendors. Craft beer and local wineries support the Riverhead hotel and tourism industry. The Project is an adaptive reuse of an existing warehouse which improves the appearance of an existing building on the Sound Avenue scenic corridor.

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 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 \$1,550,000, and (ii) a partial abatement of real property taxes by granting a real property tax abatement equal to the assessed value of the improvements for a period of ten years, effective for the 2017/2018 tax billing year. PILOT payments shall be paid on the land assessment and 77% of the improvements assessment increasing to 100% over 10 years by 2.3% per year as set forth in the attached Schedule A, and (iii) the provision of an abatement of the Mortgage Recording Tax on a mortgage not to exceed \$2,865,000. 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, and to submit such agreements and documents to the Agency for approval. The financial assistance authorized hereby shall not be effective until closing.

Section 3. The Agency has declared itself "lead agency", in accordance with the provisions of the State Environmental Quality Review Act with respect to the Agency's providing financial assistance to the Applicant with respect to the Project, as described in Section 4 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 Project Agreement, Ground Lease, Lease, Mortgage if necessary, PILOT, and Guarantees, necessary to grant the financial assistance set forth herein upon payment of the Agency fee and Attorney fees.

Section 5. This resolution shall take effect upon immediately.

APPLICANT CERTIFICATION:

I hereby CERTIFY AND SWEAR UNDER PENALTY OF PERJURY that all findings and other statements of fact made by the Riverhead Industrial Development Agency contained in the above resolution are complete, true and correct as of this 11th day of

May, 2016.
October

J. KING REALTY INC.

Print Name:

Print Title:

STATE OF NEW YORK)

) ss.:

COUNTY OF SUFFOLK)

On the 11 day of October in the year 2016 before me, the undersigned, a notary public in and for said State, personally appeared John King personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in its capacity and that by its signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

ELLEN M. SAVINO
Notary Public, State of New York
No. 4057030
Qualified in Nassau County
Commission Expires June 12, 2017

Ellen Savino

Notary Public

APPLICANT CERTIFICATION:

I hereby CERTIFY AND SWEAR UNDER PENALTY OF PERJURY that all findings and other statements of fact made by the Riverhead Industrial Development Agency contained in the above resolution are complete, true and correct as of this 11th day of ~~May~~
October, 2016.

CITY CIDER HOUSE LLC

Print Name:

Print Title:

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

On the 11th day of October in the year 2016 before me, the undersigned, a notary public in and for said State, personally appeared John King personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in its capacity and that by its signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

ELLEN N. GAMBINO
Notary Public, State of New York
No. 4952033
Qualified in Nassau County
Commission Expires June 12, 2017

Ellen Gambino
Notary Public

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>	VOTING	<u>Yes</u>
<u>Elias (Lou) Kalogeras</u>	VOTING	<u>Yes</u>
<u>Robert Kern</u>	VOTING	<u>Yes</u>
<u>Lori Ann Pipczynski</u>	VOTING	<u>Yes</u>
	VOTING	

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 May 2, 2016, 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	3-23-15

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

3-24-16

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of
said Agency on 6/8/16 2016.



Secretary

(CORPORATE

SEAL)

SCHEDULE A
REAL PROPERTY TAX ABATEMENT

<u>Tax Year</u>	<u>% of abatement on 23 % of improvements</u>
2017/2018	100%
2018/2019	90%
2019/2020	80%
2020/2021	70%
2021/2022	60%
2022/2023	50%
2023/2024	40%
2024/2025	30%
2025/2026	20%
2026/2027	10%
2027/2028	0%