
Developers of proposed 165-unit apartment building on East Main Street pitch Riverhead IDA for assistance



Rendering of 203-2-13 East Main St. prepared by architects EDI International on behalf of developer Robert Muchnick.

By **Denise Civiletti**
Feb 7, 2023, 4:30 pm

The developers of a proposed 165-unit apartment building on East Main Street presented their plans to the Riverhead Industrial Development Agency Monday evening.

Representatives of **Heatherwood Properties** joined Robert Muchnick of Metro Group Properties and Alec Ornstein of **Ornstein Development** at the IDA meeting to make an initial pitch for financial assistance from the agency.

The proposed development includes 52 studio, 80 one-bedroom and 33 two-bedroom market-rate rental apartments on the vacant 1.4-acre site between the East End Arts property and the Riverview Lofts apartments. The development will

also feature retail uses on the ground floor and 155 on-site parking spaces. The site is the former location of Sears and three smaller shops on the south side of East Main Street, between East Avenue and Maple Avenue.

The developers will be seeking a 25-year PILOT (payments in lieu of taxes) agreement with the IDA, which would provide for declining tax abatements over the PILOT period. They propose to pay the current taxes for three years during the development phase and then phase-in property tax payments over the remainder of the PILOT period until the property is paying full taxes in year 26.

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Rising interest rates over the past year added over \$6 million in finance costs to the project, Sean Sallie, Heatherwood director of development said. Rising material costs have also added another \$6 million in costs, he said. These economic circumstances make financial assistance from the IDA crucial, Sallie said.

Heatherwood, which is family-owned and has been building housing on Long Island since the 1960s, retains ownership and management of all its properties, Sallie said.

“We’ve never sold a property,” Sallie said.

When completed, the development would add assessed value of approximately \$7 million to the town’s tax rolls, Sallie said.

The project is currently under environmental review by the Town Board, a process begun in 2018 when it was determined to be a Type I action under the State Environmental Quality Review Act, and the developer was required to prepare an environmental impact statement. A draft environmental impact statement was submitted in September 2019, but the town never held a public hearing on the DEIS.

The developer has since made significant revisions to the site plan, including the reduction of total units from 170 to 165, an increase in the number of on-site parking stalls, from 88 to 155, significant changes in the building design, massing, materials, and layout, and the inclusion of a 26-foot-wide access road along the western side of the property, extending from East Main Street to the parking area on the south side of the building.

A revised site plan was submitted to the planning department in September 2022. A revised DEIS was submitted on Jan. 20 and is currently undergoing review by the town.



The 1.4-acre site has sat vacant since Riverhead Enterprises demolished the Sears building and three smaller stores were razed in 2016. Photo: Denise Civiletti

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