Town of Brookhaven

Industrial Development Agency

MEETING AGENDA

Wednesday, October 26, 2022 at 12:35 PM

1. ROLL CALL

2. MINUTES

   September 27, 2022

3. CFO'S REPORT

   Actual vs. Budget Report – August 31, 2022
   Timely Payments
   Budget

4. APPLICATIONS

   Holtsville Energy Storage, LLC
   Hydro Metal Holdings, LLC / Boilermatic Welding Industries, Inc.
   10 Donald's Way, LLC
   Sunrise Wind – 22 Research Way

5. RESOLUTIONS

   WF Industrial XIII, LLC
   MDS Building Ventures – Sales Tax Increase
   AE-ESS Cassel, LLC
   Holtsville Industrial/1 Corporate Drive – Winfield United
   Integrated Structures – Sales Tax Time Extension

6. CEO'S REPORT

   Global Food Solutions
   Small Business Committee

7. EXECUTIVE SESSION

The next IDA meeting is scheduled for Wednesday, November 16, 2022.

TOWN OF BROOKHAVEN

INDUSTRIAL DEVELOPMENT AGENCY

- -x

BOARD MEETING

- -x

One Independence Hill
Farmingville, New York

September 27, 2022
12:50 p.m.

TRANSCRIPT OF PROCEEDINGS

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A P P E A R A N C E S:

MEMBERS:
FREDERICK C. BRAUN, III
MARTIN G. CALLAHAN
FELIX J. GRUCCI, JR. (VIA ZOOM)
MITCHELL H. PALLY
GARY POLLAKUSKY
FRANK C. TROTTA

ALSO PRESENT:
LISA M.G. MULLIGAN, CHIEF EXECUTIVE OFFICER
LORI J. LaPONTE, CHIEF FINANCIAL OFFICER
JOCELYN LINSE, EXECUTIVE ASSISTANT
TERRI ALKON, ADMINISTRATIVE ASSISTANT
AMY ILLARDO, DIRECTOR OF MARKETING
ANNETTE EADERESTO, ESQ., AGENCY COUNSEL
WILLIAM F. WEIR, ESQ., NIXON PEABODY
HOWARD R. GROSS, ESQ.,
WEINBERG GROSS & PERGAMENT, LLP

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MR. BRAUN: We will now move into the meeting for the Industrial Development Agency.

It's Tuesday, September 27th. It is exactly 12:50. The following board members are present: Mr. Callahan, Mr. Grucci via Zoom, Mr. Pally, Mr. Pollakusky, Mr. Trotta, Mr. Braun.

Minutes of our meeting of August 17th have been sent -- excuse me, a quorum is present.

Minutes of our meeting of August 17th have been sent to everyone.

Can I have a motion to accept those?

MR. POLLAKUSKY: So moved.

MR. BRAUN: Thank you, Gary.

Second?

MR. CALLAHAN: Second.

MR. BRAUN: Thank you, Mr. Callahan.

On the vote, Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Pally?

MR. PALLY: Recuse myself.

MR. BRAUN: Yes, sir.

Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Braun votes yes.

Minutes are accepted.

MS. MULLIGAN: I'm going to take this out of order again. Thank you.

So just like in the LDC, I'm going to move the slate of officers in the Governance, Audit and Finance committees' resolutions so that we officially welcome Mitch.

The first one is a slate of officers will be adding Mitch as a member to our slate of officers.

Can I have a motion?

MR. CALLAHAN: So moved.

MR. POLLAKUSKY: Second.

MS. MULLIGAN: Okay. So Marty, you motioned and Gary, you seconded it.

MR. BRAUN: On the vote, Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Mr. Pally, recuse himself.

Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.

That motion carries.

MS. MULLIGAN: Then the next resolution is to add Mr. Pally to the Governance, Audit and Finance committees; like with the LDC, we are appointing all of the members to each of the committees.

MR. BRAUN: I'll make that motion.

Is there a second?

Mr. Callahan.

MR. CALLAHAN: Second.

MR. BRAUN: On the vote, Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Mr. Pally, recuse himself.

Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.

Motion carries.

Lori.

MS. LaPONTE: Okay.

Included in your package for the IDA is the operating results July for year to date and for the month of July comparison to budget.

Couple of things I want to point out.

During the month of July we did have some activity as far as revenue goes. We had some PILOT penalties that we assessed and were paid during that period. We also had four applications during that period.

We didn't have any closings, but we will see next month we did have three closings in August, so pretty much the rest of our expenses are in line with the budget.

The one thing I did want to mention was that today I felt like I was playing Star Wars or one of these games back and forth with our banks.

So we have an account at Hanover. This morning we got notification they're going to increase it to 1.2 percent. Our rate is up from .85 percent, so it's going to go to a full 1.2 percent. So I asked Flushing how the rate is and they responded they're going to increase us to 1.558 percent, so both of our rates at both of our banks are going up as of October, so I just want to point that out, that came up this morning and that's the operating report.

I'm going to go through a couple of things.

Insurance. At the last meeting I had mentioned to you that the IDA policies, which are the expiration date start August 12th and they go for a year. We were under discussion with who our carrier for commercial cyber policy was going to be, not commercial, just our cyber insurance and we had found -- our broker found somebody that was going to bring us in at about $3,000 because we were being quoted 7,600 from Chubb. The prior year we paid Chubb our commercial prime 4,200. They

increased it to 7,600 in one year.

So this is on September 1st. We finally went back and forth and did speak with another broker to try to see if we could find another policy, pretty much Chubb is the only game and the comment to us was it's not a matter of if, it's a matter of when and then we all saw September 8th happened at the County and we had already procured this, so this is when we compare everything, even though it's double, we're almost double what we had paid in the past, it made the most sense to stick with Chubb for cyber, so I just want to point that out, a little bit different than what we had discussed at the last meeting.

The other thing I just want to mention is just that all the payroll taxes have been paid in accordance with federal and state guidelines, all regulatory reports have been filed in a timely fashion, all state regulatory payments have been made in accordance with the state guidelines and in a timely fashion.

Last thing I want to -- last two things I want to mention is the budget.

I've included a draft of our budget in this September meeting. This would be our 2023 budget. It's due to be filed with New York State ABO by October 31st, so the next meeting we'll have to approve it, but for now I put together a draft for your consideration.

I just want to point out a couple of items on the draft budget.

One of the items would be, our biggest item, is the closing fees and what our expectations are. Based on what we know today, we have about a half a million we do expect to close, so we've projected a million saying that there is approximately half a million of unknown projects, so that's included in our budget.

We also -- our PILOT fees have gone up significantly over the past two years since we had a lot of closings last year, they're going to start to hit our budget next year, so that's good.

Interest income will be increasing

slightly, we might have to adjust it even higher than what we projected in this draft budget.

Overall, our expenses other than the salaries is pretty much consistent to like a three to five percent increase. Of course, we did -- we're doing the office renovation as you're aware, so there's going to be more expenses than just regular ongoing office items that are not capitalizable and then we'll also have the offset of items that we can capitalize, we'll have an increase in depreciation, so those two lines are larger.

Based on this, overall we're projecting a net deficit budget at this point, but again, this is just draft, this is for discussion purposes and we'll continue to go through it.

Any questions on that projected budget?

MR. BRAUN: Is there an amount over or under which we either expense or capitalize?

MS. LaPONTE: Yes, yes, about $500, we look at 500.

MR. BRAUN: Anything under that would be expense?

MS. LaPONTE: Mm-hmm. As long as it's not the same item, just we pay the payments, but typically we'll capitalize that number.

MR. BRAUN: We might want to consider raising that, otherwise you're going to wind up with a depreciation schedule for a lot of small items.

MS. LaPONTE: Right, right. And we haven't in the past, everything's been fully depreciated.

MR. BRAUN: The car.

MS. LaPONTE: All we have is the car and the iPads, so now we're going to have actual renovations, but some of the renovations we're doing wouldn't meet the government criteria, like the carpeting, certain items, so we will have a larger expense at that point.

MR. BRAUN: Okay.

MS. LaPONTE: Lastly, the shared service agreement, I just want to point out that this is new. Last year we had a shared service agreement to split costs that the IDA pays that also the LDC benefits and initially

we took certain estimates or judgments and we're looking more closely at them, so for the '23 budget we have adjusted some of those. We've changed our marketing from 50 percent between the IDA and the LDC to 75 IDA/25 LDC. Also office supplies was 75 IDA/25 LDC, we've adjusted that to 85 and 15 percent to LDC.

That's the shared service agreement.

Any questions?

MR. BRAUN: Once again, we'll bring back a final budget for your vote at the October meeting, but again, any questions between now and then, send them to Lori or Lisa.

I need a motion to accept Lori's report.

MR. POLLAKUSKY: So moved.

MR. BRAUN: Thank you, Gary.

Second?

MR. TROTTA: Second.

MR. BRAUN: Mr. Trotta.

On the vote, Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Mr. Pally?

MR. PALLY: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.

Lori's report is accepted.

MS. MULLIGAN: Okay. We have two applications on the agenda. The first is for a project called RAIA 80, LLC.

Do we have anybody waiting?

MS. ILLARDO: Yeah. I'm actually going to bring in Dan Baker.

MS. MULLIGAN: Okay, thank you. I'll keep going through this while you bring them in.

MS. ILLARDO: Sure.

MS. MULLIGAN: This is a project at 80 Division Street in Patchogue. It's near the railroad and the ferry. It's a vacant former blighted hotel in Patchogue Village -- I'm sorry, it's a vacant parcel they knocked down,

but it -- what had been there was a blighted hotel.

The plan is to build a roughly 30,000 square foot three-story building with eight one-bedroom units and 13 two-bedroom units and seven studio loft apartments. Like I said, the hotel has been demolished. The project will include geothermal and solar technology. There's going to be one full-time equivalent position and it's approximately an $8.5 million project. They are requesting mortgage recording tax exemption, sales and use tax exemptions and a 15-year PILOT.

As a market rate project, we are going to have Camoin do a study or have a study done and we have representatives from the project that are joining us.

Howard, did I miss anything that you wanted to add?

MR. GROSS: The only thing was I think Dan and I discussed it, I understand his client's aware that we have a requirement for the workforce and the affordable units to be included, so based I think on the numbers

would be one unit of each.

MS. MULLIGAN: And Mitch, just for your -- just to follow up, all of our market rate housing projects must have ten percent affordable units and ten percent of the units must be workforce.

MR. PALLY: Do we provide income limits for both of those categories?

MS. MULLIGAN: Yes, yes. Workforce is up to 80 percent of the AMI and -- I'm sorry, affordable is to 80 percent of the AMI and workforce is up to 120 percent of the AMI and we require that the project has have a third party -- annually has a third party certify that those requirements are actually being met.

MR. PALLY: Okay.

MS. MULLIGAN: So, Dan, did you have anything that you wanted to add?

MR. BAKER: Well, first off, good afternoon all and congrats to Mitch Pally joining the board, great addition.

I think the only thing I would add is -- great job, Lisa -- is that yes, I can

confirm that Howard and I did discuss the affordable and workforce units and our apologies for not including that in our application, but yes, that is agreeable to the applicant.

The only thing that I would add, which is becoming, you know, a (inaudible) of any application I'm making with any applicant to any IDA, which is unfortunately the things that, you know, make the benefits important are really, you know, becoming even more important as time goes by, which is the ever-increasing cost to construct, the ever-increasing interest rates, the increased difficulty in obtaining financing and all of the other things that go along in making these benefits so crucial to this application and so many that are coming before you and others.

MR. BRAUN: Dan, I got your financials this morning, I appreciate you sending those in.

The only question I have and I don't know anything about it, you can do geothermal that close to the water?

MR. BAKER: I'll let my client answer that, Michael Mitzmacher is on, he's one of the principals.

You might be muted, Michael.

(No response.)

MR. BAKER: You're unmuted, but we're having difficulty hearing you or I am anyway.

MR. GROSS: I think the rest of us are, too.

MR. BAKER: Yeah.

(Pause.)

MR. MITZMACHER: How's that?

MR. BAKER: Now we can.

MR. MITZMACHER: Okay.

So the geothermal was engineered already and it can be done that close to the water, absolutely.

MR. BRAUN: Okay. Like I said, I'm not familiar with it, it was just a general question.

Any other questions for the applicant or Mr. Baker, the attorney?

MR. TROTTA: Is there any comments from the Village of Patchogue; I know that they

went through the zoning process, so that's good, but anything, we receive anything?

MS. MULLIGAN: No.

The Village approved everything and we haven't had our public hearing yet, so I wouldn't expect that we would have gotten any --

MR. TROTTA: You answered my question, thank you.

MS. MULLIGAN: You're welcome.

MR. BRAUN: Does the board have a motion to accept the application?

MR. GRUCCI: So moved.

MR. TROTTA: So moved.

MR. BRAUN: Thank you, Mr. Grucci.

Mr. Trotta seconds it.

On the vote, Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Mr. Pally?

MR. PALLY: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.

The application is accepted.

Thank you, gentlemen.

MR. BAKER: Thank you all very much.

MS. MULLIGAN: Thank you.

The next item on the agenda is an application and we need to do a resolution also for the Sunrise Wind project.

This is an update to an application that we received previously.

Mitch, just so that you're aware, this is the -- and for everybody, to remind everybody, this is the wind farm project that was -- that is proposed and basically the portion in the Town of Brookhaven is the transmission line and the hook-up to the substation.

So they have updated their application. Previously they sent us an updated application about a year ago that the cost of the project had gone up and now what they provided to us and it was included in your packet is an

updated and finalized route.

Bill, is there anything else?

MR. WEIR: No.

At this point, they actually gave us a narrative of the map that the (inaudible).

The resolution for the board is to accept the revised application and authorize the public hearing.

MS. MULLIGAN: And I think, do we have --

MS. ILLARDO: So it's Andrew --

MS. MULLIGAN: Okay. So guys from the project, does anybody have anything that they wanted to add?

MR. KOMAROMI: This is Andrew Komaromi on behalf of Sunrise. I just wanted to thank the board for their ongoing commitment to this project and obviously this is a large and regionally significant project and therefore, you know, it has a somewhat longer lead time.

I also would like to ask Lisa's and the staff's ongoing help with this as well as Bill Weir and his team's and as Bill mentioned this, is really just a supplement to the

application that the board has previously seen. It was already supplemented once in -- the original application was put in in April of '21, it was supplemented with dollar amount updates in July of 2021 and as Bill explained, this most recent update basically just firms up the actual route so that it would be able to move forward with a public hearing.

MR. WEIR: Everybody has in their package (inaudible).

MR. BRAUN: What's the expected timing for the public hearing and perhaps the closing?

MS. MULLIGAN: We have to schedule the public hearing. I'm not ready to today, so we have a little bit more work to do, but when the closing -- Andrew, do you have a sense of that?

MR. WEIR: Well, the real question is when will you have all the public approvals in place for --

MR. KOMAROMI: That's right. And we expect those to hopefully have in hand, at least the ones that I think you will find

important for, before the end of the year, so we're hoping to come back to you for a final approval before year-end.

Again, this is not a firm commitment, but we hope to get there.

MR. BRAUN: Thank you.

Questions from the board?

(No response.)

MR. BRAUN: All right.

MR. POLLAKUSKY: I'll make the motion.

MR. BRAUN: To accept the revised or updated application.

MR. POLLAKUSKY: So moved.

MS. MULLIGAN: And to also set --

MR. BRAUN: The public hearing.

MS. MULLIGAN: To authorize --

MR. WEIR: Publish the public notice and to hold the public hearing.

MS. MULLIGAN: Thank you.

MR. BRAUN: Motion on the floor.

Is there a second?

MR. CALLAHAN: Second.

MR. BRAUN: Thank you.

On the vote, Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Mr. Pally?

MR. PALLY: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.

That motion is carried. Thank you.

MS. MULLIGAN: Okay, thank you everybody.

The next item on the agenda --

MR. KOMAROMI: Thank you.

MR. BRAUN: Thank you.

MS. MULLIGAN: Thank you.

-- is a resolution for the BLSF, LLC project.

This, to remind everybody, is a solar installation on approximately 30 acres of the Town's landfill. This is on a capped portion of the landfill and because it's a capped portion of the landfill, there's some special

construction protocols that need to be put into place because they can't penetrate into the landfill and this impacts the cost of this project.

Included in your packets is the cost benefit analysis, the PILOT and also, we had a public hearing a couple of days ago and there were comments. Those comments and the link to the actual live stream of the public hearing was shared with all of the board.

I think we have a representative from the project on if you guys have any questions for him.

Does anyone have any questions?

MR. BRAUN: In addition to the live, I think most of you received copies of the letters that were submitted at that public hearing as well.

MS. MULLIGAN: Yes.

MR. GRUCCI: I have a question for the applicant.

Could you just refresh my memory as to what this project entails, what's it about?

MS. MULLIGAN: Daniel, I think you're

muted; do you want to take that?

MR. PROKOPY: All right.

Good afternoon everyone. Thanks for having me on.

Would you mind, Mr. Grucci, to repeat the question, I couldn't hear it, I'm sorry?

MR. GRUCCI: Certainly.

I just asked for a refresher as to what this project is about; what are you doing?

MR. PROKOPY: Of course. Of course. Thank you for the question, Mr. Grucci.

It's a six megawatt AC solar project. We received an award under the feed-in tariff five PSEG Long Island program, a community solar program. We have the land lease with the Town of Brookhaven. We are in the middle of the development with the Department of Environmental Conservation to get their approval.

We expect start of construction early next year as soon as the snow melts on Long Island. We think we are ready to get the shovel in the ground.

As Lisa mentioned, we will not

penetrate the ground. The project will consist of about 16,000 solar panels with 540 watt each for each panel, so that brings us to at least the capacity of about 8.6 megawatts and it will produce about 25 million kilowatt hours of green energy a year.

MR. GRUCCI: If you're not penetrating the ground, how do you hold the solar panels in place?

MR. PROKOPY: With ballast blocks.

So we have concrete blocks and in the concrete blocks we have poles that hold the rails and the panels.

MR. GRUCCI: Got you, okay.

And I assume you have all of the proper liability coverage for the Town?

MR. PROKOPY: We do, yes, sir.

MR. GRUCCI: Thank you.

No further questions.

MR. BRAUN: Any questions from the board?

MR. PALLY: Is the intent -- and I apologize for coming in late -- having read all the materials, is the intent that the --

because the landfill at the moment is owned by the Town of Brookhaven, therefore, it is tax-exempt, is the intent that the parcel on which this project is going to be located is going to be taxed?

MS. EADERESTO: No, it's leased, the Town will still own this.

MR. PALLY: So, therefore, there are no real property taxes?

MS. EADERESTO: And there never have been.

MR. WEIR: Well there would be (inaudible).

MR. PALLY: Well, that's my question.

MR. WEIR: Now it's not, but once you put a commercial project on a Town property, it would be subject to taxation.

MR. PALLY: Right.

So the parcel in which the project will be located will be assessed by the assessor at some thing, right, that's what will happen?

MS. EADERESTO: Yeah, but it will be tax exempt. The PILOT tax makes it tax exempt. We've done that with all our solar

projects.

We have solar projects at the Holtsville Ecology site, the Manorville, the old Manorville Compost site, Town Hall, Town Hall roof, the Bald Hill Amphitheater. None of those projects --

MR. WEIR: Calabro Airport.

MS. EADERESTO: Calabro Airport and so there are many different districts of the Town and none of them, all of them have zero PILOT's and this particular project, taxing it would be cost prohibitive, it would make this project not viable and Daniel can speak to that.

MR. PALLY: I'm not arguing, I'm just trying to figure out why -- they pay zero now, right?

MS. EADERESTO: Correct.

MR. PALLY: Because the Town owns it.

MS. EADERESTO: And the Town will continue to own it.

MR. PALLY: And the Town will continue to own it.

The assumption is without the PILOT,

there would be some tax, okay and the PILOT brings it back to where it is today, which is zero. That's the circle we are going around.

MS. EADERESTO: That's correct.

MR. PALLY: Thank you.

MS. EADERESTO: And we've done that with every solar project on Town property.

MR. PALLY: Fine.

MR. CALLAHAN: Being consistent.

MR. PALLY: Right.

MR. TROTTA: In reading a lot of the comments that were sent to us, the question with regard to the South Country School District and the benefit to that school district that the project is in, is there any way that the district could be compensated in any way with taxing it; you're saying no, they've never been --

MS. EADERESTO: Daniel can speak to the cost of this project, I think that might be helpful for the board and the cost of interconnection, which is enormous.

Daniel.

MR. PROKOPY: Thank you, Annette, I'm

happy to.

So the project has been coming along quite some time. We started working on this project probably four, four and a half years ago, sending the first application to PSEG Long Island trying to receive some kind of benefit and award from PSEG Long Island. They were not exactly easy to work with to be quite frank. We had several meetings and then we got a what's called Cesar (phonetic) report, basically feasibility study back with more than $4 million estimated in our connection costs for 3,700 feet in a connection route.

Actually thanks to Mr. Supervisor Romaine and Annette Eaderesto, we were able to get into a dialogue with PSEG Long Island and we were able to find a different solution and shaved off about $1 million in estimated connection costs, but with $3 million it's still much higher than everything I have seen in my 14 years in solar so far.

The other cost adding point to this project is as mentioned, we can't penetrate the ground, we have to work with concrete and

then due to the pandemic the last two or three years, unfortunately solar module pricing, steel, the commodities, itself, aluminum, the medium voltage equipment, transformer stations, switching equipment, everything has almost doubled.

We are seeing some light at the end of the tunnel right now with the IRA, the Inflation Reduction Act, that has just passed and that helps the project to actually come along, but as mentioned before in this meeting and earlier meetings, without the PILOT, the project would not move forward here at this point.

MR. PALLY: The end result of all of this is that the school district gets zero now.

The likelihood --

MS. MULLIGAN: The taxing jurisdictions.

MR. PALLY: The taxing jurisdictions, right. Let's be fair. All the taxes jurisdictions including the Town gets zero now, right?

MS. EADERESTO: Correct.

MR. PALLY: The likelihood that anybody would able to do anything else on a landfill is slim to none, okay and therefore, we are putting productive use into a piece of property that would otherwise not be able to be used for any other purpose, so the school district and the local governments end up the same, but we make a public policy benefit to provide green energy to the community. That's the end result of all this.

MR. TROTTA: And the fact that the fees collected for the project to the Town of Brookhaven are going to benefit the entire township.

MS. EADERESTO: Correct. Because the landfill is going to close to C&D in the end of 2024 and the Town is trying to put a lot of these leases and other projects into play so that there's not an enormous tax increase on the tax -- Town tax line.

MR. BRAUN: Mitch, I think you summed it up very well, thank you.

Do we have a motion?

MR. POLLAKUSKY: So moved.

MR. BRAUN: Is there a second?

MR. PALLY: I'll second it.

MR. BRAUN: Thank you.

On the vote, Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Mr. Pally?

MR. PALLY: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.

That motion carries. Thank you.

MS. MULLIGAN: Thank you everyone.

The next item on the agenda -- thank you, Daniel -- the next item on the agenda is a resolution for MDS Building Ventures. They have requested a sales tax increase.

To remind everybody, this is a warehouse distribution center in the Shirley Industrial Park. MS Packaging, we have

another project with them in Yaphank, they're building a second facility. They have requested an increase in their sales tax exemption.

The project cost increased by about $5 million from 13.791 to 18.791 million, so the sales tax increase -- and it was due to the increases in cost for construction, furniture, wrapping, computers, special lighting, cabling, there's a whole laundry list of items and the sales tax abatement that they've requested has increased from 425,000 to 724,500.

MR. TROTTA: And you have the document -- you documented why the increase percentages?

MS. MULLIGAN: The letter was included in the packets.

MR. TROTTA: Is that verified, you feel comfortable with what they have provided?

MS. MULLIGAN: They ask us --

MR. TROTTA: I mean anybody can write and I don't mean it in a negative way, you feel comfortable with what the, you know, what

they've put in their letter?

MS. MULLIGAN: My comfort is probably only partially important in this.

They told us that they need additional sales tax to get their building up and running and so that's our role in this, is that if they need sales tax exemption, they come back to us. There's costs associated with it.

MS. EADERESTO: If they didn't spend it, they don't get it.

(Inaudible comments.)

MR. WEIR: And they have to certify to New York State --

MS. MULLIGAN: Yes. There's a whole . . .

(Inaudible comments.)

MS. MULLIGAN: There's a whole tracking system that we have in place, so as they spend --

(Inaudible comments.)

MS. MULLIGAN: But they don't come to us and ask for it if they don't need it and like Annette said, if they don't spend it, they don't get it.

MR. TROTTA: Okay.

MS. MULLIGAN: So --

MR. BRAUN: And the letter's written by an attorney that we've worked with over the years.

MS. MULLIGAN: Yes.

So I need a motion to pass this resolution to increase their sales tax; they don't need additional time, just additional allocation exemption.

MR. TROTTA: I make that motion.

MR. BRAUN: Thank you.

MS. MULLIGAN: Thank you, Frank.

MR. BRAUN: On the second?

MR. POLLAKUSKY: I'll second.

MS. MULLIGAN: Howard, did you have something you wanted to add?

MR. GROSS: Yeah.

Are we going to schedule a public hearing for this?

MS. MULLIGAN: Yeah, we do, we need to.

MS. EADERESTO: Yeah. Thank God for Howard.

MS. MULLIGAN: That's why we have the

attorneys.

MS. EADERESTO: So you made a motion and a second; you can amend the --

MR. TROTTA: I'll amend it with regard to the public hearing.

MR. BRAUN: Who was the second?

MR. GRUCCI: I'll amend the second, it was Felix.

MR. POLLAKUSKY: All right, not a problem.

MR. BRAUN: All right.

Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Mr. Pally?

MR. PALLY: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.

Motion carries. Thank you.

MS. MULLIGAN: So I'm going to ask that

we take the next item out of order because I believe that representatives from Camoin have joined us, so want to bring them up; they're going to do a presentation on the spec industrial study that we commissioned, it's included in your packets and I see some people printed it.

MR. BRAUN: Yes, we did.

MS. MULLIGAN: And so I see that Rachel is with us. I think --

MS. ILLARDO: I'm moving John over.

MS. MULLIGAN: John's coming in, also, okay, great, thank you.

Amy, when you get a chance, if you can share your screen with PowerPoint.

MS. ILLARDO: Yes. I'm going to bring the PowerPoint . . .

MS. MULLIGAN: We're going to share the screen with the PowerPoint; does that work for you guys, Rachel; I think you're still muted?

MS. SELSKY: Yeah, that sounds great.

MS. MULLIGAN: Okay.

MS. SELSKY: Hi, everyone, it's nice to see you all. Good meeting so far.

All right. So once you're able to, you can kind of make that full screen if you want or we can just kind of operate this way, it doesn't matter, but Lisa asked that John and I come today and just present on the findings of the market analysis that we did on the warehouse and distribution sector, real estate sector in Brookhaven to help provide you all with some more information as you are making your decisions and so our -- you can go to the next slide.

So in terms of overall presentation here today, we will review the purpose of the analysis, the major findings and the discussion.

Is the PowerPoint working okay on your end?

(Pause.)

MS. MULLIGAN: Rachel, just let us know --

MS. ILLARDO: Rachel, talk to me.

MS. SELSKY: Oh, yeah, you can go to the next slide.

MS. ILLARDO: Okay.

MS. SELSKY: Yeah, yeah, I'm sorry, I only -- I just see it as -- it just says warehouse and distribution to me, it's the cover page still.

MS. ILLARDO: Oh, no. We're on page three.

MS. SELSKY: Okay, perfect. Then I'll just look at my list, my screen, that's fine.

MR. GRUCCI: That's all I see as well, is the Warehouse and Distribution Analysis.

MS. SELSKY: Oh, yes.

MS. MULLIGAN: Felix, you can't see it, either?

MR. GRUCCI: I can only see the Warehouse and Distribution Analysis.

MS. SELSKY: So just the cover, the cover page.

MS. MULLIGAN: Did you hit share screen?

MS. ILLARDO: It says you are sharing.

MS. SELSKY: We can see it, like it popped up. Maybe because you hit . . .

MS. MULLIGAN: Full screen?

MS. SELSKY: Yeah, maybe that. Maybe

because you hit presentation, maybe it got funny. I wonder if we can change it on our side. No.

MR. GRUCCI: You clicked on slides or on PowerPoint?

(Inaudible comments.)

MS. MULLIGAN: Let's try this again. Oh, there I am. Okay.

Do you guys see anything different?

MS. SELSKY: Yes.

MS. MULLIGAN: Is that working now?

MS. SELSKY: I think so.

MR. GRUCCI: I see Major IDA --

MS. SELSKY: It looks like it's where you had progressed to, so that looks good.

MS. MULLIGAN: I didn't do anything except close it and open it again.

MS. SELSKY: It's all right.

(Inaudible comments.)

MS. SELSKY: So let's back up just a little bit. Let's go back to the second slide, if we could, the one that's agenda now that we're kind of situated.

Yup, there you go, perfect.

So Lisa and her team asked Camoin Associates to assist with this analysis.

For those of you who don't know, I'm Rachel Selsky. I'm a vice president at Camoin Associates. I work with Lisa on the reasonableness testing that we do, so I'm very familiar with the types of projects that come through the Brookhaven IDA and I'm also here with John Walker, he's an analyst at Camoin Associates, he does the vast majority of our retail market analysis, data collection and analysis and so we came together as a team. Dan Stevens also worked with us on this project -- he's the director of our real estate team at the firm -- to create a methodology to really understand how to think about this question that you all have and so the purpose of the analysis really was to in recognition that there's been a lot of spec building and spec projects being proposed and so we were asked to assist in understanding the supply and demand trends, consider how the current growth and pipeline may impact vacancy rates and provide information to the IDA board

to really guide decision making moving forward.

We understand you have these projects that come before you. If you go to the next slide, we recognize that you have these five projects in front of you and you're trying to understand how this much in new building, so over two million square feet, 556,000,000 in investment, how would that impact the community and how should you think about these projects going forward?

And so what we did and if you want to go to the next slide, I know you all have seen the report, it was very data heavy, so I wanted --

MR. GRUCCI: Rachel, I don't mean to interrupt you, but it's not just these five projects that concerns me, it's these five projects and what else may be coming in that we haven't seen yet.

MS. SELSKY: Yup.

MR. GRUCCI: Where is the cutoff point that we now start to be concerned that we have too many of the square footage of warehousing

and distribution?

MS. SELSKY: Absolutely. I think that's a great point and something, you know, we -- it's really a timing issue.

So like these projects, there is still demand, there's still demand, but at some point, it's going to flip and so how do we think about the projects moving forward and so you're absolutely right, these are just five projects, there are many other projects in the County that are in different points of the pipeline and the construction and so it's more than just these five projects and it also impacts your existing facilities, so it's a great question that you all are asking, I think it's really forward thinking and important right now.

And so our analysis really looked at as much of that information as we could -- you can go ahead to the next slide -- including understanding where -- what's going on with the industry and what are the projected trends for this warehouse distribution center industry as a whole and so over the last ten

years or so, you saw it was like pretty stable, pretty stable. You saw some growth right at the end of like 2019 or so, a drop in 2020 likely due to COVID, but then a steep increase in total number of jobs in this sector in Brookhaven over the last ten years and you can see it went up, it's starting to stabilize a bit more coming into 2022 and so you've seen this, you've seen the increased demand, you know, it's national news being discussed about the increased demand for these types of jobs and therefore, the facilities that are related to those jobs.

If you go onto the next slide, we also look at vacancy rate and so you can see we looked at both distribution and warehousing separately because we like to look at the nitty-gritty.

Combined, however, the current vacancy rate for warehouse and distribution facilities in Suffolk County, so on a -- you're not in a vacuum, you exist in a larger region, so the combined vacancy rate for these types of buildings and facilities is 2.4 percent.

You'll notice that distribution is like essentially at zero percent vacancy. It's a much smaller total square feet compared to warehouse and so the warehouse, they kind of even each other out, so the combined vacancy rate is 2.4 percent from the most recent data that we have available.

MR. GRUCCI: Rachel, if I could ask you another question.

MS. SELSKY: Sure.

MR. GRUCCI: I see the decline in the vacancy rate and it appears to coincide with -- the vacancy rate decline seems to coincide with the decline of COVID, meaning that the country came out of its lockdown and people started going back out and shopping again and perhaps the need for online sales was not there, which would in my opinion decrease the need for warehouse and distribution centers.

Did you find that in your study?

MS. SELSKY: So I may be misunderstanding.

So I see the decline, you know, it was

starting to go up a little bit right around 2020 and then as there was so much more consumer demand for goods rather than experiences, people were buying stuff and food and all types of things that they weren't historically buying online, that's when the decline started to happen. That's when these facilities started to really fill up because there was so much demand for that last mile type of distribution center and there was increased demand for warehousing space.

So we found actually that as coming out of COVID, it's continued to -- there continued to be the demand, the supply and demand continues to grow, so people are still building industrial facilities and there continues to be the demand for space.

The future is yet to be unknown as you kind of mentioned, Felix. As people start to transition back to more experiences, will that demand continue to exist, will people still be buying, you know, everything from Amazon and everything from online retailers rather than going out and spending money traveling and

spending money going to concerts and outdoor restaurants and more experiences, so how will that shift in consumer demand impact the demand for the warehousing and distribution space? That's a major consideration.

I don't know if I answered your question, Felix; did I get to it?

MR. GRUCCI: Yeah, you touched upon the concern that I have and as we go through this, you know, it may clear it up a little bit more.

MS. SELSKY: Yeah, wonderful and yeah, everybody feel free to ask questions, I'll do my best, I might lean on John as needed as well with some of the data questions.

MR. TROTTA: I just want to say also in addition to the kind of warehouses we're seeing, we're seeing the Home Depots and the Lowe's that are, you know, buying space within those warehouses for retail stores, so it's not just, you know, what we were just discussing with Felix, but also a mix of that, also.

MS. SELSKY: Yeah, yup, absolutely.

So if you go onto the next slide, you'll see the development pipeline. Here we're looking at the amount of space that is either proposed and in final planning or under construction.

You'll notice that Suffolk County has the -- you know, vast majority seems like an understatement, but the vast majority of the activity in the space is occurring in Suffolk County.

Nassau County, from what we heard on interviews and some of our research, Nassau County is, you know, getting fully built out, the property is just that much more expensive and is being converted to different types of uses, so like multifamily, it's more of a, you know, units are -- spaces being used for residential uses, things like that, whereas Suffolk County can still serve those major markets, but there remains land and so it's more attractive to this type of development, which is why there is one of -- you know, some of the reasons why there's such a large amount of this type of proposed and in final planning

for this type of space.

MR. GRUCCI: Rachel, I assume when you say Suffolk County, you're excluding Brookhaven Town from those numbers?

MS. SELSKY: No, that's in there.

MR. GRUCCI: Okay.

MS. SELSKY: Yup.

MR. GRUCCI: So we're part of that 8,116,000 square feet, I guess or proposed final planning?

MS. SELSKY: That's correct.

MR. GRUCCI: Okay.

MS. SELSKY: That's correct. And so this and -- this is a combination of data that we pulled from CoStar and John, you might need to correct me here, this is information from CoStar, which I'm sure you've heard of it, it's a real estate service that we subscribe to that captures the inventory and what's going on in real estate as well as information provided to us from the IDA as well.

John, were there any other sources that fell into this category?

MR. WALKER: No. That's what we drew

off from this.

MS. SELSKY: Great.

MR. WALKER: And I'll just say that between the two, you know, we started with our CoStar pipeline and Lisa and her team were able to augment that with a few extra pieces and I know that there was a couple of pieces in the CoStar that the IDA was not aware of, so, you know, I guess everybody's trying to get a hold of what the entire reality is and between, you know, the sources, I think we've got good coverage on that.

MS. SELSKY: Yeah.

MR. GRUCCI: Rachel, on future slides, do you break out Brookhaven's portion of Suffolk County to see what of that proposed 8.1 million actually is going to reside in Brookhaven?

MS. SELSKY: So we don't have that in the slide.

John, is that in the report?

MR. WALKER: That is not, though I will say that that listing that we saw up a couple of slides that highlighted those two million

square feet, two million and more, is included in the eight million that we see for Suffolk County. We could construct that, though. I don't know the number offhand, what that proportion is, but there's a corner right there just in five projects, so a substantial portion.

MR. GRUCCI: That's just what's in the pipeline, not yet what is expected to come in?

MR. WALKER: What we have right now are actual projects that have been proposed, right.

In the analysis, we do not build on unexpected increment. We're working exclusively with, you know, what we know to be in place right now.

MS. SELSKY: Right.

MR. GRUCCI: Okay, thank you.

MS. MULLIGAN: Projects that were on an earlier slide and also in this study are five projects that this board has accepted applications for.

MS. SELSKY: Right.

MR. GRUCCI: So if my math is right,

about 25 percent of that eight million sits in Brookhaven currently.

MR. WALKER: Just in those five projects.

MR. GRUCCI: Right. Not counting what's already here.

MR. WALKER: Yeah.

In the study, which I don't have in front of me right now, but there's a more detailed listing of 30, 40 some projects that we account for and the towns that they fall into, the communities they fall into and we can identify which of those are Brookhaven.

MR. GRUCCI: Great. Thank you.

MS. SELSKY: Good.

So now if you go onto the next slide, we had to -- so as John was saying, you know, we did our best to kind of get our arms around all the projects that are in the pipeline, kind of what is coming down the pike, what is in construction and we needed to figure out so if all of this comes online, what will happen to the current vacancy rate, how do the projected absorption rates, so projected how

much of the space will actually be occupied, align with the projected pipeline and where is that disconnect and so we looked at a number of different scenarios to really get our hands around this and so there's a bit of a range. I want to go through kind of what those scenarios are.

So the first scenario -- the first two scenarios are around demand.

So there's the CoStar absorption. They put out some projections that list out what they expect the absorption to be over the next five years based on their information, their market research and they are -- you know, they're higher rates of absorption. That's kind of the case where the jobs continue to grow and there's continued incredible demand for this kind of space.

We also wanted to kind of check that with what was happening in the county pre-COVID. Like if we go back to before the world was turned upside-down, what levels of absorption could we expect and so we looked back at I believe it was six years pre-COVID

and what amount of space, how many square feet of this type of space was absorbed each year and so we used that as like more of a historic average absorption rate. That's the demand side. What's going -- you know, what's going to happen on the demand side is one of our questions.

The other question is on the supply side, what is actually going to be built and so there's three different scenarios we look at here.

One, we look at the CoStar scenario. Again, they have projections about what they believe the amount of growth will be over the next five years. We also -- but that was -- John, correct me if I'm wrong -- that was a bit below what we knew the pipeline to be; is that right?

MR. WALKER: Yeah. I don't think -- I don't think that their projections really capture, you know, the potential build-out that's kind of built into the large pipeline that's in place and part of that might be they didn't -- weren't aware of all of the

projects, you know, I was saying that we augmented the list, I'm not sure, but reviewing what they had, it looked like, you know, it was unreasonably modest in their expected build-out.

MS. SELSKY: And so we added two more scenarios based on the information we have at hand about all these projects; so the projects that are in front of the IDA, those five project in front of the IDA board, the projects that we heard about through, you know, our research and that came us to through the IDA as well as the information that was from CoStar. So that's that eight million number that you saw on the previous slide about the development pipeline and so we said well, what if only 50 percent of as-built, not all of it's going to built, right, some of it's going to fall off, things are going to change, it's not all going to be built, so we looked at a 50 percent scenario as well as an 80 percent scenario that it gets built out over the next five years like in even increments.

So we looked at these, you know, five questions and we looked -- we wondered what would the vacancy rate be under these different scenarios and you can see it ranges from, you know, the high levels of absorption and the modest pace of growth of 3.4 percent, but if we're under a scenario where the historic absorption of Suffolk County comes back and 80 percent of the current pipeline is built, that's closer, you know, a nine percent vacancy rate.

And so this was the modeling that we did to really look at what the impact would be on the County's vacancy rate under these different scenarios.

(Pause.)

MS. SELSKY: All right.

If you go to the next slide, there are certainly other things at play.

So the project pipeline is always changing, we talked about that already, like even just trying to get a handle on all the projects at play was a challenging endeavor and so there's always things coming in and out

of the market and it's difficult to say for certain what types of future development will happen.

So that's the supply side, but the demand side also is uncertain, there are a lot of things at play, so there's changing consumer demand due to inflation, the recession that's, you know, on the -- potentially on the horizon as well as just changing consumer, you know, desires, people are wanting to travel more and spend less money on goods.

Some current industrial buildings may come offline just due to, you know, their aging or they get transitioned into a different type of use, so that will bring supply down.

There are increasing interest rates that will -- that may make projects no longer financially feasible, so that would reduce the number of projects that would move forward from planning to construction.

Continued increased demand from New York City and the New York City area will --

could warrant additional need, additional space need in Suffolk County.

And there's also innovations in distribution technologies that would allow for higher ceilings and therefore, things can be higher and need less square feet, like less footprint and so it would be switched to like a square footage to more of a cubic space and so there would be a -- you would need less footprint to accommodate a greater amount of goods and so all of those things are at play when we're considering, you know, what is the future of this sector.

MR. GRUCCI: Rachel, would it be fair to assume that some of these items that you list here as potential risks would put further pressure on the build-out of these types of distribution and storage centers into Suffolk County and if it's into Suffolk County, I'm sure it will be a preponderance of it in Brookhaven Town since we have the bulk of the real estate left to be developed, you know, as compared to the other various townships, so inflation risks and aging, adapting of current

properties, changes in interest rates would put more pressure on the IDA to approve these projects than if those types of things didn't exist; is it fair to assume that?

MS. SELSKY: Well, so those things will make . . . it will make -- like changing interest rates will make the financial feasibility of these projects less ideal and so that would put additional pressure on the IDA to play a role in supporting the projects.

The aging and adapting of current properties, that would result in increased -- their decreased supply of space and therefore, if demand continues up and there is still demand for more modern facilities, there would be increased demand for this type of space in the County and therefore, demand on the IDA to work with these kinds of projects.

MR. GRUCCI: Okay.

MS. SELSKY: Go ahead, John.

MR. WALKER: You know, I was going to to say the whole goal of the exercise that we did with the modeling on the earlier page, you know, kind of -- there's a great deal of

uncertainty in general on the supply side, on the demand side and what we've done with this I think is build some bounds around each of the elements as best we're able to to provide some guidance, you know and I will say the upshot is that we see real potential for overbuilding within the market, that's kind of where it all points.

On this page of other considerations, I think we're just trying to make the point that even when we look at all the factors that we can kind of shape and model, there's still some uncertainty and so, you know, one of the big ones that will be affecting on the demand side is this potential for an upcoming recession, okay, which could definitely drop back the demand.

Also, to the extent that interest rates go up, some of these projects that currently pencil out, they might make sense at, you know, prior interest rates, you raise a few percent, they might, you know, go into deferral or be prolonged some, so I guess that's what we're trying to get at with this,

is there's additional uncertainty on top of what we've already discussed.

MS. SELSKY: Yeah.

MR. GRUCCI: Thank you and it did raise the question and if it sounds like I'm opposed to these types of development projects, I'm not, I'm just trying to get an understanding of what risks there would be to Brookhaven to overbuild these types of projects.

MS. SELSKY: No and I think that's smart and I think if you go to the next slide, that's kind of our conclusion, is that caution is warranted in this situation.

Recent demand and growth of this sector and growth in demand may not sustain into the future, which would result in higher vacancy rates that would likely be most detrimental to the older, less modern, you know, lower height facilities in the community and in the Town as well as in the County.

Over the last several years, demand has been exceptional and the market has absolutely responded and that's why you see all of these new projects coming online.

Vacancy rates remain extremely low, but there is this like bubble of projects that are all, you know, all in the market said whoo, now's the time and got their act together, put it in front of the IDA board and so it's like this bubble of projects that are going to come online.

The vertical innovations may be really causing an underestimate of impact, so as I had kind of mentioned, people can store more stuff higher and therefore, they need less space, but our current understanding of square foot and how increased demand relates to square footage of industrial space doesn't quite capture that and so it might be -- have a more significant impact on the vacancy rate as people are able to use these new innovations.

The height demands that people are looking for, all new buildings, all the tenants are coming in asking for these really high ceilings, that will negatively impact the older buildings that weren't built that way.

As we just talked about, the unstable

economic conditions will negatively -- in general negatively impact the sector and the probable increase in vacancy will be in the range of six to nine percent as we had seen under those market scenarios.

MR. GRUCCI: Rachel, what caught my attention in your first report that we were given was your two middle bullet hits, your vertical innovation by causing or underestimate of impact and height demands of negative impact on older buildings.

That one really caused me to be concerned that the new technology that's out there and the landlords basing their lease upon volume versus square footage, the state-of-the-art buildings, is going to cause a drain on the existing storage and warehousing and distribution centers that we currently have, causing them to be the same scenario that we experienced, I think it was back in the '80s, when all the new shopping centers came on board and all the old shopping centers went into decay.

I would hate to see us move forward and

not take that kind of caution so that we're not cannibalizing what we currently have for the production of new and state-of-the-art types of warehousing and to that extent, I think the IDA need to wrestle with that theory and if indeed they agree that that's a problem, we should have some kind of a plan and a program that rings the bell when it's time to cut off taking applications for these types of projects.

MS. SELSKY: You're right on, Felix. When we had some interviews and we spoke with real estate brokers and they also -- they voiced similar concerns around that the market is soon to become oversaturated and just as you said, the over -- the greater impact will be on those smaller, less modern facilities than the larger newer ones.

MR. BRAUN: Felix, I don't know if anyone has a handle on the existing square footage of warehouse and distribution facilities in the Town that if everybody's correct and the new volume buildings are more important, what happens to the old ones and

where are they, is there an adaptive reuse for those buildings?

Couple of other risks here. I mean we have what's -- let's call it a reputational risk for ourselves as well as the Town that if all of a sudden a number of these are empty and there are tax issues and everything else, but these builders have a significant financial risk. A lot of these guys have been in the business a long time, they're talking about hundreds of millions of dollars of investment and I'm sure there's a race to get the shovel in the ground to get their buildings up before the next guy, but it's hard to, you know, kind of put on a scale which risks are more.

Certainly for the builders and their financial risk are very high if they're the last guy in town and you know, a number of the people that have been before us have also said that while they're talking to a number of potential lease customers, if you will, that until they get a shovel in the ground and steel starts to go up, the people don't

believe them, so again, it's going to be a race to see who gets started first.

MR. TROTTA: I think based on some of the applications we've seen, the heights are very different than the original buildings, so they're building a totally different type of structure compared to today.

MR. BRAUN: Yup.

MR. PALLY: That's why she indicated that the vacancy rate issue is more likely to be with the older buildings than with the newer buildings and that people who are in the older buildings may leave those buildings for the newer buildings because of the additional height and other amenities that the newer buildings will now provide.

I mean what that does do, of course, is as Fred pointed out, gives the community an opportunity to transform those older buildings into new uses that may not have been envisioned back when those buildings were built, so you have -- that doesn't mean it's a panacea, but you have that opportunity.

MR. TROTTA: Yeah, you might have some

opportunity for some housing depending on the area that they're located that are then in the reverse.

MR. PALLY: That's correct.

MR. BRAUN: And at one time Lisa and I also talked about attempting to differentiate between distribution and warehouses.

To me, distribution is the Amazons, people like that, whether it's Lowe's and their appliances and Home Depots and their appliances versus warehousing where it could be like in our case a spec building, like the Bactolac, which is a huge facility being built in the Shirley Industrial Park and they're headquartered in Hauppauge.

MS. MULLIGAN: Or IDS, the project that is on its way.

MR. BRAUN: Those to me are warehouses more than distribution and I don't know if you can really define it, but that's kind of --

MR. TROTTA: Yeah, totally different uses.

MR. CALLAHAN: Yeah. That's like the shopping center in Port Jeff Station that was

built 50 years ago and it's stores and now it's all knocked it down and putting in bars.

(Inaudible comments.)

MR. CALLAHAN: But the whole idea is to get everybody out of there --

MS. EADERESTO: The problem with that theory, though, is how things fit much better intermixed with commercial, the J zoning. These are industrial buildings, industrial areas. Not putting houses there, that's not happening.

MR. CALLAHAN: They could do something.

MS. EADERESTO: Or it could become --

MR. PALLY: Well, they tried to when got approval to and they ran into a sewerage with the County. The County capacity was not great enough for the industrial park on the housing, but they're redoing the sewer lines as we speak.

MS. EADERESTO: That's like the whole park.

MR. PALLY: Right.

MS. EADERESTO: That's not here and there.

MR. PALLY: It's a centralized location, which is a different context.

But each old building is in a place that may or may not be appropriate. You don't know until you know what building you're going to look at.

MR. TROTTA: The requirements for warehouse are differently than for other uses.

MR. PALLY: I know.

MR. BRAUN: Are there any other questions for the representatives from Camoin?

MR. CALLAHAN: They did a good job.

MR. BRAUN: Hearing none, I thank you very much.

MR. CALLAHAN: Thank you.

MS. SELSKY: Wonderful.

MR. WALKER: Yes, thank you very much.

MS. SELSKY: Have a great afternoon, bye-bye.

MR. GRUCCI: Thank you, Rachel, for all the answers, I appreciate that.

MS. SELSKY: I hope I didn't leave you with more questions.

MR. GRUCCI: Well, there's always

another question, I'm like a Columbo.

MS. SELSKY: Take care guys, have a good afternoon, bye-bye.

MR. GRUCCI: Thank you.

MR. GRUCCI: Mr. Chairman, if I may, I think Mitch made a good point before that in the immediate future, the buildings that are going to be affected are the existing ones that don't meet the standards of high ceilings and greater volume and those will become zombie buildings in the not-too-distant future as we get more and more of these high tech, higher capacity buildings in place. But that doesn't mean that in the future that they won't be making it.

I mean if her nine point something percent vacancy rate comes to fruition, just based upon the pipeline, we've got over 200,000 square feet of empty space, you know, strewn all around Brookhaven Town.

I would welcome the board considering doing a -- creating a plan so that we could continue to take these types of applications -- and I understand the

distinction between the warehousing and the distribution and perhaps it's two plans -- that tells us when we should start to really be concerned that we're approving too many of these types of projects and either put a moratorium on them or ring the bell and say no more for a while rather than get to the finish line and find out that we have too much and now we've created, you know, the scenario of the '80s back again.

MS. MULLIGAN: Felix, one thing that I just want to point out is that I think that there's a different end user who isn't going to be interested in these modern high ceilings, new buildings; they are still going to be looking for the older, more traditional buildings. So I don't think that this necessarily means that they're all going to be empty, I think there will still be a market for them because some people, that's exactly what they want and the price is right.

MR. CALLAHAN: The price is right.

MR. POLLAKUSKY: I think, though, Felix, to Felix's point, at what point do we

reach a critical mass and how do we create the metric to get to that amongst some type of, you know, formal one sheeter that we can get -- be guided by.

MR. BRAUN: You get a crystal ball.

MR. POLLAKUSKY: Yeah.

MS. MULLIGAN: And there's so many factors that I don't think we're going to come up with a one sheeter that's going to be a metrics and we go well, this happened, so now we move here. There's too many pieces.

(Inaudible comments.)

MR. TROTTA: Addressing that and becoming aware of the issues and as we look at these, they're critical things that are brought out in this, they're put into play during the conversation --

MR. BRAUN: Felix --

MR. TROTTA: -- you know, it's hard to --

MR. GRUCCI: I was going to say, are we just going to leave it to our own feelings as to when, you know, we've reached that critical mass and what do we have, five, six people on

the board, that means five or six different opinions rather than doing like we did with the UTEP and say these are the types of residential units we want, these are how many we want and here's where we want them?

Why wouldn't something like that make sense for these, you know, mega buildings that are being put up; I mean we're talking about millions of square feet of space that if indeed it becomes, you know, ten percent unusable or vacant, we have another huge problem that's going to be facing the Town Board.

MR. BRAUN: Felix, there's one other thing that hasn't been mentioned and that is as several of the applicants said when they were here, just because they're putting up a 200,000 square foot building doesn't mean they're looking for one 2,000 square foot -- 2,000 --

MR. GRUCCI: Two million square foot.

MR. BRAUN: Or a hundred thousand if it's one building.

MR. GRUCCI: Right.

MR. BRAUN: Most of them have said they're willing to break it up --

MS. MULLIGAN: All of them.

MR. BRAUN: -- into smaller parcels.

MR. GRUCCI: And Fred, none of them have said they have a lease signed with anyone yet.

MR. BRAUN: That's correct.

MR. GRUCCI: So they're speculating just like we are.

MS. MULLIGAN: People have expressed to us that what they find is that nobody is willing to sign a lease until you have a shovel in the ground and steel up and you're making legitimate progress, so I don't think that we're going to see -- and it's not like one of them said that, that's been all of them across the board have said that and talking to other people that's in other areas, they're hearing the same thing, so I'm not --

MR. GRUCCI: Perhaps that the way it's always been. Maybe it's because it's -- the developers know that they can get what they're looking for, build a building and then go out

and spec it.

If the word starts to get around that hey, you know, you guys, if you're serious about taking on the space in the warehouse, you've got to give us some kind of a proposed -- you've got to give us some kind of indication other than a verbal communication that you're going to take the space when it's leased, otherwise we're not going to get an approval from the Town.

I mean that may change some thinking out there in the marketplace.

MR. TROTTA: Is that a hard requirement in this day and age with supplies and I don't mean with regard to, you know, meeting the demand of when a building is going to be built or if it's going to be built. I mean these guys are not going to sign a lease, you know, without having some indication because they're putting their future in jeopardy just by signing something and tying themselves up when maybe something in between is going to come along and -- or maybe they can wait until, you know, two years from now when it's complete,

but --

MR. PALLY: In reality, they are putting up a lot more money than we are.

MS. MULLIGAN: Yes, yes.

MR. CALLAHAN: Hundred percent.

MR. PALLY: A lot more money than we are and their willingness to take that chance, for lack of a better term, is an integral part of their business in that regard.

MR. POLLAKUSKY: There's also the Town of Brookhaven. I mean things take a little longer sometimes in our Town with planning and buildings, but I think, you know, to Felix's point again, where's the garbage going, right, so if we become a storage center for, you know, the region, I mean, you know, do we want to consider adding something to, you know, our process here that, you know, that limits some of the, you know, the -- something these projects.

MS. EADERESTO: Well, isn't the real question the job creation numbers and when you don't know who (inaudible), you don't know what the job is. That's the real issue.

MR. TROTTA: Good point.

MR. WEIR: Suffolk County IDA just terminated a company to inspect the route --

MR. GRUCCI: Bill, could you speak up a little bit, please?

MR. WEIR: I'm sorry.

Suffolk County IDA at their meeting in -- the July meeting terminated one spec warehouse distribution facility because they did not have any jobs at the end of first job market. Not a single tenant, not a single job, so they were terminated. We have that in our documents as well. The IDA is protected, it still goes back to are the developers (inaudible) building something, you know, they have said and I think it's correct that no tenant will sign a lease until they know the date (inaudible), but again, so --

MR. GRUCCI: I wasn't suggesting that they sign a lease prior to the completion of it, that's not our obligation. Our obligation is to make sure that A, to Annette's point, there's something going on in the Town that's creating jobs, but do we want to create jobs

in the short term and then have a problem in the long term that the facility that they are working at is going under because there's just too much competition and they're cannibalizing each other and then all those jobs that we've created no longer exist?

What I was thinking and trying to suggest and I'm probably not doing a very good job of it, is that there's got to be some kind of metric that this board can review that says yes, this is a good project, this is a good area for it and this is -- and we still need this much space.

I think the report that we saw kind of leads us in a direction, but it also tells us to be very cautious about overbuilding.

What I'm not understanding is, is there, you know, is there a red light in this process that says hey, enough of the warehouses in Brookhaven, like we said for other things that there's enough of them, let's put a moratorium on it and let's see where the market takes it.

I don't think that we should just be

open-ended with every application that comes in and just base it upon historic criteria. I think that we need to be innovative and forward thinking on this to prevent the future problem for future IDA's and future Town boards.

MS. MULLIGAN: Felix, those are good points.

I don't think that there is a red light or at least I don't see where one is going to happen, except for we have a couple of things that we can do internally and I think if we do some of those things, like adjusting our PILOT the way that the PILOT is offered, that's one thing that we can do so that it makes it -- because I think probably the first ones in or the first few in are going to be built and then the ones who show up later to the game are not going to be built and I think -- a few years ago we had more assisted living projects coming in than I could believe and I kept thinking when is this going to stop, like when are we going to reach a saturation point and then all of a sudden, we just didn't get

anymore.

I think the market does know -- I don't know if the market knows, but the market corrects itself, so I think in some regards, we can be sort of along and just see what happens and it will stop when it's supposed to stop. I do understand there's the concern that we'll up with too many of them, but somebody said before that these developers have a lot more at stake than we do, they have a lot of money invested and are proposing to invest a lot of money, so I think some of the costs that they're accruing right now might be, you know, the cost of business, maybe they'll decide to pull their project out and not do it, but if they want to be in the game, they have to spend this money now.

But I think that one thing that we can do to help normalize this, I guess, is adjust our PILOT for these, so that's something that this board can decide to do and I just to mention to everybody also that I have gotten requests from two projects that they would like us to hold a public hearing. I have told

them I can't schedule a public hearing until I know how you guys want to progress, so I just want to put that out there so you have all the information that I am getting phone calls, I am getting people who are interested in moving ahead at this point.

MR. GRUCCI: How much additional square footage is that over the two million that we currently have in the pipeline?

MS. MULLIGAN: No, these are two projects that you've already accepted the application.

MR. GRUCCI: Okay, I'm sorry, I misunderstood.

Lisa, when you say adjust the PILOT, are you saying that they should pay more in the PILOT or less time in the PILOT; I'm not clear on what you're saying, what you mean by adjusting the PILOT?

MS. MULLIGAN: Well, I mean I think that's a -- those are certainly two options. I don't have an exact formula worked out, but those are two options that we could look at to . . . how . . . incentivize and move things.

MR. TROTTA: I think we should look at --

MR. GRUCCI: I would be a little hesitant to do that because like I said before, I'm not against these projects, I'm against the overbuilding of these projects, so I wouldn't want to make it more difficult or more costly for those that we consider to be a good project and the community and the Town can use that project, I don't want to make it more difficult for them to be able to build, I just want to -- I want to understand, you know, when is enough enough, you know what I mean and it doesn't seem that we can come up with that -- with a solution for that other than leaving it to the marketplace.

MR. BRAUN: Felix, to use Gary's term, I don't know if we're going to be able to come up with an absolute metric as to when is enough enough. I think we need to continue discussing it in the next month or so and anybody has any ideas as to how to refine it, circulate an email to the board and to Lisa and to our attorneys and maybe we can come up

with something, but as Lisa said as it related to assisted living, the market's going to tell us when enough is enough. Hopefully it's not after a building's up and empty.

MR. PALLY: I'll be very interested to see if the trend continues in 2023, very interested to see because I think a lot of people got in and now because of market demand and people who come here will see the other amount of land, amount of (inaudible) being built, so I think you're right, let's see what happens.

MS. MULLIGAN: We do have five projects that are waiting, so although I understand that this board needs time to bring everything and to think about it, we do have projects that are --

MR. CALLAHAN: We've accepted, right?

MS. MULLIGAN: We've accepted five projects.

MR. CALLAHAN: That's right.

MS. MULLIGAN: A few of them are asking that they are ready to move forward and so I don't -- obviously you guys take as much time

as you need, but I just want to plant that seed probably because I get the pressure on the other end.

MR. BRAUN: I know one for certain, the OTB project's not going to close until sometime in 2023. I can't speak to the other four.

MS. MULLIGAN: We have others that one of them would like to close next month. I told them I don't think that's --

MR. BRAUN: I don't see a reason to hold it up.

MS. MULLIGAN: Well --

MR. CALLAHAN: We accepted the application.

MS. MULLIGAN: Okay.

(Inaudible comments.)

MS. MULLIGAN: But there's a chain reaction, so now you want me to set the public hearing, but then I have to do the PILOT, so --

MR. TROTTA: What I was going to suggest when you brought it up, is why don't you make -- review the PILOT, make some

suggestions between Annette, Bill, yourself and you know, let's have that maybe for the next meeting to discuss and then move ahead with something after that?

MS. MULLIGAN: Well, one thing that we could do, if we want to move ahead with these projects and not pushing it out for another month, is we could say that we're going to give a narrow window of land only to get them up and built and then do a -- for a double 485B, which is effectively ten percent increments for ten years, that's one thing that we could do.

MR. BRAUN: We have an attorney on the phone -- on Zoom that represents at least two of our projects. Let's listen carefully.

MR. CALLAHAN: You're talking about Howard?

MR. BRAUN: No, Dan Baker.

MS. MULLIGAN: Dan Baker.

MR. CALLAHAN: Dan, okay.

MR. PALLY: I think if they are willing to go forward, if they are interested in going forward, we should at least try to move those

two and see what happens. The other ones will happen if they happen, but if those two or if any of the two are interested in doing something, we should reciprocate.

MS. MULLIGAN: Okay.

So do you guys -- whatever we do for those two for the PILOT is probably what we're going to end up doing for the rest of them.

MS. EADERESTO: You want might to just tweak the PILOT language, to do what Bill said what the County did, like just put to it in there flat out; if they don't have movement, permits, something by year one or two --

MS. MULLIGAN: And we've done that in --

MS. EADERESTO: Like right in the language for this particular spec.

MS. MULLIGAN: Yes.

MS. EADERESTO: Till they figure it out.

MR. CALLAHAN: That's fair.

MS. MULLIGAN: Okay. So --

MR. TROTTA: With regard to reviewing the PILOT, are we going to do that, also, in

between this --

MR. GROSS: I was under the impression that the recent warehousing projects were double 485B's with a land only for some period during construction. That's what you've been -- I thought that's what the board had been doing.

MS. MULLIGAN: Yeah.

MR. WEIR: Yeah, but we may be shortening the land only period, Howard.

MR. GROSS: Okay.

MR. WEIR: So that people aren't sitting there not building it.

MR. CALLAHAN: Right.

So basically making them put the shovels in the ground and get it going.

(Inaudible comments.)

MR. GRUCCI: If I can offer another thought, the applications that we've already accepted, they've been playing by the rules that were in existence at the time that they submitted their application.

I would suggest that until we know what we're going to do, leave the criteria for the

public hearing and the PILOT payments the same until we have a firm understanding that we're going to do something or we're not going to do something.

I wouldn't want to cause these folks to experience a greater cost than what they originally proposed to build this at when they presented their applications to us. I don't think that's fair to pull the rug out from under them at this point.

MS. MULLIGAN: I don't think that's what we're doing, Felix, I think we're actually doing what they've asked us to do, which is to move forward.

MR. GRUCCI: Right, but we're going to adjust their PILOT payment.

MS. MULLIGAN: But they don't have a PILOT yet. We haven't set anything with them.

MR GROSS: If I may, if I understand it correctly, what's being suggested is to make certain that they adhere to a schedule to develop.

MR. CALLAHAN: Yes.

MR. GROSS: In the past, you've always

said they will move ahead diligently, so instead of just using the more vague language of diligent, I think now we're just going to set up some milestones, if I understand this correctly, to make sure it does move along.

I don't think that should be any different than what's in their interest anyway because it should not increase their costs and if I were them, I would want to develop that property as quickly as possible so that they're one of the first ones out there to lease their properties out to whoever's available and not wait.

(Inaudible comments.)

MR. TROTTA: The economy they're in, I think that's the responsible thing to do.

MR. PALLY: I think that benefits them and us at the same time.

MR. TROTTA: Absolutely. It's a win-win.

MR. PALLY: Absolutely.

MS. EADERESTO: Except there's one that's not viable, it's not going to go forward.

(Inaudible comments.)

MS. MULLIGAN: I think I might -- do I need a resolution to set the public hearings for the two projects or the few projects that have come forward or am I good to progress with that?

MR. WEIR: I think the original acceptance already gave you that.

MS. MULLIGAN: Okay, okay. Good. Then I'm going to start moving forward with the public hearings.

MR. CALLAHAN: Okay.

MS. MULLIGAN: Yes. Okay, thank you everybody. I appreciate the time on this and the direction.

MR. GRUCCI: Can I just ask Annette one question?

MS. MULLIGAN: Yes.

MR. GRUCCI: Annette, have you heard anything from the Town Board as to their feelings towards this type, these new projects that are coming into the Town; are they concerned about the overbuilding of warehouse and distribution, not that they're going to

influence the decision of the board obviously, but I was curious to see if they're on the same wavelength that I was?

MS. EADERESTO: Yes and I think now that our study's finalized, we can share it with them.

MS. MULLIGAN: Yeah. There was a typo in that I wanted them to correct before I --

MS. EADERESTO: They knew that the IDA was doing this study, they were happy that you were and they were interested in the results.

MR. CALLAHAN: I think they wanted us to share our results as to what we're --

MR. PALLY: Can I ask a question?

MR. BRAUN: Absolutely.

MR. PALLY: The five projects that have been accepted, not approved, but accepted, are they all located on land that is zoned by the Town for that purpose?

MS. MULLIGAN: Yes.

MS. EADERESTO: Correct.

MR. PALLY: So, therefore, if the Town is interested in restricting some industrial uses, one would assume that the Town would

also have to look at their zoning to eliminate --

MS. EADERESTO: It's not that they want to take away industrial, that's not correct at all, they want to keep all the industrial that they possibly can, but they don't want to see empty buildings going up.

MR. PALLY: But technically, technically, somebody could build a warehouse building without coming here by land already zoned by the Town industrial without any recourse by the Town.

MS. MULLIGAN: Yeah.

MR. PALLY: That could happen in that regard.

So just the fact that we may play referee doesn't mean we play referee all the time in that context, but that's the --

MR. TROTTA: That's a very good point.

MR. BRAUN: Has OTB been resolved?

MS. EADERESTO: Um . . . yes. It's not effective, but we had the hearing and passed it.

MR. BRAUN: Okay.

MS. EADERESTO: But that has moved.

MR. BRAUN: Yes. Appears to.

MS. EADERESTO: Which is not --

MR. BRAUN: Yes.

MS. MULLIGAN: Okay. Good for the next item -- we're good.

Any other questions?

MR. TROTTA: No.

MR. GRUCCI: Thank you for listening, appreciate it.

MR. BRAUN: Thank you.

MR. WEIR: Thank you, Felix.

MS. MULLIGAN: Okay.

So the next item on the agenda is Ronk Hub.

Okay, so that's just an update, I just wanted to let everybody know that we are just -- we're holding -- oh, you're going to recuse yourself, aren't you?

MR. TROTTA: Exactly.

MS. MULLIGAN: Yes. As I looked over at you, I realized what you were doing. Okay.

MR. TROTTA: Let the record show --

MS. MULLIGAN: Let the record show that

Frank is recusing himself.

(Mr. Trotta stepped out.)

MS. MULLIGAN: Howard, you should recuse as well.

MS. EADERESTO: He's muted.

MR. CALLAHAN: Bye, Howard.

MS. EADERESTO: Walk out of the room for a minute.

MR. WEIR: Leave it on, just walk out.

MS. MULLIGAN: I'll text you when we're back, this will take two seconds.

(Mr. Gross stepped out.)

MS. MULLIGAN: So this is just for the Mensch properties only. You already passed the resolution, the eminent domain process and we are starting the vesting process, which is the eminent domain process for the Mensch parcels only, it's really just an update, I just wanted to make sure that you were aware.

Does anybody have any questions?

(No response.)

MS. MULLIGAN: Okay. Could somebody just grab Frank?

(Inaudible comments.)

MS. MULLIGAN: Okay. I'll let Howard know.

The next item on the agenda is job creation numbers.

Like I mentioned in the LDC, we had a few projects that did not make their job creation numbers and as you asked Fred and I to reach out to all of the projects and get letters and updates from them, we did that. Everybody was very responsive and the . . . I don't think that there was anything that was out of the ordinary, anything that was going to surprise you as far as their explanation, much of it had to do with COVID and I don't think any of them were projects that we were having significant projects with, so . . . we think everything was appropriate.

(Mr. Trotta came back in.)

MS. MULLIGAN: I was just doing job creation numbers for the IDA.

MR. TROTTA: Okay.

Let the record reflect that I've now returned.

MS. MULLIGAN: Yes.

MR. TROTTA: Thank you.

MS. MULLIGAN: Frank is back.

MR. BRAUN: I think the State guideline kind of has been the annual review of the job creation numbers, somewhere in the neighborhood if you hit 85, you're fine. I think we gave it a little bit more leeway the last year or so because of COVID.

MR. PALLY: Sure, but that's why I'm going to be very interested to see the next report because to some degree, the COVID explanation has lessened, so I'll be interested to see where they have some (inaudible).

MR. TROTTA: That's due in February?

MS. MULLIGAN: Yes and then we present it to you guys, we typically give you two years so you can see the year before so you'll be able to see how -- what's changed.

MR. PALLY: And you can see the trend.

MS. MULLIGAN: Yeah. We can put three if that's helpful. That will be to you guys . . . it's due in February, we usually get it to you after we do PARIS, so March, April time

line.

Any questions on that?

(No response.)

MS. MULLIGAN: Okay.

The next item on the agenda, okay, so I don't know if everybody heard this, but we had a problem with the transcription last month and as a result, I listened to the meeting while I was reading the transcription and I think because I was going through that exercise, something clicked in my head.

I realized that part of our discussion at the last meeting about the things that we're doing and just wasn't connecting and I couldn't figure out where the disconnect was and then I realized I'm the disconnect. I am not doing a good enough job of letting you guys know of the things that we're doing in the office.

So we had this whole conversation, I'm going to say community outreach and small business committee was sort of the discussion and I realized that we're doing so many of these things, but I don't articulate them to

you, so I put together a list and Amy has been leading the charge on most of these, so I just wanted to let you know just in the past few weeks, Amy spoke at the Farmingville Hills Chamber; she attended a Long Island regional planning council webinar regarding job creation and some programs that are out there. I volunteered to be part of the Long Island Regional Economic Development Council's Workforce Development Committee, I think is what they call it. Amy participated in a series of influence luncheon, the Middle Country Library October meeting, a LIBI dinner, she met a bunch of times with the Suffolk County Department of Labor to put together a webinar to connect our projects with Department of Labor services that's been put on pause right now because the County's got other things they're working on, but we will pursue that again when they're up and running.

The offshore wind committee, obviously that plays into the Sunrise Wind project.

The Long Island advancement of small

businesses webinar and those are just a couple things like if you have questions for Amy about the specifics of it, but those are just a couple of things that I realized you guys don't know all the stuff that we're doing to support the small businesses because I don't tell you about them because our meetings are so long, I'm like get to the business I need them to vote on and don't worry about the other stuff, but I wanted you to know, this is not like a weird month where we're doing all these things, this is our norm.

MR. TROTTA: Are you sure?

MS. MULLIGAN: I'm positive. I'm positive.

MR. TROTTA: Can you maybe on quarterly or --

MS. MULLIGAN: Do a better job?

MR. TROTTA: Whatever it is, just throw it in our report, which you can go over, but at least visually we have a better handle on it --

MS. MULLIGAN: Yes.

MR. TROTTA: -- which is wonderful.

MS. MULLIGAN: So --

MR. TROTTA: I know I'm always yelling about small business, so I'd appreciate that.

MS. MULLIGAN: And Frank, that was it, I was like Frank is passionate about this, but like . . . and then I was like well, he doesn't know because if you don't tell him, what, is he a mind reader, so I apologize. We'll do better letting you know.

MR. BRAUN: This evolves from our self-assessments, what is the community we serve, who are we supposed to serve, small business, PPE loans, should we have been doing loans, we said no after a long discussion surrounding it without having to start from scratch, so we're constantly looking at that stuff.

Gary?

MR. POLLAKUSKY: I think that's one of the reasons that we also -- that I echo the support for some of the things that Frank was talking about is that we should have a formalized committee here that does focus on small business. I think that would be a way

to help guide you with some of those activities and also be a resource to support our small businesses within the IDA.

MS. MULLIGAN: We did discuss possibly a committee.

MR. TROTTA: Something that we should.

MR. BRAUN: I think there are several members here that would probably volunteer, so our next meeting we will have some suggestions on how we set that up.

MS. MULLIGAN: Okay.

Also, the next item is we were invited to an ABLI event. It is a Long Island real estate dinner on Monday, October 17th. It is a partnership between civs and the ABLI and I just wanted to put it out there if anybody wanted tickets, there are tickets available if anybody wants to go. It's at the Heritage Club at Bethpage at the Bethpage State Park.

Is anybody interested?

MR. PALLY: I'm already going.

MR. BRAUN: If anybody else is interested --

MR. PALLY: Not in connection with

this, in connection with my other situation.

MS. MULLIGAN: Yes.

Let me know, but soon because I think the 6th we need to RSVP by.

MR. PALLY: It is a very nice dinner, I've been there many times, just about the entire real estate community, all brokers and everybody, so it is a very nice place.

MR. TROTTA: What's the date again?

MR. BRAUN: It's just a long ride.

MS. MULLIGAN: The 17th at six p.m.

The last item on the agenda is just I want to bring to your attention that in your packets was the -- not only the letter that we sent to Stony Brook University, but the response that we got back from Stony Brook University, so I just wanted to make sure I brought that to your attention.

MR. BRAUN: Thank you.

Do we know what's going on?

Our concern is the third building that was used for, you know, vaccinations and everything else, supposed to be the mezzanine for people coming out of the incubators and

our concern was the incubators got people in there that don't belong there anymore, they've kind of grown up and they need space for new incubators.

(Inaudible comments.)

MR. BRAUN: So we'd been trying to put some pressure, but awareness on the number of people to see if it can't make sure it gets used to what it's supposed to be.

MS. MULLIGAN: So that letter --

MR. PALLY: Did you have any conversations with Carole Wolf (phonetic) about that?

MS. MULLIGAN: No conversation, but we did share --

MR. PALLY: The letter with her?

MS. MULLIGAN: I'm pretty sure we sent the letter; I'd have to double check, but I'm pretty sure I sent the letter.

MR. PALLY: I mean the building is owned by the State of New York, it's not owned by the university, it's owned by the State and so that doesn't mean there's an edict, but it may be helpful in moving that process along to

some degree.

MR. BRAUN: I'm wondering whether our letter went out before Carole got that position.

MS. MULLIGAN: She was there.

MR. PALLY: Yeah, she was already there, but ESPC may be able to help in that regard because one of their policies is to ensure that companies in incubators -- because there's more than just one incubator in the State of New York -- stay in the State of New York as one of their goals, which makes a lot of sense, so they may be helpful in that context.

MR. BRAUN: Kevin had the letter, too?

MS. MULLIGAN: Yes.

MR. PALLY: We'll see Kevin tomorrow.

MR. BRAUN: Yes, we will.

MR. TROTTA: And I'll see him Monday.

MR. PALLY: I think that's a . . . university may be somewhat reluctant to do it themselves, it would help the ESPC, they may be more inclined to do so.

MR. BRAUN: I was thinking of Sarah

rather than Kevin.

MS. MULLIGAN: Yeah, Sarah Landsdale.

MR. TROTTA: If anything comes out of that, let me know.

MR. BRAUN: Okay.

Anything else?

Lisa?

MS. MULLIGAN: I don't have anything else.

MR. BRAUN: Board members, counsel?

MR. GRUCCI: When is our next meeting?

MS. MULLIGAN: Our next meeting is scheduled for Wednesday, October 26th.

MR. PALLY: Is that at 12:30 again because I know I am in the city . . .

MR. GRUCCI: I have it down as nine a.m.; was that the right time?

MS. MULLIGAN: Well, Felix, can you do nine?

MR. GRUCCI: I can do nine, yeah. I mean Zoom, I can do nine. If we were going to go back -- if we were going to do another afternoon session, I could do that in person.

MR. PALLY: I know I can't do nine

because my board meeting Tuesday runs into Wednesday morning, so at some point Wednesday morning I will be done, so I want to grab -- could probably get here at least with the car, drive it here in some regard. I don't want to change your schedule because of me, but I know the morning is going to be a problem.

MS. MULLIGAN: Does 12:30 work for everybody else?

MR. CALLAHAN: That's fine. That's fine. I'm good.

MR. BRAUN: Can I have a resolution to . . .

(Inaudible comments.)

MR. BRAUN: I need a resolution to change the established --

MR. TROTTA: Make a motion to change the meeting to 12:30 from nine.

MR. BRAUN: Thank you.

Second?

MR. CALLAHAN: Second.

MR. BRAUN: On the vote, Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Pally?

MR. PALLY: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.

MR. TROTTA: You're going to send new invites out?

MS. MULLIGAN: Yes.

MR. BRAUN: I need a motion to adjourn.

MR. POLLAKUSKY: So moved.

MR. PALLY: So moved.

MR. BRAUN: All seven.

I think we are adjourned.

Thank you.

(Time noted: 2:37 p.m.)

I, JOANN O'LOUGHLIN, a Notary Public for and within the State of New York, do hereby certify that the above is a correct transcription of my stenographic notes.

_____
JOANN O'LOUGHLIN

Drugmaker to shut Hauppauge plant, shift work to Yaphank site

A drugmaker that employs more than 800 people on Long Island is moving ahead with plans to close its Hauppauge factory but will retain a much larger factory in Yaphank, a spokesman said.

Amneal Pharmaceuticals Inc. expects to close the 100,000-square-foot facility at 75 Adams Ave. in Hauppauge in March. That's more than two years after the previously scheduled shutdown date in October-December 2020, according to a notice filed last month with the state Department of Labor.

Anthony DiMeo, a spokesman for the New Jersey-based maker of generic and name-brand prescription drugs, said, "It's taken longer than we thought [to close the Hauppauge plant] and that's due to the carefulness in which a pharma company in the U.S. would shift production."

The Hauppauge factory produces “oral solid” medicines and had 220 employees in 2019 but only 89 today, records show.

DiMeo said manufacturing of the products is moving to Amneal’s 477,000-square-factory and warehouse in Yaphank. He also said the affected workers have been offered jobs there, “and most of them have accepted that offer.”

Amneal announced plans in the summer of 2019 to close the Hauppauge site as part of a strategy to cut $50 million in expenses per year.

At the time, the public company was expecting to post a loss for 2019, which ended up totaling $603.6 million. It subsequently reported a profit of $68.6 million in 2020 and $20.2 million last year. Sales totaled $2.1 billion last year, according to securities filings.

Asked about the future of Amneal’s Yaphank factory and warehouse, DiMeo said, “A lot of [product] development, manufacturing and distribution are done out [of that site] by some really smart folks.” Also, company co-founder and co-CEO Chintu Patel is based there.

Besides its Long Island operation, Amneal has more than a dozen manufacturing sites with about half in the United States and half in India. The workforce totals 7,000 people with 2,300 in the United States, the filings show.

In August, Patel, and his brother Chirag Patel, also CEO, endorsed the establishment of a Congressional caucus to promote domestic drug production.

“The pandemic and Ukraine war have highlighted the vital importance of a sustainable supply chain in the pharmaceutical industry,” they said. “We fully support the prioritization of essential medicines to be made in America.”

Agilitas Energy, Inc.

401 Edgewater Place, Suite 570,
Wakefield, MA 01880
(781) 486-4007
contact@agilitasenergy.com

10/5/2022

Lisa Mulligan
One Independence Hill
Farmingville, NY 11738

Dear Lisa Mulligan,

Agilitas Energy is requesting an extension of AE-ESS Cassel, LLC 2021 Facility's completion date to December 31, 2024. The project was originally expected to be commercially operational in 2022 but has been held up in development and interconnection review. Agilitas Energy expects to start construction in 2023 and be commercially operational no later than December 31, 2024.

Sincerely,

Agilitas Energy, Inc.

Agilitas Energy, Inc.

401 Edgewater Place, Suite 570,
Wakefield, MA 01880
(781) 486-4007
contact@agilitasenergy.com

10/5/2022

Lisa Mulligan
One Independence Hill
Farmingville, NY 11738

Dear Lisa Mulligan,

Agilitas Energy is requesting a two (2) year extension on the sales and use tax exemption for the AE-ESS Cassel, LLC 2021 Facility. Agilitas expects to begin construction on the project in 2023 and be commercially operational no later than December 31, 2024.

Additionally, Agilitas Energy is requesting an $88,250 increase in the estimated value of New York State and local sales use tax exemption. Agilitas estimates the AE-ESS Cassel, LLC 2021 Facility to cost approxiamtly $4,500,000. The $1,000,000 cost increase from the Battery Energy Storage Lease Agreement dated April 1st, 2021, is due to changing the battery equipment.

Sincerely,

Agilitas Energy, Inc.

DANIEL S. DORNFELD
PARTNER
DIRECT DIAL: (516) 812-6340
DIRECT FACSIMILE: (866) 568-7067
DDORNFELD@FORCHELLILAW.COM

October 12, 2022

Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville NY 11738

Attn: Lisa MG Mulligan, Chief Executive Officer

Re: ***Request for Consent to Assign from***
Coast 2 Coast Real Estate LLC to Hydro Metal Holdings, LLC
Premises: 20 Pinehurst Drive, Bellport NY 11713

Dear Ms. Mulligan:

Please be advised that this firm represents Hydro Metal Holdings, LLC ("HMW") and its affiliated entity, Boilermatic Welding Industries, Inc. ("BWI", together with HMW, the "Applicant"), regarding the purchase of 20 Pinehurst Drive, Bellport NY, which would serve as Applicant's headquarters. Currently the Premises are owned by Coast 2 Coast Real Estate LLC and subject to a current lease and project agreement ("Agency Lease") with the Town of Brookhaven Industrial Development Agency (the "Agency").

BWI is a full-service mechanical construction company. Established in 1973, BWI has been operating under its current ownership since 1997. In that time, it has grown to maintain a full-time staff of over 50 full time employees, including field, supervisory, and office staff. BWI provides complete General Contracting services as they relate to the mechanical scopes of work, thus providing their clients with the convenience of "one-stop shopping". Both Applicant entities are owned by Shasho Pole.

BWI has leased space in its current facility at 17 Peconic Ave, Medford NY. As its lease has expired, it needs to find alternate space. There is no requirement for BWI to remain in the Town of Brookhaven, or even in New York State. Even though it has considered space elsewhere, its preference is to remain in the Town of Brookhaven. It has entered into a purchase and sale agreement with Coast 2 Coast Real Estate LLC for the building at 20 Pinehurst Drive, Bellport NY, subject to the approval of the Agency. It intends to reconfigure the Premises and equip it with industrial equipment at substantial expense.

It is anticipated that this project would cost over $7 Million for the property, redevelopment and equipment. This will be funded by Applicant, who intends to seek strategic financing. Applicant is not seeking additional benefits that what currently exists on the property.

This facility would provide a great benefit to Suffolk County. Applicant anticipates retaining over 55 employees and creating at least another 14 full-time positions within two years of completion. This is well in excess of the 35 employees that the current owner has committed to create.

However, none of this is possible without the consent of the Agency. Pursuant to section 9.3, the Agency Lease may not be assigned without the prior written consent of the Agency, which shall not be unreasonably withheld. Applicant is seeking such consent. Applicant is willing to commit substantial funds to this project however, given the improvements to be made and uncertainty of the potential real estate taxes, if the Applicant also had to pay full real estate taxes, that expense could prevent the project from being economically viable. Fortunately, not only does Applicant's assumption of the Agency Lease furthers the goals of the Agency by helping maintain and create high paying jobs in the Town of Brookhaven.

Enclosed please find a completed application with the application fee of $4,000.00.

Thank you for your consideration. We look forward to working with you.

Very truly yours,

Forchelli Deegan Terrana LLP

By: Daniel S. Dornfeld
Daniel S. Dornfeld

Town of Brookhaven Industrial Development Agency
MRB Cost Benefit Calculator

Cost-Benefit Analysis Tool powered by MRB Group

Date October 12, 2022
Project Title WF Industrial XIII LLC
Project Location 645 National Boulevard Medford

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
$33,796,991

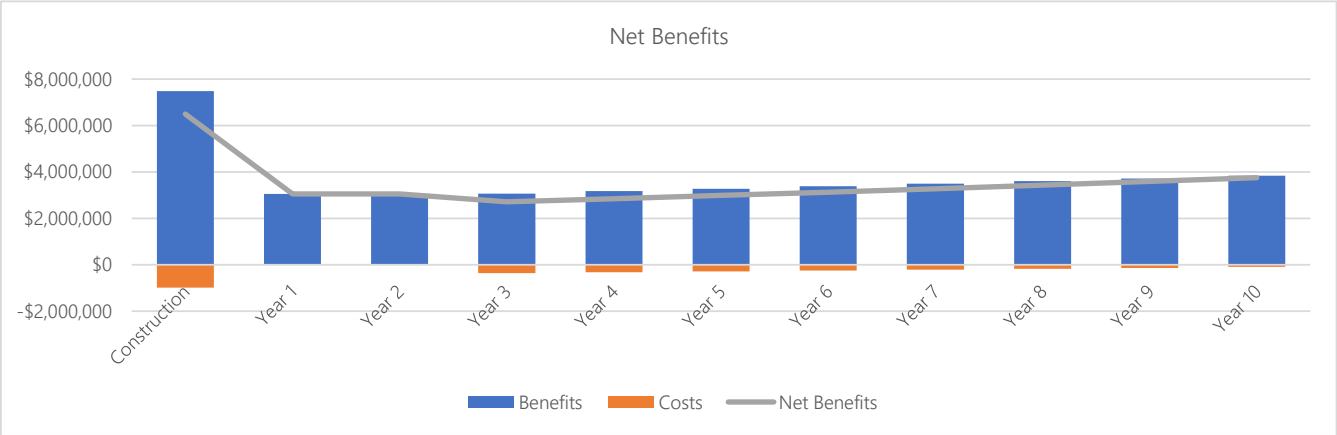
Temporary (Construction)

	Direct	Indirect	Total
Jobs	71	19	90
Earnings	$5,786,413	$1,267,873	$7,054,286
Local Spend	$13,992,498	$4,423,137	$18,415,635

Ongoing (Operations)
Aggregate over life of the PILOT

	Direct	Indirect	Total
Jobs	45	0	45
Earnings	$37,295,196	$0	$37,295,196

Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

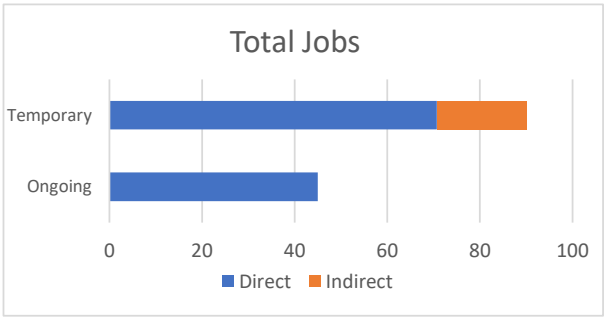
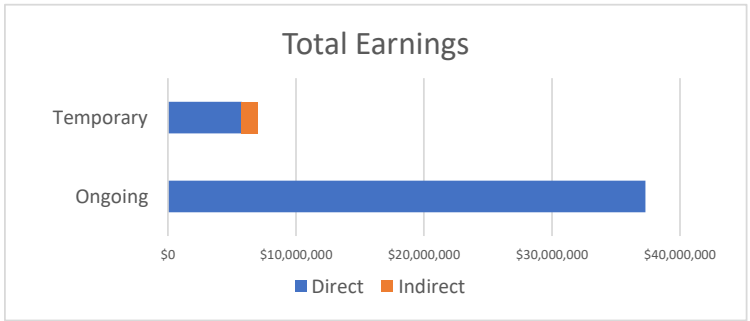


Figure 3



Ongoing earnings are all earnings over the life of the PILOT.

Fiscal Impacts

MRB group
Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	$1,870,562	$1,670,391
Sales Tax Exemption	$819,634	$819,634
Local Sales Tax Exemption	*$439,514*	*$439,514*
State Sales Tax Exemption	*$380,120*	*$380,120*
Mortgage Recording Tax Exemption	$164,760	$164,760
Local Mortgage Recording Tax Exemption	*$54,920*	*$54,920*
State Mortgage Recording Tax Exemption	*$109,840*	*$109,840*
Total Costs	**$2,854,956**	**$2,654,785**

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	**$46,878,541**	**$41,913,842**
To Private Individuals	$44,349,482	$39,784,864
Temporary Payroll	*$7,054,286*	*$7,054,286*
Ongoing Payroll	*$37,295,196*	*$32,730,579*
Other Payments to Private Individuals	*$0*	*$0*
To the Public	$2,529,059	$2,128,977
Increase in Property Tax Revenue	*$2,170,105*	*$1,806,968*
Temporary Jobs - Sales Tax Revenue	*$57,096*	*$57,096*
Ongoing Jobs - Sales Tax Revenue	*$301,858*	*$264,913*
Other Local Municipal Revenue	*$0*	*$0*
State Benefits	**$2,306,173**	**$2,068,813**
To the Public	$2,306,173	$2,068,813
Temporary Income Tax Revenue	*$317,443*	*$317,443*
Ongoing Income Tax Revenue	*$1,678,284*	*$1,472,876*
Temporary Jobs - Sales Tax Revenue	*$49,380*	*$49,380*
Ongoing Jobs - Sales Tax Revenue	*$261,066*	*$229,114*
Total Benefits to State & Region	**$49,184,714**	**$43,982,654**

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	$41,913,842	$2,164,825	19:1
State	$2,068,813	$489,960	4:1
Grand Total	**$43,982,654**	**$2,654,785**	**17:1**

*Discounted at 2%

Additional Comments from IDA

Applicant intends to construct a one story warehouse totaling 129,237 sf for use as a warehouse distribution facility on 9.89 acres of vacant land. End users have not yet been secured. As per the Brookhaven IDA Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limed to, jobs created and capital investment by the applicant.

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

GERMANO &
CAHILL, P.C.

Of Counsel to MEYER, SUOZZI, ENGLISH & KLEIN, P.C.

Guy W. Germano
Michael J. Cahill
G. William Germano, Jr.

Meghan Healy, *Of Counsel*
Alyssa Solarsh-Sinatra, *Associate*

October 11, 2022

Via Hand Delivery

Ms. Lisa M.G. Mulligan, CEO
Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, NY 11738

Re: Application of 10 Donald's Way LLC
Premises: 10 Donald's Way, Medford, NY
Construction of a 140,875 sf industrial building

Dear Ms. Mulligan:

Enclosed herewith is the signed original of the above-referenced Application. 10 Donald's Way LLC is managed by cousins Mitchell Rechler and Gregg Rechler, who also co-manage a related company, Rechler Equity Partners ("Company").

The roots of the Company were started with William Rechler, the master developer of the 1600-acre Hauppauge Industrial Park in the 1960s. William's sons, Donald and Roger founded Reckson Associates in 1968, pioneering office and industrial development throughout Long Island. Mitchell and Gregg joined their fathers in 1980, and today, co-manage a Long Island portfolio totaling more than 7 million square feet of industrial office, technology, warehouse and multi-family buildings.

Rechler Equity Partners' headquarters is located in a modern office building at 85 South Service Road, Plainview, NY, where together with a staff of more than 30 planners, engineers, architects, environmental and real estate professionals, Mitchell and Gregg manage their existing portfolio and develop new projects for 21st Century Long Island companies and their employees. Greybarn Patchogue is one such new development project. For an in-depth look at Rechler Equity Partners, please visit their website at www.rechlerequity.com.

A related company, R Squared Patchogue LLC, currently has an application pending before the Brookhaven Industrial Development Agency for assistance with the development of a 91-unit multi family housing project in East Patchogue.

The 10 Donald's Way project entails the development of a 140,875 sf multi-tenant industrial warehouse building on an 11.01 acre site located in an old industrial subdivision formerly known as the Horse Block Industrial Park comprised of approximately 72.89 acres. The

subdivision map was approved and filed in 1990. Since that time the industrial park has remained vacant with the exception of the construction of an access road, now known as Donald's Way.

Rechler Equity Partners, through a related company, is under contract to purchase the entire 72.89 acre subdivision and plans to develop a modern industrial park subdivision to be known as "The Rechler Business Park". The Rechler family has been successfully developing and operating industrial parks for more than 60 years. Their newest park, The Hampton Business Center, containing five buildings totaling 377,000 +/- sf, will soon be completed with the issuance of the CO for the 5th and final building.

This vacant subdivision is bordered on the East by the Munsell Road Industrial Overlay District, established by the Town Board as part of the Town's efforts to clean up and redevelop the blighted Munsell Road area. The opening of Donald's Way and the construction of the first budling in the new Rechler business Park will surely help set a standard for the redevelopment of the adjacent Munsell Road properties.

Attached hereto you will find the site plan and several renderings and elevations of the proposed industrial building.

For a more in-depth look at the Rechler Equity Industrial Projects, please visit the website at www.rechlerequity.com.

Very truly yours,

Guy W. Germano

GWG/df
Attachments

Young / Sommer LLC

ATTORNEYS AT LAW

EXECUTIVE WOODS, FIVE PALISADES DRIVE, ALBANY, NY 12205
Phone: 518-438-9907 • Fax: 518-438-9914

www.youngsommer.com

Robert A. Panasci, Esq.
Writer's Telephone Extension: 251
rpanasci@youngsommer.com

October 7, 2022

Lisa Mulligan, CEO
Town of Brookhaven Industrial Development Agency
1 Independence Hill, 2nd Floor
Farmingville, New York 11738

Re: Application of Holtsville Energy Storage, LLC ("Applicant")

Dear Ms. Mulligan:

Thank you for the opportunity to submit this Application regarding the proposed battery energy storage system ("BESS") Project located in unincorporated hamlet of Holtsville within the Town of Brookhaven. Enclosed please also find a check in the amount of $4,000 for the non-refundable application fee. The Applicant has met with the Town of Brookhaven Planning, Environmental, and Land Management Department (PELM) on multiple occasions to review the proposed Project. The Applicant has submitted a 2022 Land Use Application package seeking the Town Planning Board's simultaneous Site Plan Approval and SEQRA Negative Declaration Determination.

The Applicant is proposing to install a 110-megawatt energy ("MW") BESS at 5276 Expressway Drive South and 178 Morris Avenue. The BESS Project will consist of a proposed modular configuration of BESS units/containers, each storing interchangeable batteries and other interchangeable equipment for the operation of the BESS Project. Following Town Planning Board and PELM Building Department Approvals, the proposed Project would take approximately 12-18 months to install with 20-30 construction jobs. Although no permanent jobs will be created, the Project will require local contractors to perform routine period Site and BESS maintenance on a regular basis. Additionally, approximately every 3-4 years the BESS Project will require routine batteries augmentation, that will result in additional short-term local construction trades jobs.

The Applicant is a wholly owned subsidiary of Savion, LLC, which is owned by Shell New Energies US LLC and Shell USA, Inc. The financial statements of the Shell can be viewed at: https://www.shell.com/investors/results-and-reporting.html

We are happy to answer any questions that you may have regarding this project.

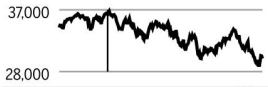
Very truly yours,

Robert A. Panasci

cc: Camille Kaynor (*via email only*)
Howard R. Gross, Esq. (*via email only*)
William C. Miller, Jr., PE (*via email only*)

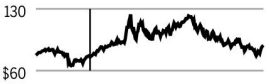
DOW JONES
-346.93 to 29,926.94

Over the past year:



CRUDE OIL
$0.69 to $88.45

Over the past year:



STOCKS TURN LOWER IN CHOPPY SESSION

A choppy day of trading ended with stocks broadly lower on Wall Street Thursday, though indexes have managed to hold onto most of their gains from a big rally at the start of the week.

The S&P 500 fell 38.76 points, or 1%, to close at 3,744.52. The Dow Jones Industrial Average dropped 346.93 points, or 1.1%, to close at 29,926.94. The Nasdaq composite slid 75.33 points, or 0.7%, to end at 11,073.31.

Investors were reviewing the latest data on jobs, which showed more Americans filed for unemployment benefits last week. Traders will be watching closely on Friday when the government releases its monthly job market data.

The labor market remains strong in the face of persistent inflation and a slowing overall U.S. economy. That's good for job hunters, but could give the Federal Reserve more reason to keep raising interest rates in its bid to crush inflation. Wall Street is eager for definitive signs that inflation is on the wane and the central bank can finally ease back on its rate hikes.

"We still have very, very hot inflation, and there's nothing slowing the Fed anytime soon," said Paul Kim, CEO of Simplify ETFs. "And the market's just waiting for clarity. And that's why you're seeing a little bit of choppiness, but no real clear direction." — *AP*

LI warehouse worries

Report: Vacancy rate will rise due to overbuilding

BY JAMES T. MADORE
james.madore@newsday.com

Vacant warehouses may soon dot Long Island because the record number of warehousing projects under construction or on the drawing board will likely exceed storage needs, according to a new report.

The industry's vacancy rate is projected to climb from 2.4% last year to between 6% and more than 9% by 2027 in Suffolk County, if most of the proposed projects are completed, the economic development analysis firm Camoin Associates states in the report. Suffolk is home to 68% of the Island's warehouse space.

Camoin was hired by the Brookhaven Town Industrial Development Agency to study the future of warehousing. IDA board members sought the additional information after receiving five applications for tax breaks from developers, who together want to construct 2 million square feet of warehouses in the town, or 25% of the total additional warehouse space being proposed islandwide.

"We see real potential for overbuilding," said John Walker, an analyst for Camoin, which is based in upstate Saratoga Springs. "The potential for an upcoming recession could definitely drop back demand [for warehouse space] and the extent to which interest rates go up could make some of these projects no longer feasible."

He and Camoin chief operating officer Rachel Selsky said the drawbacks of overbuilding include the closure of existing warehouses, job losses and tax breaks awarded to projects that then cannot find tenants.

Selsky said developers' recent interest in Long Island as a warehousing destination is in response to increased online shopping during the height of the pandemic in 2020-21. Shoppers now expect same-day and next-day delivery of packages, leading Amazon and other retailers to open new warehouses across the country, she said during last month's IDA meeting.

Selsky also said retailers and other businesses are opening warehouses on the Island to serve New York City as well as Nassau and Suffolk counties.

"This demand may not be sustained into the future, which would result in higher vacancy rates that would likely be most detrimental to the older, less modern warehouses in the community," Selsky said, adding that warehouses with high ceilings that can accommodate tall racks of products are in great demand.

IDA vice chairman Felix J. Grucci Jr., a fireworks executive and former Brookhaven supervisor, welcomed the report, saying he's concerned about "zombie buildings in the not too distant future as we get more and more of these high-tech buildings in place."

He added, "The report tells us to be very cautious about overbuilding."

IDA CEO Lisa M.G. Mulligan predicted there would still be demand for older warehouses because not all tenants need high ceilings or are willing to pay the higher rents that go along with them.

IDA chairman Frederick C. Braun III, a former banker, agreed, adding that shovels will probably never be put into the ground for all of the proposed warehouses because some won't be economically feasible in an economic downturn and lenders won't provide the necessary construction loans.

The developers' group Association for a Better Long Island said the report's conclusions were not surprising and that Brookhaven leaders should trust market forces.

"When the financial community determines projects are not viable, it is an indication that the need for this kind of construction has receded," the group's executive director Kyle Strober said on Wednesday.

The Camoin researchers noted their tally of proposed warehouse projects on Long Island is lower than a Newsday study published in August.

The newspaper found more than 11 million square feet of new space is on the drawing board, under construction or recently completed, based on interviews with developers and documents filed with towns and IDAs.

"If only half of the projects presented in the Newsday article are developed, vacancies could easily exceed 7%," Camoin said. "Building 80% [of the projects] could push industrial vacancies to rates upwards of 10%."

JAMES CARBONE

A warehouse under construction at an industrial park in Westhampton Beach in July.

WAREHOUSES ON LI

	Long Island	Nassau	Suffolk
No. of warehouses in 2021	6,990	2,417	4,573
Total space in 2021	160.5 million square feet	51 million square feet	109.3 million square feet
Total size of warehouse projects proposed/ under construction	9 million square feet	347,880 square feet	8.8 million square feet

SOURCE: CAMOIN ASSOCIATES' STUDY BASED ON DATA FROM COSTAR AND THE TOWN OF BROOKHAVEN IDA

‘A blessing’ in Wyandanch

Developer opens affordable rentals for seniors

BY DENISE M. BONILLA
denise.bonilla@newsday.com

A ribbon cutting was held Thursday in Wyandanch for a new apartment building that offers affordable units for seniors.

The building, 11 Park Drive Apartments, has 94 studio and one-bedroom apartments and is the fourth one constructed as part of the Wyandanch Rising redevelopment. The public-private revitalization effort includes 301 apartments, 246 of which are affordable. The second phase includes more apartments south of the Long Island Rail Road station and will break ground by the end of the year, said Russell Albanese, chairman of Albanese Organization Inc. of Garden City, the master developer of Wyandanch Rising.

“Wyandanch continues to rise,” Albanese told the crowd. “We have completed a lot, but there’s a lot more work to do.”

For this latest building, Albanese teamed up with Selfhelp Community Services Inc., a Manhattan-based nonprofit independent living organization. The building, which wraps around the front of the LIRR parking garage, is the first one in Suffolk County for Selfhelp, which has more than a dozen apartment complexes in Nassau and New York City.

The building is for renters 62 and older who earn 30% to 70% of the Area Median Income, which is between $20,910 and $63,699 for one person, and includes a full-time social worker on site. Rents range from $649 to $1,579.

DEBBIE EGAN-CHIN

Residents enjoy the seating area at 11 Park Drive Apartments, part of the Wyandanch Rising initiative.

DEBBIE EGAN-CHIN

Resident William Payton, front, joins the ribbon cutting Thursday.

“Since Selfhelp’s beginning we have understood the importance of safe, affordable homes, and the recent experience of the COVID pandemic strengthened this understanding,” said Evelyn Wolff, executive director of Selfhelp’s realty group. “It reminds everybody that having a place to call home has direct outcomes on a person’s health, well-being and quality of life.”

Selfhelp also will offer assistance with benefits and entitlements, mental and physical wellness programs, and social events in the building.

A lottery for the units held in April yielded more than 1,000 applicants, Albanese said. The building is nearly fully occupied, with 83 units taken.

William Payton, 72, recently moved into the building and said he thinks of it as a “new beginning.”

“Being around people my own age is invaluable,” he said. “This is a blessing.”

AG: Developer violated terms of tax exemption

BY DEBORAH S. MORRIS
deborah.morris@newsday.com

A luxury residential property developer must pay back $3 million to some of its employees, New York City and the state for underpaying the workers while also receiving tax exemptions, a release from the Office of New York Attorney General Letitia James said Thursday.

Heatherwood Communities LLC received tax exemptions on rental properties in Long Island City and Williamsburg through a program administered by the New York City Department of Housing Preservation and Development.

Through the program, developers are granted tax breaks, with certain conditions, on new multiunit residential buildings. One of the conditions includes setting aside a number of affordable housing units or pay prevailing wages to building service workers for buildings with at least 30 units.

According to the release, Heatherwood officials said they would pay prevailing wages and benefits to building service employees but did not.

“Workers are the backbone of New York, and they deserve fair pay and benefits for their hard work,” said James in a news release. “Paying workers fair wages and benefits is not a luxury, it’s the law and Heatherwood cheated these workers and taxpayers.”

The announcement was made in conjunction with New York City Comptroller Brad Lander and 32BJ SEIU, the union for the cheated workers.

Representatives for Heatherwood could not immediately be reached.

Heatherwood will return $723,324, the full amount owed plus 16% interest, to 24 workers. The company will also pay the city $1,146,196 and the state $686,527 in penalties. Heatherwood is also required to continue paying building service employees the prevailing wage, the release said.

An investigation led by James’ office found the discrepancies following a whistleblower allegation.

Under the tax-exempt program developers are required to comply with prevailing wage rules, which determine the wage and benefits payable to building service workers according to schedules issued by the New York City Comptroller, the release said.

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THIS DATE IN HISTORY

1765 The Stamp Act Congress convened in New York to draw up colonial grievances against England.
1949 The Republic of East Germany was formed.
1982 The Andrew Lloyd Webber-Tim Rice musical “Cats” opened on Broadway. (The show closed Sept. 10, 2000.)
1985 Palestinian gunmen hijacked the Italian cruise ship Achille Lauro in the Mediterranean.
1992 Trade representatives of the United States, Canada and Mexico initialed the North American Free Trade Agreement during a ceremony in San Antonio, Texas, in the presence of President George H.W. Bush, Canadian Prime Minister Brian Mulroney and Mexican President Carlos Salinas de Gortari.
1996 Fox News Channel made its debut.
2001 The war in Afghanistan started as the United States and Britain launched air attacks against military targets and Osama bin Laden’s training camps in the wake of the Sept. 11 attacks.

LI People ON THE MOVE

GLENN R. JERSEY III

Glenn R. Jersey III of Mineola has been hired as an attorney/counsel at **Spano Abstract** in Garden City. He is an attorney and has his own practice in Mineola.

BERNADINE WALLER

Bernadine Waller of Wyandanch, National Institute of Mental Health T32 research fellow in the department of psychiatry, division of translational epidemiology and mental equity at Columbia University in Manhattan, has been elected to the board of trustees of the **Long Island Children's Museum** in Garden City.

MUKUND PADMANABHAN

Mukund Padmanabhan of Brookville, founder and president of the Guru Krupa Foundation in Jericho, has been elected to the board of trustees of the **Long Island Children's Museum** in Garden City.

— DIANE DANIELS

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DRUGMAKER TO LEAVE HAUPPAUGE IN MARCH

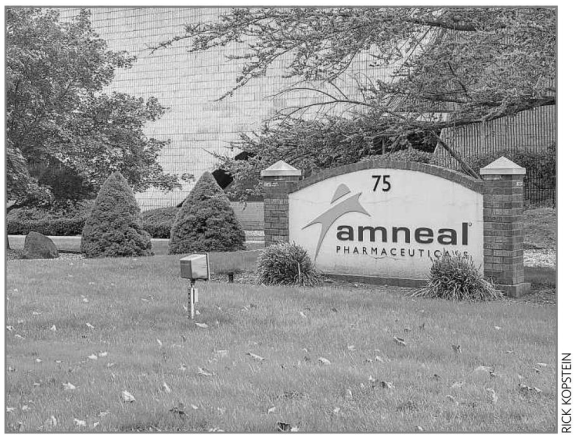
Amneal plans to shift operations to Yaphank plant

BY JAMES T. MADORE
james.madore@newsday.com

A drugmaker that employs more than 800 people on Long Island is moving ahead with plans to close its Hauppauge factory but will retain a much larger factory in Yaphank, a spokesman said.

Amneal Pharmaceuticals Inc. expects to close the 100,000-square-foot facility at 75 Adams Ave. in Hauppauge in March. That's more than two years after the previously scheduled shutdown date in October-December 2020, according to a notice filed last month with the state Department of Labor.

Anthony DiMeo, a spokesman for the New Jersey-based maker of generic and name-brand prescription drugs, said, "It's taken longer than we thought [to close the Hauppauge plant] and that's due to the carefulness in which a pharma company in the U.S. would shift production."



RICK KOPSTEIN

Amneal Pharmaceuticals will cease operations in Hauppauge. The drugmaker employs more than 800 people on Long Island.

The Hauppauge factory produces "oral solid" medicines and had 220 employees in 2019 but only 89 today, records show.

DiMeo said manufacturing of the products is moving to Amneal's 477,000-square-factory and warehouse in Yaphank. He also said the affected workers have been offered jobs there, "and most of them have accepted that offer."

Amneal announced plans in the summer of 2019 to close the Hauppauge site as part of a strategy to cut $50 million in expenses per year.

At the time, the public company was expecting to post a loss for 2019, which ended up totaling $603.6 million. It subsequently reported a profit of $68.6 million in 2020 and $20.2 million last year. Sales totaled $2.1 billion last year, according to securities filings.

Asked about the future of Amneal's Yaphank factory and warehouse, DiMeo said, "A lot of [product] development, manufacturing and distribution are done out [of that site] by some really smart folks." Also, company co-founder and co-CEO Chintu Patel is based there.

Besides its Long Island operation, Amneal has more than a dozen manufacturing sites with about half in the United States and half in India. The workforce totals 7,000 people with 2,300 in the United States, the filings show.

In August, Patel and his brother Chirag Patel, also CEO, endorsed the establishment of a congressional caucus to promote domestic drug production.

"The pandemic and Ukraine war have highlighted the vital importance of a sustainable supply chain in the pharmaceutical industry," they said. "We fully support the prioritization of essential medicines to be made in America."

Good Samaritan Hospital updates name

BY MAURA MCDERMOTT
maura.mcdermott@newsday.com

Good Samaritan Hospital has a new name.

The West Islip institution is now called Good Samaritan University Hospital to reflect its commitment to training the next generation of doctors, Catholic Health said.

"Good Samaritan has had a longstanding history of providing graduate medical education and research associated with those programs, dating back to 1994," Ruth E. Hennessey, the hospital's president, said in an interview Thursday. The new name, she said, "really reflects our true identity."

More than 500 physicians have graduated from the hospital's residency program, which trains medical school graduates to become licensed doctors, and many of its graduates have stayed on Long Island to practice medicine, according to Rockville Centre-based Catholic Health.

CATHOLIC HEALTH

Catholic Health's Good Samaritan Hospital in West Islip will now be known as Good Samaritan University Hospital.

Good Samaritan offers residency training programs in emergency medicine, family medicine, pediatrics, podiatric surgery, obstetrics and gynecology, as well as fellowship training programs in minimally invasive gynecologic surgery and pediatric emergency medicine.

The hospital also is a clinical campus for the New York Institute of Technology College of Osteopathic Medicine. In addition, it supports medical student rotations in all six Catholic Health hospitals and sponsors the health care system's physical medicine and rehabilitation residency training program at Mercy Hospital in Rockville Centre.

The new name is not the only big change at the 437-bed hospital. Good Samaritan broke ground this year on a $500 million expansion that is expected to be complete by the first quarter of 2025.

The 300,000-square-foot addition will include an upgraded adult and pediatric emergency department, 16 operating rooms, an enhanced surgical suite to accommodate the growing number of minimally invasive procedures and three floors of private patient rooms. The expansion is expected to help recruit residents and physicians to the hospital, Catholic Health said. It will not add beds to the hospital, the health care system said.

Good Samaritan employs more than 3,500 people and has more than 1,200 physicians.

DOW JONES	1.3% to 33,761.05	
NASDAQ	2.1% to 13,047.19	
S&P 500	1.7% to 4,280.15	
10-Year Treasury Note	-0.05 to 2.8%	yield
30-Year Bond	-0.06 to 3.1%	yield
Gold	$9.50 to $1,815.50	troy oz.
Crude Oil	$-2.46 to $91.88	USD/bbl.

WALL STREET UP FOR 4TH STRAIGHT WEEK

Wall Street capped a choppy week of trading with a broad stock market rally Friday, as the S&P 500 notched its fourth consecutive weekly gain.

The benchmark index closed 1.7% higher, for a 3.3% weekly gain. The S&P 500 hadn't posted such a good stretch since November.

The Dow Jones Industrial Average rose 1.3%, while the Nasdaq and Russell 2000 index of smaller companies both closed 2.1% higher. Each index also posted a solid weekly gain.

Technology stocks drove much the rally. Crude oil prices fell and bond yields were mixed.

Trading was choppy much of the week, but major indexes got a big bump on Wednesday after a report showed that inflation cooled more than expected last month. Another report on Thursday showed inflation at the wholesale level also slowed more than expected.

The S&P 500 rose 72.88 points to 4,280.15, while the Dow gained 424.38 points to 33,761.05. The Nasdaq added 267.27 points to 13,047.19.

The cooler-than-expected inflation readings have bolstered hopes among investors that inflation may be close to a peak.

— *AP*

Tax breaks terminated

Amazon center in Syosset didn't hit job threshold

BY VICTOR OCASIO
victor.ocasio@newsday.com

ALLISLANDAERIAL.COM / KEVIN P. COUGHLIN

The Amazon fulfillment center in Syosset hasn't created the 150 new jobs that were required.

A newly built Amazon fulfillment center in Syosset at the site of the former Cerro Wire factory has lost its county-issued tax breaks, 17 months after receiving them.

The board of Nassau's Industrial Development Agency voted Thursday evening to end a 15-year property tax agreement with the e-commerce giant over its inability to meet job creation requirements. As part of the termination, the agency will also be clawing back more than $1.7 million in sales and mortgage tax savings already given out.

The company was previously approved for about $11 million in total tax savings in 2021 — mostly in the form of breaks on property taxes over a 15-year timeline — in exchange for creating 150 jobs at their new 204,000-square-foot Syosset facility, north of the Long Island Expressway.

"Amazon and the IDA have reached an agreement," said IDA chairman Richard Kessel. "We will terminate the PILOT agreement that we have with Amazon as well as a claw back of the sales tax exemption and the mortgage recording tax exemption that was granted to Amazon."

Because the site hasn't opened, Amazon has not seen the property-tax reduction of $8 million over 15 years it was originally awarded.

The IDA and Amazon had been in discussions for months over the online retailer's decision to close one of its existing "last-mile" warehouses in Bethpage and move hundreds of jobs from there to the Syosset location and others in the metropolitan area.

IDA officials said the job transfers were not new jobs and therefore did not fulfill Amazon's end of the bargain.

In a statement from Amazon, read aloud by Kessel at the agency's monthly meeting, the company said it would pay the awarded tax breaks back to the county.

"While Amazon is committed to current jobs and meeting the needs of customers in Nassau County ... it is in the best interest of all parties that these agreements be dissolved at this time," the company said. "Amazon will repay all benefits received to date."

Chairman Kessel called the termination agreement a "home run" for the county.

"We get a new facility in Syosset, hundreds of people going to work over there, we get a property returned to the tax rolls, we get back all the money that we laid out in the sales and mortgage recording tax exemptions, we got hundreds of construction jobs in building this facility, we get environment remediation ... I think it's a home run for everyone," Kessel said.

Termination of the Nassau IDA's deal with Amazon comes after documents and sources showed that the developer of another Amazon warehouse in Melville is giving up nearly $5 million in tax breaks because the retail giant is unsure if it can meet job creation commitments there.

Developer Hartz Mountain Industries said in May 26 letter to the Suffolk County Industrial Development Agency that is wished "to terminate the lease and project agreement, company lease agreement and related other agreements" that granted the tax incentives over 20 years. That letter and other documents were obtained by Newsday via a Freedom of Information Law request.

The tax breaks in that deal concerned the development of a 276,500-square-foot warehouse at the site of the former Newsday headquarters on Pinelawn Road. Amazon wasn't certain it could meet the commitment that 175 jobs be created within two years of the facility's opening.

The $52.8 million warehouse is one of two that Hartz Mountain is constructing on that site.

J&J will halt global talc powder sales

Johnson & Johnson will stop selling its talc-based baby powder worldwide starting next year, in what it called a "commercial decision" aimed at ensuring long-term growth.

The company discontinued sales of such products in the United States and Canada just over two years ago, citing declining demand for the baby powder after thousands of consumer lawsuits were filed against the firm alleging that the powder contained carcinogens.

Activist shareholders had previously pushed the company to stop selling the talc-based powder products internationally.

Johnson & Johnson said Thursday that it remains "firmly behind" the view that its talc-based goods are safe, do not cause cancer and do not contain asbestos.

Asbestos exposure has been linked to lung cancer, but there is debate over whether the material can cause ovarian cancer; Johnson & Johnson has lost court cases involving claims that its talc-based powders cause the latter.

Ben Whiting, an attorney at the Chicago-based Keller Postman law firm, said there would have been a "real and negative impact on litigation" in the United States if Johnson & Johnson had made the decision to stop selling talc-based products internationally at an earlier time.

Talcum is made from the mineral talc, which mainly consists of magnesium, silicon and oxygen. In its natural form, some talc contains asbestos, which the American Cancer Society says can cause cancer in and around the lungs when inhaled.

— *The Washington Post*

As Warehouses Multiply, Some Cities Say: Enough

Several municipalities in California's Inland Empire have halted new projects to study their impact on pollution and congestion, but labor and business groups have warned that moratoriums could cost the region tax revenue and jobs.

By Kurtis Lee **Photographs by Alex Welsh**
Kurtis Lee reported from Colton, Calif., and other cities in the Inland Empire.

Oct. 10, 2022

From the front yard of her ranch-style home, Pam Lemos peered out on the vast valley of her childhood.

She can still picture the way it looked back in the 1980s — citrus groves blanketing hillsides, dairy farms stretching for acres and horses grazing under a bright blue sky. These days, when she looks toward the horizon, she mainly sees the metal roofs of hulking warehouses.

"Now it's all industrial," said Ms. Lemos, 55, who has lived in Colton, 60 miles east of Los Angeles, her entire life. "We are working to change that and starting with these warehouses."

Ms. Lemos is part of a growing coalition of residents and leaders in Colton and neighboring cities — a logistical hub for the nation — who are increasingly frustrated with the proliferation of warehouses in the region, as well as the side effects of the rapid expansion.

As warehouse construction has ballooned nationwide, residents in communities both rural and urban have pushed back. Neighborhood apps like Nextdoor and Facebook groups have been flooded with complaints over construction. In California, the anger has turned to widespread action.

Several cities in this slice of Southern California, known as the Inland Empire, have passed ordinances in recent months halting new warehouse projects so officials can study the effects of pollution and congestion on residents like Ms. Lemos. Similar local moratoriums have cropped up in New York and New Jersey in recent years, but on a much smaller scale.

Labor groups and business coalitions have entered the fray, warning that the new ordinances — along with a push in the state Legislature to widen the restrictions — will cost the region tax revenue and needed jobs and could further disrupt a shaky national supply chain.

Jonathan Gold, a vice president at the National Retail Federation, among the industry's largest trade groups, said "placing a ban or moratorium on building new distribution centers or warehouses while we continue to experience a supply chain crisis is not good policy."

"Building new capacity will help address a significant supply chain issue, and will also create employment opportunities," Mr. Gold said.

The Inland Empire, where the population has quadrupled to 4.6 million in the last 50 years as people were priced out of places closer to Los Angeles, is a critical storage-and-sorting point because of its proximity to rail lines that are a short jaunt from the ports of Los Angeles and Long Beach, global hubs that handle 40 percent of the nation's seaborne imports.

In the early 1990s, there were about 650 warehouses in the region, according to a data tool from Pitzer College in Claremont, Calif. By last year, there were nearly 4,000.

Pam Lemos has lived in Colton her entire life. “Now it’s all industrial,” she said. “We are working to change that.”

Amazon is a major presence, with more than a dozen warehouses in the Inland Empire. Although it is slowing its warehouse expansion nationally and has closed or mothballed some buildings, it is constructing a five-story, four-million-square-foot facility in the city of Ontario. The warehouse, which is scheduled to be completed in 2024 and expected to be one of the company’s largest in the nation, will provide jobs for roughly 1,500 people.

Susan Phillips, a professor of environmental analysis at Pitzer who has studied the growth of warehouses in the Inland Empire, says the only way to regulate construction is through the municipal planning process.

“Warehouse growth is totally demand-driven,” Ms. Phillips said. “Developers and many municipalities do not want any regulation on this, and at this point warehouses are growing at many times the rate of population growth.”

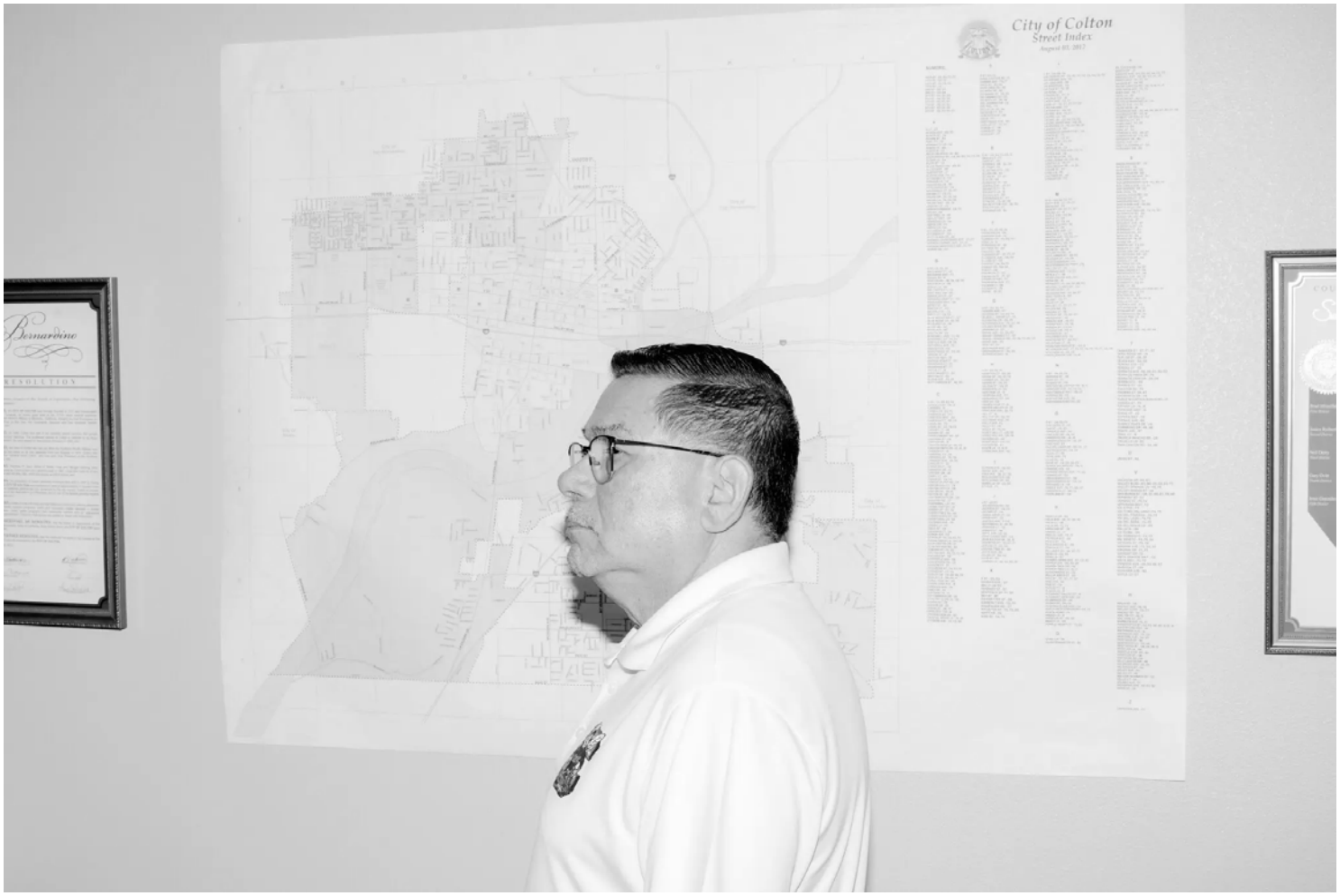
Since 2020, elected officials in a half-dozen Inland Empire cities, including Riverside, its most populous, have imposed moratoriums on warehouse construction. The timeouts are meant to assess, among other things, the effects of pollution, the appropriate distances between homes and warehouses, and the impact of heavy truck traffic on streets.

Tucked in the shadow of the San Bernardino Mountains, Colton has long been known as “Hub City” because it is a crossing of two railroads — BNSF and Union Pacific — that shuttle cargo to and from the ports. Today, the city of 54,000 is home to 58 licensed warehouses.

Isaac Suchil, a councilman in Colton, was a sponsor of his city’s moratorium, which was recently extended through May 2023. While he stresses that he is not “anti-warehouse,” Mr. Suchil said he would like to see buffer zones requiring that new facilities be at least 300 feet from schools and residential areas. The current requirements vary and are applied differently from project to project, he said.

“The moratorium gives us time to address future projects,” he said.

Residents have grown increasingly frustrated with the proliferation of warehouses in the region.



Isaac Suchil, a councilman in Colton and a sponsor of the city's moratorium on warehouses.

Colton, a city of 54,000, is home to 58 licensed warehouses.

Assemblywoman Eloise Gómez Reyes, who represents several Inland Empire cities, including Colton, has taken the fight to Sacramento, the state capital. She sponsored a bill this year that would require new logistics projects in Riverside and San Bernardino Counties that are 100,000 square feet or larger to be at least 1,000 feet from homes, schools and health care centers.

“The warehouses bring with them trucks producing diesel particulate matter,” Ms. Gómez Reyes said, noting an American Lung Association report this year that found that those counties were among the worst for annual particulate pollution.

Ms. Gómez Reyes, who withdrew her bill from consideration after struggling to find votes, even among fellow Democrats who dominate the Legislature, said she planned to reintroduce the measure next year.

The efforts to suspend and regulate warehouse construction have faced staunch opposition from groups including the Laborers’ International Union of North America, which represents construction workers in the United States, and the California Chamber of Commerce.

Jennifer Barrera, chief executive of the California Chamber of Commerce, said a measure like the one put forth by Ms. Gómez Reyes would hurt job growth and apply a one-size-fits-all approach that would strip local jurisdictions of necessary freedom around land-use decisions.

In the first half of 2022, there were roughly 135,400 warehouse jobs in the Inland Empire, according to the Inland Empire Economic Partnership, a group that works with business and government leaders. In 2010, there were roughly 19,900 warehouse jobs in the region.

“A warehouse ban would only exacerbate the goods movement and logistics backlogs California consumers are facing,” Ms. Barrera said. “With more people ordering goods online and wanting quick delivery, the need for storage space is growing.”

But some local residents are tired of feeling that their region is losing out on more than it is gaining.

This summer, a deal was reached to relocate an elementary school in Bloomington, Calif., to make space for a warehouse, and earlier this year, the City Council in Ontario approved the construction of a warehouse on the site of an area that was once home to a dairy farm. In both instances, residents voiced their frustration on social media and at public meetings.

“For too long it’s been build, build, build, with no repercussions,” said Alicia Aguayo, a member of the People’s Collective for Environmental Justice, a group that has pushed for some of the moratoriums.

Ms. Aguayo, a lifelong resident of the Inland Empire, says that in recent years she has met more and more people in her community who have asthma and cancer. She would like to see more resources dedicated to studying the health impacts of pollution in the region.

“It’s environmental racism and hitting mostly Latino communities,” Ms. Aguayo said.

Last year, Southern California officials adopted rules for warehouses that aim to cut truck pollution and reduce health risks.

Morris Donald has witnessed the warehouse boom from his backyard in San Bernardino, Calif.

The regulations from the South Coast Air Quality Management District require large warehouses to curb or offset emissions from their operations or pay fees that go toward air-quality improvements.

In San Bernardino, where a proposed effort last year fell one council vote shy of establishing a 45-day moratorium on the construction of new warehouses, Morris Donald has witnessed the warehouse boom from his backyard.

For 11 years, he has rented a three-bedroom home in a neighborhood now surrounded by four warehouses. In recent years, he said, most of the neighbors he knew have moved away and several landlords have sold to developers.

“It’s taken away the neighborhood feel,” Mr. Donald said. “Kids don’t play outside. No one is in their yards.”

But he sees the benefits as well — he works as a forklift mechanic at a Quiksilver warehouse, his wife is a manager at another and his son works as a security guard at a third facility.

“If you want jobs,” Mr. Donald said, “they’re out here in the warehouses, and that’s a fact.”

In Colton, Ms. Lemos spends some of her free time volunteering for groups that work closely with the People’s Collective for Environmental Justice. The moratorium, she said, could not have come soon enough.

“How did this get so out of control?” Ms. Lemos said, noting that in the months before the moratorium was enacted, the city approved a pair of warehouses with a combined square footage of 1.8 million.

On a recent afternoon, Ms. Lemos twisted her Jeep Wrangler along a winding two-lane road, which was pockmarked with potholes left behind, she said, from the semi trucks that shuttle goods from warehouses. The air was thick, and a line of smog hovered along the horizon. A horn from an incoming train pierced the air.

“There is always something going on here — trucks, trains, construction from warehouses,” she said. “It’s like we’re living in this logistical bubble while trying to raise our families.”

LI People ON THE MOVE

NEW YORK HEALTH

Regina Primm of East Islip, director of primary care at **New York Health** in Ridge, has been promoted to vice president of primary care.

JAKE'S 58

Michael Bonakdar of Setauket, general manager at **Jake's 58** in Islandia, has been promoted to chief executive.

JESSICA FREY

Lexi Latino of Holtsville has been hired as the philanthropy manager at **Friends of Karen**, covering Long Island and Metro NYC, in Melville. She was a development director at the American Heart Association in Plainview.

— DIANE DANIELS

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AMAZON FACILITY LOSES $5M IN TAX BREAKS

Job quota cited as reason by site developer

BY JAMES T. MADORE
james.madore@newsday.com

ONLY IN NEWSDAY

ALLISLANDAERIAL.COM / KEVIN P. COUGHLIN

The warehouse under construction by Hartz Mountain Industries Inc. on Ruland Road in Melville.

The developer of an Amazon warehouse on Ruland Road in Melville is giving up nearly $5 million in tax breaks because the online retailer isn't sure it can meet the job commitment, according to documents and sources.

Hartz Mountain Industries Inc., in a May 26 letter, to the Suffolk County Industrial Development Agency, said it wished "to terminate the lease and project agreement, company lease agreement and related other agreements" that granted the tax incentives over 20 years.

James P. Rhatican, the executive with New Jersey-based Hartz Mountain who signed the letter, didn't respond to requests for comment on Wednesday. The letter and other documents were obtained by Newsday via a Freedom of Information Law request.

Amazon wasn't party to the Hartz Mountain-IDA agreements because the retailer didn't sign a 10-year lease for the 276,500-square-foot warehouse until later. However, Amazon wasn't certain it could meet the agreements' stipulation that 175 jobs be created within two years of the facility's opening, according to a source familiar with the situation.

An Amazon spokeswoman couldn't provide answers to questions by Wednesday's press deadline.

The documents show that the IDA tax breaks were terminated on July 1. Hartz Mountain put $1.9 million into an escrow account for the repayment of sales taxes that were exempted on the purchase of construction materials and furnishings for the warehouse under the IDA deal.

Kelly Murphy, the IDA's deputy executive director, said on Wednesday the amount of sales-tax savings to be clawed back cannot be determined until construction has been completed. She said the other tax benefits — up to $274,107 off the mortgage recording tax and $2.7 million in property-tax savings over 20 years — hadn't yet been used and are now terminated.

"This recapture is ... required by the contractual documents that they entered into," Murphy said, referring to Hartz Mountain. "This is not common [among IDA projects] but it's not unusual ... This has been very straightforward," she said.

The $52.8 million warehouse is one of two that Hartz Mountain is constructing on the site of the former Newsday headquarters on Pinelawn Road. The other warehouse is 669,186 square feet and its IDA tax breaks remain in effect, according to Murphy.

However, the future tenant or tenants of the larger building will have to create 500 jobs within two years of opening — an increase of 75 positions — because the tax-aid deal for the Amazon warehouse has been terminated, under an amendment unanimously approved by the IDA board in December.

News of the tax-break termination on Amazon's Melville warehouse comes as the retailer faces the prospect of losing IDA aid for a soon-to-open warehouse in Syosset.

The Nassau County IDA is considering whether to claw back about $11 million in tax incentives awarded to developer Syosset Park Development LLC and Amazon for the Syosset facility now that the retailer is closing one of two Bethpage warehouses and transferring employees to Syosset. Amazon had pledged to create 150 new jobs in Syosset.

"Amazon will be on the agenda and up for discussion at our Aug. 11 meeting," IDA chairman Richard Kessel said on Wednesday.

WHAT TO KNOW

- **The Amazon warehouse** on Ruland Road in Melville is losing $5 million in tax breaks because the retailer isn't sure it can create the required 175 jobs within two years, a source told Newsday.
- **The warehouse developer**, Hartz Mountain Industries Inc., requested the tax aid be terminated, and it was on July 1, according to documents.
- **An adjacent warehouse**, also on the site of the former Newsday headquarters, will still receive tax breaks over 20 years, the Suffolk County Industrial Development Agency said.

TJX to pay for selling recalled goods

TJX Companies Inc. — operator of T.J. Maxx, Marshalls and Homegoods stores, among others — has agreed to pay a $13 million civil penalty for selling previously recalled consumer products.

The agreement settles charges by the U.S. Consumer Product Safety Commission that the company knowingly sold, offered for sale and distributed about 1,200 recalled products from 21 voluntary corrective actions during a five-year period from March 2014 through October 2019.

The majority of the post-recall sales — at retail stores and online — were products recalled due to the risk of infant suffocation and death, the safety commission said Tuesday.

Some include the Kids II rocking sleepers, Fisher-Price Rock 'n' Play sleepers and Fisher-Price inclined sleeper accessory for Ultra-Lite Day & Night play yards.

The settlement does not include an admission by TJX that it knowingly violated the law.

In addition to the monetary penalty, TJX will maintain a compliance program and system of internal controls to ensure that the company complies with consumer product regulations, including a program for the appropriate identification and disposal of recalled products, according to the safety commission.

— *TNS*

AroundLI

Huntington sets traffic hearings

The Huntington Town Board has set two public hearings to address traffic conditions in the town.

The first public hearing will consider prohibiting left turns from a driveway on Park Avenue 250 feet south of East Main Street/Route 25A in Huntington. A new women's health center is located at the intersection of Park Avenue and Route 25A.

The second hearing will consider establishing intersection control and right of way compliance according to the Federal Highway Administration.

The board will consider adding stop signs on Old Country Road in the south travel direction at Pidgeon Hill Road; on Pidgeon Hill Road in the south travel direction at Wolf Hill Road and on Wolf Hill Road in the west travel direction at Old Country Road.

The hearings will take place during the Oct. 19 board meeting at 7 p.m. and will be held at the Jack Abrams Stem Magnet School, 155 Lowndes Ave. in Huntington Station.

— DEBORAH S. MORRIS

BELLPORT

WARY OF A WAREHOUSE

Community contends it's flooded by facilities, says new one 'not a good fit'

BY CARL MACGOWAN
carl.macgowan@newsday.com


JAMES CARBONE

Community activist Kerim Odekon, left, and Dennis Nix at the site of proposed warehouse Thursday.

A Bellport warehouse proposal is facing opposition from residents who say too many such facilities are flooding the community.

Opponents of the plan, proposed by international real estate giant Ares Management Corp., told Newsday they also oppose the developer's request for tax breaks from the Brookhaven Town Industrial Development Agency, saying that could cause lost revenue for the South Country school district and other agencies.

"By applying to the IDA, it's stripping money from libraries, schools, roads, our public use of space," Lisa Sevimli of East Patchogue told Newsday. "The amount [of jobs] that they're bringing is not enough to pay for the taxes they won't be paying. It doesn't add up."

Ares wants to construct three buildings totaling 523,100 square feet on vacant land at the intersection of Station Road and Sunrise Highway. The $121.4 million facility, which would open in April 2024, would employ about 130 people with an average annual income of $37,000, according to the company's IDA application.

The application did not identify potential tenants. An Ares spokesman declined to comment.

The company, a publicly traded firm affiliated with Denver-based Ares Industrial Real Estate Fund, holds $334 billion in assets, according to a Sept. 28 company news release.

Ares is seeking a 15-year payment in lieu of taxes, or PILOT, plan from the IDA. Ares would pay $90,588 in each of the first five years, rising to $250,000 annually for the next five years. Payments would increase 20% annually for the last five years.

The IDA could reject the request or modify it to boost PILOT payments. Supporters of PILOT plans say they help encourage economic development and job creation.

A date for an IDA vote has not been set. IDA executive director Lisa Mulligan declined to comment.

The warehouse requires site plan approval from the town Planning Board. Brookhaven Town Board approval is not required because the site is zoned for industrial uses.

In a statement to Newsday, South Country school district Superintendent Antonio Santana took no position on the proposal but said district officials would review the plan "to determine its potential impact."

Bellport-area residents said the Ares plan adds to a deluge of warehouses and distribution centers either proposed or built in the community in recent years.

"I'm thinking it's not a good fit for the community," Dennis Nix of North Bellport told Newsday. "That company is only going to bring more trucks, more traffic, just more dangerous stuff to the community."

Kerim Odekon, a physician and community activist from Brookhaven hamlet, said fumes from trucks serving the warehouse could exacerbate high rates of asthma in the area.

"It's up to the town to protect the residents," Odekon told Newsday. "The idea that this is an industry that needs any sort of [financial] assistance is insane."

Joann Neal, co-chair of the Greater Bellport Coalition, a civic group, said she likes that the warehouse would create jobs but said there "has to be more dialogue about this whole tax-exemption thing."

"It's something that we can negotiate," she said. "If they're flexible, then we're flexible."

WHAT PROPOSAL ENTAILS

Owner: Ares Industrial Real Estate Fund/Ares Management Corp., doing business as AIREF Station Road Logistics Center
Location: Northeast corner of Sunrise Highway and Station Road, Bellport
Acres: 53
Size: Three buildings totaling 523,100 square feet
Tenants: The company says in a Brookhaven IDA application it has "no proposed leases for the site"
Jobs: 130
Average annual salary: $37,000
Construction schedule: January 2023 to April 2024
Project cost: $121,392,427

SOURCE: BROOKHAVEN TOWN INDUSTRIAL DEVELOPMENT AGENCY

FORCHELLI DEEGAN TERRANA

DANIEL S. DORNFELD
PARTNER
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DIRECT FACSIMILE: (866) 568-7067
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October 14, 2022

Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville NY 11738

Attn: Lisa MG Mulligan, Chief Executive Officer

Re: ***Request for Extension of Time***
Project: Integrated Structures Corp. 2021 Facility

Dear Ms. Mulligan:

As you are aware, this firm represents 4 Pinehurst LLC and its affiliated entity, Integrated Structures Corp., which acquired the property at 4 Pinehurst Drive, Bellport, NY (the "Property"), with the Town of Brookhaven Industrial Development Agency's ("TOBIDA") assistance.

As you may recall, the Property is an existing approximately 20,000 square foot industrial building. In addition to acquiring and equipping the Property, Applicant intended to build a 4,000 to 5,000 square foot addition. Applicant acquired the property, equipped it, and generally executed on its business plan, thanks to the assistance of the TOBIDA. Unfortunately, the Pandemic, the resulting supply-chain issues, and the impact both had on Applicant's industry, has prevented Applicant from completing the addition. Pursuant to the Lease and Project Agreement (the "Lease"), that addition was supposed to be complete by the end of 2022.

Applicant will not be able to complete the addition by the end of the year. Applicant has engaged designers and architects and fully intends to construct the addition and hopes to complete it by the end of 2024. By virtue of this letter, we are requesting that TOBIDA extend Applicant's time to complete the addition and use of the sale tax exemption to December 31, 2024.

Further, as TOBIDA is well aware, the Pandemic has negatively impacted the employment markets. While its employment has generally been in line with its employment obligation set forth in the Lease until recently, it has struggled finding and maintaining qualified employees. Applicant has the need, funds and the desire to hire, but it simply cannot find enough people to

work. Currently it has 32 full time employees, although in 2022, Applicant has had as much as 58 employees. Applicant has reached out to the TOBIDA for any assistance it can provide finding qualified employees. It has also retained headhunters and advertised in Linkedin, Indeed, Graigslist, LI Boces Job Forum Webpage, Schneps Media websites, Long Island Media Group, Bazarynka.com (Polish newspaper) and SEAA (Steel Erectors Assoc of America).

By virtue of this letter, we are advising the TOBIDA that it might not satisfy the headcount obligations set forth in its agreements with the TOBIDA. If that should happen, it will not be because of a lack of desire, willingness or effort, but just because enough employees cannot be found. It is the result of the business environment that currently exists. We will continue to advise the TOBIDA regarding this issue.

Thank you for your consideration. Should you wish to discuss, please do not hesitate to reach out.

Very truly yours,

Forchelli Deegan Terrana LLP

By: Daniel S. Dornfeld
Daniel S. Dornfeld

WINFIELD UNITED

4001 Lexington Avenue
North
Arden Hills, MN 55126

Mailing: PO Box 54101
St. Paul, MN 55164-0101

October 12, 2022

Town of Brookhaven Industrial Development Agency
Brookhaven Town Hall
1 Independence Hill
Farmingville, NY 11738

Re: Change in Tenancy of 1 Corporate Drive, Holtsville, New York 11742

Dear Members of the Town of Brookhaven Industrial Development Agency (this "Agency"):

Winfield Solutions, LLC, a wholly owned subsidiary of Land O'Lakes, Inc. ("Winfield"), is the current tenant of the property located at 1 Corporate Drive, Holtsville, New York 11742 (the "Property"). Winfield leases the Property from Holtsville Industrial LLC ("Landlord") pursuant to the terms of that certain Lease Agreement by and between Winfield and Landlord, dated March 31, 2020, as amended (the "Lease"). Winfield was previously approved by the Agency as an acceptable tenant under the Lease.

The Professional Product Group (a division of Winfield) engages in the sale and distribution of turf seed, herbicides, insecticides, fungicides, plant health and protection, nutrition products, growth regulators, solutions, and other related products and equipment, solely to professionals, municipalities, and other non-retail businesses and outlets serving golf, lawn and landscape, ornamental, aquatic and vegetation management, and pest control (the "Business"). The Property is used exclusively by Winfield in the Business.

Heritage Landscape Supply Group, Inc. ("Heritage") has agreed to acquire certain assets and liabilities from Winfield to enable Heritage to operate the Business, pursuant to the terms of an asset purchase agreement, dated September 29, 2022 (the "Purchase Agreement"). Heritage is a wholly owned subsidiary of SRS Distribution Inc., a portfolio company of Leonard Green & Partners, L.P. and Berkshire Partners LLC. Heritage is one of the largest and fastest growing landscape supply distributors in the United States. Heritage currently operates under a family of 29 distinct local brands, encompassing more than 160 locations across 27 states.

Pursuant to the terms of the Purchase Agreement, and subject to obtaining the consent of the Landlord and the approval of this Agency, Winfield has agreed to assign to Heritage, and Heritage has agreed to assume from Winfield, the obligations under the Lease, and become the new tenant at the Property. Heritage intends to continue operating the Business at the Property.

Heritage and Winfield expect the transaction to close on November 4, 2022, and seek the approval of this Agency of Heritage as the new tenant under the Lease, effective with the closing of the Purchase Agreement transaction described above.

Please contact me at CBVonFeldt@landolakes.com if you have any questions.

Best regards,

Charles Von Feldt
General Counsel

HERITAGE
LANDSCAPE SUPPLY GROUP

7440 State Highway 121
McKinney, TX 75070
Main: (214) 491-4149
Fax: (214) 491-4156

October 17, 2022

Town of Brookhaven Industrial Development Agency
Brookhaven Town Hall
1 Independence Hill
Farmingville, NY 11738

Re: Change in Tenancy of 1 Corporate Drive, Holtsville, New York 11742 (the "Property")

Dear Members of the Town of Brookhaven Industrial Development Agency (this "Agency"):

Winfield Solutions, LLC ("Winfield") is the current tenant of the Property. Winfield leases the Property from Holtsville Industrial LLC ("Landlord") pursuant to the terms of that certain Lease Agreement by and between Winfield and Landlord, dated March 31, 2020, as amended (the "Lease"). Pursuant to the terms of an asset purchase agreement, dated September 29, 2022, and subject to obtaining the consent of the Landlord and the approval of this Agency, Winfield has agreed to assign to Heritage Landscape Supply Group, Inc. ("Heritage"), and Heritage has agreed to assume from Winfield, the obligations under the Lease, and become the new tenant at the Property. Heritage intends to maintain the same level of employees at the Property as Winfield currently maintains at the Property.

Please contact me at dustin.gunderson@srsdistribution.com if you have any questions.

Best regards,

Dustin Gunderson
Vice President

Photo by Judy Walker

Heatherwood grows again

For a developer with such a long history on Long Island, it's not surprising that the name of the family-owned builder's newest community is a nod to the area's past.

Commack-based Heatherwood Luxury Rentals recently opened Heritage Spy Ring Golf Club in South Setauket, a 200-unit luxury apartment complex and nine-hole golf course named for the Culper Spy Ring, which operated in the Setauket area, providing intel for General George Washington on enemy troop movements during the British occupation of New York City in 1778.

And while its name may harken back to the Revolutionary War some 244 years ago, Heatherwood's latest development is anything but an antique, offering a comfortable contemporary lifestyle to renters aged 55 and over.

DOUGLAS PARTRICK and CHRISTOPHER CAPECE: Heatherwood's brain trust is building new communities and re-imagining its legacy properties. Photo by Judy Walker

Amenities at the new $70 million South Setauket rental community feature a 6,500-square-foot clubhouse with a fully equipped fitness center, clubroom, conference room, event space and game room. There's also an outdoor pool and splash pad, fire pits, tennis and pickleball court, bocce court, playground, 2-acre great lawn and walking trails.

As the name implies, one of the main attractions of the 70-acre Heritage Spy Ring Golf Club is a new nine-hole rolling layout designed by noted golf course architect Tyler Rae. In fact, the entire development was built on the former 18-hole Heatherwood Golf Club, originally built in the early 1960s by Heatherwood founders Donald Partrick and Stanley Neisloss.

Established in 1950 by Partrick and Neisloss, Heatherwood started out by building several single-family-home subdivisions on Long Island before the company turned its attention to multifamily rental developments. The firm's very first apartment community was the 272-unit Heatherwood House at Port Jefferson, which opened in 1962 and is still owned by the developer.

IN THE BEGINNING: Company co-founder Donald Partrick (center) with other execs and local officials at the original Heatherwood Golf Club site. Courtesy of Heatherwood

Today, Heatherwood's portfolio has grown to about 7,000 apartments in Queens, Brooklyn and throughout Nassau and Suffolk counties.

"Everything we own, we've built," says CEO Douglas Partrick, Donald Partrick's son, who first came into the business in 2002 soon after Neisloss died. "To this day, Heatherwood hasn't sold any of its developments."

In the last couple of years, Heatherwood has made some key additions to its executive team. Christopher Capece, formerly with AvalonBay Communities, came on board as president in Jan. 2020 and this spring, Heatherwood added Sean Sallie, former deputy commissioner for planning at the Nassau County Department of Public Works, who is now the company's director of Planning and Development.

"Although we sometimes consider acquisitions, our growth has historically been via new development. That's part of Heatherwood's DNA," Capece said. "One of the strategic advantages of Heatherwood is that we're a fully integrated development firm, including design, development, construction, operations and golf and recreational facilities."

That strategy has been paying off, as the company can claim some major recent achievements. In 2018, Heatherwood opened Tower 28, a 450-unit apartment building in Long Island City. The 58-story complex, which cost well over $200 million, was at the time the tallest residential building in New York City outside of Manhattan.

Another ongoing Heatherwood project will bring 125 apartments and 14 attached ranch-style homes to a 26.9-acre site just south of the company-owned-and-operated Pine Hills Golf Club in Manorville. Dubbed Sun River Town Homes, the $31.16 million project will complement the company's existing Villas at Pine Hills community where residents will share amenities that include a clubhouse, fitness center and pool.

Heatherwood is also planning on redeveloping the 9-acre site in West Hempstead formerly occupied by National Wholesale Liquidators. That project will transform the property, located across from the West Hempstead Long Island Rail Road station, into a 428-unit, transit-oriented rental complex. Currently in the permitting process, the company hopes to start construction before the end of next year.

And though Heatherwood is always looking for opportunities to expand its portfolio, it hasn't forgotten about its existing communities. The company has recently embarked on a multi-million-dollar program to renovate and refresh its legacy rental complexes, adding amenities like turf soccer fields, new playground equipment, basketball and pickleball courts, even beach volleyball facilities.

"We did a full market assessment of our entire portfolio, considering demographics and competition, and we identified our communities where we want to begin our re-investment back into the properties," Capece said.

The renovation work is nearly completed at the 348-unit Norwich Gate apartments in Oyster Bay, where the company built a brand-new clubhouse, courtyard area and added amenities. Next up is extensive renovations at Heatherwood House at Port Jefferson, the firm's first-ever rental development. The project also includes redeveloping the community's clubhouse and adding new amenities.

"Even though we're constantly investing in all of our communities, we've just taken a more pointed approach to giving them an enhanced lifestyle," Partrick said. "It's not just re-investment. It's a re-imagining and creating a lifestyle."

The conference and meeting area inside the new community's clubhouse. Photo by Judy Walker

Heatherwood offers a wide range of monthly rents at its rental properties, starting at around $1,500 at some of its Long Island communities to more than $10,000 at some of its New York City buildings.

Monthly rents at the Heritage Spy Ring Golf Club range from around $3,600 for a one-bedroom, one-bath apartment to more than $6,600 for a three-bedroom, two-bath residence. Thirty of the new apartments are designated as workforce housing and priced with reduced rents, with half of those restricted to people earning up to 80 percent of the area median income and half for people earning

up to 120 percent of the AMI. The South Setauket development is about 20 percent leased and move-ins began a couple of months ago.

Mitch Pally, CEO of the Long Island Builders Institute, said Heatherwood is a major player in the development of rental housing in Long Island, which is sorely needed.

“There’s no doubt that Heatherwood has been re-invigorated over the last couple of years, as you can see with both new projects like up in South Setauket and hopefully soon in West Hempstead, and refurbishing of their existing product line all throughout the Island,” Pally said. “They are very community oriented. They’ve done a lot through our charitable arm and with LIBI itself over the years. Doug is a former president of LIBI and Chris has been involved with our executive committee for many years, so they take a great role in the need for and the importance of rental housing on Long Island of all types to make it easier to meet the great demand that there is for rental housing.”

The 6,500-square-foot clubhouse at Heritage Spy Ring features a fully equipped fitness center, game room and other amenities. Photo by Judy Walker

Attorney Howard Stein, who heads the Real Estate Practice Group at East Meadow-based Certilman Balin Adler & Hyman and has worked on many Heatherwood projects, echoed that sentiment.

“Representing Heatherwood as a client has been and continues to be a rewarding opportunity,” Stein said. “Their projects are innovative and fulfill the needs of an evolving market. Their team is extremely professional and talented, and their reputation is impeccable because they always fulfill their promises.”

Meanwhile, as the company continues to grow on Long Island, the difficult development environment here poses a challenge and Heatherwood may eventually look to expand in other regions.

“Our preference is to invest in our home market,” Partrick said. “We strive to continue to keep our investment dollars on Long Island even in the face of often challenging entitlement hurdles, but we are also aware that there is capital flight out of the region for a reason.”

ECONOMIC AND FISCAL IMPACT ANALYSIS

Rechler Business District
10 Donald's Way

Horseblock Road, Peconic Avenue, Americus Avenue & Donald's Way
Hamlet of Medford, Town of Brookhaven, New York

NPV No. 21391

Prepared for:
Rechler Equity
c/o Kristen McCabe
85 South Service Road
Plainview, NY 11803

Prepared by:

NELSON POPE VOORHIS
environmental • land use • planning

70 Maxess Road
Melville, NY 11747
Contact: Charles J. Voorhis, CEP, AICP, Partner
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August 17, 2022

TABLE OF CONTENTS

EXECUTIVE SUMMARY

This analysis examines the economic and fiscal impacts that are anticipated to occur through the construction and annual operations of an industrial development to be known as Rechler Business District, 10 Donald's Way. The subject site is located on the west side of Donald's Way, south of Peconic Avenue and Horseblock Road, and east of Americus Avenue, in the **Hamlet of Medford**, Town of Brookhaven, Suffolk County, New York. The subject property is strategically located within a half mile south of the Long Island Expressway at Exit 65, allowing easy truck access to and from the property. The proposed project will provide a **140,895 square-feet** industrial building, with the capability of being single tenant or split into multiple smaller tenants. The area surrounding the project site is primarily composed of industrial land uses and a residential neighborhood located to the southwest.

The proposed project will create strong economic activity by providing jobs and a solid tax base as quantified in this report. The proposed industrial development will support local businesses in Medford and the surrounding areas, bringing increased patronage and spending power to the community. Consumer activity will ripple through the local community, creating beneficial economic and fiscal impacts throughout Medford, the Town of Brookhaven, Suffolk County, and the region as a whole.

Economic benefits include direct economic impacts, as well as those indirect and induced impacts that are projected to occur – on output, employment, and labor income – during both the 12-month construction period, and annually upon stabilized operations of the proposed project. During **construction**, direct, indirect, and induced impacts of the proposed project will result in **$31,647,650** in **total output, 179.53 jobs** (total full-time equivalent [FTE] jobs), and **$12,280,846** in **labor income** (total wages). During **annual operations**, direct, indirect, and induced impacts of the proposed project will result in **$4,419,694** in **output** (total revenue), **44.9 jobs** (total FTE jobs), and **$2,222,961** in **labor income** (total wages).

This report includes the fiscal impacts that are anticipated to result from the proposed project. The proposed project is projected to generate **$577,321** in **annual taxes** under full build-out and full taxation of the property, of which **$414,826** is allocated to the **Longwood Central School District (CSD)** without introducing any new school aged children or increasing the costs of education for the district. The projected full taxation represents a net increase of $517,745 when compared to existing site conditions of the subject parcels. As noted, this is based on full buildout and full taxation. It is noted that Town Industrial Development Agency (IDA) tax deferral will be sought. This taxation would be phased in over time and a Payment in Lieu of Taxes program would be anticipated to provide fiscal support to critical taxing jurisdictions as taxation is phased in over the time of the deferral.

In summary, the proposed project is beneficial to economic conditions of the hamlet of Medford, the Town of Brookhaven, Suffolk County, and the region, as a result of job creation (construction and operations) and tax generation. The economic (employment) and fiscal (taxation) benefits are discussed in more detail in the full report.

1.0 INTRODUCTION

Nelson, Pope & Voorhis, LLC (NPV) has been requested to prepare an economic and fiscal impact analysis for a proposed industrial development to be known as Rechler Business District, 10 Donald's Way in the hamlet of Medford, Town of Brookhaven. NPV is a professional environmental and planning firm with qualifications and expertise to prepare economic and fiscal impact analyses, and has a track record of similar completed projects, as well as residential and commercial market analysis and related economic development services to private and municipal clients. The economic qualifications of the firm and personnel are provided in **Attachment A**.

This analysis examines the economic and fiscal impacts that are anticipated to occur through the construction and annual operations of an industrial use comprised of 140,895 square-feet of space, with the capability of being single tenant or split into multiple smaller tenants. The subject site is located on the west side of Donald's Avenue, south of Peconic Avenue and Horseblock Road, and east of Americus Avenue, in the Hamlet of Medford, Town of Brookhaven, Suffolk County, New York. The subject property is strategically located within a half mile south of the Long Island Expressway at Exit 65, allowing easy truck access to and from the property. 0

The industrial sector on Long Island continues to be strong, with demand far exceeding supply. The pandemic has increased the pre-existing demand for trucking, storage and delivery of goods and services to commercial and domestic consumers. This has spurred a need for local and regional warehouse and distribution centers and support facilities.

A reputable source of real estate information specific to the Long Island industrial market research is available from Cushman & Wakefield through the Marketbeat Long Island report. Available research for the first quarter of 2022 is provided in **Attachment B** and supports a finding that the industrial market on Long Island is strong and will remain strong, and that there is unfilled surplus demand for industrial warehouse space. More specifically, the industrial vacancy rates was 2.3%, an historic low for Long Island, which indicates the need for additional industrial space.

As economic stability returns after the severe conditions of the coronavirus pandemic of 2020-22, the proposed project is expected to contribute to the long-term economic health of the community. More specifically, the proposed project will advance the planning goals of the Town and will establish many new construction and operations jobs that will help in the post-pandemic recovery. The proposed project will create strong economic activity by providing jobs and a solid tax base. Consumer activity will ripple through the local community, creating beneficial economic and fiscal impacts throughout Medford, the Town of Brookhaven, Suffolk County, and the region as a whole.

The following analysis examines and quantifies the economic and fiscal impacts that are anticipated to result from the proposed development. **Section 2.0** outlines the methodology and the sources of data used to project the economic and fiscal impacts generated in this analysis. **Section 3.0** summarizes the economic and fiscal conditions related to the proposed project. **Section 3.1** defines economic impacts for the purpose of the report, and **Section 3.2** presents the key findings of the direct economic impacts, as well as those indirect and induced impacts that are projected to occur – on output, employment, and labor income – during both the 12-month construction period, and annually upon stabilized operations of the proposed project. As previously noted, these projections anticipate stabilization of the economy in post-pandemic conditions. A summary of these key economic findings is provided in **Table 1**.

TABLE 1
SUMMARY OF KEY ECONOMIC FINDINGS

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
Economic Impacts during Construction			
Direct Impact	$21,141,997	125.30	$8,456,799
Indirect Impact	$4,697,129	20.80	$1,729,414
Induced Impact	$5,808,524	33.42	$2,094,633
Total Impact	**$31,647,650**	**179.53**	**$12,280,846**
Economic Impacts during Annual Operations			
Direct Impact	$2,536,110	35.2	$1,586,398
Indirect Impact	$841,610	4.0	$259,743
Induced Impact	$1,041,974	5.7	$376,820
Total Impact	**$4,419,694**	**44.9**	**$2,222,961**

Source: Data provided by Rechler Equity; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

Section 3.2 also includes key fiscal findings, including enrollment trends/population, budget, and current tax rates and levies for the Longwood Central School District (CSD), Town, and County. Moreover, this section summarizes the fiscal impacts that are anticipated to result from the proposed project. These include beneficial property tax revenues allocated to each of the taxing jurisdictions that receive taxation from the site.

The Applicant will be applying to the Town of Brookhaven IDA for tax deferral and a negotiated Payment in Lieu of Taxes (PILOT) program. IDA tax deferral promotes beneficial development/redevelopment and creates jobs while supplementing taxes and meeting other goals such as stimulating construction jobs and permanent employment. Since the exact terms of the PILOT have not yet been negotiated, this study analyzes the projected fiscal impacts anticipating full occupancy and full taxation based on current assessments and projected revenues.

The proposed project is projected to generate $577,321 in annual taxes under full build-out and full taxation of the property. This represents a net increase of $517,745 per year when compared to existing site conditions. The distribution of anticipated tax revenues is shown in **Table 2**. This projection of tax revenues is useful in assisting with an understanding of existing and future taxes to help structure a PILOT agreement. Any tax deferral programs will delay and phase-in full taxation.

TABLE 2
ANTICIPATED TAX REVENUE GENERATION

Taxing Jurisdiction	Current Tax Revenue (all parcels)	Projected Tax Revenue	Change in Tax Revenue	Percent of Total Tax Revenue
TOTAL SCHOOL TAXES	**$45,001**	**$436,079**	**$391,078**	**75.5%**
School District - Longwood CSD	$42,808	$414,826	$372,019	71.9%
Library District - Longwood CSD	$2,193	$21,252	$19,059	3.7%
TOTAL COUNTY TAXES	**$6,668**	**$64,616**	**$57,948**	**11.2%**
County of Suffolk	$443	$4,297	$3,854	0.7%
County of Suffolk- Police	$6,225	$60,319	$54,094	10.4%
TOTAL TOWN OF BROOKHAVEN TAXES	**$3,633**	**$35,205**	**$31,572**	**6.1%**
Town - Town Wide Fund	$865	$8,383	$7,518	1.5%
Highway- Town Wide Fund	$235	$2,276	$2,041	0.4%
Town- Part Town Fund	$280	$2,715	$2,435	0.5%
Highway- Part Town Fund/Snow Removal	$2,253	$21,831	$19,578	3.8%
TOTAL OTHER TAXES	**$4,274**	**$41,421**	**$37,147**	**7.2%**
New York State MTA Tax	$21	$207	$186	0.0%
Open Space Preservation	$330	$3,198	$2,868	0.6%
Fire Districts - Medford	$2,166	$20,985	$18,819	3.6%
Lighting Districts - Brookhaven	$174	$1,689	$1,515	0.3%
Ambulance District - Medford	$1,004	$9,728	$8,724	1.7%
Real Property Tax Law	$448	$4,337	$3,889	0.8%
Out of County Tuition	$101	$977	$876	0.2%
Suffolk County Community College Tax	$31	$301	$270	0.1%
TOTAL: ALL TAXING JURISDICTIONS	**$59,576**	**$577,321**	**$517,745**	**100.0%**

Source: Town of Brookhaven Statement of Taxes 2021-2022; Analysis by Nelson, Pope & Voorhis, LLC

Lastly, **Section 4.0** outlines the references and sources of information utilized in this analysis, and as previously noted, the economic qualifications of the firm and personnel are provided in **Attachment A**.

2.0 METHODOLOGY

Various data and information from federal, state, local, and commercial data sources was used to analyze the existing conditions and projected economic and fiscal impacts stemming from the construction and annual operation of the proposed development.

Rechler Equity supplied information regarding the construction cost and construction schedule, building size, and anticipated rental rates per square foot.

Longwood Central School District provided data pertaining to the district budget, enrollment trends and per-pupil education costs.

The Town of Brookhaven and Suffolk County provided information regarding approved budgets and current tax rates for the subject properties. This tax information was used to compare the existing revenues to those that are projected to be generated upon full build-out of the proposed project.

New York State Education Department provided the New York State District Report Cards and the Fiscal Accountability Summary reports specific to the Longwood CSD. This information allows for an analysis of how the school district's enrollment.

United States Bureau of Labor Statistics and New York State Department of Labor publish the Occupational Employment Statistics survey. This survey was used to estimate the wages earned among those employed within "construction and extraction," and the "laborers and freight, stock and material movers ,hand" occupations in the Long Island labor market. These wages were assumed for each of the workers responsible for the construction and operations of the proposed project.

United States Census Bureau provides pertinent demographic data for the hamlet of Medford, Town of Brookhaven, and the Longwood CSD.

IMPLAN (formerly known as the Minnesota IMPLAN Group) developed an economic impact modeling system called IMPLAN, short for "IMpact analysis for PLANning." The program was developed in the 1970s through the United States Department of Agriculture's Forest Service and was privatized in 1993.

IMPLAN is built on a mathematical input-output (I-O) model to express relationships between various sectors of the economy in a specific geographic location. The I-O model assumes fixed relationships between producers and their suppliers based on demand, and the inter-industry relationships within a region largely determine how that economy will respond to change. In an I-O model, the increase in demand for a certain product or service causes a multiplier effect; increased demand for a product affects the producer of the product, the producer's employees,

the producer's suppliers, the supplier's employees, and so on, ultimately generating a total impact in the economy that is greater than the initial change in demand.

The IMPLAN model is a method for estimating local economic multipliers, including those pertaining to production, value-added, employment, wage, and supplier data. IMPLAN differentiates in its software and data sets between 576 sectors that are recognized by the United States Department of Commerce. Multipliers are available for all states, counties and zip codes, and are derived from production, employment and trade data from sources including the United States Census Bureau, County Business Patterns, Annual Survey of Government Employment, Annual Survey of Retail Trade; United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Consumer Expenditure Survey; United States Department of Labor; Office of Management and Budget; United States Department of Commerce; Internal Revenue Service; United States Department of Agriculture, National Agricultural Statistical Service; Federal Procurement Data Center; and United States Bureau of Economic Analysis, Regional Economic Information System, Survey of Current Business, among other national, regional, state and local data sources.

IMPLAN is widely accepted as the industry standard for estimating how much a one-time or sustained increase in economic activity in a particular region will be supplied by industries located in the region. Federal government agencies such as the Army Corps of Engineers, Bureau of Economic Analysis, Bureau of Land Management, Environmental Protection Agency, Federal Reserve Bank, Fish and Wildlife Service, and National Park Service have used the multipliers to study the local impact of government regulation on specific industries and to assess the local economic impacts of Federal actions. State and local governments including New York State Department of Labor, New York State Division of the Budget, New York State Office of the State Comptroller, New York State Assembly and New York City Economic Development Corporation, have used the multipliers to estimate the regional economic impacts of government policies and projects and of events, such as the location of new businesses within their state, or to assess the impacts of tourism. Likewise, businesses, universities and private consultants have used the multipliers to estimate the economic impacts of a wide range of projects, such as building a new sports facility or expanding an airport; of natural disasters; of student spending; or of special events, such as national political conventions.

NPV personnel have received formal IMPLAN training through IMPLAN and possess the qualifications to project economic impacts for a multitude of project types using this software. For the purpose of this analysis, multipliers specific to socio-economic data in Suffolk County's "Construction of new commercial structures" industry, which includes warehouses according to IMPLAN descriptions, were analyzed to determine the direct, indirect, and induced economic impacts during the proposed project's construction period. Moreover, multipliers specific to socio-economic data in Suffolk County's "General warehousing and storage" industry were analyzed to determine the direct, indirect, and induced economic impacts during the annual operations of the proposed project. A summary of these impacts can be found in **Section 3.2.1** and **Section 3.2.2** of this analysis.

3.0 ECONOMIC AND FISCAL IMPACTS

As noted in **Section 1.0**, this analysis summarizes the existing conditions and the economic and fiscal impacts associated with the development of an industrial building, consisting of 140,895 square-feet of space, with the capability of being single tenant or split into multiple smaller tenants in the hamlet of Medford, Town of Brookhaven. Economic impacts include direct, indirect, and induced benefits on output, employment, and associated labor income during the construction phase and during a stabilized year of annual operations. Fiscal impacts include the generation of property tax revenues and their distribution among local taxing jurisdictions subject to any tax deferral and PILOT arrangements. It is noted that these analyses are based on conditions approximately 29 months into the coronavirus pandemic and therefore represent conditions as the construction industry regains momentum and the economy stabilizes in post-pandemic conditions.

The proposed project will generate immediate construction jobs as well as increased job opportunities related to the operations and management of the facility. The proposed project will create strong economic activity by providing jobs and a solid tax base. The proposed project will also increase the distribution of tax ratables throughout the Town and County, upon full build-out and full-taxation of the development. Such economic and fiscal benefits are most crucial to the economic well-being throughout the Medford community, the Town of Brookhaven, Suffolk County, and the region as a whole.

A summary of findings is provided herein, with detailed methodologies and references provided throughout this analysis. This analysis was prepared using methods, data and information that are considered to be industry standard for such economic and fiscal impact analyses.

3.1 Definition of Economic Impacts

A direct impact arises from the first round of buying and selling and includes the production of changes and expenditures made as a result of the proposed action. These direct impacts can be used to identify additional rounds of buying and selling for other sectors of the economy and to identify the impact of spending by local households. An indirect impact refers to the increase in sales of other industry sectors stemming from business-to-business purchases in the supply chain due to the initial input purchases, which include further round-by-round sales. An induced impact accounts for the changes in household spending resulting from the labor income generated by the employees of the proposed action during construction and operations, resulting from direct and indirect impacts. The total impact is the sum of the direct, indirect and induced impacts.

3.2 Key Findings

3.2.1 Economic Impacts of Construction

A detailed analysis of direct, indirect, and induced impacts generated during the construction period is outlined below. It is important to note that each of these impacts are temporary and are projected to occur only while the proposed project is being constructed. As previously noted, these projections anticipate stabilization of the economy in post-pandemic conditions.

- For the purpose of this analysis, it is anticipated that construction of the proposed project will commence in November 2022, with the construction period anticipated to occur over a period of 12 months.[1]
- The proposed project is projected to represent over $21.1 million[2] in construction costs over the 12-month construction period.[3] This $21.1 million in direct annual output is projected to generate an indirect impact of nearly $4.7 million, and an induced impact of an additional $5.8 million, bringing the total economic impact output to over $31.6 million during the 12-month construction period.[4]
- During the construction period, direct employment refers to the number of short-term jobs necessary to complete the construction of the proposed project. The construction period is anticipated to generate 125.3 full time equivalent (FTE) jobs, which are anticipated to last the entire duration of the 12-month construction period.
- The 125.3 FTE jobs created during the construction period will have an indirect impact of 20.80 FTE employees and an induced impact of 33.42 FTE employees in other industry sectors, bringing the total impact of the 12-month construction period to 179.53 FTE jobs.[5] This job creation – direct, as well as indirect and induced – is most crucial to Long Island's economic well-being, and presents opportunities for persons who remain unemployed throughout the region.
- During the construction period, direct labor income refers to the annual earnings, wages, or salary paid to each of the workers responsible for the construction of the proposed project. Labor income typically comprises approximately 40% of the cost of industrial construction; the remaining portion represents the cost of materials.[6]

[1] Construction schedule provided by Rechler Equity in July 2022.
[2] For the purpose of this analysis, this figure and all other figures in the construction portion of this analysis reflect 2022 dollars, the year in which construction is assumed to commence.
[3] Construction costs provided by Rechler Equity in July 2022, and include pre-construction consultants, demolition, and construction costs of the building. It is important to note that all costs are estimates based upon market conditions as of the date of preparation of this analysis.
[4] According to IMPLAN, a multiplier of 1.579270 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand through the "Construction of new commercial structures" (IMPLAN Sector 55) in Suffolk County, New York.
[5] According to IMPLAN, a multiplier of 9.69 represents the total change in the number of jobs that occurs in all industries for each additional one million dollars of output delivered to final demand through the "Construction of new commercial structures" (IMPLAN Sector 55) in Suffolk County, New York.
[6] Construction/renovations labor and materials estimates per architectural design group Nelson + Pope.

- Labor income is projected to total $65,197 per employee[7] for the 12-month construction period, resulting in $8.4 million in collective earnings among the 125.3 FTE employees. This labor income is projected to have an indirect impact of over $1.7 million and an induced impact of nearly $2.1 million, bringing the total economic impact of the 12-month construction period to over $12.2 million in labor income.[8]

A summary of key economic findings projected to occur during the 12-month construction period is provided in **Table 3**.

TABLE 3
SUMMARY OF KEY ECONOMIC FINDINGS DURING 12-MONTH CONSTRUCTION PERIOD

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
Direct Impact	$21,141,997	125.30	$8,456,799
Indirect Impact	$4,697,129	20.80	$1,729,414
Induced Impact	$5,808,524	33.42	$2,094,633
Total Impact	**$31,647,650**	**179.53**	**$12,280,846**

Source: Data provided by Rechler Equity; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

3.2.2 Economic Impacts of Annual Operations

A detailed analysis of direct, indirect, and induced impacts generated annually during operations is outlined below. It is important to note that each of these impacts is permanent and on-going and they are projected on an annual basis, assuming continued stabilized operations. As previously noted, these projections anticipate stabilization of the economy in post-pandemic conditions.

- It is assumed that the proposed project will begin the operational phase of development upon the completion of the 12-month construction period. For the purpose of this analysis, the first year of stabilized operations is assumed to occur in the second full year of operations in 2025.

[7] New York State Department of Labor's Occupational Employment Statistics survey reports a median wage of $63,298 among those employed within construction and extraction occupations in the Long Island labor market. Data was collected between November 2018 and May 2021, and then updated to the first quarter of 2021 by making cost-of-living adjustments. An additional 3% increase was added to the average annual wage to approximate salaries in 2022, the year construction is anticipated to commence.

[8] According to IMPLAN, a multiplier of 0.731501 represents the total dollar change in labor income of households employed by all industries for each additional dollar of output delivered to final demand through the "Construction of new commercial structures" (IMPLAN Sector 55) in Suffolk County, New York.

- Annual output will be generated in the form of monthly rental rates for the facility totaling $2,536,110.
- The annual operational revenues are projected to generate an indirect impact of over $800,000, and an induced impact of over $1.0 million per year. This additional output is generated through round-by-round sales made at various merchants in other sectors of the regional economy. These include local retailers, service providers, banks, grocers, restaurants, financial institutions, insurance companies, health and legal services providers, and other establishments in the region.
- The sum of the direct, indirect, and induced impacts results in a total economic impact on output of over $4.4 million during annual operations.[9]
- The proposed project is anticipated to generate 35.2 FTE jobs on site.[10]
- The 35.2 FTE jobs will have an indirect impact of 4.0 FTE employees and an induced impact of 5.7 FTE employees in other industry sectors, bringing the total economic impact of employment to 44.9 FTE jobs during annual operations.[11]
- The 35.2 FTE jobs will generate a total of $1.5 million in collective labor income.[12] This labor income will have an indirect impact of over $250,000 and an induced impact of over $370,000, bringing the total economic impact of labor income to over $2.2 million during a stabilized year of operations of the proposed project.[13]

A summary of key economic findings projected to occur during annual operations is provided in **Table 4**.

[9] According to IMPLAN, a multiplier of 1.734651 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the "General Warehousing and Storage" (IMPLAN Sector 422) in Suffolk County, New York.

[10] Assumptions pertaining to the direct employment based on 1 employee per 4,000 square-feet of warehousing space, based on similar projects. It is important to note that all assumptions are estimates based upon market conditions as of the date of preparation of this analysis.

[11] According to IMPLAN, a multiplier of 12.73 represents the total dollar change in employment that occurs in all industries for each additional dollar of output delivered to final demand by the "General Warehousing and Storage" (IMPLAN Sector 422) in Suffolk County, New York.

[12] Assumptions pertaining to the employment compensation based on New York State Department of Labor's Occupational Employment Statistics survey, which reports a median wage of $39,314 among those employed within "laborers and freight, stock, and material movers, hand" occupations in the Long Island labor market. Data was collected between November 2018 and May 2021, and then updated to the first quarter of 2022 by making cost-of-living adjustments. It is important to note that all assumptions are estimates based upon market conditions as of the date of preparation of this analysis.

[13] According to IMPLAN, a multiplier of 0.842701 represents the total dollar change in labor income of households employed by all industries for each additional dollar of output delivered to final demand of the "General Warehousing and Storage" (IMPLAN Sector 422) in Suffolk County, New York.

TABLE 4
SUMMARY OF KEY ECONOMIC FINDINGS DURING ANNUAL OPERATIONS

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
Direct Impact	$2,536,110	35.2	$1,586,398
Indirect Impact	$841,610	4.0	$259,743
Induced Impact	$1,041,974	5.7	$376,820
Total Impact	**$4,419,694**	**44.9**	**$2,222,961**

Source: Data provided by Rechler Equity; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

3.2.3 Existing Fiscal Conditions

- According to the U.S. Census Bureau, there are 24,613 persons residing within 8,334 housing units in the hamlet of Medford, and 482,671 persons residing within 175,957 housing units in the Town of Brookhaven.[14]
- The vast majority of assessed parcels in the Town of Brookhaven are residential properties, comprising 74.0% of the total number of parcels. However, such properties comprise 46.9% of the Town's tax base and cause the greatest burden on community services.
- The Town of Brookhaven adopted a budget for 2021 of $307.1 million[15] and have prepared a tentative 2022 budget of $316.8 million.[16] Suffolk County adopted a 2021 budget of $3.197 billion[17] and prepared a recommended 2022 budget of $4.742 billion.[18]
- The proposed project is located within the Longwood CSD and will result in additional revenue for the school district. The latest Census estimates suggest that 95.7% of all school-aged children who are enrolled in school and reside within the school district boundaries attended public schools; the remaining 4.3% of school-aged children attend private schools.
- Student enrollment within the Longwood CSD has decreased by 187 students, or -2.1%, over the ten (10) years between the 2011-12 and 2020-21 academic years.[19]
- According to the New York State School Report Card Fiscal Accountability Summary for the Longwood CSD, expenditures averaged $23,232.56 per student during the 2020-21 academic year.

[14] 2020 American Community Survey 5-Year Estimates, via the U.S. Census Bureau.
[15] Town of Brookhaven, *"2021 Adopted Budget."*
[16] Town of Brookhaven, *"2022 Tentative Budget."*
[17] Suffolk County, "*2021 Adopted Operating Budget*."
[18] Suffolk County, "*2022 Recommended Operating Budget.*"
[19] New York State Education Department.

- The Longwood CSD fiscal year 2021 expenditures totaled $262,530,731, of which over $161.6 million is spent on education and over $59.6 million is spent on employee benefits, and revenues totaling $$263,886,185, of which over $132.6 million is levied through real property taxes and assessments, over $92.9 million through state aid, and over $9.0 million through federal aid.[20]
- The Longwood CSD adopted a balanced budget for the 2022-23 academic year, with revenues and expenditures totaling $$271,000,000.[21]
- Prior to the coronavirus pandemic of 2020-22, unemployment had been decreasing substantially since its peak in 2010-2012. Unemployment in the Town, County, Long Island, and New York state increased significantly in 2020; but started to decline in 2021 and continued to decline through 2022. As of June 2022, approximately 8,200 persons – 3.1% of the Town's labor force – are unemployed. While it is important to note that these data have not been seasonally adjusted, the trends recorded as of June 2022 were slightly higher than the unemployment rates in Suffolk County (2.8%) and Long Island (2.9%) and slightly lower than the statewide unemployment rate (4.4%) at that time.[22]
- Under existing conditions, the parcels that comprise the subject property are estimated to generate existing taxes of $59,576 per Town tax bills. The tax rates and distribution of existing taxes are provided in **Table 5**.

[20] Office of the New York State Comptroller.
[21] Longwood Central School District.
[22] New York State Department of Labor.

TABLE 5
EXISTING TAX REVENUE GENERATION

Taxing Jurisdiction	Current Tax Revenue (all parcels)	Projected Tax Revenue	Percent of Total Tax Revenue
TOTAL SCHOOL TAXES	**309.816**	**$436,079**	**75.5%**
School District - Longwood CSD	294.717	$414,826	71.9%
Library District - Longwood CSD	15.099	$21,252	3.7%
TOTAL COUNTY TAXES	**45.907**	**$64,616**	**11.2%**
County of Suffolk	3.053	$4,297	0.7%
County of Suffolk- Police	42.854	$60,319	10.4%
TOTAL TOWN OF BROOKHAVEN TAXES	**25.012**	**$35,205**	**6.1%**
Town - Town Wide Fund	5.956	$8,383	1.5%
Highway- Town Wide Fund	1.617	$2,276	0.4%
Town- Part Town Fund	1.929	$2,715	0.5%
Highway- Part Town Fund/Snow Removal	15.510	$21,831	3.8%
TOTAL OTHER TAXES	**29.428**	**$41,421**	**7.2%**
New York State MTA Tax	0.147	$207	0.0%
Open Space Preservation	2.272	$3,198	0.6%
Fire Districts - Medford	14.909	$20,985	3.6%
Lighting Districts - Brookhaven	1.200	$1,689	0.3%
Ambulance District - Medford	6.911	$9,728	1.7%
Real Property Tax Law	3.081	$4,337	0.8%
Out of County Tuition	0.694	$977	0.2%
Suffolk County Community College Tax	0.214	$301	0.1%
TOTAL: ALL TAXING JURISDICTIONS	**410.163**	**$577,321**	**100.0%**

Source: Town of Brookhaven Statement of Taxes 2021-2022; Analysis by Nelson, Pope & Voorhis, LLC

3.2.4 Anticipated Fiscal Impacts

- For taxing purposes, the total estimated market valuation of the proposed project is based upon the anticipated rental rates of the proposed buildings during a stabilized year of operations, resulting in gross annual rents of over $2.5 million.[23] A vacancy loss of 5% and a 20% expense ratio results in a net income of over $1.9 million. When applying a capitalization rate of 0.1 and an equalization rate of 0.74%, the estimated assessed valuation of the proposed project during a stabilized year of operations is approximately $140,754. This is shown in **Table 6**.

[23] Annual rental rates of $18 per square-foot provided by Rechler Equity in July 2022.

TABLE 6
PROJECTED ASSESSED VALUATION

Parameter	Value
Gross Annual Rents	$2,536,110
Vacancy Loss	5%
Expense Ratio	20%
Net Operating Income	$1,902,083
Capitalization Rate	0.1
Estimated Market Value	$19,020,825
Equalization Rate	0.74%
Assessed Value: Proposed Project	**$140,754**

Source: Client; Town of Brookhaven Assessor's Office; Analysis by Nelson, Pope & Voorhis, LLC.

- Fiscal impacts are projected based on a stabilized year of operations and full taxation based on current assessments and projected revenues. It is noted that any tax deferral programs will delay and phase-in full taxation. The projection of tax revenues is useful in determining future taxation and in assisting with an understanding of existing and future taxes to help structure a PILOT agreement.
- During a stabilized year of operations and full taxation, the proposed project is projected to generate approximately $577,321 in annual property taxes. This represents a net increase of over $517,745 per year when compared to existing site conditions. The distribution of tax revenues is shown in **Table 7**.
- It is important to note that the information provided in **Table 7** was derived from the current assessment factors and tax rates provided by the Town of Brookhaven Assessors Office, as well as the total projected assessed valuation for the proposed project upon a stabilized year of operations. It is also important to note that all analyses are based on current tax dollars, and the revenue allotted among taxing jurisdictions will vary from year to year, depending on the annual tax rates, assessed valuation and equalization rates. Further, the final assessment and levy will be determined by the sole assessor at the time of occupancy. Projections included herein are as accurate as possible using fiscal impact methodologies, for the purpose of the planning and land use approval process.

TABLE 7
ANTICIPATED TAX REVENUE GENERATION

Taxing Jurisdiction	Current Tax Revenue (all parcels)	Projected Tax Revenue	Change in Tax Revenue	Percent of Total Tax Revenue
TOTAL SCHOOL TAXES	**$45,001**	**$436,079**	**$391,078**	**75.5%**
School District - Longwood CSD	$42,808	$414,826	$372,019	71.9%
Library District - Longwood CSD	$2,193	$21,252	$19,059	3.7%
TOTAL COUNTY TAXES	**$6,668**	**$64,616**	**$57,948**	**11.2%**
County of Suffolk	$443	$4,297	$3,854	0.7%
County of Suffolk- Police	$6,225	$60,319	$54,094	10.4%
TOTAL TOWN OF BROOKHAVEN TAXES	**$3,633**	**$35,205**	**$31,572**	**6.1%**
Town - Town Wide Fund	$865	$8,383	$7,518	1.5%
Highway- Town Wide Fund	$235	$2,276	$2,041	0.4%
Town- Part Town Fund	$280	$2,715	$2,435	0.5%
Highway- Part Town Fund/Snow Removal	$2,253	$21,831	$19,578	3.8%
TOTAL OTHER TAXES	**$4,274**	**$41,421**	**$37,147**	**7.2%**
New York State MTA Tax	$21	$207	$186	0.0%
Open Space Preservation	$330	$3,198	$2,868	0.6%
Fire Districts - Medford	$2,166	$20,985	$18,819	3.6%
Lighting Districts - Brookhaven	$174	$1,689	$1,515	0.3%
Ambulance District - Medford	$1,004	$9,728	$8,724	1.7%
Real Property Tax Law	$448	$4,337	$3,889	0.8%
Out of County Tuition	$101	$977	$876	0.2%
Suffolk County Community College Tax	$31	$301	$270	0.1%
TOTAL: ALL TAXING JURISDICTIONS	**$59,576**	**$577,321**	**$517,745**	**100.0%**

Source: Town of Brookhaven Statement of Taxes 2021-2022; Analysis by Nelson, Pope & Voorhis, LLC

- The proposed project includes the development of industrial space and therefore, will not generate additional students to the Longwood CSD. The proposed project is anticipated to levy approximately $414,826 in property tax revenues for the school district, without generating additional costs stemming from an increased student enrollment. This net revenue could ease the district's need to tap into additional fund balances and could also help alleviate an increased burden on other taxpayers throughout the district.
- As noted, the Applicant will be applying to the Town of Brookhaven IDA for tax deferral and a negotiated PILOT program. IDA tax deferral promotes beneficial development/redevelopment and creates jobs while supplementing taxes and meeting other goals such as stimulating construction jobs and permanent employment. Since the exact terms of the PILOT have not yet been negotiated, this study analyzes the projected fiscal impacts anticipating full occupancy and full taxation based on current assessments and projected revenues.

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ATTACHMENT A
Nelson Pope Voorhis
Economic Analysis Qualifications

STATEMENT OF QUALIFICATIONS
ECONOMIC AND FISCAL IMPACT ANALYSIS

NELSON POPE VOORHIS

environmental • land use • planning

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INTRODUCTION

Nelson, Pope & Voorhis, LLC ("Nelson Pope Voorhis" or "NPV") is an environmental planning and consulting firm established in 1997 that serves governmental and private sector clients preparing creative solutions specialized in the area of complex environmental project management and land use planning/analysis. Our offices are strategically located in Melville, Long Island, NY and Suffern, NY in the Hudson River Valley. NPV consists of three divisions, created to better serve clients with high quality, innovative and responsive consulting services in all aspects of environmental planning. The three divisions are:

- **Environmental and Community Planning Division:** prepares comprehensive plans, long-term planning studies, corridor redevelopment studies, brownfield plans and comprehensive and strategic zoning amendments. The group is effective in the use of geographic information systems (GIS) mapping to evaluate issues and present baseline data. Effective community outreach strategies are developed and tailored for each project and the community in which the project is taking place. The group represents a number of planning boards in the region.

- **Phase I/II ESA and Remediation Division:** prepares Phase I/II Environmental Site Assessments with soil and groundwater sampling services, lead based paint, asbestos and radon inspection services, and all forms of environmental sampling. The division evaluates the implications of past and/or present contamination and property uses on future land uses.

- **Environmental Resource and Wetland Division:** conducts ecological assessment and planning, landscape and coastal restoration, wetland delineation and restoration, habitat assessment, conducts stormwater modeling and green infrastructure planning and implementation. This division assists clients through permitting and SEQRA processes.

The primary focus of the firm is to provide quality consulting services that meet the needs and goals of our clients while respecting the environment. We pride ourselves being extremely responsive to each client. Clients rely on NPV's depth of experience and expertise to provide solutions to each unique project within budget and on schedule. Our clientele, some of whom we have represented for decades, recognize NPV's capabilities and are secure in knowing that they receive quality professional services from project inception through completion. NPV's multidisciplinary staff includes AICP-certified planners, economists, ecologists, hydrologists, certified environmental professionals, grants specialists, and GIS specialists.

As a local firm, NPV has significant expertise in performing both Economic and Fiscal Impact Analyses as well as Market Studies. We have served as a primary consultant to many private developers as well as municipalities and have established a solid track-record of completed projects and local government references throughout Long Island, with an emphasis on economic related projects.

NPV has the capabilities to provide the following services:

PHASE I/II ESA AND REMEDIATION	COMMUNITY AND LAND PLANNING	ENVIRONMENTAL AND WETLAND ASSESSMENT
ENVIRONMENTAL AUDITS	**ECONOMIC**	**STORMWATER MANAGEMENT**
Phase I ESA & Due Diligence	Fiscal Impact Analysis	Stormwater Permitting
Investigations	Economic Impact Analysis	Stormwater Pollution Prevention Plans
Phase II ESA	IMPLAN and RIMS II Economic Impact	(SWPPP)
Groundwater Investigations	Modeling	Erosion & Sediment Control Plans
Soil Sampling, Boring and Classifications	School District/Community Service	NYSDEC "Qualified Inspectors'' for
Soil Gas Surveys	Impact Analysis	Construction Field Monitoring
Monitoring Wells & Piezometers	Market Studies	Stormwater Management Programs
Tank Sampling	Niche Market Analysis	NYSDEC Annual Reports
Pesticide Sampling & Plans	Demographic Studies	Construction Stormwater Field
Soil Management Plans	Economic Development Planning	Monitoring
Remediation	Business Retention & Expansion	Outfall & Infrastructure Inventory
Brownfield/Voluntary Cleanup Plans	Strategies	GIS Mapping & Analysis
RCRA Closures	Downtown Revitalization	Stormwater BMP's
Superfund Sites	IDA Financing Assistance	Stormwater Management Planning
Asbestos Surveys		Low Impact Design
Influent/Effluent Sampling	**PLANNING**	
Lead Based Paint Surveys	Development of Feasibility Studies	**ECOLOGY & WETLANDS**
Subsurface Investigations	LEED Planning	Wetland Delineation and Permits
Ground Penetrating Radar (GPR)	Public Outreach Meetings	Permit Plans
Dewatering Services	Demographic Analysis	Restoration/Mitigation Plans
Pipe Camera	Municipal Review Services	Ecological Studies and Surveys
Magnetometer	Planning & Zoning Analysis	Endangered Species Surveys
Groundwater Monitoring Studies	Build Out Analysis	Pond Management Plans
Flow Studies	GIS Analysis	Invasive Species Control
Water Supply Studies	Code Preparation & Review	Water Quality Evaluation
Nitrogen Load/TMDL Evaluation	Downtown Revitalization	Habitat Management
	Regional Planning & Land Use Plans	Watershed Management Plans
ENVIRONMENTAL ANALYSIS	Recreation Planning	Environmental Education /Outreach
NYS SEQRA/NYC CEQR Administration	LWRP & Harbor Management Plans	
NEPA Analysis/Documentation	Grant Writing & Administration	**COASTAL & WATERFRONT MANAGEMENT**
EIS/EAF Preparation	Public Outreach & Community Surveys	Waterfront Management Plans
GEIS & Regional Impact Analysis	Community Visioning	Waterfront Certifications
Noise Monitoring & Assessment	District Mapping	Coastal Erosion Hazard Area
Air Impact Analysis	Spatial Analysis of Call Database	FEMA Compliance
Visual Assessment	Needs Assessment	Shoreline Restoration Planning
	Demographic Analysis	Ecological Landscape Design

Economic and Fiscal Impact Analyses & Market Studies

NPV performs economic impact analyses and utilizes the software IMPLAN (a model that combines a set of extensive databases, economic factors, multipliers, and demographic statistics) to estimate short and long-term employment projections generated by a development. Economic impacts are determined by inputting the anticipated direct spending from construction and operations of each of the development through the IMPLAN model which may be calibrated to reflect local spending patterns. The IMPLAN model estimates the full-time job creation during construction and under operation –- and the direct, indirect and induced economic benefits related to purchase of goods and services. Direct effects are the immediate result of the project

implementation. Indirect benefits stem from the purchase by local businesses/industries of goods and services from other local businesses/industries (also known as intermediate expenditures). Induced benefits reflect the spending of wages from residents (accounting for household purchases made by paid employees or from new residents in housing developments).

For fiscal impact analyses, NPV identifies project benefits and/or impacts in terms of tax revenue projections and demand for community services from various providers – including the ramifications of development on local school districts.

NPV prepares market studies to evaluate the need for a particular type of development, which include housing needs assessments, evaluation of retail gaps and surpluses, and niche market and branding studies.

KEY PERSONNEL

All NPV professionals are available to assist on an as-needed basis. Kathy Eiseman will serve as the project coordinator, working as the primary contact and assigning projects to the various professionals on the team. Specific individuals expected to provide services and their individual roles for Economic and Fiscal Impact Analyses initiatives are noted as follows:

Personnel	Qualifications, Project Role
Kathryn J. Eiseman AICP Partner	Project Oversight
Charles J. Voorhis, CEP, AICP Principal	Project Coordination
Taylor Garner, AICP Senior Environmental Planner	Project Coordination, Preparation of Reports
Valerie Monastra Principal Planner	Preparation of Reports

Nelson Pope Voorhis is managed by a select group of partners. Each provides specific expertise in the field of environmental planning, land use planning/analysis, remediation, engineering and land surveying that is unique within the industry. The diverse leadership of NPV couples the experience of our senior partners with the innovation and enthusiasm of our younger staff. Many of the team's staff have advanced technical degrees and/or technical certifications. Such as LEED Accredited Professional (LEED AP), OSHA 40 Hour HAZWOPER, and American Institute of Certified Planners (AICP), etc.

Kathryn J. Eiseman, AICP, Partner is a Partner and Division Manager of the Environmental & Community Planning Division. She has over 20 years of planning experience in environmental planning and manages both private and public planning projects. Current projects include the Local Waterfront Revitalization Program for the Town of Islip and Brownfield Opportunity Area (BOA) for the Town of Riverhead BOA. Ms. Eiseman is the planner for the Villages of Southampton and Sag Harbor Planning Boards and directs her staff to perform site plan and subdivision reviews and advises the Board on a regular basis. She is skillful in managing complex projects and working with team members both in house and as subconsultants. Her staff is proficient in the use of GIS and design software for preparation of high-quality graphic products. Ms. Eiseman is experienced in the art of public participation and education and tailors her approach to the unique needs of each project community. She is an enthusiastic and creative planner who endeavors to bring a fresh approach to each project as well as to her position as Treasurer for the Long Island Section of the American Planning Association.

Charles Voorhis, CEP, AICP is Principal of NPV and has over 40 years of experience in environmental planning on Long Island and in the New York metropolitan area. Mr. Voorhis is a member of the American Institute of Certified Planners (AICP) and is a Certified Environmental Professional (CEP). He has a wealth of experience in managing large scale municipal projects including regional environmental planning, downtown revitalization and action planning, Generic Environmental Impact Statements, stormwater management, wetlands and coastal management, and municipal consulting. Mr. Voorhis and his firm serve as environmental planning consultants to many of New York Towns and Villages and are currently in the process of preparing several long-range planning initiatives for several Towns in Nassau and Suffolk Counties.

Taylor Garner is an environmental planner with an undergraduate degree in Environmental Science from Villanova University and a master's degree in Urban Planning with a concentration in Sustainability and the Environment from Hunter College. Ms. Garner has undergone the Formal training course in the IMPLAN Economic Modeling System IMPLAN. She oversees the preparation of market analyses and feasibility studies, niche market studies and branding plans, school district analyses, economic development strategies, as well as fiscal (projecting taxes and the impact to local jurisdictions) and economic (projecting job creating and associated revenues circulating throughout the economy) impact analyses for residential, commercial, office, industrial, recreational, hospitality, tourism and mixed-use developments. She has experience in analyzing demographic data and preparing grant applications. Ms. Garner has been involved with comprehensive plans, local waterfront revitalization plans, brownfield development, zoning plans, and public participation and community visioning processes. Ms. Garner is also experienced in the preparation and review of environmental assessment documents, including SEQRA and CEQR documents, and site plan review for the Villages of Southampton and Sag Harbor and the Town of Oyster Bay.

Valerie Monastra is an is an AICP Certified Environmental Planner with over 18 years of experience throughout the Hudson Valley in management and planning pertaining to land use development, zoning, environmental review, affordable housing and community development projects. Her educational and employment history encompass both urban and environmental planning as well as governmental administration. Ms. Monastra has experience providing planning services to New York State agencies including DOS, DEC, OPRHP and ESD and is expert in the SEQRA and NEPA processes. Ms. Monastra serves as the President of the Westchester Municipal Planning Federation. She has vast experience working on the local level with municipalities to complete plans and navigate projects through the land use approval process.

Detailed resumes can be provided upon request.

RELEVANT EXPERIENCE

The following list of projects have been selected to demonstrate the team's qualifications and capabilities.

City of New Rochelle Downtown Overlay Zone (DOZ) Zoning Amendments (New Rochelle, NY)

NPV prepared an economic and fiscal impact analysis for the proposed 2021 Amendments to the City of New Rochelle Downtown Overlay Zone (DOZ), located in the downtown area of New Rochelle, New York. The City is proposing updates to the Theoretical Development Scenario (TDS), which was originally evaluated as part of the 2015 Generic Environmental Impact Statement (GEIS). The GEIS was prepared to evaluate potential impacts that could result from the adoption of the DOZ. The 2021 TDS changes are proposed to address the shift in demand away from certain commercial uses and to provide for additional residential and live/work options, as well as retail and restaurant options designed to integrate the outdoors and new outdoor recreational opportunities into the DOZ. Additionally, the 2021 DOZ Amendments include the continuation of the DO Zones to the south and east to add a new "Waterfront Overlay District" ("DO-7 Zone") to allow for development on or near a newly created publicly accessible waterfront. Collectively, the 2021 DOZ Amendments (the "Proposed Action") are intended to continue the successful growth within the entire DOZ while re-balancing the potential development impacts of a revised TDS.

The analysis examines the economic and fiscal impacts that are anticipated to occur through the implementation, construction and annual operations of the revised TDS, intended to continue growth within various zoning districts within the City's downtown and waterfront.

Greybarn Sayville (Sayville, NY)

NPV has updated this fiscal and economic impact analysis for the Greybarn-Sayville Planned Development District (PDD) as part of the Draft Environmental Impact Statement (DEIS). The proposed project is on the site of a former Country Club, a 114.33-acre property in the hamlet of Sayville of the Town of Islip. The proposed project will include the development of 1,365 multi-family residential rental units, on-site stormwater and sanitary wastewater treatment systems, connections to the public water supply, recreational and commercial amenities (limited to the site's residents, and including small retail/commercial spaces, interior open spaces, outdoor pool/patio areas, and an internal walking trail network), and a 25±-acre public open space along the perimeter of the site, in which a pedestrian path is proposed. The proposed project also includes expanded wastewater treatment capabilities for wastewater from downtown Sayville, and installation of a sewer main from downtown Sayville to the on-site sewage treatment plant (STP).

The project responds to the public need for increased quality rental housing opportunities in the area. The proposed project has been designed using smart growth development principles, by incorporating features and characteristics including internal walkability, sense-of-place features, safe and convenient pedestrian access to on-site amenities (within the site and limited to use of the site's residents), and on-site recreational amenities for its residents. In addition, the proposed project will create strong economic activity by providing jobs and a solid tax base.

Concern for Independent Living (Southampton, NY)

NPV prepared a fiscal and economic impact summary to examine the fiscal and economic impacts that are anticipated to occur through the construction and annual operations of a proposed residential development with 60 workforce rental apartment units to be located on County Road 39 in the Village of Southampton. Due to the generally affluent nature of the south fork of Long Island, and many parts of Southampton in particular, the demand for workforce housing units in Southampton is strong, and there is documented need for this type of housing in the community. The proposed project responds to the Town's and community's desire to provide such rental housing opportunities in the area, as recognized in various comprehensive planning documents and evidenced by current conditions within the surrounding community.

There also remains an unmet demand for veteran housing, including housing for disabled veterans who may have a need for accessible housing and supportive services. The units will be comprised of 36 one-bedroom and 24 two-bedroom apartment units, and the proposed project will also include a 5,000 square foot (SF) community building with a gym, computer room, and community room for use by residents and staff, as well as service provision for the supportive housing units. All of the units will be designated as "affordable" units under the Town Code and will be occupied by households that meet applicable economic standards as administered by the Town. A portion of the units will be occupied by veterans, including disabled veterans and disabled veterans in need of support. The project will benefit the community by transforming an overgrown and littered site into attractive, high-quality workforce housing that will enhance the community. As economic stability returns following the coronavirus pandemic of 2020, the proposed project is expected to contribute to the long-term economic health of the community.

Superblock Long Beach (Long Beach, NY)

NPV prepared a Fiscal Impact Analysis and a Household Buying Power Analysis for a residential development in Long Beach, New York. This analysis will assist the developer in quantifying the fiscal impact that the new residential development will have on the local tax base, and the economic impact that new household spending will have on the local economy. Economic impact including construction and operational job creation was addressed in detail in the Economic Impact Summary Analysis prepared by NPV earlier in 2020. This analysis examines the fiscal impacts and the household spending that is anticipated to occur during annual operations of a new residential development including: 200 one- and two-bedroom condominiums; and, 238 market-rate and workforce studio, one- and two-bedroom rental units.

Prior to the coronavirus pandemic of 2020, the condominium market in Long Beach has been quite attractive, with a strong demand and a supply of such housing units proximate to the boardwalk, and/or with water views. The rental market has suffered from a dearth of new transit-oriented communities. The proposed residential development is responsive to this demand in Long Beach, and as economic stability returns, is expected to contribute to the long-term economic health of the community through the provision of such newly constructed luxury housing opportunities. The proposed residential development is expected to create strong economic activity by providing a solid tax base upon completion and full taxation of the project. The new residents living within the 200 condominiums and 238 rental units proposed for development will patronize downtown establishments, bringing significant new disposable income to the merchants in the community. Consumer activity will ripple through the local community, creating beneficial fiscal and economic impacts throughout Long Beach, Nassau County, and the region as a whole. Consequently, economic activity including job creation and

consumer buying power will be generated by the project.

Storage Deluxe (Valley Stream, NY)

NPV prepared a market feasibility, fiscal and economic impact summary analysis for a commercial storage facility in Valley Stream, New York. This analysis examines the feasibility in the local market, as well as fiscal and economic impacts that are anticipated to occur through the construction and annual operations of a new four-story, 140,000 square foot (SF) commercial storage facility. With the decline in the number of warehouse facilities in the region, and rising commercial rents, many companies can no longer afford large warehouses. Such businesses have nowhere to store their inventory, which is a major roadblock to their success and growth. The proposed commercial storage facility is responsive to this need and anticipates serving the needs of hundreds of local businesses in Valley Stream and surrounding communities, in a cost-effective manner.

The proposed commercial storage facility will create strong economic activity by providing new employment opportunities and will provide a tax revenue and/or payment in lieu of taxes. The analysis served to accompany the IDA application to the Town of Hempstead.

RD Industrial Site (Yaphank, NY)

NPV prepared a series of economic and fiscal calculations as part of the Land Use Application being prepared for a 47+ acre project site is located the hamlet of Yaphank, Town of Brookhaven. The proposed project includes the development of two one-story distribution warehouses, as well as a three-story self-storage building. For the purpose of this analysis, it was assumed that both distribution warehouse buildings will be occupied by a mix of industrial and office uses, with a split of 90%/10% favoring pure industrial use.

As economic stability returns following the coronavirus pandemic of 2020-21, the proposed project is expected to contribute to the long-term economic health of the community. More specifically, the proposed project will establish many new construction and operational jobs that will help in the pre- and post-pandemic recovery, as well as a solid tax base upon full build-out and full-taxation of the property.

Canoe Place Inn and Hampton Boathouses (Hampton Bays, NY)

The Canoe Place Inn (CPI) has a longstanding history and serves as an important part of the character of the Hampton Bays community. The rehabilitation the formerly vacant CPI included synergistic uses on the site reminiscent of its history, working together to draw interest for destination weddings, charity events, business conferences and other special events.

In the 2014 preparation of the Environmental Impact Statement, NPV prepared a Fiscal Impact Analysis and Assessment of Needs and Benefits for the Canoe Place Inn and Hampton Boathouses
properties. The study examined and quantified the beneficial impacts to the local school district as well as the generation of annual property tax revenues. Moreover, the analysis projected the economic impacts – on output, employment and labor income – during both the construction period and annually, upon a stabilized year of operations of the rehabilitated CPI and residential project components. NPV also prepared a Residential Market Analysis for the Hampton Boathouses property on Shinnecock Canal. The analysis analyzed the relationship between the demand for, and supply of, comparable residential developments and ultimately,

quantified the amount and type of housing units that could be supported by the target market – including both those for year-round residents and seasonal residents.

In 2019, NPV prepared a Market Feasibility Analysis for CPI, for submission to the Suffolk County Industrial Development Agency (SCIDA) for tax deferral and other financial assistance. The analysis examined the demand for CPI, the local and regional tourism market and forecasted growth, and determined that CPI will establish a tourism destination that is likely to attract a significant number of visitors from outside the economic development region, and therefore eligible for SCIDA assistance.

Danford's Hotel, Marina & Spa: Economic Planning Analysis(Port Jefferson, NY)

Danford's Hotel, Marina & Spa is an integrated water-dependent facility in Port Jefferson, New York, and is referred to as "the anchor of Port Jefferson." The hotel, marina, spa and restaurant are inter-related uses that support recreational/commercial boating, marine trades, marine material suppliers and related industries. The combined facility is an economic engine for Port Jefferson and the region, with the annual maintenance to, and operations of, the facility creating strong economic activity. An abundant amount of consumer activity ripples through the
local community, contributing vastly to the economy of downtown Port Jefferson, and into the Town of Brookhaven, Suffolk County and the region as a whole.

NPV prepared an Economic Planning Analysis that quantified the beneficial economic impacts associated with Danford's Hotel, Marina & Spa. The analysis examined the direct, indirect and induced impacts on output, employment and labor income, during the annual maintenance and repair construction of the facility, as well as during annual operations of the hotel, marina & spa.

TopGolf Market Feasibility Analysis (Holtsville, New York)

Topgolf is a global sports and entertainment community, which was first launched in the United States in 2005. It has served as the pioneer in the golf entertainment industry ever since. The most recent location in Holtsville, NY includes a 65,000 square foot, state-of-the-art, multi-level golf entertainment complex, and allows for a unique experience that can be enjoyed year-round. No such facility currently exists on Long Island. The synergistic uses provided at the Topgolf Holtsville location will work together to draw interest for local residents, college students and employers, as well as persons originating from outside of the area for patronage, corporate and charity events, business conferences and other special activities. This broad combination of guests will provide economic activity both at the site and into the surrounding community.

In 2016, NPV prepared a Economic and Fiscal Impact Analysis that examined and quantified the beneficial tax revenue benefits as well as economic impacts – on output, employment and labor income – during both the construction period and annually, upon a stabilized year of operations of the proposed Entertainment Recreation Facility. In 2019, NPV prepared a Market Feasibility Analysis for Topgolf, to accompany the Industrial Development Agency (IDA) application to the Town of Brookhaven. The analysis examined the strength of the regional entertainment recreation industry, the demand for this type of use, the lack of supply of comparable facilities in the local and regional economy, and various benefits that would be accrued to the local economy and community at large, through the annual operations of the Topgolf project. The analysis concluded that

Topgolf would provide a combined entertainment and recreation facility, that but for the project, would not be reasonably available to the residents of the Town of Brookhaven or Suffolk County, and therefore it was deemed eligible and appropriate for IDA assistance.

Economic Development Chapter of the Comprehensive Plan Update (Town of Southold)

In an effort to achieve the Town's vision, five goals and numerous objectives were formed to provide direction for future decision-making pertaining to the Town's economy. Much of the Town's economic vitality is based on the Town's unique rural, historic and maritime-based character as well as its natural resources. NP&V prepared the economic chapter of the Comprehensive Plan Update for the Town of Southold to allow for the formation of appropriate recommendations and implementation strategies focused on long-term economic sustainability throughout the Town.

One of the specific tasks involved with the economic chapter of the Town's Comprehensive Plan is the zoning/build-out analysis. The Town of Southold is facing development pressure and is concerned about the impact that the current zoning may have on the Town's resources. The Town of Southold prepared a build-out analysis of several zoning districts, and NP&V funneled these findings into a model to assess the regional impact of full build-out and modified development scenarios. Ensuring quality of life, protection of environmental resources, housing needs and maintenance of the tax base were key elements of the model. This project involved the creation of a model to synthesize multiple evaluation factors to analyze the impact of full build out of the Town of Southold under its current zoning.

Niche Market and Branding Plan & Build-Out/Tax Base Analysis(Bellport, NY)

NPV worked with the Town of Brookhaven on a niche market and branding plan for the Greater Bellport community. The focus of this plan was to form a set of recommendations that outlined the necessary steps that members in the Greater Bellport community can take in order to successfully create a sense of place, community pride and positive perceptions through a more niche-oriented position in the local market. NPV recommended various initiatives to make the Greater Bellport community unique and marketable, creating a place that people want to be, where people are comfortable, and a place that people remember and come back to time and again. The niche market and branding plan strives to promote the community's niche market to new residents, visitors and economic development opportunities alike, offering the Greater Bellport community the opportunity to develop a theme that they want to be known for.NPV worked with the Town of Brookhaven on a build-out/tax base analysis, to analyze how the local school district could be impacted by growth. NPV created a GIS model to compare tax assessments for various land use scenarios to ensure an adequate tax base to support increased growth in school population without disproportionate increases in residential tax rates. This model was used to test assumptions for future development and to analyze various alternatives in an automated fashion, allowing for easy comparison of scenarios and results. Ultimately, the model will provide a reality check for future planning with respect to provision of quality community services and may provide support for creating additional commercial tax base within the district.

ATTACHMENT B
Cushman & Wakefield
Market Beat Long Island
Industrial Q1 2022

MARKETBEAT

LONG ISLAND

Industrial Q1 2022

CUSHMAN & WAKEFIELD

	YoY Chg	12-Mo. Forecast
2.3% Vacancy Rate	▼	▼
320K YTD Net Abs., SF	▲	▲
$13.79 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
1.3M Long Island Employment	▲	▲
3.6% Long Island Unemployment Rate	▼	▼
3.6% U.S. Unemployment Rate	▼	▼

Source: BLS

ECONOMY: Unemployment Rate Declines as Industrial Job Sector Expands

Long Island economic conditions continued to trend upward during the first quarter, as total nonfarm employment grew by 11,500 jobs since year-end 2021. Despite the slight reduction of manufacturing workers, the addition of 4,710 trade, transportation & utilities occupations fueled industrial job growth. The regional economy also benefited from higher employment levels, as the unemployment rate fell by 120 basis points (bps) to 3.6%.

SUPPLY & DEMAND: Vacancy Hits Historic Low as Tenant Demand Eclipses Supply

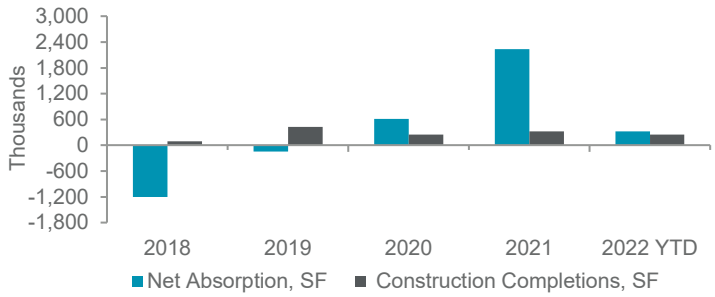
The industrial vacancy rate for Long Island closed the quarter at a new historic low, posting a year-over-year (YOY) decrease of 150 bps to 2.3%. At quarter-end, the Central Nassau submarket boasted a 1.1% rate, the lowest in the region. Surging demand continued to outpace supply, resulting in a year-to-date (YTD) positive net absorption of 320,000 square feet (sf)—7.4% higher than 2021's first quarter. Even with supply shortages, leasing activity exceeded 1.3 million square feet (msf)—the highest point in recent history—surpassing the previous peak by 140,000 sf achieved during the third quarter of 2020. Although first quarter deal volume is traditionally slower, activity tripled fourth quarter 2021 totals, resulting from eight deals inked above 50,000 sf. Suffolk County led the charge in overall leasing activity with nearly 1.1 msf transacted, driven by a confidential e-commerce company's 246,500-sf lease at 90 Ruland Road in Melville and Tekweld's 104,000-sf lease at 85 Nicon Court in Hauppauge.

Overall asking rents increased by $0.68 per square foot (psf) to $13.79 since year-end 2021—the market's highest rent on record as existing product continued to dissipate. This can be attributed to increases across the board for warehouse/distribution buildings, which surpassed $14.00 psf for the first time. Most notably, Eastern Nassau's warehouse average asking rental rate yielded a 19.2% quarterly increase, the largest growth rate on Long Island during this period. The market's average rate surged by 42.2% over the last three years.

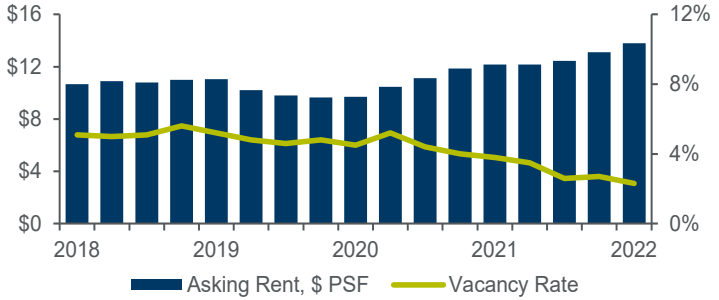
OUTLOOK: Construction Delays Put Pressure on Supply as Older Buildings Attract Tenants

Out of the gate in 2022, the industrial market improved with labor indicators and robust tenant demand. However, several developments currently under construction have reported delays of up to one year due to global supply chain issues and longer lead times for construction materials. This has redirected tenants to focus on older Class B and C buildings to meet their requirements, pushing rental rates for these properties to similar levels of Class A product. Investors are now shifting their priority toward redeveloping antiquated office buildings in tandem with adapting to the office market's flight-to-quality trend to meet evolving market needs.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT

LONG ISLAND

Industrial Q1 2022

CUSHMAN & WAKEFIELD

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION	UNDER CONSTRUCTION (SF)	OVERALL WEIGHTED AVG NET RENT (HT)*	OVERALL WEIGHTED AVG NET RENT (MF)*	OVERALL WEIGHTED AVG NET RENT (W/D)*	OVERALL WEIGHTED AVG NET RENT*
Western Nassau	16,348,964	362,093	2.2%	-77,773	-77,773	235,234	$10.66	$15.48	$15.56	$15.32
Central Nassau	7,439,778	80,028	1.1%	13,500	13,500	101,930	N/A	$13.00	$13.03	$13.00
Eastern Nassau	21,072,583	657,893	3.1%	94,100	94,100	204,000	$12.04	$15.82	$17.48	$16.39
NASSAU TOTALS	**44,861,325**	**1,100,014**	**2.5%**	**29,827**	**29,827**	**541,164**	**$11.83**	**$14.95**	**$16.74**	**$15.74**
Western Suffolk	30,698,646	381,880	1.2%	320,672	320,672	599,983	$15.00	$10.75	$12.88	$12.44
Central Suffolk	43,217,905	1,146,752	2.7%	69,656	69,656	206,134	$11.36	$12.10	$13.71	$13.35
Eastern Suffolk	14,181,032	434,160	3.1%	-100,000	-100,000	177,620	N/A	N/A	$12.02	$12.02
SUFFOLK TOTALS	**88,097,583**	**1,962,792**	**2.2%**	**290,328**	**290,328**	**983,737**	**$12.50**	**$11.65**	**$13.08**	**$12.86**
LONG ISLAND TOTALS	**132,958,908**	**3,062,806**	**2.3%**	**320,155**	**320,155**	**1,524,901**	**$12.13**	**$13.25**	**$14.03**	**$13.79**

**Rental rates reflect weighted net asking $psf/year*

HT = High Technology/Flex MF = Manufacturing W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET	LEASE TYPE
90 Ruland Road, Melville	246,500	Confidential E-Commerce Tenant	Warehouse/ Distribution	Eastern Suffolk	New Lease
300 Michael Drive, Syosset	150,145	Krystal Fruits and Vegetables	Warehouse/ Distribution	Eastern Nassau	New Lease
85 Nicon Court, Hauppauge	104,000	Tekweld	Warehouse/ Distribution	Central Suffolk	New Lease

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SF	SELLER/BUYER	PROPERTY TYPE	PRICE/$PSF	SUBMARKET
81 Spence Street, Bay Shore	129,500	Duro Dyne Corportation / Metropolitan Realty Associates	Warehouse/ Distribution	$22.3M / $172	Central Suffolk
45 Oser Avenue, Hauppauge	121,830	STORE Capital Corporation / Link Logistics	Flex	$21.0M / $172	Central Suffolk
1 Newport Plaza, Freeport	114,000	Aml Realty LLC / Uniware	Warehouse/ Distribution	$14.5M / $127	Western Nassau

NOTABLE PROJECTS UNDER CONSTRUCTION

PROPERTY	SF	DEVELOPER	MAJOR TENANT	SUBMARKET
235 Pinelawn Road, Melville	599,983	Hartz Mountain Industries	Speculative	Western Suffolk
253-51 Rockaway Boulevard/ JFK Logistics Center, Woodmere	235,234	Wildflower LTD	Confidential	Western Nassau
303 Robbins Lane, Syosset	204,000	Scannell Properties	Confidential	Eastern Nassau

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A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2021, the firm had revenue of $9.4 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

From: Kerim Odekon <kerimodekon@gmail.com>
Sent: Monday, October 24, 2022 8:03 AM
To: Abena Asare <landfillaction631@gmail.com>; AnnMarie Scheidt <annmarie.scheidt@stonybrook.edu>; Annelies <annelies.kamran@gmail.com>; Barry, Joseph <jbarry@southcountry.org>; Brookhaven NAACP <Brookhavennaacp2133@gmail.com>; Councilman Foley <councilmanfoley@brookhavenny.gov>; Kevin LaValle <klavalle@brookhavenny.gov>; Daniel Panico <councilmanpanico@brookhavenny.gov>; Dennis Nix <Dennisnix30@yahoo.com>; Edward P. Romaine <eromaine@brookhavenny.gov>; Felice, Cheryl <cfelice@southcountry.org>; Hannah Thomas <hannah0058@yahoo.com>; Hayes, Anne <ahayes@southcountry.org>; Jane Bonner <councilwomanbonner@brookhavenny.gov>; Jennifer Greene <jrg1232@gmail.com>; Joann Neal <joannneal237@gmail.com>; Jonathan Kornreich <jkornreich@brookhavenny.gov>; Julia Villacara <Julia.Villacara@gmail.com>; Kavanagh, Tara <tkavanagh@southcountry.org>; Lisa Eguizabel <Luvlee615@gmail.com>; Lisa Mulligan <lmulligan@brookhavenny.gov>; Maya Schindler <maya.schindler@gmail.com>; Michael Loguercio <mloguercio@brookhavenny.gov>; Michelle Mendez <michellemendez8@yahoo.com>; Monique <mfitzgerald007@yahoo.com>; Nancy Marr <enpymarr@optonline.net>; Nicole Jean Christian <nicolejeanchristian@gmail.com>; Picini, Chris <cpicini@southcountry.org>; Santana, Antonio <ASantana@southcountry.org>; Shoshana Hershkowitz <shoshanahershkowitz@gmail.com>; South Country Unites <southcountryunites@gmail.com>; Trent, Cameron <ctrent@southcountry.org>; lynne Maher <nicasirena1@gmail.com>; rflippen@southcountry.org <rflippen@southcountry.org>
Subject: Re: WF Industrial XIII LLC IDA Application

Dear Supervisor Romaine, Brookhaven Town Council and IDA CEO Mulligan and IDA Board,

We are asking the Brookhaven Industrial Development Association (IDA) to reject the property and sales tax application of WF Industrial XIII LLC for their proposed 130,000 square feet truck terminal and warehouse complex, impacting both the South Country and Longwood School Districts.

There is no IDA analysis which shows that this speculative warehouse project cannot afford to pay sales, mortgage recording and property taxes within the South Country School District. Roughly 70% of property taxes fund our South Country public schools, and sales taxes make up roughly 40% of our County Budget. The recent $80M IDA tax exemption package granted to Winters NP for 2.5 million square feet of warehouses equates to almost $80,000 per permanent job. This figure is almost 25x the tax incentive per job that NYS Comptroller cited as Brookhaven IDA's average net incentive per job (https://wwe1.osc.state.ny.us/localgov/ida/ida.cfm?EcoReg=LOI&year=2020). The Winters NP exemption cost South Country and Longwood districts - both majority-minority, majority-economically disadvantaged districts - over $20M EACH in forgone taxes. When large wealthy corporations do not pay their fair share, existing residents and businesses are squeezed to make up the difference with property tax increases.

The recent revocation of IDA tax breaks for warehouses in Syosset and Melville prove that these warehouses are economically feasible without IDA benefits (https://www.newsday.com/business/amazon-tax-breaks-warehouse-jobs-g4vu3ulw

,https://www.newsday.com/amp/business/amazon-ida-tax-breaks-hartz-mountain-melville-warehouse-fs6y1zw3)

The WF Industrial XIII LLC IDA application threatens that without the $2.86M in financial assistance of the IDA, the region would lose the 40 full time permanent jobs which are being promised (see screenshot below). In what world does it make sense to give tax incentives of over $70,000 per full time permanent warehouse job? There is no analysis to support the developers claim that without this tax break they will move to a lower tax community. These are speculative warehouse jobs - they cannot move to Pennsylvania, it defeats the purpose of the industry. IDA members would never make business decisions like this in their personal businesses, yet they entertain such sw sw bogus claims at the expense of children and taxpayers within majority-minority majority economically disadvantaged school districts.

3. Is there a likelihood that the Applicant would proceed with this project without the Agency's assistance? (If no, please explain why; if yes, please explain why the Agency should grant the benefits requested)

Yes ☐ No ■

Due to rising construction materials and labor costs, increased real estate taxes, and uncertainty of taxes required by lenders,

Applicant would not be able to proceed with the proposed project

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

If the Applicant is unable to obtain financial assistance from the Agency, Applicant would have to identify other areas with lower

taxes for investment, and the Town would lose the benefit of having new, job creating, industrial real estate stock added within its borders.

Another nearby South Country School District proposed warehouse with a pending application at the IDA, AIREF, was much more honest about the impact of IDA incentives. On Wednesday Sept 14th 2022 ARES VP Mr Hiller candidly told the South Country community, upset over AIREF's IDA application, "its like a statutory available IDA application. We submitted the application. We looked at the rules of the IDA application, we didn't make them up on our own, it's available to people to come here to develop and we submitted to see where we can go with it. I will be very honest in the sake of, we are not 100% sure that we want to pursue an IDA application here. We put it in, to make sure we are looking at every possible opportunity to make this project feasible" (https://youtu.be/OWA86O71QmI). As AIREF lobbyist Assemblyman Keith Brown tells the audience "The point is they [IDA incentives] are statutory and they are available. As anybody would, they are looking into it". IDA tax exemptions are clearly not the difference between these projects happening or not happening. In fact IDA's showering of unnecessary incentives has warehouse developers applying indiscriminately to the IDA for incentives because they can, not because these exemptions incentivize any economic development.

According to Newsday, "Warehouse vacancy rates on Long Island have plummeted from 11.4% in 2012 to 2.3% today. As a result, rents have soared in the period, going from $6.79 per square foot, on average, to $14.52" (https://www.newsday.com/business/amazon-warehouse-factory-long-island-mdxu3ri9). The IDA's own Camion commissioned study shows the Brookhaven

warehouse industry will be facing double digit vacancies due to a glut of warehouses even if only 80% of the pipeline is built. IDA board members Grucci, Pollausky themselves clearly think this is an industry that does not require subsidy (see https://youtu.be/I0kidyMbLRk 1:32:30 IDA Board-member Gary Pollakusky asks “Where is the garbage going? We will become a storage center for the region. Do we want to consider adding something to our process here that limits these projects”, while at 1:34:30 Mr Grucci talks about creating jobs in the short term but incentivizing a glut of warehouses causing unemployment in long term).

The Newsday headline says it all “Long Island warehouse boom may turn into a glut” (https://www.newsday.com/business/ida-tax-breaks-warehouses-vacancies-online-shopping-jobs-d6p0bzz3). ““We see real potential for overbuilding,” said John Walker, an analyst for Camoin, […] He and Camoin chief operating officer Rachel Selsky said the drawbacks of overbuilding include the closure of existing warehouses, job losses and tax breaks awarded to projects that then cannot find tenants.”

It is also concerning that the developer’s budget notes they are paying the IDA over $258,000 in application fees (p31 https://brookhavenida.org/files/WF%20Industrial%20XIII/application%20-%20WF%20XIII.pdf). It is no wonder that on 9/27/22 CEO Mulligan was quick to direct the board to accept the existing five warehouse projects which already submitted applications to the IDA. Unfortunately the IDA fee and employee incentive structure (https://brookhavenida.org/files/Resolution%2024%20-%20Adopting%20an%20incentive%20compensation%20policy%202022.pdf) incentivizes the IDA to pay itself at the expense of local School Districts. This is the definition of fiscal irresponsibility.

It is important to note that this truck terminal/warehouse complex is across the street from the Habitots Preschool & Child Care Center - is this where the IDA wants to incentivize yet another diesel-truck serviced warehouse in an overburdened community?

Speculative warehouses, distribution centers and truck terminals are not industries in need of economic incentives in Long Island.

The children and taxpayers of South Country School District cannot afford to be giving millions of square feet of polluting truck terminals/warehouses endless tax exemptions while asking district taxpayers to pick up the tab. Our district’s school children are our most important community economic engine and their education is economic development. If these polluting, speculative, non-union industries come into our community, they should be meeting the most strict environmental/planning requirements and paying full taxes.

The Brookhaven IDA’s reckless and fiscally irresponsible incentives, at the expense of local school district budgets, must be reigned in. The Brookhaven IDA Board needs to stand up for local school children and South Country taxpayers and say enough is enough.

Best,
Kerim Odekon, MD MRP MSc
Abena Asare
Brookhaven Hamlet

The South Country Central School District is aware of a proposed project, WF Industrial LLC, to be situated within the District's boundaries. In that regard we request the Brookhaven Industrial Development Agency consider the potential impact of the project upon the District and its taxpayers and the needs of the school district in its consideration of the request for financial assistance by this for-profit entity. If any benefit to the District, its students or taxpayers may be achieved through this project, we would request the IDA's assistance in obtaining such benefit. The Board of Education would welcome the opportunity to discuss any such potential benefit that may accrue to the District.

DATE: 10/24/22

PUBLIC HEARING

REQUEST TO ADDRESS THE BROOKHAVEN IDA BOARD

Speakers are limited to three (3) minutes. Longer statements may be submitted in writing to the IDA for distribution and shall become part of the permanent record if desired.

NAME (Please Print) Antonio Santana

ADDRESS 189 N Dunton Ave

Patchogue NY

City State Zip

PHONE 631 730 1501

REPRESENTING South County CSD

HANDICAPPED SERVICES AVAILABLE UPON REQUEST

HARRIS BEACH PLLC
ATTORNEYS AT LAW

WKH R PQL
666 HDUOH R YIQ JWR Q EOYG /VXLWH <34
XQIRQGDOH/QHZ \RUN 44886
8491;;31;7;7

DQGUHZ G1NRPDURPL
PHPEHU
GLUHFW= 8491;;31;6;8
ID[= 8491;;31;7;6
DNRPDURPIC KDUULVEHDFK1FRP

October 14, 2022

Lisa M.G. Mulligan, CEO
Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, New York 11738

RE: *Town of Brookhaven Industrial Development Agency with Sunrise Wind LLC - 22 Research Way O&M Hub Project – 2022*

Dear Ms. Mulligan:

Enclosed herewith please find the application ("Application") of Sunrise Wind LLC (the "Applicant") to the Town of Brookhaven Industrial Development Agency ("Agency") for financial assistance in connection with a proposed project described in detail below.

We would like to take this opportunity to thank you and all the staff members and representatives of the Agency for the guidance provided to us in the process leading up to the submission of the enclosed Application.

By way of background, the Applicant is a 50/50 joint venture between Orsted North America Inc. and Eversource Investment LLC. The Applicant's corporate ownership structure is illustrated in the organization chart in Appendix A to the enclosed Application. Applicant's joint venture parent companies, directly or through affiliates are experienced energy sector entities.

The Applicant executed a 25-year Offshore Wind Renewable Energy Certificate ("OREC") contract related to the Sunrise Wind Farm ("SRWF") and the construction, operation, and maintenance of the Sunrise Wind New York Cable Project (the "Cable Project") with the New York State Energy Research and Development Authority ("NYSERDA") in October 2019. The Cable Project will deliver power from the SRWF, which will be located in federal waters on the Outer Continental Shelf, to the existing electrical grid in New York State ("NYS"). The Cable Project's electrical transmission facilities include offshore and onshore components within NYS that are subject to Public Service Law Article VII review and will interconnect at the existing Holbrook Substation, which is owned and operated by the Long Island Power Authority ("LIPA").

The SRWF and the Cable Project are planned to achieve New York State's nation leading offshore wind energy goals and once complete, will have the potential capacity to power more than a half million homes.

The Cable Project is subject to a separate but related pending application for financial assistance in front of the Agency.

The Project is located at 22 Research Way, East Setauket, New York and consists of the renovation and equipping of an approximately 55,525 square foot commercial building on a 4.5

acre parcel to serve as a state-of-the-art operations and maintenance hub for the SRWF and the Cable Project. The Project is a complementary but an essential and necessary component facility to the operation of the SRWF and the Cable Project.

As further described in the enclosed Application, the Applicant is respectfully requesting financial assistance from the Agency consisting of real property tax exemption and sales and use tax exemption in connection with the retention, construction and installation and equipping of the Project. The requested assistance is necessary to enable the Applicant to undertake the Project.

We look forward to continue working with the Agency in connection with the foregoing and stand ready to answer any questions the Agency may have.

Thank you in advance for your courtesy and consideration.

Very truly yours,

HARRIS BEACH PLLC

Andrew D. Komaromi

CC via email only:
Nixon Peabody LLP
William F. Weir, Esq. (via electronic mail @ WWeir@nixonpeabody.com)
Amy Ellis, amy.ellis@eversource.com
Raymond Collins, raymond.collins@eversource.com

ENCLOSURES

1. Application.
2. Appendix A to Application with Organization Chart.
3. Annual Report of Orsted.
4. Annual Report of Eversource
5. NYS Environmental Assessment Form

APPENDIX A

Corporate Ownership Structure of Sunrise Wind LLC

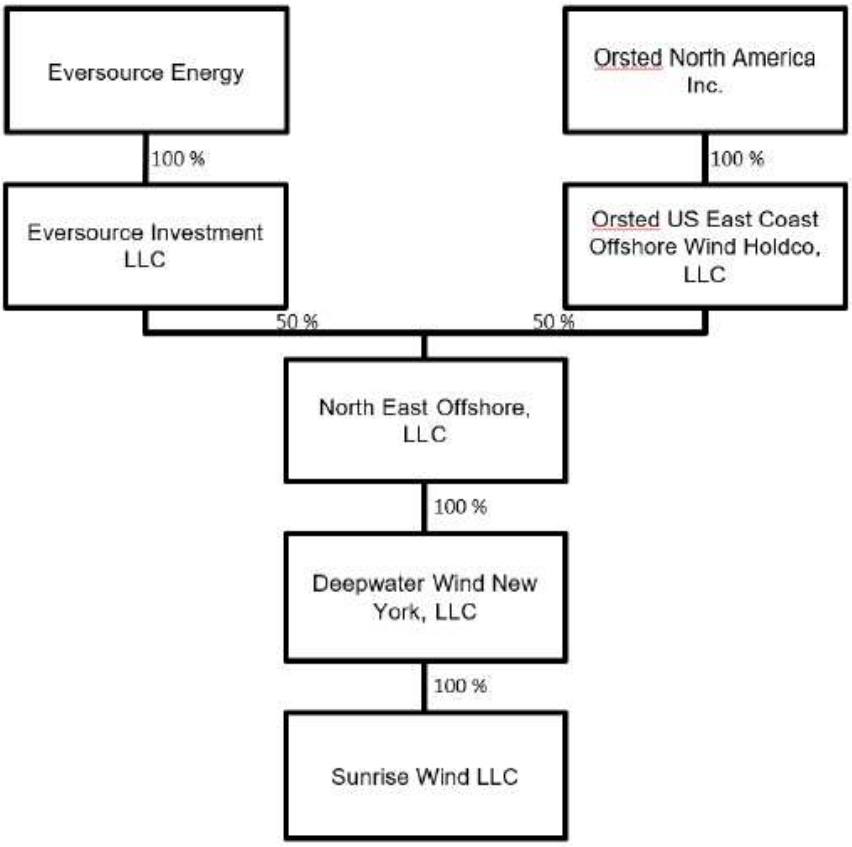


Figure 1: Corporate ownership structure of Sunrise Wind, LLC

From: julia villacara <julia.villacara@gmail.com>
Sent: Monday, October 24, 2022 9:04 AM
To: Lisa Mulligan <lmulligan@brookhavenny.gov>
Subject: WF Industrial XIII LLC IDA application

To Ms. Mulligan and the IDA Board,

As a taxpayer in the South Country School District, I ask the Brookhaven Industrial Development Association (IDA) Board reject the WF Industrial XIII LLC IDA application. Giving $2.86M in financial assistance to WF Industrial for the promise of 40 full time permanent jobs is absurd. You are proposing giving away $70,000 per full time permanent warehouse job in incentives while our taxpayers and businesses are forced to make up the difference.

The South Country School District is facing a looming financial crisis. The burden of that crisis will be put upon the residential taxpayer and our small businesses if the IDA carelessly continues to give money away with little to no benefit to the District. Setting that burden on our taxpayers endangers our school budget of passing. If the school budget doesn't pass, who then suffers? The children of our district with program and educational cuts. Not these corporations. No, our children and the future of Long Island does.

The IDA Board, while giving fantastic breaks to companies that can afford to pay their fair share of sales, mortgage recording and property taxes within the South Country School District, will cause our District children's futures to shrivel.

There is no analysis showing how this warehouse will benefit the District. It only shows to bring great harm environmentally and financially. The warehouses' traffic will pollute the immediate area with diesel fuel from increased truck traffic. The saturation of warehouses moving in to the Town of Brookhaven is creating a future that looks grim financially. With the onslaught of warehouses at such a high rent, the analysis predicts they will sit abandoned in a few years time. More corporate skeletons crumbling into over 9 acres of what is now wooded land. It will be a structural monument of the IDA Board's recklessness.

We've already seen too many millions leave our South Country School District and the Longwood District to benefit multi-million dollar corporations who could afford to pay their share. The IDA in its excessive, boondoogle giveaways to the Winter Bros. project have cost this district millions dollars.

Enough is enough. Once again, these companies don't need these incentives. Our District children and their futures do.

Thank you.
Julia Villacara
Taxpayer
Brookhaven Hamlet

Town of Brookhaven Industrial Development Agency
MRB Cost Benefit Calculator

MRB group
Cost-Benefit Analysis Tool powered by MRB Group

Date October 5, 2022
Project Title MDS Building Centures, LLC / MS Packaging & Supply Corp.
Project Location Precision Drive Shirley

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
$18,791,471

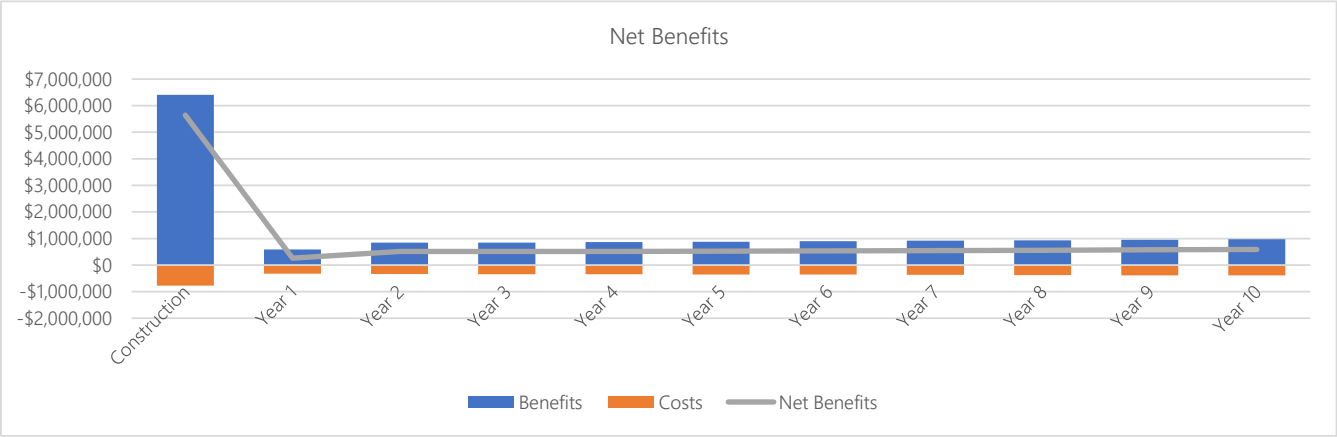
Temporary (Construction)

	Direct	Indirect	Total
Jobs	61	17	77
Earnings	$4,962,441	$1,087,331	$6,049,771
Local Spend	$11,999,998	$3,793,292	$15,793,290

Ongoing (Operations)
Aggregate over life of the PILOT

	Direct	Indirect	Total
Jobs	13	0	13
Earnings	$8,215,084	$0	$8,215,084

Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

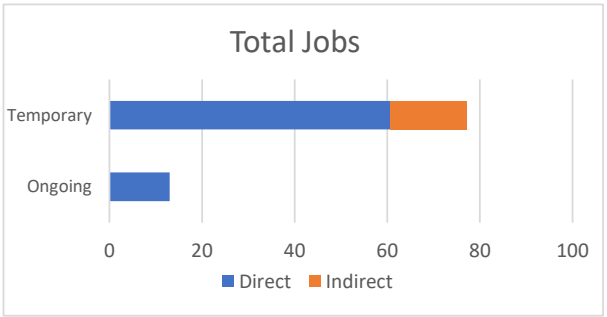
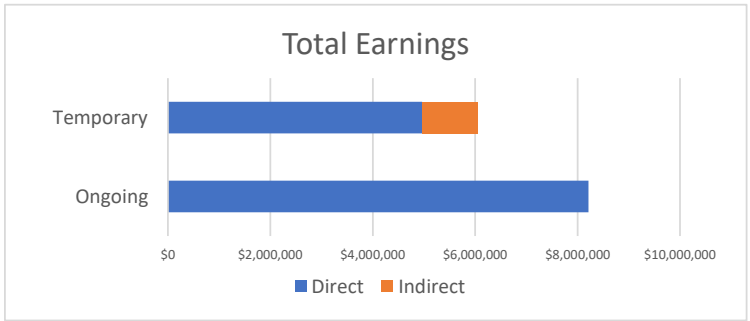


Figure 3



Ongoing earnings are all earnings over the life of the PILOT.

Fiscal Impacts

MRB group
Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	$3,578,170	$3,203,743
Sales Tax Exemption	$724,500	$724,500
Local Sales Tax Exemption	*$388,500*	*$388,500*
State Sales Tax Exemption	*$336,000*	*$336,000*
Mortgage Recording Tax Exemption	$45,000	$45,000
Local Mortgage Recording Tax Exemption	*$15,000*	*$15,000*
State Mortgage Recording Tax Exemption	*$30,000*	*$30,000*
Total Costs	**$4,347,670**	**$3,973,243**

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	**$14,380,313**	**$13,496,327**
To Private Individuals	**$14,264,855**	**$13,387,966**
Temporary Payroll	*$6,049,771*	*$6,049,771*
Ongoing Payroll	*$8,215,084*	*$7,338,195*
Other Payments to Private Individuals	*$0*	*$0*
To the Public	**$115,458**	**$108,360**
Increase in Property Tax Revenue	*$2*	*$2*
Temporary Jobs - Sales Tax Revenue	*$48,965*	*$48,965*
Ongoing Jobs - Sales Tax Revenue	*$66,491*	*$59,394*
Other Local Municipal Revenue	*$0*	*$0*
State Benefits	**$741,772**	**$696,174**
To the Public	**$741,772**	**$696,174**
Temporary Income Tax Revenue	*$272,240*	*$272,240*
Ongoing Income Tax Revenue	*$369,679*	*$330,219*
Temporary Jobs - Sales Tax Revenue	*$42,348*	*$42,348*
Ongoing Jobs - Sales Tax Revenue	*$57,506*	*$51,367*
Total Benefits to State & Region	**$15,122,086**	**$14,192,501**

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	$13,496,327	$3,607,243	4:1
State	$696,174	$366,000	2:1
Grand Total	**$14,192,501**	**$3,973,243**	**4:1**

*Discounted at 2%

Additional Comments from IDA

MDS Building Ventures, LLC is constructing an approx 140,000 sq ft warehouse and distribution facility on 11 acres of vacant land in Shirley, NY. The applicant provided a letter outlining that the total project cost is increasing and subsequently they have requested an increased sales and use tax exemption. The applicant is a wholesale distributor of corrugated boxes, stretch film, tape, folding cartons and other custom and generic packaging supplies. This project is in addition to the approximately 70,000 sq ft facility they previously constructed on Zorn Blvd in Yaphank. As per our Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to, jobs created and capital investment by the applicant.

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

Mitch Pally

Pally appointed to Brookhaven IDA and LDC boards

By: David Winzelberg October 5, 2022

Mitchell Pally, the CEO of the Long Island Builders Institute, has been appointed to the boards of the Town of Brookhaven Industrial Development Agency and the town's Local Development Corporation.

Pally, who's led LIBI since Dec. 2010, will be retiring as the organization's CEO at the end of the year. He previously served as a member of the IDA for 15 years, leaving the agency's board in 2008.

"It is an honor to be selected by our town board to once again assist in the continuing development and improvement of my local community," Pally said in a written statement.

Pally has also served as the Suffolk County representative to the board of the Metropolitan Transportation Authority, leaving in 2019 after 14 years. Prior to joining LIBI, Pally was the partner in charge of government relations for the Weber Law Group, and before that was vice president for governmental affairs at the Long Island Association.

"It's a privilege to welcome Mitch Pally back to our board," Fred Braun, chairman of both Brookhaven economic development agencies, said in the statement. "We will benefit from his years of experience as our economic development efforts move forward."

Mitchell Pally

Farmingville, NY Mitchell Pally, a lawyer and long-time business leader on Long Island, has been appointed to the boards of the Town of Brookhaven Industrial Development Agency (IDA) and the town's Local Development Corp (LDC). Pally's appointment was approved by the Brookhaven Town Council at its Sept. 13 meeting.

Pally plans to retire at yearend as the CEO of the Long Island Builders Institute (LIBI), a position he held since December 2010. LIBI is the largest home building trade association in New York State, representing all parts of the home construction industry. He also served as the Suffolk County representative to the Board of the Metropolitan Transportation Authority, leaving in 2019 after 14 years.

Prior to joining LIBI, Pally was the partner in charge of government relations for the Weber Law group, a real estate law firm and before that was vice president for governmental affairs at the Long Island Association.

Pally previously served as a member of the IDA for 15 years, leaving The Agency (https://nyrej.com/directory/the-agency)'s board in 2008. "It is an honor to be selected by our town board to once again assist in the continuing development and improvement of my local community," Pally said.

"It's a privilege to welcome Mitch Pally back to our board. We will benefit from his years of experience as our economic development efforts move forward," said Fred Braun III, chairman of both economic development agencies.

Tags:

Previous Story (https://nyrej.com/robert-martin-co-announce-senior-level-promotions-

Comments

Add Comment

Rechler Equity Partners

10 Donald's Way - Rendering

ZBA PUBLIC HEARING - OCTOBER 5, 2022

A **ENTRANCE MONUMENT**
16'-3" W X 5'-6" H

B **DIRECTIONAL**
2'-11"W X 9'-0"H

C **DIRECTORY**
4'-6" W X 9'-0"H

JAMAICA AV

AMERICUS AVE

PECONIC A

50' BUFFER

100' BUFFER

BUILDING 1

92'-6"

5.7 FT

7.6 FT

8.2 FT.

10 FT

50' BUFFER

HORSEBLOCK RD

DONALD'S WAY

B C A

Rechler Equity Partners

10 Donald's Way - Site Signage Plan

ZBA PUBLIC HEARING - OCTOBER 5, 2022

WF XIII Industrial LLC PILOT

YEAR		PILOT
1	$	23,931
2	$	24,409
3	$	39,392
4	$	80,359
5	$	122,950
6	$	167,212
7	$	213,195
8	$	260,950
9	$	310,531
10	$	361,990
11	$	415,383
12	$	470,768

PROPOSED PILOT BENEFITS ARE FOR DISCUSSION PURPOSES ONLY AND HAVE NOT BEEN APPROVED BY THE AGENCY.

FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
1 Independence Hill, 2nd Floor, Farmingville, New York 11738

DATE: 9/15/22

APPLICATION OF: Holtsville Energy Storage, LLC
Name of Owner and/or User of Proposed Project

ADDRESS: 422 Admiral Blvd
Kansas City MO 64106

Type of Application: ☐ Tax-Exempt Bond ☐ Taxable Bond

☐ Straight Lease ☐ Refunding Bond

Please respond to all items either by filling in blanks, by attachment (by marking space "see attachment number 1", etc.) or by N.A., where not applicable. Application must be filed in two copies. A non-refundable application fee is required at the time of submission of this application to the Agency. The non-refundable application fee is $3,000 for applications under $5 million and $4,000 for applications of $5 million or more.

Transaction Counsel to the Agency may require a retainer which will be applied to fees incurred and actual out-of-pocket disbursements made during the inducement and negotiation processes and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an official Inducement Resolution but may be subject to disclosure under the New York State Freedom of Information Law.

Prior to submitting a completed final application, please arrange to meet with the Agency's staff to review your draft application. Incomplete applications will not be considered. The Board reserves the right to require that the applicant pay for the preparation of a Cost Benefit Analysis, and the right to approve the company completing the analysis.

PLEASE NOTE: It is the policy of the Brookhaven IDA to encourage the use of local labor and the payment of the area standard wage during construction on the project.

IDA benefits may not be conferred upon the Company until the Lease and Project Agreement have been executed.

INDEX

Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): Holtsville Energy Storage, LLC

Address: 422 Admiral Blvd
Kansas City, MO 64106

Federal Employer ID #: _____ Website: _____

NAICS Code: 221114

Owner Officer Certifying Application: Travis Narum

Title of Officer: Authorized Person

Phone Number: [redacted] E-ma[redacted]

B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Limited Liability Company ■

Privately Held ☐ Public Corporation ☐ Listed on _____

State of Incorporation/Formation: Delaware

C. Nature of Business:

(e.g., "manufacturer of _____ for ____ industry"; "distributor of _____"; or "real estate holding company")

Energy storage developer

D. Owner Counsel:

Firm Name: Weinberg, Gross & Pergament LLP

Address: 400 Garden City Plaza
Garden City, New York 11530

Individual Attorney: Howard R. Gross, Esq.

Phone Number: 516-877-2424 E-mail: hgross@wgplaw.com

E. Principal Stockholders, Members or Partners, if any, of the Owner:

Name	Percent Owned
Shell New Energies US LLC	100%

F. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, member, officer, director, or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (If yes, please explain)

No. See Addendum A.

ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (If yes, please explain)

No. See Addendum A.

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

N/A

H. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

N/A

I. List parent corporation, sister corporations and subsidiaries:

Shell New Energies US LLC owns 100% of Savion.

Shell USA, Inc. owns 100% of Shell New Energies US LLC.

J. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

No

K. List major bank references of the Owner:

CrossFirst Bank

2. User Data

(for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user)

A. User (together with the Owner, the "Applicant"): N/A

Address: _____

_____

Federal Employer ID #: _____ Website: _____

NAICS Code: _____

User Officer Certifying Application: _____

Title of Officer: _____

Phone Number: _____ E-mail: _____

B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Privately Held ☐

Public Corporation ☐ Listed on _____

State of Incorporation/Formation: _____

C. Nature of Business:

(e.g., "manufacturer of _____ for ____ industry"; "distributor of _____"; or "real estate holding company")

_____

D. Are the User and the Owner Related Entities? Yes ☐ No ☐

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: _____

Address: _____

_____

Individual Attorney: _____

Phone Number: _____ E-mail: _____

F. Principal Stockholders or Partners, if any:

Name	Percent Owned
_____	_____
_____	_____
_____	_____

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director, or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (If yes, please explain)

_____

_____

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (If yes, please explain)

_____

_____

H. If any of the above persons (see "F", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

J. List parent corporation, sister corporations and subsidiaries:

K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

L. List major bank references of the User:

Part II – Operation at Current Location

(if the Owner and the User are unrelated entities, answer separately for each)

1. Current Location Address: N/A
2. Owned or Leased: N/A
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):
   N/A

4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:
   N/A

5. Are other facilities or related companies of the Applicant located within the State?
   Yes ☐ No ■

   A. If yes, list the Address: _____

6. Will the completion of the project result in the removal of any facility or facilities of the Applicant from one area of the state to another OR in the abandonment of any facility or facilities of the Applicant located within the State? Yes ☐ No ■

   A. If no, explain how current facilities will be utilized: Proposed new facility to meet the State of New York's energy storage goals to provide reliable energy to strengthen LIPA's grid thereby improving LIPA's electric service reliability.

   B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:

7. Has the Applicant actively considered sites in another state? Yes ■ No ☐

   A. If yes, please list states considered and explain: Project locations have and are being evaluated in other locations and municipalities throughout the United States.

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes ■ No ☐

   A. Please explain: The proposed project is not currently economically feasible without assistance of the IDA and other locations in the Northeast are being evaluated where benefits are available.

9. Number of full-time equivalent employees (FTE's) at current location and average salary (indicate hourly or yearly salary):

Part III – Project Data

1. Project Type:

   A. What type of transaction are you seeking? (Check one)

   Straight Lease ■ Taxable Bonds ☐ Tax-Exempt Bonds ☐

   Equipment Lease Only ☐

   B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

   Sales Tax Exemption ■ Mortgage Recording Tax Exemption ■

   PILOT Agreement: ■

2. Location of project:

   A. Street Address: 5276 Expressway Drive South & 178 Morris Avenue

   B. Tax Map: District 200 Section 729 Block 2 Lot(s) 1, 2, 3

   C. Municipal Jurisdiction:

   i. Town: Brookhaven
   ii. Village: _____
   iii. School District: Sachem CSD

   D. Acreage: 6.06

3. Project Components (check all appropriate categories):

A. Construction of a new building ☐ Yes ■ No
   i. Square footage: _____

B. Renovations of an existing building ☐ Yes ■ No
   i. Square footage: _____

C. Demolition of an existing building ☐ Yes ☐ No
   i. Square footage: _____

D. Land to be cleared or disturbed ☐ Yes ■ No
   i. Square footage/acreage: _____

E. Construction of addition to an existing building ☐ Yes ■ No
   i. Square footage of addition: _____
   ii. Total square footage upon completion: _____

F. Acquisition of an existing building ☐ Yes ■ No
   i. Square footage of existing building: _____

G. Installation of machinery and/or equipment ■ Yes ☐ No

i. List principal items or categories of equipment to be acquired: Electrical Transformer, Electrical Inverters, Electrical control equipment, energy storage containers, batteries, and other project supporting equipment required for the energy storage project.

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location?

i. If no, please list the present owner of the site: The Stone Center, Inc.;

B. Present use of the proposed location: Partially vacant; partially utilized for storage and parking.

C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) ☐ Yes ■ No

i. If yes, explain: _____

D. Is there a purchase contract for the site? (If yes, explain): ■ Yes ☐ No

Purchase Option Agreement with current owner of the subject property.

E. Is there an existing or proposed lease for the site? (If yes, explain): ☐ Yes ■ No

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: The proposed energy storage project will provide energy storage capacity for LIPA's power grid. The project is responding to LIPA's need for grid strengthening and to provide certainty during peak energy usage.

B. Proposed product lines and market demands: _____

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

N/A

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

See Answer to 5 A. In addition, this project is needed to address the State of New York's mandate to obtain 3,000 megawatts of energy storage by 2030.

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes ☐ No ■

i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? _____

F. To what extent will the project utilize resource conservation, energy efficiency, green technologies, and alternative / renewable energy measures?

Energy storage projects are often considered non-wires alternatives, providing grid flexibility, resiliency, and stability to the operating electrical network. This project is proposed to provide many of these services to LIPA. Energy storage can also be charged with renewable energy and dispatched at times when offshore wind solar are not producing. Energy storage is thus compatible and necessary to support the State's aggressive green energy initiatives.

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following:

i.	Site Clearance:	Yes ☐	No ■	% COMPLETE _____
ii.	Foundation:	Yes ☐	No ☐	% COMPLETE _____
iii.	Footings:	Yes ☐	No ☐	% COMPLETE _____
iv.	Steel:	Yes ☐	No ☐	% COMPLETE _____
v.	Masonry:	Yes ☐	No ☐	% COMPLETE _____
vi.	Other:	_____		

B. What is the current zoning? LI

C. Will the project meet zoning requirements at the proposed location?

Yes ■ No ☐

D. If a change of zoning is required, please provide the details/status of the change of zone request:

E. Have site plans been submitted to the appropriate planning department? Yes ☐ No ■

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: _____

ii. Construction/Renovation/Equipping: 2024-2025 project schedule

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: Due to the interconnection processes, the project will commence construction in or around 2024.

Part IV – Project Costs and Financing

1. Project Costs:

A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

Description	Amount
Land and/or building acquisition	$ 7,000,000
Building(s) demolition/construction	$ N/A
Building renovation	$ N/A
Site Work	$ 26,021,760.00
Machinery and Equipment	$ N/A
Legal Fees	$ 500,000
Architectural/Engineering Fees	$ 500,000
Financial Charges	$ N/A
Other (Specify)	$ 126,603,800.00 (See Addendum B attached)
Total	$ 160,625,560

Please note, IDA fees are based on the total project costs listed above. At the completion of your project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be adjusted as a result of the certified cost affidavit. Money will not be refunded if the final project cost is less than the amount listed above.

2. Method of Financing:

	Amount	Term
A. Tax-exempt bond financing:	$ N/A	_____ years
B. Taxable bond financing:	$ N/A	_____ years
C. Conventional Mortgage:	$ 128,500,448	unknown years
D. SBA (504) or other governmental financing:	$ N/A	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	$ N/A	
F. Other loans:	$ N/A	_____ years
G. Owner/User equity contribution:	$ 32,125,112	_____ years
Total Project Costs	$ 160,625,560	

i. What percentage of the project costs will be financed from public sector sources?

0%

3. Project Financing:

A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes ☐ No ■

i. If yes, provide detail on a separate sheet.

B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

N/A

C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

N/A

D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

N/A

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

   A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

   $128,500,448

   B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and .75%):

   $963,754

2. Sales and Use Tax Benefit:

   A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

   $160,625,560

   B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

   $13,853,955

   C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

      i. Owner: $N/A

      ii. User: $N/A

3. Real Property Tax Benefit:

   A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: No

   B. Agency PILOT Benefit:

      i. Term of PILOT requested: 25 years

      ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and attach such information to Exhibit A hereto. Applicant hereby requests such PILOT benefit as described on Exhibit A.

*** This application will not be deemed complete and final until Exhibit A hereto has been completed. ***

Part VI – Employment Data

1. List the Applicant's and each user's present employment and estimates of (i) employment at the proposed project location, not just new employment, at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area* ("LMA") that would fill the full-time and part-time jobs at the end of the second year following completion:

Present number of FTEs **: 0 _____ _____

Date Average Annual Salary of Jobs to be Retained

FTEs to be Created in First Year: 0 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	**Total**
FTE													

FTEs to be Created in Second Year: 0 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	**Total**
FTE													

Number of Residents of LMA:
Full-Time: 0
Part-Time: _____

Cumulative Total FTEs ** After Year 2 0

Construction Jobs to be Created: 20-30

*** The Labor Market Area includes the County/City/Town/Village in which the project is located as well as Nassau and Suffolk Counties.**

**** To calculate FTEs (Full-Time Equivalent Employees) please use the following example: if an organization considers 40 hours per week as full-time and there are four employees who work 10 hours each per week, the cumulative hours for those employees equal 1 FTE.**

2. Salary and Fringe Benefits:

Category of Jobs to be Created	Average Salary	Average Fringe Benefits
Salary Wage Earners		
Commission Wage Earners		
Hourly Wage Earners		
1099 and Contract Workers		

What is the annualized salary range of jobs to created? _____ to _____

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

Part VII – Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (If yes, furnish details on a separate sheet)

   Yes ☐ No ■

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state, or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, or other operating practices? (If yes, furnish details on a separate sheet)

   See Addendum A

   Yes ☐ No ■

3. Is there a likelihood that the Applicant would proceed with this project without the Agency's assistance? (If no, please explain why; if yes, please explain why the Agency should grant the benefits requested)

   Yes ☐ No ■

   The successful economics of the project rely on the benefits from the IDA.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

   The Applicant would not complete the project.

Original signature and initials are required. Electronic signatures and initials are not permitted.

5. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, where practicable, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.

   Initial _____

6. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project as well as may lead to other possible enforcement actions.

   Initial _____

7. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

   Initial _____

8. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

   Initial _____

9. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees, and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project. The IDA fees are based on the total project costs listed in this application. At the completion of the project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be increased as a result of the certified cost affidavit. Monies will not be refunded if the final costs are below the amount listed in the application.

Initial

10. The Applicant confirms and hereby acknowledges it has received the Agency's Construction Wage Policy attached hereto as Schedule B and agrees to comply with the same.

Initial

11. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture and Termination Policy, attached hereto as Schedule C.

Initial

12. The Applicant confirms and hereby acknowledges it has received the Agency's PILOT Policy attached hereto as Schedule D and agrees to comply with the same.

Initial

13. The Company hereby authorizes the Agency, without further notice or consent, to use the Company's name, logo and photographs related to the Facility in its advertising, marketing, and communications materials. Such materials may include web pages, print ads, direct mail and various types of brochures or marketing sheets, and various media formats other than those listed (including without limitation video or audio presentations through any media form). In these materials, the Agency also has the right to publicize its involvement in the Project.

Initial

Part VIII – Submission of Materials

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).

2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.

3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.

4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.

5. Completed Environmental Assessment Form.

6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

(Remainder of Page Intentionally Left Blank)

Part IX – Special Representations

1. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project. The Applicant hereby indicates its compliance with Section 862(1) by signing the applicable statement below. **(Please sign only one of the following statements a. or b. below).**

    a. The completion of the entire project will not result in the removal of an industrial or manufacturing plant of the project occupant from one are of the stat to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state.

    Representative of the Applicant: _____

    b. The completion of this entire project will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state because the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

    Representative of the Applicant: _____

2. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

    Representative of the Applicant: _____

3. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

    Representative of the Applicant: _____

4. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state, and federal tax, worker protection and environmental laws, rules, and regulations.

    Representative of the Applicant: _____

Part X – Certification

Travis Narum (Name of representative of entities submitting application) deposes and says that he or she is the Authorized Person (title) of Holtsville Energy Storage, LLC, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entities named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as in formation acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

The Applicant hereby subscribes and affirms under the penalties of perjury that the information provided in this Application is true, accurate and complete to the best of his or her knowledge

Representative of Applicant

Sworn to me before this 15th
Day of September, 20 22
Suzanne Ripley
(seal)

SUZANNE RIPLEY
Comm. Exp. 10/07/2023
NOTARY PUBLIC NOTARY SEAL 19927343
Jackson County
STATE OF MISSOURI

**** Note: If the entities named in this Application are unrelated and one individual cannot bind both entities, Parts VII, IX and X of this Application must be completed by an individual representative for each entity ****

EXHIBIT A

Proposed PILOT Schedule

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule to this Exhibit.

Town of Brookhaven Industrial Development
Schedule of Fees

Application -	$3,000 for projects with total costs under $5 million $4,000 for projects with total costs $5 million and over (non-refundable)
Closing/Expansion Sale/Transfer/Increase of Mortgage Amount/ Issuance of Refunding Bonds -	¾ of one percent up to $25 million total project cost and an additional 1/4 of one percent on any project costs in excess of $25 million. Projects will incur a minimum charge of $10,000 plus all fees incurred by the Agency including, but not limited to publication, legal, and risk monitoring.
Annual Administrative -	$2,000 administrative fee plus $500 per unrelated subtenant located in the project facility. This fee is due annually.
Termination –	Between $1,000 and $2,500
Refinance (excluding refunding bonds) –	1/4 of one percent of mortgage amount or $5,000, whichever is greater.
Late PILOT Payment –	5% penalty, 1% interest compounded monthly, plus $1,000 administrative fee.
PILOT extension -	a minimum of $15,000
Processing Fee -	$275 per hour with a minimum fee of $275
Lease of Existing Buildings (partial or complete) -	Fee is based on contractual lease amount.

The Agency reserves the right to adjust these fees.

Updated: November 17, 2020

SCHEDULE B

CONSTRUCTION WAGE POLICY

EFFECTIVE January 1, 2005

The purpose of the Brookhaven IDA is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in the Town.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in projects funded by the issuance of IDA tax exempt bonds in large projects.

The following shall be the policy of the Town of Brookhaven IDA for application for financial assistance in the form of tax-exempt financing for projects with anticipated construction costs in excess of $5,000,000.00 per site received after January 1, 2005. Non-profit corporations and affordable housing projects are exempt from the construction wage policy.

Any applicant required to adhere to this policy shall agree to:

(1) Employ 90% of the workers for the project from within Nassau or Suffolk Counties. In the event that this condition cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure to comply and;

(2) Be governed by the requirements of Section 220d of Article 8 of the Labor Law of the State of New York; and when requested by the Agency, provide to the Agency a plan for an apprenticeship program;

OR

(3) Provide to the Agency a project labor agreement or alternative proposal to pay fair wages to workers at the construction site.

Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in the best interests of the Town of Brookhaven.

Adopted: May 23, 2005

SCHEDULE C

RECAPTURE AND TERMINATION POLICY

EFFECTIVE JUNE 8, 2016

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the "**Act**"), the Town of Brookhaven Industrial Development Agency (the "**Agency**") is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 8, 2016.

I. Termination or Suspension of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the "**Applicant**") or any other document entered into by such parties in connection with a project (the "**Project Documents**"). Such Events of Default may include, but shall not be limited to, the following:

1) Sale or closure of the Facility (as such term is defined in the Project Documents);
2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
4) A material violation of the terms and conditions of the Project Agreements; and
5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term "**Financial Assistance**" shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency's participation in the transaction contemplated by the Project Agreements including, but not limited to:

(i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;

(ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and

(iii) real property tax abatements granted under the Project Agreements.

II. Recapture of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

1) Sale or closure of the Facility (as such term is defined in the Project Documents);
2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
4) A material violation of the terms and conditions of the Project Agreements; and
5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

III. Modification of Payment In Lieu of Tax Agreement

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending, or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.

SCHEDULE D

Agency Payment in Lieu of Taxes (PILOT) Policy

An annual fee of $2,000 (plus $500 per subtenant) will be due to the Agency in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Industrial Development Agency (IDA) may grant or be utilized to obtain a partial or full real property tax abatement for a determined period. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven IDA.

2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31st of each year, or in two equal payments due January 31st and May 31st of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.

3. The Town of Brookhaven IDA shall establish a separate, interest-bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).

4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.

5. Payments in lieu of taxes which are delinquent under the agreement shall be subject to a late payment penalty of five percent (5%) of the amount due. For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made.

6. If a PILOT payment is not received by **January 31st** of any year or **May 31st** of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may give the lessee notice of said default. If the payment is not received within thirty (30) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.

7. The CEO shall maintain records of the PILOT accounts at the Agency office.

8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.

9. Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the Applicant.

10. This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.

Addendum A to Holtsville Energy Storage Project IDA Application

Applicant notes that in making the representations in Item F on Page 4 and Question 2 on Page 17 of the Application, Applicant did not undertake an investigation of Applicant's affiliates (other than its sole member, Savion, LLC), officers, or management, and except for representations regarding Applicant and Savion, LLC, no representation is made regarding any other affiliates, officers, or management of Applicant.

Addendum B to Holtsville Energy Storage Project IDA Application

Site Work		
Civil/Site Work	$	
Concrete Pads	$	
Access Road(s)	$	
Electrical Infrastructure	$	
TOTAL	$	26,021,760.00
Other	$	-
Batteries	$	
Software	$	
Containers	$	
Inverters	$	
Transformers	$	
TOTAL	$	126,603,800.00

AFFIDAVIT

State of Missouri)
)
) ss.:
)
County of Jackson)

Travis Narum, being duly sworn, deposes and says:

1. I am Authorized Person at Savion, LLC, the parent company of Holtsville Energy Storage, LLC.

2. This Affidavit is submitted in furtherance of the Site Plan Application of Holtsville Energy Storage, LLC, Log Number 22 SP 0012, before the Planning Board of the Town of Brookhaven, New York.

3. In accordance with Town Code §85-816H(1), the attached two (2) Decommissioning Bond Estimates have been independently prepared and sealed by Langan Engineering, DPC for the proposed 110MW Tier 2 Holtsville Energy Storage Project to be located at 5276 Expressway Drive South, Morris Avenue and 178 Morris Avenue within the Town of Brookhaven's unincorporated hamlet of Holtsville, Suffolk County, NY.

SUZANNE RIPLEY
Comm. Exp. 10/07/2023
NOTARY PUBLIC NOTARY SEAL 19927343
Jackson County
STATE OF MISSOURI

(Name of Affiant)

Sworn to before me this
15th day of September, 2022

Suzanne Ripley

AFFIDAVIT

State of Missouri)
)
) ss.:
)
County of Jackson)

Travis Narum, being duly sworn, deposes and says:

1. I am Authorized Person at Savion, LLC, the parent company of Yaphank Energy Storage, LLC.

2. This Affidavit is submitted in furtherance of the Site Plan Application of Yaphank Energy Storage, LLC, Log Number 22 SP 0013, before the Planning Board of the Town of Brookhaven, New York.

3. In accordance with Town Code §85-816H(1), the attached two (2) Decommissioning Bond Estimates have been independently prepared and sealed by Langan Engineering, DPC for the proposed 77MW Tier 2 Yaphank Energy Storage Project to be located at 0 Ramsey Road within the Town of Brookhaven's unincorporated hamlet of Ridge, Suffolk County, NY.

SUZANNE RIPLEY
Comm. Exp. 10/07/2023
NOTARY PUBLIC NOTARY SEAL 19927343
Jackson County
STATE OF MISSOURI

(Name of Affiant)

Sworn to before me this
15th day of September, 2022

Suzanne Ripley

FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
1 Independence Hill, 2nd Floor, Farmingville, New York 11738

DATE: October 10, 2022

APPLICATION OF: **HYDRO METAL HOLDINGS, LLC**
Name of Owner and/or User of Proposed Project

ADDRESS: **20 Pinehurst Drive**

Bellport, New York 11713

Type of Application:
- ☐ Tax-Exempt Bond
- ☐ Taxable Bond
- ☒ Straight Lease
- ☐ Refunding Bond

Please respond to all items either by filling in blanks, by attachment (by marking space "see attachment number 1", etc.) or by N.A., where not applicable. Application must be filed in two copies. A non-refundable application fee is required at the time of submission of this application to the Agency. The non-refundable application fee is $3,000 for applications under $5 million and $4,000 for applications of $5 million or more.

Transaction Counsel to the Agency may require a retainer which will be applied to fees incurred and actual out-of-pocket disbursements made during the inducement and negotiation processes and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an official Inducement Resolution but may be subject to disclosure under the New York State Freedom of Information Law.

Prior to submitting a completed final application, please arrange to meet with the Agency's staff to review your draft application. Incomplete applications will not be considered. The Board reserves the right to require that the applicant pay for the preparation of a Cost Benefit Analysis, and the right to approve the company completing the analysis.

PLEASE NOTE: It is the policy of the Brookhaven IDA to encourage the use of local labor and the payment of the area standard wage during construction on the project.

IDA benefits may not be conferred upon the Company until the Lease and Project Agreement have been executed.

INDEX

Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): **HYDRO METAL HOLDINGS, LLC**

Address: **17 Peconic Avenue**

Medford, New York 11763

Federal Employer ID #: [redacted] Website: _____

NAICS Code: **531120**

Owner Officer Certifying Application: **Shasho Pole**

Title of Officer: **President**

Phone Number: [redacted] E-mail: _____

B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Limited Liability Company ☒

Privately Held ☐ Public Corporation ☐ Listed on _____

State of Incorporation/Formation: **New York**

C. Nature of Business:
(e.g., "manufacturer of _____ for ____ industry"; "distributor of _____"; or "real estate holding company")

Real estate holding company

D. Owner Counsel:

Firm Name: **Forchelli Deegan Terrana LLP**

Address: **333 Earle Ovington Blvd., Suite 1010**

Uniondale, New York 11553

Individual Attorney: **Daniel Dornfeld, Esq.**

Phone Number: **516-248-1700** E-mail: **DDornfeld@forchellilaw.com**

E. Principal Stockholders, Members or Partners, if any, of the Owner:

Name	Percent Owned
Shasho Pole	**100%**

F. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, member, officer, director, or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (If yes, please explain)

No

ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (If yes, please explain)

No

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

Entities owned by Shasho Pole: Boilermatic Welding Industries, Inc.

H. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

I. List parent corporation, sister corporations and subsidiaries:

J. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

No.

K. List major bank references of the Owner:

2. User Data

(for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user)

A. User (together with the Owner, the "Applicant"): **Boilermatic Welding Industries, Inc.**

Address: **17 Peconic Avenue, Medford, New York 11763**

Federal Employer ID #[redacted] Website: **www.boilermatic.com**

NAICS Code: 811310

User Officer Certifying Application: **Shasho Pole**

Title of Officer: President

Phone Number: [redacted] E-mail: spole@boilermatic.com

B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Privately Held ☒

Public Corporation ☐ Listed on _____

State of Incorporation/Formation: **New York**

C. Nature of Business:

(e.g., "manufacturer of _____ for ____ industry"; "distributor of _____"; or "real estate holding company")

Full-service mechanical construction company

D. Are the User and the Owner Related Entities? Yes ☒ No ☐

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: _____

Address: _____

_____

Individual Attorney: _____

Phone Number: _____ E-mail: _____

F. Principal Stockholders or Partners, if any:

Name	Percent Owned
Shasho Pole	**100%**

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director, or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (If yes, please explain)

No.

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (If yes, please explain)

No.

H. If any of the above persons (see "F", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

n/a

I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

n/a

J. List parent corporation, sister corporations and subsidiaries:

K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

No.

L. List major bank references of the User:

Part II – Operation at Current Location

(if the Owner and the User are unrelated entities, answer separately for each)

1. Current Location Address: **17 Peconic Avenue, Medford, New York 11763**
2. Owned or Leased: **Owned**
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):

Single story industrial building.

4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:

HYDRO METAL HOLDINGS, LLC: real-estate holding company

Boilermatic Welding Industries, Inc.: full-service mechanical construction company

5. Are other facilities or related companies of the Applicant located within the State?
Yes ☐ No ☒

A. If yes, list the Address: **n/a**

6. Will the completion of the project result in the removal of any facility or facilities of the Applicant from one area of the state to another OR in the abandonment of any facility or facilities of the Applicant located within the State? Yes ■ No ☒

A. If no, explain how current facilities will be utilized:

Premises will be leased by the Applicant to Boilermatic Welding Industries, Inc.

B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:

The facility will replace user's current facility.

7. Has the Applicant actively considered sites in another state? Yes ☒ No ☐

A. If yes, please list states considered and explain: Applicant needs to find a new facility.

Applicant has considered moving to New Jersey.

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes ■ No ☐

A. Please explain: This is an assignment of the prior TOBIDA transaction. We are not requesting additional financial assistance.

However, if the assignment is not permitted then it would jeopardize this purchase and Applicant would investigate other locations.

9. Number of full-time equivalent employees (FTE's) at current location and average salary (indicate hourly or yearly salary):

56. $115,000

Part III – Project Data

1. Project Type:

   A. What type of transaction are you seeking? (Check one)

   Straight Lease ☒ Taxable Bonds ☐ Tax-Exempt Bonds ☐

   Equipment Lease Only ☐

   B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

   Sales Tax Exemption ☒ Mortgage Recording Tax Exemption ☒

   PILOT Agreement: ☒

2. Location of project:

   A. Street Address: **20 Pinehurst Drive, Bellport, New York 11713**

   B. Tax Map: District **0200** Section **813.00** Block **01.00** Lot(s) **008.029**

   C. Municipal Jurisdiction:

   i. Town: **Brookhaven**
   ii. Village: **Hamlet of Bellport**
   iii. School District: **South Country CSD**

   D. Acreage: **1.75**

3. Project Components (check all appropriate categories):

A. Construction of a new building ☐ Yes ☒ No
   i. Square footage: **n/a**

B. Renovations of an existing building ☒ Yes ☐ No
   i. Square footage: **19,172 SF**

C. Demolition of an existing building ☐ Yes ☒ No
   i. Square footage: **n/a**

D. Land to be cleared or disturbed ☐ Yes ☒ No
   i. Square footage/acreage: **n/a**

E. Construction of addition to an existing building ☐ Yes ☒ No
   i. Square footage of addition: **n/a**
   ii. Total square footage upon completion: **n/a**

F. Acquisition of an existing building ☒ Yes ☐ No
   i. Square footage of existing building: **19,172 SF**

G. Installation of machinery and/or equipment ■ Yes ☐ No

i. List principal items or categories of equipment to be acquired: welding equipment and automated cutting equipment.

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location?

i. If no, please list the present owner of the site: **Coast 2 Coast Real Estate LLC**

B. Present use of the proposed location: **Coast 2 Coast Real Estate LLC: office space**

C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) ☒ Yes ☐ No

i. If yes, explain: **See attached IDA application by and between Town of Brookhaven and Coast 2 Coast Real Estate LLC**

D. Is there a purchase contract for the site? (If yes, explain): ☒ Yes ☐ No

See Exhibit "A", attached.

E. Is there an existing or proposed lease for the site? (If yes, explain): ☐ Yes ☒ No

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: **All uses will be office and corporate headquarter uses (w/ related on-site storage for operations).**

B. Proposed product lines and market demands: mechanical construction.

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

n/a

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

This project is necessary for the Applicant to grow the current business structure on Long Island and in Suffolk County. The effect of the project will be the expansion of the Applicant's current business to assist the business in serving the surrounding communities and to provide a large number of jobs for residents of the local communities.

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes ☐ No ☒

i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? **n/a**

F. To what extent will the project utilize resource conservation, energy efficiency, green technologies, and alternative / renewable energy measures?

The project site will install and utilize solar power energy.

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following: n/a

i.	Site Clearance:	Yes ☐	No ☐	% COMPLETE
ii.	Foundation:	Yes ☐	No ☐	% COMPLETE
iii.	Footings:	Yes ☐	No ■	% COMPLETE
iv.	Steel:	Yes ☐	No ☐	% COMPLETE
v.	Masonry:	Yes ☐	No ☐	% COMPLETE
vi.	Other:			

B. What is the current zoning? **Town of Brookhaven's L Industrial 1 District**

C. Will the project meet zoning requirements at the proposed location?

Yes ☒ No ☐

D. If a change of zoning is required, please provide the details/status of the change of zone request: n/a

E. Have site plans been submitted to the appropriate planning department? Yes ☐ No ☒

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: 12/2022

ii. Construction/Renovation/Equipping: 12/2024

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: 12/2022

*****See attached IDA application by and between Town of Brookhaven and Coast 2 Coast Real Estate LLC**

Part IV – Project Costs and Financing

1. Project Costs:

   A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

Description	Amount
Land and/or building acquisition	$ 5,300,000.00
Building(s) demolition/construction	$
Building renovation	$ 750,000.00
Site Work	$
Machinery and Equipment	$ 1,000,000.00
Legal Fees	$ 50,000.00
Architectural/Engineering Fees	$
Financial Charges	$
Other (Specify)	$
Total	$ 7,100,000.00

Please note, IDA fees are based on the total project costs listed above. At the completion of your project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be adjusted as a result of the certified cost affidavit. Money will not be refunded if the final project cost is less than the amount listed above.

2. Method of Financing:

	Amount	Term
A. Tax-exempt bond financing:	$	____ years
B. Taxable bond financing:	$	____ years
C. Conventional Mortgage:	$ 6,000,000	20 years
D. SBA (504) or other governmental financing:	$	____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	$	
F. Other loans:	$	____ years
G. Owner/User equity contribution:	$ 1,100,000.00	10 years
Total Project Costs	$ 7,100,000.00	

i. What percentage of the project costs will be financed from public sector sources?

0

*****See attached IDA application by and between Town of Brookhaven and Coast 2 Coast Real Estate LLC**

3. Project Financing:

   A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes ☐ No ☒

      i. If yes, provide detail on a separate sheet.

   B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

   _____

   _____

   C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

   _____

   _____

   D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

   _____

   _____

*****See attached IDA application by and between Town of Brookhaven and Coast 2 Coast Real Estate LLC**

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

   A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

   $ 0

   B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and .75%):

   $ 0

2. Sales and Use Tax Benefit: NOTE: Applicant intends to utilize the Sales Tax Abatement from current IDA agreement.

   A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

   $ 1,750,000.00

   B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

   $ 150,937.50

   C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

      i. Owner: $_____

      ii. User: $_____

3. Real Property Tax Benefit: NOTE: Applicant intends to utilize the PILOT schedule from current IDA Agreement.

   A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: It will not.

   B. Agency PILOT Benefit:

      i. Term of PILOT requested: The current PILOT term is ten years.

      ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and attach such information to Exhibit A hereto. Applicant hereby requests such PILOT benefit as described on Exhibit A.

*** This application will not be deemed complete and final until Exhibit A hereto has been completed. ***

Part VI – Employment Data

1. List the Applicant's and each user's present employment and estimates of (i) employment at the proposed project location, not just new employment, at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area* ("LMA") that would fill the full-time and part-time jobs at the end of the second year following completion:

Present number of FTEs **: 56 9/30/2022 $115,000
Date Average Annual Salary of Jobs to be Retained

FTEs to be Created in First Year: 2023 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	**Total**
FTE												9	9

FTEs to be Created in Second Year: 2024 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	**Total**
FTE												5	5

Number of Residents of LMA:
Full-Time: 60
Part-Time: _____

Cumulative Total FTEs ** After Year 2 70

Construction Jobs to be Created: 24

*** The Labor Market Area includes the County/City/Town/Village in which the project is located as well as Nassau and Suffolk Counties.**

**** To calculate FTEs (Full-Time Equivalent Employees) please use the following example: if an organization considers 40 hours per week as full-time and there are four employees who work 10 hours each per week, the cumulative hours for those employees equal 1 FTE.**

2. Salary and Fringe Benefits:

Category of Jobs to be Created	Average Salary	Average Fringe Benefits
Salary Wage Earners	62,500	28,800
Commission Wage Earners	0	0
Hourly Wage Earners	143,000	118,000
1099 and Contract Workers		

What is the annualized salary range of jobs to created? 50,000 to 150,000

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

Part VII – Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (If yes, furnish details on a separate sheet)

   Yes ☐ No ■

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state, or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, or other operating practices? (If yes, furnish details on a separate sheet)

   Yes ☐ No ■

3. Is there a likelihood that the Applicant would proceed with this project without the Agency's assistance? (If no, please explain why; if yes, please explain why the Agency should grant the benefits requested)

   Yes ■ No ☐

   Without the Agency's assistance, the Applicant would be forced to look at other options outside the county and state.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

   Applicant would look at other locations for its business.

Original signature and initials are required. Electronic signatures and initials are not permitted.

5. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, where practicable, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.

   Initial SP

6. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project as well as may lead to other possible enforcement actions.

   Initial SP

7. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

   Initial SP

8. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

   Initial SP

9. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees, and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project. The IDA fees are based on the total project costs listed in this application. At the completion of the project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be increased as a result of the certified cost affidavit. Monies will not be refunded if the final costs are below the amount listed in the application.

   Initial SP

10. The Applicant confirms and hereby acknowledges it has received the Agency's Construction Wage Policy attached hereto as Schedule B and agrees to comply with the same.

    Initial SP

11. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture and Termination Policy, attached hereto as Schedule C.

    Initial SP

12. The Applicant confirms and hereby acknowledges it has received the Agency's PILOT Policy attached hereto as Schedule D and agrees to comply with the same.

    Initial SP

13. The Company hereby authorizes the Agency, without further notice or consent, to use the Company's name, logo and photographs related to the Facility in its advertising, marketing, and communications materials. Such materials may include web pages, print ads, direct mail and various types of brochures or marketing sheets, and various media formats other than those listed (including without limitation video or audio presentations through any media form). In these materials, the Agency also has the right to publicize its involvement in the Project.

    Initial SP

Part VIII – Submission of Materials

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).

2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.

3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.

4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.

5. Completed Environmental Assessment Form.

6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

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Part IX – Special Representations

1. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project. The Applicant hereby indicates its compliance with Section 862(1) by signing the applicable statement below. **(Please sign only one of the following statements a. or b. below).**

    a. The completion of the entire project will not result in the removal of an industrial or manufacturing plant of the project occupant from one are of the stat to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state.

    Representative of the Applicant: _____

    b. The completion of this entire project will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state because the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

    Representative of the Applicant: _____

2. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

    Representative of the Applicant: _____

3. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

    Representative of the Applicant: _____

4. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state, and federal tax, worker protection and environmental laws, rules, and regulations.

    Representative of the Applicant: _____

Part X – Certification

Shasho Pole (Name of representative of entities submitting application) deposes and says that he or she is the **President** (title) of **HYDRO METAL HOLDINGS, LLC**, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entities named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as in formation acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

The Applicant hereby subscribes and affirms under the penalties of perjury that the information provided in this Application is true, accurate and complete to the best of his or her knowledge

Representative of Applicant

Sworn to me before this 20th
Day of October, 2022

(seal)

SARA MARIE WILSON
NOTARY PUBLIC-STATE OF NEW YORK
No. 01WI6368147
Qualified in Suffolk County
My Commission Expires 02-17-2026

**** Note: If the entities named in this Application are unrelated and one individual cannot bind both entities, Parts VII, IX and X of this Application must be completed by an individual representative for each entity ****

EXHIBIT A

Proposed PILOT Schedule

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule to this Exhibit.

Town of Brookhaven Industrial Development
Schedule of Fees

Application -	$3,000 for projects with total costs under $5 million $4,000 for projects with total costs $5 million and over (non-refundable)
Closing/Expansion Sale/Transfer/Increase of Mortgage Amount/ Issuance of Refunding Bonds -	¾ of one percent up to $25 million total project cost and an additional 1/4 of one percent on any project costs in excess of $25 million. Projects will incur a minimum charge of $10,000 plus all fees incurred by the Agency including, but not limited to publication, legal, and risk monitoring.
Annual Administrative -	$2,000 administrative fee plus $500 per unrelated subtenant located in the project facility. This fee is due annually.
Termination –	Between $1,000 and $2,500
Refinance (excluding refunding bonds) –	1/4 of one percent of mortgage amount or $5,000, whichever is greater.
Late PILOT Payment –	5% penalty, 1% interest compounded monthly, plus $1,000 administrative fee.
PILOT extension -	a minimum of $15,000
Processing Fee -	$275 per hour with a minimum fee of $275
Lease of Existing Buildings (partial or complete) -	Fee is based on contractual lease amount.

The Agency reserves the right to adjust these fees.

Updated: November 17, 2020

SCHEDULE B

CONSTRUCTION WAGE POLICY

EFFECTIVE January 1, 2005

The purpose of the Brookhaven IDA is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in the Town.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in projects funded by the issuance of IDA tax exempt bonds in large projects.

The following shall be the policy of the Town of Brookhaven IDA for application for financial assistance in the form of tax-exempt financing for projects with anticipated construction costs in excess of $5,000,000.00 per site received after January 1, 2005. Non-profit corporations and affordable housing projects are exempt from the construction wage policy.

Any applicant required to adhere to this policy shall agree to:

(1) Employ 90% of the workers for the project from within Nassau or Suffolk Counties. In the event that this condition cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure to comply and;

(2) Be governed by the requirements of Section 220d of Article 8 of the Labor Law of the State of New York; and when requested by the Agency, provide to the Agency a plan for an apprenticeship program;

OR

(3) Provide to the Agency a project labor agreement or alternative proposal to pay fair wages to workers at the construction site.

Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in the best interests of the Town of Brookhaven.

Adopted: May 23, 2005

SCHEDULE C

RECAPTURE AND TERMINATION POLICY

EFFECTIVE JUNE 8, 2016

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the "**Act**"), the Town of Brookhaven Industrial Development Agency (the "**Agency**") is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 8, 2016.

I. Termination or Suspension of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the "**Applicant**") or any other document entered into by such parties in connection with a project (the "**Project Documents**"). Such Events of Default may include, but shall not be limited to, the following:

1) Sale or closure of the Facility (as such term is defined in the Project Documents);
2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
4) A material violation of the terms and conditions of the Project Agreements; and
5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term "**Financial Assistance**" shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency's participation in the transaction contemplated by the Project Agreements including, but not limited to:

(i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;

(ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and

(iii) real property tax abatements granted under the Project Agreements.

II. Recapture of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

1) Sale or closure of the Facility (as such term is defined in the Project Documents);
2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
4) A material violation of the terms and conditions of the Project Agreements; and
5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

III. Modification of Payment In Lieu of Tax Agreement

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending, or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.

SCHEDULE D

Agency Payment in Lieu of Taxes (PILOT) Policy

An annual fee of $2,000 (plus $500 per subtenant) will be due to the Agency in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Industrial Development Agency (IDA) may grant or be utilized to obtain a partial or full real property tax abatement for a determined period. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven IDA.

2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31st of each year, or in two equal payments due January 31st and May 31st of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.

3. The Town of Brookhaven IDA shall establish a separate, interest-bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).

4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.

5. Payments in lieu of taxes which are delinquent under the agreement shall be subject to a late payment penalty of five percent (5%) of the amount due. For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made.

6. If a PILOT payment is not received by **January 31st** of any year or **May 31st** of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may give the lessee notice of said default. If the payment is not received within thirty (30) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.

7. The CEO shall maintain records of the PILOT accounts at the Agency office.

8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.

9. Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the Applicant.

10. This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.

FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
1 Independence Hill, 2nd Floor, Farmingville, New York 11738

DATE: October 14, 2022

APPLICATION OF: Sunrise Wind LLC
Name of Owner and/or User of Proposed Project

ADDRESS: 437 Madison Avenue, Suite 1903
New York, NY 10022

Type of Application:
- ☐ Tax-Exempt Bond
- ☐ Taxable Bond
- ■ Straight Lease
- ☐ Refunding Bond

Please respond to all items either by filling in blanks, by attachment (by marking space "see attachment number 1", etc.) or by N.A., where not applicable. Application must be filed in two copies. A non-refundable application fee is required at the time of submission of this application to the Agency. The non-refundable application fee is $3,000 for applications under $5 million and $4,000 for applications of $5 million or more.

Transaction Counsel to the Agency may require a retainer which will be applied to fees incurred and actual out-of-pocket disbursements made during the inducement and negotiation processes and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an official Inducement Resolution but may be subject to disclosure under the New York State Freedom of Information Law.

Prior to submitting a completed final application, please arrange to meet with the Agency's staff to review your draft application. Incomplete applications will not be considered. The Board reserves the right to require that the applicant pay for the preparation of a Cost Benefit Analysis, and the right to approve the company completing the analysis.

PLEASE NOTE: It is the policy of the Brookhaven IDA to encourage the use of local labor and the payment of the area standard wage during construction on the project.

IDA benefits may not be conferred upon the Company until the Lease and Project Agreement have been executed.

INDEX

Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): Sunrise Wind LLC

Address: 437 Madison Avenue, Suite 1903

New York, NY 10022

Federal Employer ID #: Website: sunrisewindny.com

NAICS Code: 221115

Owner Officer Certifying Application: Peter Allen

Title of Officer: Head of Finance, Orsted Offshore North America (Orsted)

Phone Number: [redacted] E-mail:

Owner Officer Certifying Application: Pat Smith

Title of Officer: Vice President of Competitive Transmission and Renewable Markets (Eversource)

Phone Number [redacted] Email: [redacted]

B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Limited Liability Company ■

Privately Held ☐ Public Corporation ☐ Listed on _____

State of Incorporation/Formation: Delaware

C. Nature of Business:

(e.g., "manufacturer of _____ for ____ industry"; "distributor of _____"; or "real estate holding company")

Owner and operator of on-shore and off-shore power transmission infrastructure to deliver power generated by the Sunrise Wind Farm.

D. Owner Counsel:

Firm Name: Harris Beach PLLC

Address: 333 Earle Ovington Blvd. Suite 901

Uniondale, NY 11553

Individual Attorney: Andrew Komaromi

Phone Number: 516 880-8385 E-mail: akomaromi@harrisbeach.com

E. Principal Stockholders, Members or Partners, if any, of the Owner:

Name	Percent Owned
Please see Appendix A for the Owner's Corporate ownership structure	

F. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, member, officer, director, or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (If yes, please explain)

No.

ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (If yes, please explain)

No.

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

Orsted North America nc. is a subsidiary of Orsted S/A

Eversource Investment LLC is a subsidiary of Eversource (NYSE: ES)

H. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

No.

I. List parent corporation, sister corporations and subsidiaries:

Please see Appendix A for the Owner's Corporate Ownership Structure.

The Owner has no subsidiaries.

J. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

The Owner has a pending previously submitted Application to this Agency for the related Sunrise Wind (SRW) New York Onshore Export Facilities Project in the municipality where the Project is located.

K. List major bank references of the Owner:

JP Morgan Chase Bank, 4 New York Plaza Floor 15, New York, NY 10004

Sophia Barker, Email: Sophia.d.barker@jpmorgan.com; Phone: 813-432-3670

2. User Data

(for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user)

A. User (together with the Owner, the "Applicant"): Not Applicable

Address: _____

_____

Federal Employer ID #: _____ Website: _____

NAICS Code: _____

User Officer Certifying Application: _____

Title of Officer: _____

Phone Number: _____ E-mail: _____

B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Privately Held ☐

Public Corporation ☐ Listed on _____

State of Incorporation/Formation: _____

C. Nature of Business:
(e.g., "manufacturer of _____ for ____ industry"; "distributor of _____"; or "real estate holding company")

_____

D. Are the User and the Owner Related Entities? Yes ☐ No ☐

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: _____

Address: _____

_____

Individual Attorney: _____

Phone Number: _____ E-mail: _____

F. Principal Stockholders or Partners, if any:

Name	Percent Owned
_____	_____
_____	_____
_____	_____

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director, or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (If yes, please explain)

_____

_____

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (If yes, please explain)

_____

_____

H. If any of the above persons (see "F", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

_____

_____

I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

_____

_____

J. List parent corporation, sister corporations and subsidiaries:

_____

_____

K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

_____

_____

L. List major bank references of the User:

_____

_____

Part II – Operation at Current Location

(if the Owner and the User are unrelated entities, answer separately for each)

1. Current Location Address: _____
2. Owned or Leased: _____
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):

_____

_____

4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:
   Not Applicable, as the Owner is not currently operating any active projects.

5. Are other facilities or related companies of the Applicant located within the State?
   Yes ☐ No ■

   A. If yes, list the Address: _____

6. Will the completion of the project result in the removal of any facility or facilities of the Applicant from one area of the state to another OR in the abandonment of any facility or facilities of the Applicant located within the State? Yes ☐ No ■

   A. If no, explain how current facilities will be utilized: _____
   Not Applicable, as the Owner is not currently operating any active projects.

   B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:

7. Has the Applicant actively considered sites in another state? Yes ☐ No ■

   A. If yes, please list states considered and explain: _____

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes ☐ No ☐
   A. Please explain: _____
   The requested assistance is necessary to enable the Owner to complete and operate the proposed Project and the related SRW Onshore Export Facilities Project.

9. Number of full-time equivalent employees (FTE's) at current location and average salary (indicate hourly or yearly salary):
   Not Applicable, as the Owner is not currently operating any active projects.

Part III – Project Data

1. Project Type:

   A. What type of transaction are you seeking? (Check one)

   Straight Lease ■ Taxable Bonds ☐ Tax-Exempt Bonds ☐
   Equipment Lease Only ☐

   B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

   Sales Tax Exemption ■ Mortgage Recording Tax Exemption ☐
   PILOT Agreement: ■

2. Location of project:

   A. Street Address: _____

   B. Tax Map: District 0200 Section 277.00 Block 02.00 Lot(s) 017.004

   C. Municipal Jurisdiction:

   i. Town: Brookhaven
   ii. Village: N/A
   iii. School District: Three Village Central School District

   D. Acreage: 4.5

3. Project Components (check all appropriate categories):

A. Construction of a new building ☐ Yes ■ No
   i. Square footage: _____

B. Renovations of an existing building ■ Yes ☐ No
   i. Square footage: 59,525

C. Demolition of an existing building ☐ Yes ■ No
   i. Square footage: N/A

D. Land to be cleared or disturbed ☐ Yes ■ No
   i. Square footage/acreage: _____

E. Construction of addition to an existing building ☐ Yes ■ No
   i. Square footage of addition: _____
   ii. Total square footage upon completion: _____

F. Acquisition of an existing building ☐ Yes ■ No
   i. Square footage of existing building: _____

G. Installation of machinery and/or equipment ■ Yes ☐ No

i. List principal items or categories of equipment to be acquired: Internal Steel Structures

Office partitions, doors, floor, sanitary fixtures, warehouse racking, plumbing, IT cabling, access control, landscape, drainage, backup generator, etc.

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location?

i. If no, please list the present owner of the site: Yes.

B. Present use of the proposed location: Vacant space configured for warehouse and office use.

C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) ☐ Yes ■ No

i. If yes, explain: _____

D. Is there a purchase contract for the site? (If yes, explain): ☐ Yes ■ No

Site was acquired by the Applicant as a possible sight for its O&M Hub.

E. Is there an existing or proposed lease for the site? (If yes, explain): ☐ Yes ■ No

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: The Project Facility at 22 Research Way is proposed to serve as a full service Operations and Maintenance Hub for the Sunrise Wind New York Offshore Export Facilities Project and the Sunrise Wind Offshore Generation Project*

B. Proposed product lines and market demands: The Project is planned to achieve the State's Offshore Wind and renewable energy goals and is a necessary component of the Sunrise Wind Power Generating Project that will have the potential capacity to power over half a million homes.

*The Sunrise Wind New York Onshore Export Facilities Project will deliver power generated by the approximately 924MW Sunrise Wind power generator project to be located 30 miles east of Montauk Point in federal waters on the Outer Continental Shelf and once complete will have the potential capacity to power more than half a million homes.

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

Not Applicable

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

Applicant executed a 25-year Offshore Wind Renewable Energy Certificate ("OREC") contract in October, 2019 with the New York State Energy Research and Development Authority ("NYSERDA") for the SRWF and the Sunrise Wind New York Cable Project. The Project, consisting of the O&M Hub, is a necessary component of the foregoing.

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes ☐ No ■

i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? _____

F. To what extent will the project utilize resource conservation, energy efficiency, green technologies, and alternative / renewable energy measures?

The Project is complementary to and a necessary component of the Sunrise Wind Farm renewable energy generation facility. All of the energy transmitted by the Project is renewable wind generated energy.

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following:

i.	Site Clearance:	Yes ☐	No ■	% COMPLETE _____
ii.	Foundation:	Yes ☐	No ☒	% COMPLETE _____
iii.	Footings:	Yes ☐	No ☒	% COMPLETE _____
iv.	Steel:	Yes ☐	No ☒	% COMPLETE _____
v.	Masonry:	Yes ☐	No ☒	% COMPLETE _____
vi.	Other:	_____		

B. What is the current zoning? L Industrial 1

C. Will the project meet zoning requirements at the proposed location?

Yes ■ No ☐

D. If a change of zoning is required, please provide the details/status of the change of zone request: Not Applicable

E. Have site plans been submitted to the appropriate planning department? Yes ☐ No ☐
Not Applicable.

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: 2021

ii. Construction/Renovation/Equipping: 2022 through 2023

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: Project completion is estimated to take place in 2024.

Part IV – Project Costs and Financing

1. Project Costs:

   A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

Description	Amount
Land and/or building acquisition	$ 7,300,000
Building(s) demolition/construction	$ 1,200,000
Building renovation	$ 6,599,560
Site Work	$ 1,500,000
Machinery and Equipment	$ 17,500,000
Legal Fees	$
Architectural/Engineering Fees	$ 3,000,000
Financial Charges	$ NA
Other (Specify)	$ 700,000 (Insurance)
Total	$ 37,799,560

Please note, IDA fees are based on the total project costs listed above. At the completion of your project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be adjusted as a result of the certified cost affidavit. Money will not be refunded if the final project cost is less than the amount listed above.

2. Method of Financing:

	Amount	Term
A. Tax-exempt bond financing:	$ -	- years
B. Taxable bond financing:	$ -	- years
C. Conventional Mortgage:	$ -	- years
D. SBA (504) or other governmental financing:	$ -	- years
E. Public Sources (include sum of all State and federal grants and tax credits):	$ -	
F. Other loans:	$ -	- years
G. Owner/User equity contribution:	$ 37,799,560	N/A years
Total Project Costs	$ 37,799,560	

   i. What percentage of the project costs will be financed from public sector sources?

   Zero%

3. Project Financing:

A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes ■ No □

i. If yes, provide detail on a separate sheet. To date, the costs of acquiring the Facility in the amount of $7,300,000 have been incurred.

B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

Not Applicable

C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

Not Applicable

D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

Not Applicable

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

   A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

   $Not Applicable

   B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and .75%):

   $Not Applicable

2. Sales and Use Tax Benefit:

   A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

   $21,459,736 (consisting of 60% of Building Renovation and 100% of FF&E)

   B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

   $1,850,902

   C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

      i. Owner: $Not Applicable

      ii. User: $Not Applicable

3. Real Property Tax Benefit:

   A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: Not Applicable

   B. Agency PILOT Benefit:

      i. Term of PILOT requested: 25 years

      ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and attach such information to Exhibit A hereto. Applicant hereby requests such PILOT benefit as described on Exhibit A.

*** This application will not be deemed complete and final until Exhibit A hereto has been completed. ***

Part VI – Employment Data

1. List the Applicant's and each user's present employment and estimates of (i) employment at the proposed project location, not just new employment, at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area* ("LMA") that would fill the full-time and part-time jobs at the end of the second year following completion:

Present number of FTEs **: N/A N/A N/A

Date Average Annual Salary of Jobs to be Retained

FTEs to be Created in First Year: At SRW COD-2025* (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	**Total**
FTE													65

FTEs to be Created in Second Year: _____ (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	**Total**
FTE													65

Number of Residents of LMA:
Full-Time: 50
Part-Time: _____

Cumulative Total FTEs ** After Year 2 140

Construction Jobs to be Created: _____

*** The Labor Market Area includes the County/City/Town/Village in which the project is located as well as Nassau and Suffolk Counties.**

**** To calculate FTEs (Full-Time Equivalent Employees) please use the following example: if an organization considers 40 hours per week as full-time and there are four employees who work 10 hours each per week, the cumulative hours for those employees equal 1 FTE.**

2. Salary and Fringe Benefits:

Category of Jobs to be Created	Average Salary	Average Fringe Benefits
Salary Wage Earners	$128,000	$38,400
Commission Wage Earners		
Hourly Wage Earners	$105,000	$31,500
1099 and Contract Workers		

What is the annualized salary range of jobs to created? $75,000 to $290,000

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

*The renovation of the Facility will be completed by 2023. The Facility may be intermittently used by a small number of employees post completion; however, actual day-to-day use will commence upon completion of the SRW Transmission Facility.

Part VII – Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (If yes, furnish details on a separate sheet)

   Yes ☐ No ■

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state, or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, or other operating practices? (If yes, furnish details on a separate sheet)

   Yes ☐ No ■

3. Is there a likelihood that the Applicant would proceed with this project without the Agency's assistance? (If no, please explain why; if yes, please explain why the Agency should grant the benefits requested)

   Yes ☐ No ■

   The requested assistance is necessary to enable the Owner to complete and operate the proposed Project.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

   Receipt of the Financial Assistance requested is a condition to the financial feasibility of the Project. Without the requested assistance the Owner may not be in a position to complete the project having an adverse impact on the availability of green energy for the Town, the County and the State.

Original signature and initials are required. Electronic signatures and initials are not permitted.

5. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, where practicable, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.

   Initial RWA Initial _____

6. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project as well as may lead to other possible enforcement actions.

   Initial RWA Initial _____

7. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

   Initial RWA Initial _____

8. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

   Initial RWA Initial _____

Original signature and initials are required. Electronic signatures and initials are not permitted.

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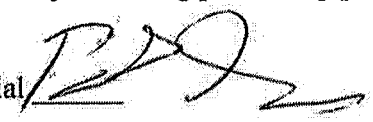
Initial _____ Initial 

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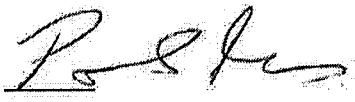
Initial _____ Initial 

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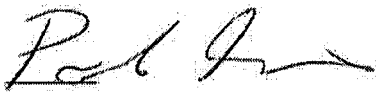
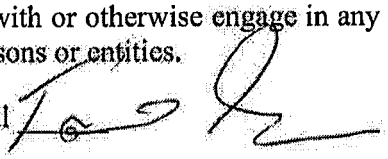
Initial _____ Initial 

8. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial _____ Initial 

9. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees, and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project. The IDA fees are based on the total project costs listed in this application. At the completion of the project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be increased as a result of the certified cost affidavit. Monies will not be refunded if the final costs are below the amount listed in the application.

Initial RWA Initial _____

10. The Applicant confirms and hereby acknowledges it has received the Agency's Construction Wage Policy attached hereto as Schedule B and agrees to comply with the same.

Initial RWA Initial _____

11. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture and Termination Policy, attached hereto as Schedule C.

Initial RWA Initial _____

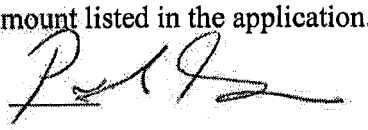
12. The Applicant confirms and hereby acknowledges it has received the Agency's PILOT Policy attached hereto as Schedule D and agrees to comply with the same.

Initial RWA Initial _____

13. The Company hereby authorizes the Agency, without further notice or consent, to use the Company's name, logo and photographs related to the Facility in its advertising, marketing, and communications materials. Such materials may include web pages, print ads, direct mail and various types of brochures or marketing sheets, and various media formats other than those listed (including without limitation video or audio presentations through any media form). In these materials, the Agency also has the right to publicize its involvement in the Project.

Initial RWA Initial _____

9. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees, and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project. The IDA fees are based on the total project costs listed in this application. At the completion of the project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be increased as a result of the certified cost affidavit. Monies will not be refunded if the final costs are below the amount listed in the application.

Initial _____ Initial 

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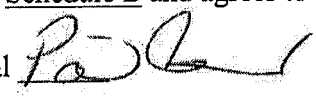
Initial _____ Initial 

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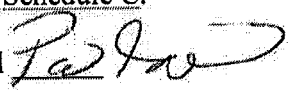
Initial _____ Initial 

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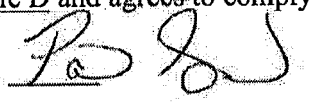
Initial _____ Initial 

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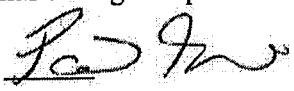
Initial _____ Initial 

Part VIII – Submission of Materials

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).

2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.

3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.

4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.

5. Completed Environmental Assessment Form.

6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

(Remainder of Page Intentionally Left Blank)

Part IX – Special Representations

1. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project. The Applicant hereby indicates its compliance with Section 862(1) by signing the applicable statement below. **(Please sign only one of the following statements a. or b. below).**

    a. The completion of the entire project will not result in the removal of an industrial or manufacturing plant of the project occupant from one are of the stat to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state.

    Representative of the Applicant: X _____

    b. The completion of this entire project will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state because the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

    Representative of the Applicant: _____

2. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

    Representative of the Applicant: X _____

3. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

    Representative of the Applicant: X _____

4. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state, and federal tax, worker protection and environmental laws, rules, and regulations.

    Representative of the Applicant: X _____

Part IX – Special Representations

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    Representative of the Applicant: _____

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    Representative of the Applicant: X _____

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    Representative of the Applicant: X _____

4. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state, and federal tax, worker protection and environmental laws, rules, and regulations.

    Representative of the Applicant: X _____

Part X – Certification

Peter Allen (Name of representative of entities submitting application) deposes and says that he or she is the Authorized Signatory (title) of Sunrise Wind LLC, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entities named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as in formation acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

The Applicant hereby subscribes and affirms under the penalties of perjury that the information provided in this Application is true, accurate and complete to the best of his or her knowledge

Representative of Applicant

Sworn to me before this 12th
Day of October, 2022
Aaron J. Bullwinkel
(seal)

Representative of Applicant

AARON J. BULLWINKEL
Notary Public
Commonwealth of Massachusetts
My Commission Expires
March 11, 2027

**** Note: If the entities named in this Application are unrelated and one individual cannot bind both entities, Parts VII, IX and X of this Application must be completed by an individual representative for each entity ****

Part X – Certification

Patrick Smith (Name of representative of entities submitting application) deposes and says that he or she is the Authorized Rep (title) of Sunrise Wind LLC, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

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The Applicant hereby subscribes and affirms under the penalties of perjury that the information provided in this Application is true, accurate and complete to the best of his or her knowledge

Representative of Applicant

Sworn to me before this 13th
Day of October, 20 22
Donna Lynne Williams
(seal)

DONNA LYNNE WILLIAMS
NOTARY PUBLIC
STATE OF CONNECTICUT
Expires: 11/30/2026

Representative of Applicant

11/30/2026

**** Note: If the entities named in this Application are unrelated and one individual cannot bind both entities, Parts VII, IX and X of this Application must be completed by an individual representative for each entity ****

EXHIBIT A

Proposed PILOT Schedule

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule to this Exhibit.

Town of Brookhaven Industrial Development
Schedule of Fees

Application -	$3,000 for projects with total costs under $5 million $4,000 for projects with total costs $5 million and over (non-refundable)
Closing/Expansion Sale/Transfer/Increase of Mortgage Amount/ Issuance of Refunding Bonds -	¾ of one percent up to $25 million total project cost and an additional 1/4 of one percent on any project costs in excess of $25 million. Projects will incur a minimum charge of $10,000 plus all fees incurred by the Agency including, but not limited to publication, legal, and risk monitoring.
Annual Administrative -	$2,000 administrative fee plus $500 per unrelated subtenant located in the project facility. This fee is due annually.
Termination –	Between $1,000 and $2,500
Refinance (excluding refunding bonds) –	1/4 of one percent of mortgage amount or $5,000, whichever is greater.
Late PILOT Payment –	5% penalty, 1% interest compounded monthly, plus $1,000 administrative fee.
PILOT extension -	a minimum of $15,000
Processing Fee -	$275 per hour with a minimum fee of $275
Lease of Existing Buildings (partial or complete) -	Fee is based on contractual lease amount.

The Agency reserves the right to adjust these fees.

Updated: November 17, 2020

SCHEDULE B

CONSTRUCTION WAGE POLICY

EFFECTIVE January 1, 2005

The purpose of the Brookhaven IDA is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in the Town.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in projects funded by the issuance of IDA tax exempt bonds in large projects.

The following shall be the policy of the Town of Brookhaven IDA for application for financial assistance in the form of tax-exempt financing for projects with anticipated construction costs in excess of $5,000,000.00 per site received after January 1, 2005. Non-profit corporations and affordable housing projects are exempt from the construction wage policy.

Any applicant required to adhere to this policy shall agree to:

(1) Employ 90% of the workers for the project from within Nassau or Suffolk Counties. In the event that this condition cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure to comply and;

(2) Be governed by the requirements of Section 220d of Article 8 of the Labor Law of the State of New York; and when requested by the Agency, provide to the Agency a plan for an apprenticeship program;

OR

(3) Provide to the Agency a project labor agreement or alternative proposal to pay fair wages to workers at the construction site.

Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in the best interests of the Town of Brookhaven.

Adopted: May 23, 2005

SCHEDULE C

RECAPTURE AND TERMINATION POLICY

EFFECTIVE JUNE 8, 2016

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the "**Act**"), the Town of Brookhaven Industrial Development Agency (the "**Agency**") is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 8, 2016.

I. Termination or Suspension of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the "**Applicant**") or any other document entered into by such parties in connection with a project (the "**Project Documents**"). Such Events of Default may include, but shall not be limited to, the following:

1) Sale or closure of the Facility (as such term is defined in the Project Documents);
2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
4) A material violation of the terms and conditions of the Project Agreements; and
5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term "**Financial Assistance**" shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency's participation in the transaction contemplated by the Project Agreements including, but not limited to:

(i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;

(ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and

(iii) real property tax abatements granted under the Project Agreements.

II. Recapture of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

1) Sale or closure of the Facility (as such term is defined in the Project Documents);
2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
4) A material violation of the terms and conditions of the Project Agreements; and
5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

III. Modification of Payment In Lieu of Tax Agreement

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending, or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.

SCHEDULE D

Agency Payment in Lieu of Taxes (PILOT) Policy

An annual fee of $2,000 (plus $500 per subtenant) will be due to the Agency in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Industrial Development Agency (IDA) may grant or be utilized to obtain a partial or full real property tax abatement for a determined period. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven IDA.

2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31st of each year, or in two equal payments due January 31st and May 31st of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.

3. The Town of Brookhaven IDA shall establish a separate, interest-bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).

4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.

5. Payments in lieu of taxes which are delinquent under the agreement shall be subject to a late payment penalty of five percent (5%) of the amount due. For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made.

6. If a PILOT payment is not received by **January 31st** of any year or **May 31st** of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may give the lessee notice of said default. If the payment is not received within thirty (30) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.

7. The CEO shall maintain records of the PILOT accounts at the Agency office.

8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.

9. Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the Applicant.

10. This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.

FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
1 Independence Hill, 2nd Floor, Farmingville, New York 11738

DATE: October 11, 2022

APPLICATION OF: 10 Donald's Way LLC
Name of Owner and/or User of Proposed Project

ADDRESS: 85 South Service Road
Plainview, NY 11803

Type of Application: ☐ Tax-Exempt Bond ☐ Taxable Bond
■ Straight Lease ☐ Refunding Bond

Please respond to all items either by filling in blanks, by attachment (by marking space "see attachment number 1", etc.) or by N.A., where not applicable. Application must be filed in two copies. A non-refundable application fee is required at the time of submission of this application to the Agency. The non-refundable application fee is $3,000 for applications under $5 million and $4,000 for applications of $5 million or more.

Transaction Counsel to the Agency may require a retainer which will be applied to fees incurred and actual out-of-pocket disbursements made during the inducement and negotiation processes and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an official Inducement Resolution but may be subject to disclosure under the New York State Freedom of Information Law.

Prior to submitting a completed final application, please arrange to meet with the Agency's staff to review your draft application. Incomplete applications will not be considered. The Board reserves the right to require that the applicant pay for the preparation of a Cost Benefit Analysis, and the right to approve the company completing the analysis.

PLEASE NOTE: It is the policy of the Brookhaven IDA to encourage the use of local labor and the payment of the area standard wage during construction on the project.

IDA benefits may not be conferred upon the Company until the Lease and Project Agreement have been executed.

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Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): 10 Donald's Way LLC

Address: 85 South Service Road

Plainview, NY 11803

Federal Employer ID #: [redacted] Website: www.rechlerequity.com

NAICS Code: 531120

Owner Officer Certifying Application: Gregg Rechler

Title of Officer: Manager

Phone Numbe[redacted] E-mail:

B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Limited Liability Company ■

Privately Held ☐ Public Corporation ☐ Listed on

State of Incorporation/Formation: Delaware

C. Nature of Business:
(e.g., "manufacturer of _____ for ____ industry"; "distributor of _____"; or "real estate holding company")

Real Estate Holding Company

D. Owner Counsel:

Firm Name: Germano & Cahill, P.C.

Address: 4250 Veterans Memorial Highway, Suite 275E

Holbrook, NY 11741

Individual Attorney: Guy W. Germano

Phone Number: 631-588-8778 E-mail: gwg@germanocahill.com

E. Principal Stockholders, Members or Partners, if any, of the Owner:

Name	Percent Owned
Mitchell Rechler	36% (indirect)
William D. Rechler Trust f/b/o Gregg Rechler	36% (indirect)

F. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, member, officer, director, or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (If yes, please explain)

No

ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (If yes, please explain)

No

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

N/A

H. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

The individuals listed in E above, through their real estate holding company, Rechler Equity Partners, and related limited liability companies, own or control and operate more than 100 industrial/office or multi-family housing properties on Long Island.

I. List parent corporation, sister corporations and subsidiaries:

Please refer to paragraph H, above

J. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

A related company, R Squared Patchogue, has applied for assistance for property located at 303 East Main Street, Patchogue, NY

K. List major bank references of the Owner:

TD Bank, 324 South Service Road, Melville, NY 11747, Brian Terry - 631-962-2539

2. User Data

(for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user)

A. User (together with the Owner, the "Applicant"): N/A

Address: _____

_____

Federal Employer ID #: _____ Website: _____

NAICS Code: _____

User Officer Certifying Application: _____

Title of Officer: _____

Phone Number: _____ E-mail:_____

B. Business Type: N/A

Sole Proprietorship ☐ Partnership ☐ Privately Held ☐

Public Corporation ☐ Listed on _____

State of Incorporation/Formation: _____

C. Nature of Business:
(e.g., "manufacturer of _____ for ____ industry"; "distributor of _____"; or "real estate holding company")

N/A

D. Are the User and the Owner Related Entities? Yes ☐ No ☐

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: N/A

Address: _____

_____

Individual Attorney: _____

Phone Number: _____ E-mail: _____

F. Principal Stockholders or Partners, if any:

Name	Percent Owned
N/A	

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director, or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (If yes, please explain)

N/A

_____

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (If yes, please explain)

N/A

_____

H. If any of the above persons (see "F", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

N/A

I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

N/A

J. List parent corporation, sister corporations and subsidiaries:

N/A

K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

N/A

L. List major bank references of the User:

N/A

Part II – Operation at Current Location

(if the Owner and the User are unrelated entities, answer separately for each)

1. Current Location Address: N/A - the owner/applicant is a new stand-alone LLC which purchased the property to develop a 140,875 sf industrial/warehouse building
2. Owned or Leased: N/A
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):

N/A

4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:
   N/A

5. Are other facilities or related companies of the Applicant located within the State?
   Yes ■ No ☐
   A. If yes, list the Address: The individuals listed in Part I D above through their real estate company, Rechler Equity Partners, and related limited liability companies, own or control and operate more than 100 industrial/office and multi-family housing properties on Long Island.

6. Will the completion of the project result in the removal of any facility or facilities of the Applicant from one area of the state to another OR in the abandonment of any facility or facilities of the Applicant located within the State? Yes ☐ No ■
   A. If no, explain how current facilities will be utilized: N/A - Related companies lease technology, business, office, manufacturing, warehouse space and residential multi-family dwellings throughout the Long Island area
   B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:
      N/A

7. Has the Applicant actively considered sites in another state? Yes ☐ No ■
   A. If yes, please list states considered and explain: N/A

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes ☐ No ■
   A. Please explain: N/A

9. Number of full-time equivalent employees (FTE's) at current location and average salary (indicate hourly or yearly salary):
   N/A

Part III – Project Data

1. Project Type:

   A. What type of transaction are you seeking? (Check one)

   Straight Lease ■ Taxable Bonds ☐ Tax-Exempt Bonds ☐

   Equipment Lease Only ☐

   B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

   Sales Tax Exemption ■ Mortgage Recording Tax Exemption ■

   PILOT Agreement: ■

2. Location of project:

   A. Street Address: 10 Donald's Way, Medford, NY

   B. Tax Map: District 0200 Section 775.00 Block 01.00 Lot(s) 020.500

   C. Municipal Jurisdiction:

   i. Town: Brookhaven
   ii. Village: N/A
   iii. School District: Longwood

   D. Acreage: 11.01

3. Project Components (check all appropriate categories):

A. Construction of a new building ■ Yes ☐ No
   i. Square footage: 140,875

B. Renovations of an existing building ☐ Yes ■ No
   i. Square footage: _____

C. Demolition of an existing building ☐ Yes ■ No
   i. Square footage: _____

D. Land to be cleared or disturbed ■ Yes ☐ No
   i. Square footage/acreage: _____

E. Construction of addition to an existing building ☐ Yes ■ No
   i. Square footage of addition: _____
   ii. Total square footage upon completion: _____

F. Acquisition of an existing building ☐ Yes ■ No
   i. Square footage of existing building: _____

G. Installation of machinery and/or equipment ■ Yes ☐ No

i. List principal items or categories of equipment to be acquired: HVAC, bathroom fixtures, etc.

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location? Yes

i. If no, please list the present owner of the site: N/A

B. Present use of the proposed location: Vacant land

C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) ☐ Yes ■ No

i. If yes, explain: _____

D. Is there a purchase contract for the site? (If yes, explain): ☐ Yes ■ No

N/A

E. Is there an existing or proposed lease for the site? (If yes, explain): ☐ Yes ■ No

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site:

The Applicant intends to develop site for industrial/technology/warehouse and office uses to be leased to companies operating on Long Island

B. Proposed product lines and market demands: N/A

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

There are currently no tenant leases for the building. When completed, the entire building will be leased to one (1) or more tenants

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

The Applicant is a stand-alone LLC owned or controlled by the principles of Rechler Equity Partners. It is the business of Rechler Equity Partners, and related companies, to buy undeveloped land and build modern industrial/warehouse buildings for growing Long Island companies

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes ■ No ☐

i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? Unknown at this time

F. To what extent will the project utilize resource conservation, energy efficiency, green technologies, and alternative / renewable energy measures?

The Project will be energy efficient and reasonable efforts will be made to conserve resources and utilize Green technologies

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following: No

i. Site Clearance: Yes ☐ No ☐ % COMPLETE _____
ii. Foundation: Yes ☐ No ☐ % COMPLETE _____
iii. Footings: Yes ☐ No ☐ % COMPLETE _____
iv. Steel: Yes ☐ No ☐ % COMPLETE _____
v. Masonry: Yes ☐ No ☐ % COMPLETE _____
vi. Other: _____

B. What is the current zoning? L-1 Industrial

C. Will the project meet zoning requirements at the proposed location?

Yes ■ No ☐

D. If a change of zoning is required, please provide the details/status of the change of zone request: N/A

E. Have site plans been submitted to the appropriate planning department? Yes ■ No ☐

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: Completed

ii. Construction/Renovation/Equipping: Spring 2023

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: 14-month construction period. First use is expected September 2024.

Part IV – Project Costs and Financing

1. Project Costs:

   A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

Description	Amount
Land and/or building acquisition	$ 6,398,000
Building(s) demolition/construction	$ 18,253,480
Building renovation	$
Site Work	$ 3,152,520
Machinery and Equipment	$
Legal Fees	$ 504,250
Architectural/Engineering Fees	$ 1,202,330
Financial Charges	$ 4,400,373
Other (Specify) *	$ 2,944,972
Total	$ 36,855,925

Please note, IDA fees are based on the total project costs listed above. At the completion of your project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be adjusted as a result of the certified cost affidavit. Money will not be refunded if the final project cost is less than the amount listed above.

2. Method of Financing:

	Amount	Term
A. Tax-exempt bond financing:	$ N/A	_____ years
B. Taxable bond financing:	$ N/A	_____ years
C. Conventional Mortgage:	$	_____ years
D. SBA (504) or other governmental financing:	$ N/A	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	$	
F. Other loans:	$ 33,355,925	_____ years
G. Owner/User equity contribution:	$ 3,500,000	_____ years
Total Project Costs	$ 36,855,925	

   i. What percentage of the project costs will be financed from public sector sources?

None

*Includes leasing commissions, operating expenses, tenant allowances, environmental, application and permit, real estate taxes, marketing, insurance, IDA fees, soft cost contingency

3. Project Financing:

   A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes ■ No □

      i. If yes, provide detail on a separate sheet. See Addendum

   B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

      N/A

   C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

      N/A

   D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

      N/A

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

   A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

   $33,355,925

   B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and .75%):

   $250,170

2. Sales and Use Tax Benefit:

   A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

   $12,843,600

   B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

   $1,107,760.50

   C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

      i. Owner: $N/A

      ii. User: $N/A

3. Real Property Tax Benefit:

   A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: None

   B. Agency PILOT Benefit:

      i. Term of PILOT requested: 15 years

      ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and attach such information to Exhibit A hereto. Applicant hereby requests such PILOT benefit as described on Exhibit A.

*** This application will not be deemed complete and final until Exhibit A hereto has been completed. ***

Part VI – Employment Data *

1. List the Applicant's and each user's present employment and estimates of (i) employment at the proposed project location, not just new employment, at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area* ("LMA") that would fill the full-time and part-time jobs at the end of the second year following completion:

Present number of FTEs **: N/A _____ N/A

Date Average Annual Salary of Jobs to be Retained

FTEs to be Created in First Year: 2024 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	**Total**
FTE													15

FTEs to be Created in Second Year: 2025 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	**Total**
FTE													20

Number of Residents of LMA:
Full-Time: FTE
Part-Time: _____

Cumulative Total FTEs ** After Year 2 35

Construction Jobs to be Created: FTE 125

*** The Labor Market Area includes the County/City/Town/Village in which the project is located as well as Nassau and Suffolk Counties.**

**** To calculate FTEs (Full-Time Equivalent Employees) please use the following example: if an organization considers 40 hours per week as full-time and there are four employees who work 10 hours each per week, the cumulative hours for those employees equal 1 FTE.**

2. Salary and Fringe Benefits: *

Category of Jobs to be Created	Average Salary	Average Fringe Benefits
Salary Wage Earners		
Commission Wage Earners		
Hourly Wage Earners	$39,314	$5,724
1099 and Contract Workers		

What is the annualized salary range of jobs to created? N/A to _____

*Total estimated Wages including fringe benefits $1,586,398. See attached Economic and Fiscal Impact Analysis at Page 11.

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

Part VII – Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (If yes, furnish details on a separate sheet)

   Yes ☐ No ■

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state, or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, or other operating practices? (If yes, furnish details on a separate sheet)

   Yes ☐ No ■

3. Is there a likelihood that the Applicant would proceed with this project without the Agency's assistance? (If no, please explain why; if yes, please explain why the Agency should grant the benefits requested)

   Yes ■ No ☐

   Please see Addendum to Application

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

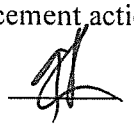
   Please see Addendum to Application

Original signature and initials are required. Electronic signatures and initials are not permitted.

5. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, where practicable, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.

   Initial 

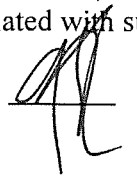
6. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project as well as may lead to other possible enforcement actions.

   Initial 

7. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

   Initial 

8. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

   Initial 

9. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees, and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project. The IDA fees are based on the total project costs listed in this application. At the completion of the project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be increased as a result of the certified cost affidavit. Monies will not be refunded if the final costs are below the amount listed in the application.

   Initial _____

10. The Applicant confirms and hereby acknowledges it has received the Agency's Construction Wage Policy attached hereto as Schedule B and agrees to comply with the same.

    Initial _____

11. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture and Termination Policy, attached hereto as Schedule C.

    Initial _____

12. The Applicant confirms and hereby acknowledges it has received the Agency's PILOT Policy attached hereto as Schedule D and agrees to comply with the same.

    Initial _____

13. The Company hereby authorizes the Agency, without further notice or consent, to use the Company's name, logo and photographs related to the Facility in its advertising, marketing, and communications materials. Such materials may include web pages, print ads, direct mail and various types of brochures or marketing sheets, and various media formats other than those listed (including without limitation video or audio presentations through any media form). In these materials, the Agency also has the right to publicize its involvement in the Project.

    Initial _____

Part VIII – Submission of Materials

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).

2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.

3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.

4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.

5. Completed Environmental Assessment Form.

6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

(Remainder of Page Intentionally Left Blank)

Part IX – Special Representations

1. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project. The Applicant hereby indicates its compliance with Section 862(1) by signing the applicable statement below. **(Please sign only one of the following statements a. or b. below).**

    a. The completion of the entire project will not result in the removal of an industrial or manufacturing plant of the project occupant from one are of the stat to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state.

    Representative of the Applicant: _____

    b. The completion of this entire project will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state because the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

    Representative of the Applicant: _____

2. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

    Representative of the Applicant: _____

3. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

    Representative of the Applicant: _____

4. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state, and federal tax, worker protection and environmental laws, rules, and regulations.

    Representative of the Applicant: _____

Part X – Certification

GREGG RECHLER (Name of representative of entities submitting application) deposes and says that he ~~or she~~ is the Manager (title) of 10 Donald's Way LLC, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entities named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as in formation acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

The Applicant hereby subscribes and affirms under the penalties of perjury that the information provided in this Application is true, accurate and complete to the best of his or her knowledge

Representative of Applicant

Sworn to me before this 11th
Day of October, 20 22

(seal)

GUY W. GERMANO
Notary Public, State of New York
No. 02GE5006335
Qualified in Suffolk County
Commission Expires March 9, 2025

**** Note: If the entities named in this Application are unrelated and one individual cannot bind both entities, Parts VII, IX and X of this Application must be completed by an individual representative for each entity ****

EXHIBIT A

Proposed PILOT Schedule

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule to this Exhibit.

Town of Brookhaven Industrial Development
Schedule of Fees

Application -	$3,000 for projects with total costs under $5 million $4,000 for projects with total costs $5 million and over (non-refundable)
Closing/Expansion Sale/Transfer/Increase of Mortgage Amount/ Issuance of Refunding Bonds -	¾ of one percent up to $25 million total project cost and an additional 1/4 of one percent on any project costs in excess of $25 million. Projects will incur a minimum charge of $10,000 plus all fees incurred by the Agency including, but not limited to publication, legal, and risk monitoring.
Annual Administrative -	$2,000 administrative fee plus $500 per unrelated subtenant located in the project facility. This fee is due annually.
Termination –	Between $1,000 and $2,500
Refinance (excluding refunding bonds) –	1/4 of one percent of mortgage amount or $5,000, whichever is greater.
Late PILOT Payment –	5% penalty, 1% interest compounded monthly, plus $1,000 administrative fee.
PILOT extension -	a minimum of $15,000
Processing Fee -	$275 per hour with a minimum fee of $275
Lease of Existing Buildings (partial or complete) -	Fee is based on contractual lease amount.

The Agency reserves the right to adjust these fees.

Updated: November 17, 2020

SCHEDULE B

CONSTRUCTION WAGE POLICY

EFFECTIVE January 1, 2005

The purpose of the Brookhaven IDA is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in the Town.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in projects funded by the issuance of IDA tax exempt bonds in large projects.

The following shall be the policy of the Town of Brookhaven IDA for application for financial assistance in the form of tax-exempt financing for projects with anticipated construction costs in excess of $5,000,000.00 per site received after January 1, 2005. Non-profit corporations and affordable housing projects are exempt from the construction wage policy.

Any applicant required to adhere to this policy shall agree to:

(1) Employ 90% of the workers for the project from within Nassau or Suffolk Counties. In the event that this condition cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure to comply and;

(2) Be governed by the requirements of Section 220d of Article 8 of the Labor Law of the State of New York; and when requested by the Agency, provide to the Agency a plan for an apprenticeship program;

OR

(3) Provide to the Agency a project labor agreement or alternative proposal to pay fair wages to workers at the construction site.

Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in the best interests of the Town of Brookhaven.

Adopted: May 23, 2005

SCHEDULE C

RECAPTURE AND TERMINATION POLICY

EFFECTIVE JUNE 8, 2016

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the "**Act**"), the Town of Brookhaven Industrial Development Agency (the "**Agency**") is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 8, 2016.

I. Termination or Suspension of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the "**Applicant**") or any other document entered into by such parties in connection with a project (the "**Project Documents**"). Such Events of Default may include, but shall not be limited to, the following:

1) Sale or closure of the Facility (as such term is defined in the Project Documents);
2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
4) A material violation of the terms and conditions of the Project Agreements; and
5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term "**Financial Assistance**" shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency's participation in the transaction contemplated by the Project Agreements including, but not limited to:

(i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;

(ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and

(iii) real property tax abatements granted under the Project Agreements.

II. Recapture of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

1) Sale or closure of the Facility (as such term is defined in the Project Documents);
2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
4) A material violation of the terms and conditions of the Project Agreements; and
5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

III. Modification of Payment In Lieu of Tax Agreement

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending, or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.

SCHEDULE D

Agency Payment in Lieu of Taxes (PILOT) Policy

An annual fee of $2,000 (plus $500 per subtenant) will be due to the Agency in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Industrial Development Agency (IDA) may grant or be utilized to obtain a partial or full real property tax abatement for a determined period. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven IDA.

2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31st of each year, or in two equal payments due January 31st and May 31st of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.

3. The Town of Brookhaven IDA shall establish a separate, interest-bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).

4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.

5. Payments in lieu of taxes which are delinquent under the agreement shall be subject to a late payment penalty of five percent (5%) of the amount due. For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made.

6. If a PILOT payment is not received by **January 31st** of any year or **May 31st** of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may give the lessee notice of said default. If the payment is not received within thirty (30) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.

7. The CEO shall maintain records of the PILOT accounts at the Agency office.

8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.

9. Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the Applicant.

10. This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.

ADDENDUM TO APPLICATION OF 10 DONALD'S WAY LLC

Project Costs – Part VI 3(a)

Description	Costs Incurred
Land and/or building acquisition	$6,398,000
Building(s) demolition/construction	40,554
Site Work	-
Legal Fees	-
Architecture/Engineering Fees	340,831
Financial Charges	29,723
Other:	
Leasing Commissions	
Operating Expenses	10,492
Tenant Allowances	
Environmental	
Application and Permits	65,203
Real Estate Taxes	15,280
Marketing	
Insurance	
IDA Fees	4,000
Soft Cost Contingency	
	$6,904,083

Part VII 3

The proposed industrial building is the first to be proposed for development in a vacant 73-acre industrial park formerly known as the "Horseblock Industrial Park." The park and subdivision map was approved in 1990 and has remained vacant with the exception of the installation of a deteriorating access road. The park is adjacent on the east to the Munsell Road Industrial Overlay District which was established by the Town Board as part of its efforts to clean up and redevelop the blighted Munsell Road area. The development of this vacant industrial park will be instrumental in assisting with the redevelopment of this area. The Applicant requires the assistance of the Agency in order to assure the successful development of a modern industrial building on this long vacant site with the ability to attract new and expanding businesses to the area.

Part VII 4

Without the assistance of the Agency to help balance the Applicant's investment of $36.8 million, it will be more difficult to attract new and expanding businesses to this location and will also make it more difficult and require a much longer time to complete the balance of the subdivision. The effect on the municipality will be fewer good paying jobs and lower tax revenue over time.