

Town of Brookhaven

Industrial Development Agency

Meeting Agenda

Tuesday, April 17, 2024 at 12:05 PM

1. Roll Call

2. Minutes

March 26, 2024

3. CFO'S Report

PARIS
Timely Payments

4. Presentation

Camoin Associates

5. Applications

Williams Realty Holdings Subtenant – CADCAM
Preserve at East Moriches
Shoreham Solar Commons

6. Resolutions

Slate of Officers
Governance, Audit & Finance Committees
Organizational Resolution #15
American Organic Energy Request
HO Penn Machinery Request
On the Common at Rocky Point, LLC
Middle Country Meadows, LLC
Overbay, LLC
AIREF Station Road Logistics Center & AIREF Station Road 2

7. CEO'S Report

St. Joseph's University

8. Executive Session

The next IDA meeting is scheduled for Wednesday, May 15, 2024.

Town of Brookhaven
Industrial Development Agency

Meeting Minutes

March 26, 2024

Members Present: Frederick C. Braun, III
Martin Callahan
Felix J. Grucci, Jr. (via Zoom)
Mitchell H. Pally
Gary Pollakusky
Ann-Marie Scheidt

Excused Member: Frank C. Trotta

Also Present: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
Amy Illardo, Director of Marketing
Jocelyn Linse, Executive Assistant
Annette Eaderesto, Counsel
Barry Carrigan, Nixon Peabody, LLP
Howard Gross, Weinberg, Gross & Pergament (via Zoom)

Chairman Braun opened the Industrial Development Agency meeting at 12:44 P.M. on Tuesday, March 26, 2024, in the Agency's Office on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, NY 11738. A quorum was present.

Meeting Minutes of February 27, 2024

The motion to approve these Minutes as presented was made by Mr. Callahan, seconded by Mr. Grucci and unanimously approved.

CFO's Report

Ms. LaPonte noted that the audit was accepted by the Audit Committee.

The motion to accept the recommendation of the Audit Committee was made by Mr. Pollakusky and seconded by Ms. Scheidt. All voted in favor.

The PARIS report is due by March 31, 2024. Submission of this report will be delayed due to the loss of access to the Town's tax portal system to review full assessment numbers. It is hoped that this report will be ready for Board approval by the April meeting. Global Tissue is the only project that has not returned their annual report; a notice of default will be sent.

All payroll taxes and related withholdings have been paid timely in accordance with Federal and State guidelines. All regulatory reports have been filed in a timely fashion. All PILOT payments have been received and disbursed within the required 30-day time period.

The motion to accept the CFO's report was made by Mr. Pollakusky, seconded by Ms. Scheidt, and unanimously approved.

AVR-SP Brookhaven Subtenant – Tate's Bake Shop – Application & Resolution

Tate's Bake Shop is seeking to sublease the entire approximately 150,000 square foot AVR-SP facility. There will be a seven-year lease and Tate's will relocate thirty full-time equivalent employees from space they were leasing in Westhampton.

The motion to accept the application and approve the resolution was made by Mr. Pollakusky and seconded by Ms. Scheidt. All voted in favor.

Nassau Provisions Kosher Food, LLC – Application & Resolution

A public hearing was held this morning with no comment received and the application, cost benefit analysis and PILOT were included in the meeting packet. This wholesale food distributor is expanding to an underutilized 50,000 square foot building at 885 Waverly Avenue in Holtsville. They are keeping their current location in Islip. This is a \$9.96 million project, and they are requesting exemptions from the mortgage recording tax, sales tax and a PILOT. They have 103 full-time equivalent employees at their Islip location and will create 17 full-time equivalent employees at the Holtsville facility.

The motion to accept the application and approve the final authorizing resolution was made by Mr. Pollakusky, seconded by Ms. Scheidt and unanimously approved.

Organizational Resolutions #29 & #30

A provision will be added to these accrual policies that allows for the use of comp time. If an employee works over 7 hours and gets advanced approval, they may use comp time in the same pay period.

The motion to approve this change was made by Mr. Pally and seconded by Ms. Scheidt. All voted in favor.

Brookhaven Solar Invest – Final Authorizing Resolution

The cost benefit analysis and PILOT were included in the meeting packets for this approximately \$2 million solar project to be located at the old landfill at the Holtsville Ecology Center. A public hearing was held with no comment received.

The motion to approve the final authorizing resolution was made by Mr. Callahan, seconded by Mr. Grucci and unanimously approved.

Well Life / Medford Gardens Request

This 100% affordable housing project has requested an extension on the acceptance of their final authorizing resolution. They expect to close late fall of this year.

The motion to extend the acceptance of the final authorizing resolution to December 31, 2024, was made by Mr. Pally and seconded by Mr. Pollakusky. All voted in favor.

Mission Statement & Measurement Report

The mission statement and measurement report has been amended to include housing and energy projects.

The motion to accept the amended mission statement and measurement report was made by Mr. Pally, seconded by Ms. Scheidt and unanimously approved.

CEO's Report

Board Assessments

Mr. Braun provided the Board with the results of the 2023 board assessments. No major recommendations were made; the results have been sent to the Authority Budget Office.

ABLI Sponsorship Request

The Association for a Better Long Island submitted a sponsorship request for a Real Estate dinner they are hosting along with the Commercial Industrial Brokers Society on June 11, 2024, at 6 p.m. at the Heritage Club at Bethpage.

The motion to approve a gold sponsorship at a cost of \$5,000 was made by Mr. Pally and seconded by Mr. Callahan. All voted in favor.

NYSEDC Sponsorship

The New York State Economic Development Corporation has submitted a sponsorship request for their conference in Cooperstown on May 22nd through May 24th.

The motion to approve a \$5,500 sponsorship was made by Mr. Pally, seconded by Mr. Callahan and unanimously approved.

Project List

A list of the status of pending projects was provided to the members.

At 1:06 p.m., Mr. Callahan made a motion to enter executive session to discuss proposed, pending or current litigation and the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. The motion was seconded by Ms. Scheidt and unanimously approved.

IDA Meeting
March 26, 2024

At 1:46 p.m., Ms. Scheidt made a motion to resume the regular agenda. The motion was seconded by Mr. Pollakusky and all voted in favor. No action was taken in executive session.

Mr. Pollakusky made a motion to auction the Agency vehicle and provide the CEO with a \$1,000 monthly stipend. The motion was seconded by Ms. Scheidt and unanimously approved.

The next IDA meeting is scheduled for Wednesday, April 17, 2024.

DRAFT



FORCHELLI
DEEGAN
TERRANA

DANIEL P. DEEGAN
PARTNER
DDEEGAN@FORCHELLILAW.COM

April 10, 2024

Via email (lmulligan@brookhavenida.org)

Town of Brookhaven Industrial Development Agency
1 Independence Hill, 2nd Floor
Farmingville, NY 11738

Attention: Lisa M.G. Mulligan, Executive Director

***Re: Request for Extension of Closing Deadline
AIREF Station Road Logistics Center LLC & AIREF Station Road 2 LLC
Bellport Industrial/Warehouse Project
Application for Financial Assistance***

Dear Ms. Mulligan:

As you know, we represent AIREF Station Road Logistics Center LLC & AIREF Station Road 2 LLC (collectively “Applicant”) with respect to the above-referenced project. The IDA extended the application by letter dated November 21, 2023, with the condition that the project must close “prior to May 15, 2024.”

Applicant received a SEQRA determination from the Town of Brookhaven Planning Board on February 26, 2024. Since that time, Applicant has provided an updated IDA application and provided additional requested information in support of the IDA application. It is our understanding that the required submissions are now complete, and the public hearing can be scheduled. Given the public hearing notice requirements, the public hearing will likely take place just before the May 15 IDA Board Meeting.

Given the May 15 IDA meeting date, more time will be needed before the transaction can close, to provide due diligence materials and prepare and negotiate the transaction documents. We therefore respectfully request an extension of the deadline to close the transaction until at least August 31, 2024.

Please present this to the IDA Board for their consideration.

Very truly yours,

FORCHELLI DEEGAN TERRANA LLP

By: *Daniel P. Deegan*
DANIEL P DEEGAN

FORCHELLI DEEGAN TERRANA LLP

The Omni • 333 Earle Ovington Blvd., Suite 1010 • Uniondale, NY 11553 • 516.248.1700 • forchellilaw.com



BARTOL LAW FIRM, P.C.
ATTORNEYS AND COUNSELORS AT LAW

516-294-5100
FAX 516-294-5385

22 JERICO TURNPIKE, SUITE 103
MINEOLA, NEW YORK 11501-2976

ERNEST T. BARTOL
DIANE K. MENDEZ

WILLIAM R. BOCCIO
ROBERT L. GARFINKLE
ROBERT D. RYNKAR
OF COUNSEL

SONIA A. BLAIN
OFFICE MANAGER / COMPTROLLER

April 3, 2024

Town of Brookhaven
Industrial Development Agency
One Independence Hill
Farmingville, NY 11738-2145

Att: Lisa M. G. Mulligan, CEO
Town of Brookhaven Industrial Development Agency

Re: American Organic Energy, LLC
Completion date of June 30, 2024
Our File No.: 20-0107

Dear Ms. Mulligan:

Please be advised that we are the attorneys for American Organic Energy, LLC in connection with an application to obtain an extension of the Completion Date and the Sales Tax Exemption. I have been advised that the sales tax exemption expires on June 30, 2024 and that the project completion date also ends on June 30, 2024. Consequently, please consider this letter an application to extend both the Sales Tax Exemption and the Completion Date to June 30, 2026.

This application is based upon many unforeseen delays in the obtaining of construction financing which was completed in December of 2023 and in the construction of the project together with delays in utility approvals. In addition to the delays in utility approvals, further delays were caused by the required recordation of the utility easements. All of the above delays have been resolved and the project will be vigorously commencing shortly.

Thank you for considering this application for an extension.

Very truly yours,

ERNEST T. BARTOL
Email: etbartol@bartollaw.com

ETB:ljs

cc: Charles Vigliotti, Manager
American Organic Energy, LLC



Jesse Hiney
Counsel

Direct Dial: 631.367.0718
Direct Fax: 631.367.0793
jhiney@farrellfritz.com

RECEIVED
DEC 27 2023
Town of Brookhaven IDA

100 Motor Parkway
Suite 300
Hauppauge, NY 11788
www.farrellfritz.com

Our File No.
40252/100

December 26, 2023

Via Federal Express

Lisa M.G. Mulligan
CEO of Brookhaven IDA and LDC
Town of Brookhaven Industrial Development Agency
Office of Economic Development
1 Independence Hill
Farmingville, NY 11738

Re: The Preserve at East Moriches – Ramsay Road, Shirley, NY

Dear Lisa:

Enclosed for your consideration is a Town of Brookhaven Industrial Development Agency Application for Financial Assistance for the Preserve at East Moriches, LLC consisting of a cover letter, application and fee, long-form EAF, and an income and expense statement.

The Preserve at East Moriches, LLC is a single purpose entity established for the development of the project described in the application. At this time there are no employees or financial statements.

Please note that The Preserve at East Moriches, LLC has contracted with MRB Group to prepare an economic analysis of the proposed project and will provide a copy upon receipt.

We are available to respond to any questions or comments. We look forward to working with you.

Very truly yours,

Jesse Hiney

Enclosures

The Preserve at East Moriches, LLC
One Rabro Drive, Suite 100
Hauppauge, NY 11788

December 11, 2023

Town of Brookhaven Industrial Development Agency
c/o Town of Brookhaven Division of Economic Development
One Independence Hill
Farmingville, NY 11738

Re: The Preserve at East Moriches – Town of Brookhaven Industrial
Development Application

Dear Ms. Mulligan and Members of the Board:

I am the Managing Member of The Preserve at East Moriches, LLC. Attached please find an Application for Financial Assistance in connection with the potential development of a planned senior housing community. The project, with an aggregate cost of approximately \$25 million (\$24.9M), will consist of 13 buildings, comprising 70 units, and shall include a 1,200 square foot community building, several outdoor recreational areas with horseshoe pits, picnic tables and walking paths. Ten percent of the units will be set aside as affordable units (7 units at 80% average median income for Nassau-Suffolk) and ten percent of the units will be set aside as workforce housing (7 units at 120% average median income for Nassau-Suffolk).

Entities related to the Applicant have significant Long Island real estate development experience, including constructing Middle Country Meadows (Selden, 2021), and Overbay (Port Jefferson, 2018), each of which received financial assistance from this Agency.

Due to the high cost of construction, uncertain real estate taxes, and increased costs of borrowed funding and inflation, The Preserve at East Moriches, LLC needs the assistance of the Brookhaven Industrial Development Agency to make the project economically viable.

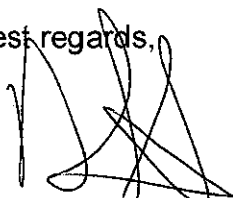
The construction and occupancy of this community will significantly boost the local economy, including increased spending by the new residents within the Town. The Project is estimated to generate millions in new annual spending in the Town during the operational phase; in addition, aggregate new household spending is expected to generate numerous ongoing permanent jobs in the Town. Furthermore, the construction

phase will add direct, indirect, and induced jobs expected to generate millions of dollars in wages.

We request the Brookhaven Industrial Development Agency provide the project a sales and use tax exemption, mortgage recording tax exemption, and a property tax abatement.

Thank you for considering this Application. I look forward to meeting with the Board to review this Application and answer any questions you may have.

Best regards,

A handwritten signature in black ink, appearing to read 'Demetrius Tsunis', written over the text 'Best regards,'.

Demetrius Tsunis

Cc: Peter L. Curry, Esq.

Enclosures

Industrial and Warehouse Analysis

BROOKHAVEN, NEW YORK

DRAFT

April, 2024

PREPARED FOR:

Town of Brookhaven IDA
One Independence Hall
Farmingville, NY 11738



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INTRODUCTION

Project Background

The Town of Brookhaven Industrial Development Agency (IDA) continues to see strong interest in speculative warehousing and distribution center development. To ensure responsible development, the IDA commissioned this review to assess the market feasibility of these many projects and the potential risk of market saturation. This analysis, encompassing the Town of Brookhaven and Suffolk County, aims to inform the IDA and its Board of Directors about the market outlook for the local warehousing and distribution sector, in order to guide future decision-making.

As part of this review, the IDA identified three specific projects seeking assistance of particular interest, as seen below. Collectively, these projects, costing an estimated \$366 million, would introduce nearly 1.5 million square feet of new space to the local industrial market.

Methodology

This report serves as a follow-up to a similar analysis performed by Camoin Associates in 2022. Much of the methodology employed herein reproduces those materials but now with updated data. Beyond that, additional analysis in this report explores issues that have become more germane over the subsequent two years.

Initial analysis includes economic and demographic profiles of the Town of Brookhaven and Suffolk County. This allows for an understanding of the essential characteristics of local areas that could influence the market for warehouse and distribution center space. This information is derived from multiple data outlets, including Esri, Lightcast, and the US Census Bureau.

A comprehensive evaluation of the supply of industrial real estate follows, establishing a baseline of the existing inventory of industrial space within the market. Project-level information is then reviewed, providing an understanding of the current planning pipeline, including those developments that have been proposed or are already under construction.

Select Properties Seeking Brookhaven IDA Incentives

Proposed Project	Station Rd Logistics Center	Medford Logistics	Segme Brookhaven
Developer	AIREF Station Road Logistics Center LLC	Medford Logistics LLC	2020 Acquisitions
Location	Station Rd & Sunrise Hwy, Bellport	440 Express Drive South, Medford	Horseblock Road, Yaphank
Structures	Three Warehousing/ Distribution Buildings	Warehouse	3 Warehouse Buildings
Total Footprint	523,111 sf	390,000 sf	561,000 sf
Estimated Cost	\$121M	\$121.5M	\$123.5M

Source: Brookhaven IDA/CoStar



This information is then compared to trends in distribution center and warehouse market measures including occupancy, net absorption, deliveries, and vacancy rates. The study also examines whether recently built speculative industrial space has performed well in the market in terms of pre-leasing activity and tenant leasing post-completion. Primary data for this phase is sourced from the real estate information service, CoStar, and supplemented by insights from the Brookhaven and Riverhead IDAs regarding applicants for warehousing and industrial projects assistance.

In addition to the data-driven analysis, interviews were conducted with key stakeholders in the region possessing intimate knowledge of the industrial market landscape, including economic development professionals, brokers, and developers.

Finally, various supply and demand scenarios are analyzed to estimate the potential impact of the current planning pipeline on the region's vacancy rates and to determine whether additional space might oversaturate the market.



Key Findings

Caution regarding Brookhaven's warehousing and distribution sector is warranted. Evidence suggests that the recent surge in demand may not persist, raising concerns about potential overbuilding in the local and regional markets if excessive speculative construction continues. **Overall, the market has shown signs of softening since the previous report, with recently built speculative developments taking longer to lease-up.** While the market is still relatively strong, **the oversupply risk has grown, leading to more caution in private investment of spec building.**

Key findings include:

- **Demand in the region has been exceptionally strong over the past three years.** In part, the pandemic accelerated this trend, with online retailers experiencing a surge in demand while brick-and-mortar stores also expanded their online presence and same-day delivery services. This increased demand significantly for industrial space overall.
- **The market has responded with substantial development activity.** The market response has been robust, resulting in an unprecedented level of warehouse and distribution projects in the pipeline, totaling over 12 million square feet for Suffolk County alone.
- **Overall vacancy rates remain modest (despite uncomfortably high levels for distribution centers), indicating supply has not as yet outpaced demand.** The surge in demand in 2021 led to a sharp decrease in vacancies, which dropped to well below 3% for the overall warehouse distribution center market. The balance between supply and demand, however, has since shifted. The delivery of significant amounts of additional space combined with waning demand growth

subsequently pushed vacancies up above 4% in 2023 but this remains a reasonable rate.

- **There is some apprehension that continued development may lead to overbuilding, leaving smaller or less modern facilities vacant.** Generally, the market currently maintains a satisfactory degree of balance. Interviews with industrial real estate brokers, however, raise concerns about future market saturation. Also, to the extent that newly developed facilities do not match customers' needs or are priced out of reach, a portion of recently completed projects may remain vacant until demand catches up or prices subside.
- **Under probable scenarios, vacancies will rise to rates ranging from 6% to 11% over the next five years.** This is based on supply and demand projections indicating vacancy will rise depending on absorption and production rates.
- **Vacancy rates could exceed 11% within five years** under less favorable, but not improbable, market conditions. The circumstances leading to this outcome would involve a more subdued absorption rate pattern combined with a higher completion rate for projects in the pipeline beyond the range of scenarios projected in this study.
- **Focusing on square footage measures may underestimate the potential adverse impacts of these developments.** Facilities with higher ceilings provide increased capacity and can further reduce the need for additional space.

Few properties scheduled for delivery in 2024 have yet to be pre-leased but this is not surprising for speculative development. Examination of **newer developments completed over the past several years, however, does show a significant amount of vacant space still in search of tenants.**



Revisions from 2022 to 2024 and Summary Market Prospects

Eighteen months after the initial Industrial and Warehouse Analysis for the Brookhaven IDA, several elements have evolved but **the overall market outlook remains consistent with the view seen in late 2022.**

Of particular note since the completion of the original study, **the pipeline of planned and under-construction projects on Long Island has grown considerably.** The fall of 2022 saw a pipeline of warehouse and distribution projects summing to just over 9 million square feet. Since then, a net increase of 4 million square feet has pushed the overall level up over 13 million square feet – a 45% increase.

Long Island Pipeline Growth (SF) - 2022 to 2024

	2022 Pipeline	2024 Pipeline	2022 to 2024 Change	Growth
Suffolk County	8,773,998	12,593,957	3,819,959	43.5%
Nassau County	347,880	614,307	266,427	76.6%
Long Island Total	9,121,878	13,208,264	4,086,386	44.8%

Source: CoStar/Brookhaven IDA/Camoin Associates

Separately, overall absorption over the past three years has registered relatively strong levels (378,000 sf/year), driven largely by particularly vigorous leasing activity in 2021. This contrasts sharply with the twelve-year average of 139,000 sf/year.

For the multiple construction and absorption scenarios presented, a mid-point of 247,5000 sf/year represents the “Moderate” demand growth pattern, and this remains consistent with the 2022 report, which saw a mid-point of absorption projections measuring 242,000 sf/year.

With a stronger supply pipeline and slightly more optimistic demand patterns used in the updated analysis, the overall outlook for Brookhaven and Suffolk County remains strikingly consistent with the view presented

in 2022. Projected warehouse and distribution center vacancy rates are surely slated to rise over the coming five years, and the degree of that increase is, in part, a function of how well net absorption performs.

A major influence will be how much of the proposed projects filling the planning pipeline advance to completion. In the eighteen months since the original report, a significant portion of planned projects (28%) have moved to construction or on to completion. Should this pace hold steady, the result could be the advancement of a full 75% or more of the current planning pipeline – yielding a much greater likelihood of overbuilding in the local market.

Also to consider, however, is that over the past eighteen months, a full 15% of planned projects were abandoned or underwent a considerable change in scope. A strong pace of project deferrals would also shape the overall growth in total warehouse and distribution center inventory, limiting overall new construction and diminishing the potential for over-building. As many planned projects will inevitably fall away from consideration, this will help put a cap on the share of the pipeline moving forward. Potentially, as little as 50% of the current total pipeline will come to market.

Market prospects remain generally consistent with the overall outlook seen in late 2022. **While demand growth will play a clear role in the area’s market dynamics, a more decisive element will center around the amount of new supply coming to market.**

Vacancy Rate Projections by 2028 Under Alternative Construction and Absorption Scenarios - Suffolk County

Absorption	50% Pipeline	75% Pipeline
Optimistic	6.7%	9.9%
Moderate	7.2%	10.4%
Conservative	7.8%	11.0%

Source: Camoin Associates



DEMOGRAPHICS AND ECONOMIC PROFILE

Demographic Setting

Consumer demand reflects the underlying demographics and, in turn, the need for warehousing and distribution services. Findings include:

- While representing approximately one-third of the county's population, Brookhaven experienced a slight population decline from 2010 to 2023, in contrast to Suffolk County as a whole, which saw a modest 2% increase.
- Projections point towards continued modest declines in population over the next five years at both the town and county levels, on par with those observed at the state level.
- Despite a declining population, the number of households increased by roughly 4% for both the town and county from 2010 to 2023, with gains expected to taper through 2028.
- Median household incomes in the area register well over \$100,000, more than a third higher than the statewide level. This has contributed to robust retail demand throughout the region.
- Retail spending per household also registers as quite strong in Brookhaven and throughout Suffolk County. Average spending within the Town registers a full 25% above the statewide level.
- Despite projections of a declining total population and slowing household growth, income levels will remain exceptionally high throughout the region with strong growth anticipated through 2028. This will continue to buoy spending and with it, the need for warehouse and distribution space on Long Island.

Demographic Profiles

Population	Town of Brookhaven	Suffolk County	New York
2010	486,010	1,493,923	19,386,313
2023	485,642	1,523,936	20,113,414
2028	482,337	1,510,906	19,995,476
Growth			
2010 to 2023	-0.1%	2.0%	3.8%
2023 to 2028	-0.7%	-0.9%	-0.6%
Households			
2010	162,875	500,109	7,321,010
2023	168,990	520,684	7,768,100
2028	170,041	523,154	7,832,588
Growth			
2010 to 2023	3.8%	4.1%	6.1%
2023 to 2028	0.6%	0.5%	0.8%
Median Household Income			
2023	\$108,596	\$115,114	\$77,077
2028	\$118,805	\$127,131	\$85,392
Growth			
2023 to 2028	9.4%	10.4%	10.8%
Average Retail Spending per Household			
2023	\$38,533	\$41,723	\$30,914
2028	\$43,105	\$46,408	\$34,858
Growth			
2023 to 2028	11.9%	11.2%	12.8%

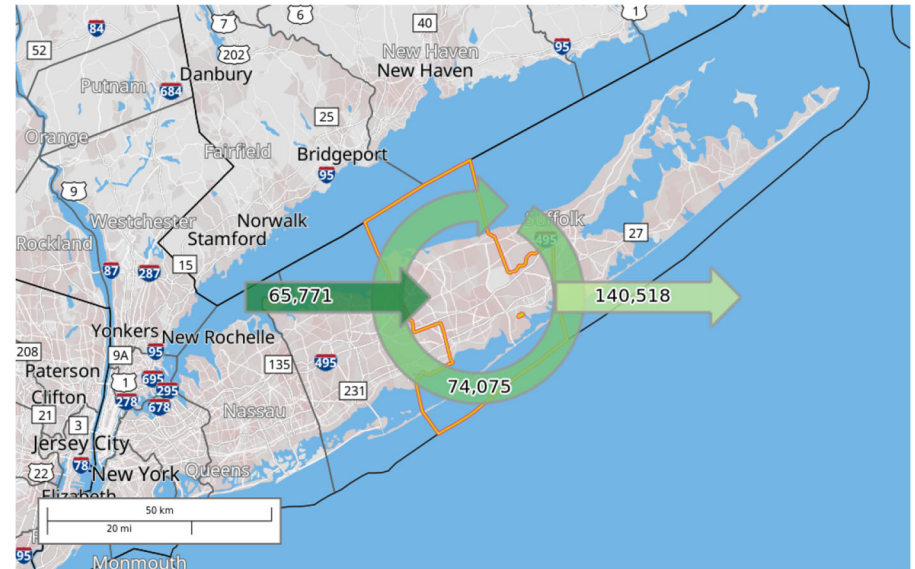
Source: Esri



Commuting Patterns

Approximately 74,000 individuals both live and work in Brookhaven but a majority of the community's labor force commute out of the Town.

- Brookhaven serves as a net exporter of workers, with over 140,000 residents leaving the community for work daily. Meanwhile, more than 65,000 workers come to Brookhaven from elsewhere on Long Island and beyond.
- Islip, NY, provides the largest number of outside workers to Brookhaven (16,600) while also serving as the work destination for 27,700 Brookhaven residents – the largest of any community outside of Brookhaven itself.



Brookhaven Resident and Worker Commute Origins and Destinations - 2021

Origin/Destination	Where Brookhaven Residents Work		Where Brookhaven Workers Live	
	Number	Share	Number	Share
Brookhaven	74,075	34.5%	74,075	53.0%
Islip	27,672	12.9%	16,644	11.9%
Smithtown	17,618	8.2%	5,716	4.1%
Manhattan	16,756	7.8%	1,358	1.0%
Huntington	8,383	3.9%	3,382	2.4%
Hempstead	7,513	3.5%	3,649	2.6%
Queens	7,318	3.4%	3,947	2.8%
Babylon	7,038	3.3%	3,537	2.5%
Oyster Bay	6,998	3.3%	2,285	1.6%
Brooklyn	5,669	2.6%	3,082	2.2%
All Other Locations	35,553	16.6%	22,171	15.9%
Total	214,593	100.0%	139,846	100.0%

Source: Census - OnTheMap



Economic Setting

The economic setting offers an overview of the current economic landscape in the Town of Brookhaven, highlighting the industries that are driving employment and wages:

- The public sector emerges as a significant driver of employment in Brookhaven, comprising three of the top six largest industries and boasting some of the highest average earnings.
- Restaurants and Other Eating Places rank as the second-largest industry, with nearly 12,000 jobs in Brookhaven. This industry also has posted the greatest increase in employees over the past decade.
- Notably, the top employment sectors do not align with typical industrial or warehouse-utilizing industries.

Brookhaven Sectors with Greatest Employment

Sector	Jobs (2023)	Average Earnings Per Job (2022)
Education and Hospitals-Local Government (9036)	18,084	\$130,216
Restaurants and Other Eating Places (7225)	11,882	\$35,260
Local Government, Excluding Education and Hospitals (9039)	9,968	\$120,475
Offices of Physicians (6211)	5,969	\$136,087
Grocery Stores (4451)	4,952	\$41,874
Federal Government, Civilian (9011)	4,584	\$131,713
Building Equipment Contractors (2382)	3,535	\$88,859
Personal Care Svcs (8121)	3,227	\$29,178
Home Health Care Svcs (6216)	2,890	\$52,577
General Medical and Surgical Hospitals (6221)	2,884	\$105,731
Svcs to Buildings and Dwellings (5617)	2,873	\$49,389
Department Stores (4551)	2,718	\$36,278
Offices of Dentists (6212)	2,717	\$70,515
Scientific Research and Development Svcs (5417)	2,551	\$103,014
State Government, Excluding Education and Hospitals (9029)	2,445	\$178,940
School and Employee Bus Transportation (4854)	2,444	\$51,010
Child Day Care Svcs (6244)	2,139	\$31,755
Residential Building Construction (2361)	2,137	\$67,503
Residential Mental Health Facilities (6232)	2,071	\$72,301
Offices of Other Health Practitioners (6213)	2,019	\$59,402
Building Material and Supplies Dealers (4441)	2,001	\$56,574
Foundation, Structure, and Building Exterior Contractors (2381)	1,842	\$80,427
Rail Transportation (4821)	1,683	\$94,540
Outpatient Care Centers (6214)	1,658	\$97,766
Building Finishing Contractors (2383)	1,638	\$74,350

Source: Lightcast



- Key growth industries that rely on industrial or warehousing space include Building Equipment Contractors, Pharmaceutical/Medicine Manufacturing, Building Material and Supplies Dealers,

Couriers and Express Delivery Services, and Foundation, Structure, and Building Exterior Contractors.

Brookhaven Sectors with Greatest Employment

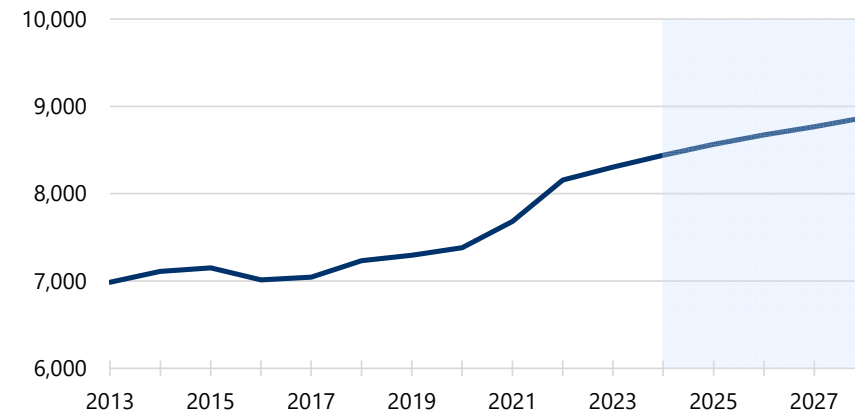
Sector	2013	2023	2013 to 2023		Average Earnings Per Job (2022)
	Jobs	Jobs	Change	Growth	
Restaurants and Other Eating Places (7225)	10,674	11,882	1,208	11.3%	\$35,260
Offices of Physicians (6211)	4,857	5,969	1,112	22.9%	\$136,087
Scientific Research and Development Svcs (5417)	1,588	2,551	964	60.7%	\$103,014
Personal Care Svcs (8121)	2,386	3,227	841	35.2%	\$29,178
Drug Wholesalers (4242)	758	1,437	680	89.7%	\$92,537
Mgt, Scientific, and Tech Consulting Svcs (5416)	804	1,426	622	77.3%	\$99,207
School and Employee Bus Transport (4854)	1,825	2,444	619	33.9%	\$51,010
Offices of Dentists (6212)	2,149	2,717	568	26.4%	\$70,515
Offices of Other Health Practitioners (6213)	1,481	2,019	538	36.3%	\$59,402
Taxi and Limousine Service (4853)	223	755	532	238.4%	\$36,381
Outpatient Care Centers (6214)	1,148	1,658	510	44.4%	\$97,766
Couriers and Express Delivery Svcs (4921)	682	1,176	494	72.4%	\$57,676
Bakeries and Tortilla Manufacturing (3118)	783	1,248	465	59.4%	\$60,843
Individual and Family Svcs (6241)	1,098	1,561	463	42.1%	\$49,468
Building Equipment Contractors (2382)	3,089	3,535	446	14.4%	\$88,859
Local Messengers and Local Delivery (4922)	58	482	425	732.5%	\$42,751
Continuing Care/Assisted Living Facilities for the Elderly (6233)	899	1,313	414	46.1%	\$57,678
Warehouse Clubs/Supercenters/Other General Retailers (4552)	795	1,205	411	51.7%	\$45,944
Home Health Care Svcs (6216)	2,543	2,890	346	13.6%	\$52,577
Residential Building Construction (2361)	1,798	2,137	339	18.8%	\$67,503
Rail Transportation (4821)	1,365	1,683	318	23.3%	\$94,540
Building Material and Supplies Dealers (4441)	1,716	2,001	286	16.7%	\$56,574
Accounting, Tax Prep, Bookkeeping, & Payroll Svcs (5412)	984	1,269	285	28.9%	\$100,342
Specialized Freight Trucking (4842)	386	621	235	60.8%	\$94,300
Automobile Dealers (4411)	995	1,222	228	22.9%	\$122,388

Source: Lightcast



- Over the past decade, the Warehouse and Distribution Center sector has witnessed significant growth, with associated occupations expanding by nearly 19% and adding 1,300 jobs. In contrast, other employment sectors experienced a more modest growth of 4.7%.
- Notably, these occupational sectors continued posting gains throughout the early pandemic period. In 2020, while total employment in Brookhaven dropped 9%, the number of jobs associated with warehouse and distribution edged up by more than 1%.
- Over the coming five-year timeframe, Brookhaven is slated to gain an additional 560 warehouse and distribution workers – an additional 7% gain by 2028.

Brookhaven Warehouse and Distribution Center Employment



Source: Lightcast

Warehouse and Distribution Center Employment by Occupation - Town of Brookhaven

	2013	2023	2013 to 2023		2022 Median
	Jobs	Jobs	Change	Growth	Annual Earnings
Transportation, Storage, and Distribution Managers	100	118	18	18.1%	\$119,420
Production, Planning, and Expediting Clerks	369	651	282	76.3%	\$52,354
Shipping, Receiving, and Inventory Clerks	509	614	105	20.6%	\$41,623
First-Line Supervisors of Transportation and Material Moving Workers	358	585	227	63.2%	\$62,259
Heavy and Tractor-Trailer Truck Drivers	932	1,311	380	40.8%	\$56,968
Industrial Truck and Tractor Operators	162	184	22	13.6%	\$51,174
Laborers and Freight, Stock, and Material Movers	1,590	1,322	-269	-16.9%	\$39,582
Packers and Packagers, Hand	408	377	-31	-7.6%	\$35,877
Stockers and Order Fillers	2,557	3,145	588	23.0%	\$36,099
Total Warehouse and Distribution Center Employment	6,985	8,307	1,322	18.9%	\$44,983

Source: Lightcast



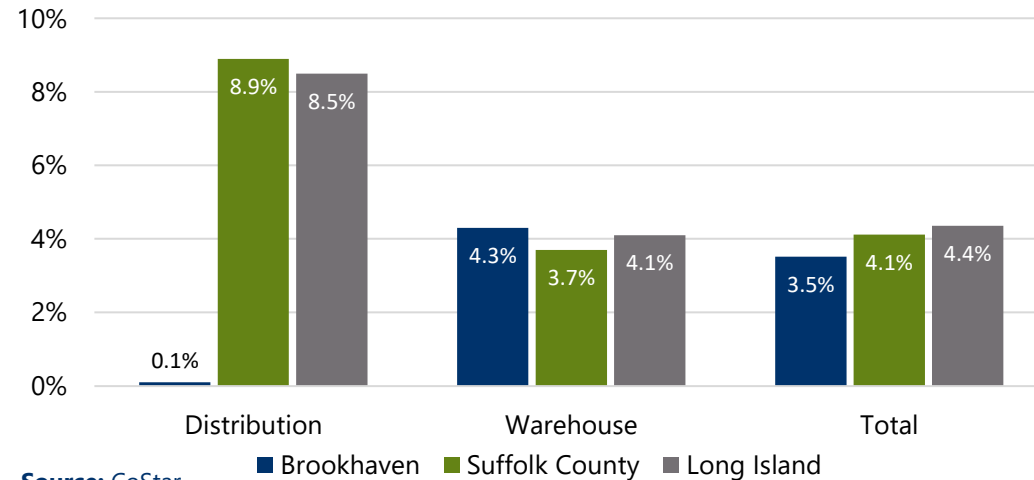
INDUSTRIAL REAL ESTATE MARKET PROFILE

Market conditions for warehouse and distribution centers rate somewhat more favorable for Brookhaven than for Suffolk County as a whole.

Overall, market metrics currently reflect a balanced market.

- Warehouses and distribution facilities in Brookhaven comprise slightly over 10% of Suffolk County's total inventory.
- While the number of distribution centers in Brookhaven is less than 10% of the total number of industrial structures, in terms of square footage, distribution centers represent 19% of the total area within the industrial space for the town. This disparity arises from distribution centers having a significantly larger average area—over 45,000 square feet compared to just 19,000 square feet for warehouses.
- Regional demand has demonstrated exceptional strength over the past three years. The pandemic-induced surge in online retail demand, coupled with brick-and-mortar retailers enhancing their online presence, fueled a significant jump in the need for industrial space.
- The expansion of same-day and last-mile delivery services has further accentuated the need for goods to be stored in proximity to densely populated areas.
- Significant completion of new distribution space in Suffolk County has, at this point, greatly exceeded the area's absorption. This imbalance has, in turn, forced vacancy rates to near 9% for distribution space at the county level. Meanwhile, Brookhaven sees vacancies for this segment have approached 0%.

Industrial Vacancy Rates - 2023



Source: CoStar

Warehouse and Distribution Center Inventory and Occupancy - 2023

	Inventory		Vacant Space	
	Buildings	Area (SF)	Area (SF)	Vacancy Rate
Town of Brookhaven				
Distribution	35	1,586,128	1,720	0.1%
Warehouse	360	6,869,837	295,490	4.3%
Total	395	8,455,965	297,210	3.5%
Suffolk County				
Distribution	141	6,174,493	550,698	8.9%
Warehouse	3,265	77,971,521	2,912,999	3.7%
Total	3,406	84,146,014	3,463,697	4.1%
Long Island (Suffolk and Nassau Counties)				
Distribution	188	8,400,564	709,898	8.5%
Warehouse	5,074	115,318,901	4,683,401	4.1%
Total	5,262	123,719,465	5,393,299	4.4%

Source: CoStar



- With the advancement of newer building technologies, industrial construction has witnessed a significant increase in ceiling heights. This development is particularly advantageous for tenants handling large volumes of goods. Facilities reaching 40 feet in height can now offer more than double the storage capacity compared to legacy buildings measuring half that height or less, all within the same building footprint and development acreage.
- These expansive facilities enable tenants to consolidate operations from multiple locations within their market area, streamlining logistics considerably. As these higher ceilings allow for a greater amount of storage over a given footprint, they may well result in higher vacancy rates as less overall square footage is required.
- A notable outcome of these taller facilities is the shift in focus among some developers, tenants, and brokers toward volume of space rather than just square footage. Rental rates for these high ceiling properties approaching \$20/sf seem exceptionally high compared to rates ranging from \$10 to \$13 elsewhere but are acceptable to a certain segment of the market due to the greater effective storage per square foot.
- CoStar data reports that, while there are close to 400 warehouses and distribution centers in Brookhaven, only a handful feature ceiling heights of 30 feet or higher. Meanwhile, a majority of projects in the pipeline plan to build to this height, accommodating tenants who wish to take advantage of this newer standard.

Brookhaven - Number of Warehouse and Distribution Facilities by Ceiling Height

Ceiling Height	Existing Warehouses	Existing Distribution	Proposed WH/ Distribution
Unknown	183	18	10
19' or less	114	10	0
20' to 29'	58	6	2
30-39	5	1	9
40+	0	0	3
Total	360	35	24

Source: CoStar/Camoin Associates



Industrial and Warehouse Planning Pipeline

The industrial and warehouse planning pipeline encompasses projects either proposed or currently under construction. The larger market area (all of Long Island) is considered in this analysis due to the larger distribution networks that influence the local industrial and warehousing sector. Properties within the Town of Brookhaven operate not only within a market extending well beyond nearby communities but also within the broader context of the larger region.

- Delivery of goods to locations in Brooklyn and Queens is increasingly being serviced by storage in Suffolk County. The scarcity of land closer to New York City, including in neighboring Nassau County, has resulted in a significant concentration of industrial and warehousing development in Suffolk County.
- According to data from CoStar and area IDAs, 2.3 million square feet of non-manufacturing industrial development is under construction on Long Island, nearly all of which is located in Suffolk County.
- In addition, another 10.9 million square feet of new development has been proposed or is in final planning for Long Island – again, overwhelmingly located in Suffolk County. This information is derived from CoStar data combined with insights provided by IDAs based in Suffolk County (See Appendix A for detailed listings).
- Despite Nassau County accounting for approximately one-third of all *existing* industrial space in the Long Island market, the vast majority of newly *planned* facilities are concentrated in Suffolk County. This is due to the shortage of available buildable sites and higher land costs closer to New York City.

Industrial Project Planned and Under Construction - Area in SF

	Proposed/Final Planning	Under Construction	Total
Suffolk County			
Distribution	4,714,807	1,057,186	5,771,993
Warehouse	5,788,701	1,033,263	6,821,964
Suffolk County Total	10,503,508	2,090,449	12,593,957
Nassau County			
Distribution	239,070	0	239,070
Warehouse	168,000	207,237	375,237
Nassau County Total	407,070	207,237	614,307
Long Island			
Distribution	4,953,877	1,057,186	6,011,063
Warehouse	5,956,701	1,240,500	7,197,201
Long Island Total	10,910,578	2,297,686	13,208,264

Source: CoStar/Brookhaven IDA/Camoin Associates



A total of 41 projects appear in the Suffolk County pipeline with 14 already under construction. The listings for Nassau County are more modest with only 5 projects totaling just over 600,000 square feet – all but one still in the planning phase (see Appendix B for detailed listing).

- The modest number of projects under consideration in Nassau County can be attributed largely to a shortage of available sites suitable for development. It's worth noting that several of these projects are conversions from other land uses.

- Three major developments currently under review by the Brookhaven IDA are highlighted in blue on the accompanying table. Collectively, these three projects alone encompass nearly 1.5 million square feet.
- Likely, additional projects have yet to be included in the CoStar planning pipeline dataset or identified by the Brookhaven IDA. Consequently, aggregate measures of potential supply represent a conservative estimate or minimum of the volume of new projects under consideration.

Largest Industrial Project Pipeline - Suffolk County

City	Area	Property Type	Project Status	Planned Completion	Ceiling Height
Yaphank	2,500,000	Warehouse	Proposed		
Babylon	1,600,000	Distribution	Proposed		36'
Islandia	980,000	Distribution	Proposed		
Calverton	650,000	Distribution	Proposed	2026	
Yaphank	650,000	Warehouse	Proposed		
Yaphank	561,000	Warehouse	Proposed		
Yaphank	549,942	Distribution	Under Const.	2024	36'
North Bellport	523,111	Distribution	Proposed		
Calverton	432,000	Warehouse	Proposed		
Melville	399,696	Distribution	Proposed	2024	40'
Medford	390,000	Warehouse	Proposed		
Deer Park	310,500	Warehouse	Proposed	2025	36'
Shirley	250,000	Distribution	Proposed	2025	40'
Medford	228,000	Distribution	Proposed	2024	36'
Calverton	224,900	Warehouse	Proposed		30'

Source: CoStar/Brookhaven IDA/Camoin Associates



The three notable spec projects currently under review by the Brookhaven IDA would add a total of 1.5 million square feet of new industrial space to the town’s inventory.

- The project sites of these planned facilities span a total of 124 acres.

- The estimated total cost of these five proposals amounts to \$366 million.
- If completed, these three developments would provide nearly 300 FTE jobs.

Select Properties Seeking Brookhaven IDA Incentives

Proposed Project	Station Rd Logistics Center	Medford Logistics	Segme Brookhaven
Developer	AIREF Station Road Logistics Center LLC	Medford Logistics LLC	2020 Acquisitions
Location	Station Rd & Sunrise Hwy, Bellport	440 Express Drive South, Medford	Horseblock Road, Yaphank
Structures	Three Warehousing/ Distribution Buildings	Warehouse	3 Warehouse Buildings
Total Footprint	523,111 sf	390,000 sf	561,000 sf
Estimated Cost	\$121M	\$121.5M	\$123.5M

Source: Brookhaven IDA/CoStar



Progression through the Planning Pipeline

After eighteen months, the projects found in the planning pipeline were investigated to review how they each fared following the completion of the 2022 Industrial and Warehouse Analysis report.

In some instances, follow-up records for individual projects were not available but for the most part, information remained available as to the status of those pipeline items of 2022.

The most common scenario for warehouse and distribution center projects planned in the latter half of 2022 was that, by early 2024, they remained in planning. Of nearly 40 projects cited in the initial Brookhaven Industrial study, more than half (57%) did not advance from the planning phase.

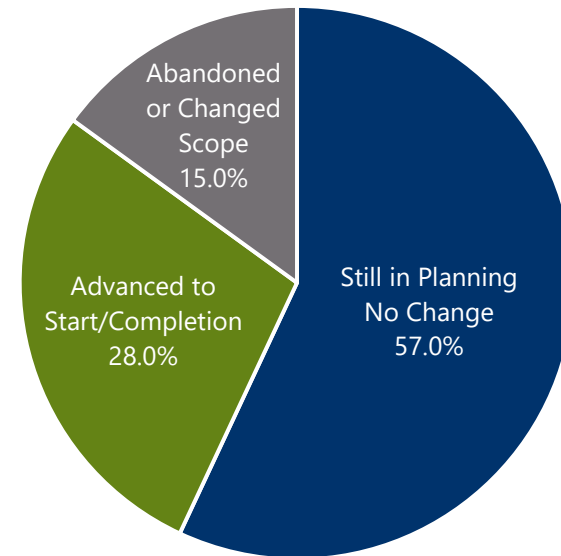
A significant proportion (28%), however, did move forward. For these, most were in the planning phase in 2022 and have now begun construction or have actually been completed and delivered to the market. Related, a significant proportion of those projects that had already begun construction in 2022 have since been completed.

Also of particular note, a full 15% of projects that had been proposed at the time of the 2022 market study have since been deferred, abandoned, or otherwise seen a significant change in scope.

The original study presented analysis regarding market development and absorption scenarios (an updated version is seen later in this report as well), and this review of how projects have subsequently progressed is consistent with assumptions made in that portion of the 2022 report.

The general assumption is that not all planned projects will advance to the construction stage. A question remains, however, as to what portion will see construction and eventually add to the overall market inventory of industrial space. The analysis considered the market implications under differing scenarios whereby 50% or 80% of planned square footage were to come to completion.

Status of 2022 Pipeline Projects after 18 Months



Source: CoStar

At this point, after 18 months, a full 28% has moved ahead and has been, or will be, added to the local building stock. This seems entirely consistent with an outlook whereby, after an additional 42 months, a further 22% advances to construction and delivery for a total of 50% of the planning pipeline.

Knowing that, after just 18 months, 15% of projects have been abandoned or deferred, however, suggests that the likelihood of 80% of planned projects moving to construction and completion may overstate the higher end of likely construction. With this in mind, the upper constraint on project advancement was scaled back from 80% to 75% in this study's analysis.



Warehouse and Distribution Center Market Trends

- The total inventory of warehouse and distribution space in Suffolk County exceeds 84 million square feet, with the vast majority attributed to warehouses. Distribution centers constitute a modest 7% of the total space.
- Net absorption has exhibited significant volatility with 2019 and 2020 experiencing a 1 million square feet decrease in overall

demand. The 2020 reduction in total inventory helped limit the increase in vacancies which edged up less than 1%. A healthy rebound in demand then drew down vacancies in 2021 before significant deliveries and a return of negative net absorption again edged vacancies up above 4% in 2023.

- Throughout this timeframe, however, rental rates posted an overall upward growth pattern, rising 45% on average from 2018 through 2023.

Warehouse and Distribution Center Market Dynamics - Suffolk County

	2018	2019	2020	2021	2022	2023
Distribution Centers						
Inventory (sf)	5,926,588	5,926,588	5,396,588	5,407,718	6,007,701	6,174,493
Vacancy Rate	3.9%	0.6%	3.5%	3.7%	10.5%	8.9%
Total Net Absorption (sf)	-220,315	194,865	-566,606	2,210	165,030	249,767
Deliveries sf	-	-	-	11,130	599,983	166,792
Average Rental Rate	\$10.36	\$11.94	\$10.10	\$12.65	\$17.62	\$13.92
Warehouse						
Inventory (sf)	77,300,317	77,459,360	77,584,623	77,551,623	77,688,618	77,971,521
Vacancy Rate	2.7%	3.5%	4.2%	2.6%	2.9%	3.7%
Total Net Absorption (sf)	461,570	-240,792	-426,858	1,218,478	-91,142	-409,255
Deliveries sf	44,703	207,316	259,203	-	261,995	343,195
Average Rental Rate	\$10.43	\$11.16	\$12.94	\$12.82	\$14.77	\$15.27
Total Distribution & Warehouse						
Inventory (sf)	83,226,905	83,385,948	82,981,211	82,959,341	83,696,319	84,146,014
Vacancy Rate	2.8%	3.3%	4.1%	2.6%	3.4%	4.1%
Total Net Absorption (sf)	241,255	-45,927	-993,464	1,220,688	73,888	-159,488
Deliveries sf	44,703	207,316	259,203	11,130	861,978	509,987
Average Rental Rate	\$10.42	\$11.21	\$12.90	\$12.82	\$14.83	\$15.15

Source: CoStar

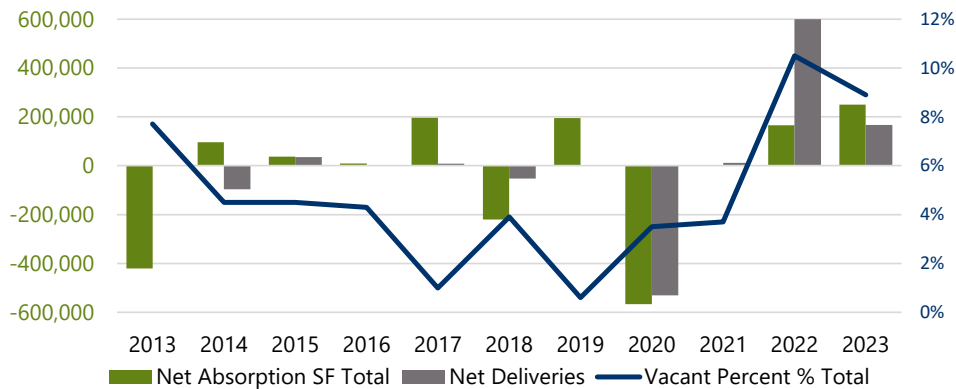


- A relatively balanced market saw distribution center vacancy rates at or below 4% for most of the past decade. Delivery of 600,000 square feet of new space in 2022, however, significantly outpaced absorption, pushing vacancies well above 10%.
- Deliveries then remained strong in 2023, totaling 167,000 square feet. But this added supply was eclipsed by rising demand with net absorption jumping 250,000 square feet. Even with this growth in demand, however, vacancy rates remain somewhat high (9%).
- The significantly more sizable warehouse segment has shown greater stability over the past several years. Due to its overall size,

deliveries of well over 1.1 million square feet since 2018 have raised the overall inventory by less than 1%.

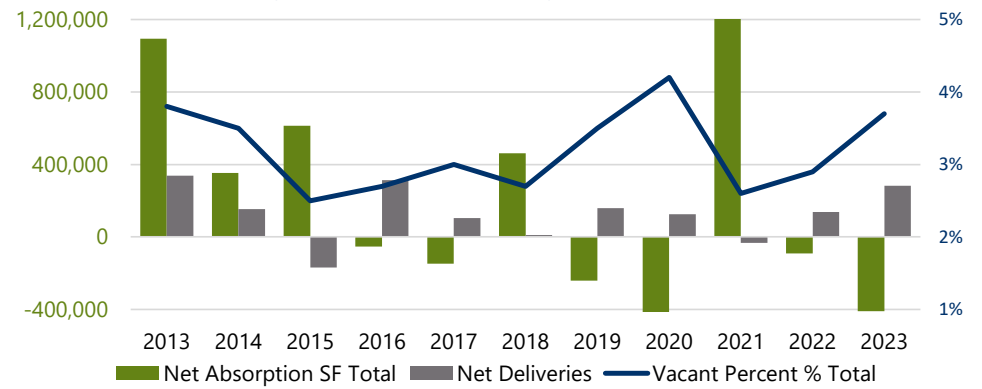
- A surge in demand in 2022 led to a sharp decrease in vacancies. Rates plummeted well below 3.0% for warehouses before edging up closer to 4% in the face of notable negative absorption in 2023.
- Significant deliveries exceeding 600,000 square feet also contributed to the most recent rise in vacancies by the end of 2023.

Distribution Center Market Dynamics - Suffolk County



Source: CoStar

Warehouse Market Dynamics - Suffolk County



Source: CoStar



Differentiation by size class:

- The more dramatic changes in the market over the past five years have largely been witnessed in the larger properties.
- For those smaller properties measuring less than 100,000 square feet, supply has changed very little since 2018. Negative net absorption totaled 250,000 square feet over this timeframe, but the result has been only a slight increase in vacancy to just over 3%. This segment remains quite well balanced as rental rates have increased by 40% over the past five years.
- Warehouse and distribution space tenants have generally shifted their preference towards larger facilities. Over the period from 2018 to 2023, absorption of structures equal to or greater than 100,000 square feet edged up by 58,000 square feet.
- As seen in the planning pipeline, the majority of projects in planning are for larger properties of 100,000 square feet or more. Sizable deliveries over the past five years have raised the total inventory of these larger properties by more than 4%, overwhelming the modest 58,000 square feet of net absorption, indicating supply increases outpacing typical demand. The result has been a more than doubling of vacancy rates which now stand well above 6%.
- Despite the moderate softening in the market for larger properties, demand remained sufficient to help drive up rental rates by a solid 44% since 2018.

Suffolk County Warehouse and Distribution Market Dynamics by Size Class - 2018 to 2023

	Area < 100ksf	Area ≥ 100ksf	Total Market
Inventory in Square Feet			
2018	59,437,486	23,781,419	83,226,905
2023	59,386,007	24,752,007	84,146,014
5 Year Change	-51,479	970,588	919,109
Net Absorption			
5 Year Total	-252,887	57,998	-194,889
Vacancy Rate			
2018	2.7%	3.0%	2.8%
2023	3.1%	6.6%	4.1%
5 Year Change	0.4%	3.6%	1.3%
Rental Rates			
2018	\$11.26	\$9.12	\$10.42
2023	\$15.77	\$13.09	\$15.15
5 Year Change	40.1%	43.5%	45.4%

Source: CoStar



LEASING ACTIVITY FOR RECENT AND PENDING DELIVERIES

Only modest pre-leasing activity has been recorded for the largest industrial properties slated for delivery this year on Long Island. This contrasts sharply with the more vigorous pre-leasing over the past several years as reported by CoStar.

An inventory of Long Island developments greater than 50,000 square feet that were completed within the past two years found eight warehouses and distribution center properties totaling 1.8 million square feet. Records show that, as of the time of each of their openings, 746,000 square feet had been leased. This works out to a pre-leasing rate of 41%.

Separately, thirteen other properties have been identified that are currently under construction and slated for delivery in 2024. These will bring an additional 2 million square feet to the Long Island market, and as of the writing of this report, these have secured only a modest number of pre-leasing agreements. As of 1Q2024, one of the twelve properties is 100% pre-leased, while a second has secured leasing of 72% of its available space. The other eleven properties are still in search of tenants to fill the remaining 1.2 million square feet of available space. This represents a mere 16% pre-leasing rate – less than half of the pace seen for similar properties completed as recently 2022 and 2023.

In conversation, brokers say that the new space coming to market will eventually find tenants but the time it takes to secure them has become more extended.

In response to the apparent slowing in demand growth, one developer recently stated that they were glad to have moved ahead with a particular speculative development in 2022 and that the building found a tenant without much delay. At this point, however, this developer is waiting to start the project's second phase until pre-leasing can be arranged. There is notably more reluctance to build on spec than just two years ago.

- While twenty-one properties were completed (or scheduled for completion) from 2022 through 2024, no properties greater than 50,000 square feet were completed in 2021.
- Of the two projects of 50,000 square feet or greater that were completed in 2020, each was 100% pre-leased by the time construction was completed.

At the time that this report is being authored, early in the second quarter of 2024, **early indications appear to show a significant slowing of pre-leasing activity based on the selected properties slated for completion this year.** With three quarters remaining in the year, there is still a good deal of time for these projects to secure tenants before completion, but early signs are of diminished pre-leasing as compared to the degree seen over recent years.

Leasing and Pre-Leasing of New and Under-Construction Industrial Space - Largest Properties in Suffolk County

	Completed 2020	Completed 2022-2023	Delivery in 2024
Number of Properties	2	8	13
Total Area (sf)	426,610	1,810,913	2,045,506
Average Area (sf)	213,305	226,364	157,347
Pre-Leased (sf)	426,610	746,156	337,405
Percent Preleased	100.0%	41.2%	16.5%

Note: Select properties of 50,000 sf or greater with completion dates from 2022 to 2024

Source: CoStar/Camoin Associates



MARKET DEVELOPMENT AND ABSORPTION SCENARIOS

Estimating future demand for the warehousing and distribution center market is challenging even in stable times, but recent years have underscored the multitude of factors impacting the market. With fluctuating absorption patterns and 10 million square feet of warehouse and distribution center projects in the planning pipeline for Suffolk County, the Brookhaven IDA poses a crucial question about the sector's future in its town and community.

Multiple supply and demand scenarios were combined to better grasp the risks associated with potential overbuilding, generating estimates of market conditions under differing assumptions. The resulting projections offer insights into market vacancies over the next five years, reflecting differing patterns of new construction activity and absorption.

The initial market conditions as of the end of 2023 are based on CoStar data for total warehouse and distribution space inventory and occupancy. The alternative scenarios were constructed out to 2028, reflecting differing degrees of new development and demand growth.

Demand

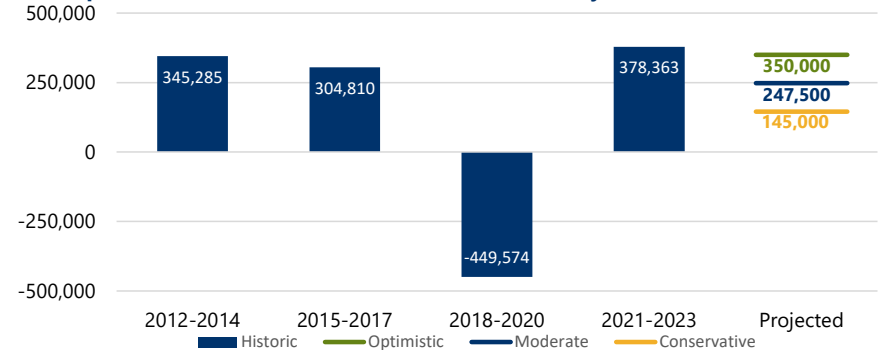
Projected levels of demand growth are based on patterns seen historically.

- Over the past 12 years, annual net absorption has averaged **145,000 square feet**. Demand growth over that timeframe,

however, was far from consistent. Specifically, the early pandemic period brought significant negative absorption (demand declined by nearly 1 million square feet in 2020 alone).

- Over the past three-year timeframe, however, **demand growth rebounded sharply, averaging 378,000 square feet from 2021 to 2023**. This is more consistent with levels seen before the pandemic, and real estate brokers show strong optimism that, as a whole, overall demand growth will remain robust.
- In projecting absorption over the next five-year period, **demand growth moderated slightly from levels seen most recently will serve as the optimistic scenario (350,000 square feet annually or 1.8 million square feet over five years)**.
- There is a significant risk, however, that the surge in demand prompted by the shift to last mile and at-home delivery will wane. Serving as a counter to the optimistic scenario, an alternative outlook posits significantly reduced demand growth. **The more conservative scenario assumes demand growth over the coming five years equal to the most recent 12-year average (145,000 square feet annually or 725,000 square feet over five years)**.

Suffolk County Warehouse & Distribution Annualized Net Absorption (sf) - Historic and Alternative Scenario Projections



Source: CoStar/Camoin Associates



- Finally, demand growth at a level in between the two endpoints serves as **the moderate scenario in which absorption registers in between the most recent pace (optimistic) and the 12-year average (conservative) (247,500 square feet annually or 1.2 million square feet over five years)**. This level of demand growth serves well as the mid-point of the differing scenarios as it represents the absorption of one or two sizable facilities each year for the coming five years.

Supply

The planning pipeline for new warehouse and distribution space in Suffolk County stands at 12.6 million square feet. Not all pipeline projects are expected to reach completion, however. If conditions become less favorable for newly opened properties due to slowed leasing activity or increased difficulty securing financing, some developers may opt not to proceed.

Two scenarios are envisioned for the outlook of new warehouse and distribution center development in the Suffolk County market:

- 50% of the pipeline is built: This assumes that only half of the current project pipeline (6.3 million square feet) is built, with construction distributed over the coming five years.
- 75% of the pipeline is built: This assumes that three-quarters of the current project pipeline (9.4 million square feet) is built, with construction distributed over the coming five years.

Likelihood of Oversupply

Combining each of the three absorption patterns with both of the supply growth alternatives results in six scenarios for consideration. The implications of these different combinations are detailed below.

In the most favorable scenario, absorption proceeds at a pace similar to the most recent, more robust demand growth, and new building activity

amounts to only half of the currently planned developments, and vacancies would be expected to rise to 6.7% by 2028. However, slightly more modest absorption and/or stronger development activity point to the potential for notably higher vacancy rates.

Under the least favorable scenario, absorption drops to only half of the levels seen over the past three years. Meanwhile, building activity proceeds at an exceptionally strong pace, with a full 75% of the projects in the pipeline being developed. The outlook under these conditions yields vacancies upwards of 11%. This represents the most overbuilt outcome among the scenarios modeled for this analysis.

The result of overbuilding in this market would be felt in a variety of ways in Brookhaven and on Long Island in general. To the extent that vacancies become excessively high, competition among owners would bid down rental rates offered to those looking for new space. This would benefit end users but also cut into the profitability of these properties. In the worst cases, this would lead to an inability to service debt, foreclosures, and bankruptcies. This could, in turn, bring depressed property values, impacting local tax revenues. These market signals would surely dissuade further development, but stability would not return until overall demand advanced sufficiently to absorb the full supply.

Vacancy Rate Projections by 2028 Under Alternative Construction and Absorption Scenarios - Suffolk County

	50% Pipeline	75% Pipeline
Optimistic	6.7% 5,885,883	9.9% 9,034,372
Moderate	7.2% 6,398,383	10.4% 9,546,872
Conservative	7.8% 6,910,883	11.0% 10,059,372

Source: Camoin Associates



HEARD FROM BROKERS AND DEVELOPERS

Concerns around overbuilding in the market are shared by commercial real estate developers and brokers. Through the course of multiple interviews with those most familiar with market conditions, several items emerged, pointing out optimism for the market's overall outlook along with uncertainty around prospects for success by some of the largest developments. Comments made by these market watchers include:

- Long Island's underlying demographics and strong consumer spending will continue to drive demand growth. **Retailers are looking for warehouse space to service last-mile deliveries.**
- Properties offering **multi-tenancy spaces ranging from 20,000 square feet to 100,000 square feet are doing well**, and the outlook is "strong over the coming years."
- **Potential tenants have become more confident** as the outlook for lending rates has improved and the market seems to have stabilized.
- There is **little build-to-suit activity due to a shortage of land and high building costs.**
- There has been a **flight to quality and much of the older stock is obsolete**. Potential tenants are looking for higher ceilings, wide pillar spacing, a greater number of loading docks, and additional parking space for trailers.
- Much of the **new inventory comes with premium pricing**, and potential clients shy away from rental rates approaching \$20/sf.
- There is a **need for a price correction**.
- Much of the **new space fills a specific market need** of large retailers and distributors willing to pay high lease rates to get modern facilities with high ceilings. That, however, is **only a portion of the warehouse market**.
- An influx of national tenants (Amazon/Wayfair) has attracted speculative development financed by **venture capital firms**. These companies **have purchased significant tracts of land** with plans to construct big-box distribution centers. With uncertainty around absorption, however, some investors are content to hold off on development – and hold onto their land.
- Owners are finding that they need to provide flexibility and accommodate multi-tenant leasing. Notably, some **very large distribution properties do not lend themselves to multi-tenant leasing**.



FURTHER CONSIDERATIONS AND CONCLUSIONS

Additional factors beyond this analysis continue to influence the warehouse and distribution center market in and around Brookhaven.

Foremost, the planning pipeline figures used in the above projections for supply growth may represent a conservative estimate of actual planning activity. Several projects, including one currently under review by the Brookhaven IDA, are not found in the CoStar data. Note that the square footage associated with these additional projects was included in estimating future inventory. Similarly, several projects found in the CoStar data were new to the IDA. It could well be that one or more developments of significant scale are yet to be announced but, for the moment, remain uncounted.

If the amount of newly developed industrial space significantly exceeds the levels included in this report's analysis, there is considerable downside risk

to the overall market. This could result from a higher share of projects identified in this study coming to completion or from the development of additional properties not currently in the pipeline.

Additional considerations affecting overall market dynamics include:

- Changing consumer spending habits due to inflation and/or recession may reduce demand for goods storage and distribution, decreasing overall demand for warehouse and distribution space.
- Ordinary demolition of buildings as they exceed their useful lives or conversion to other uses, such as residential, may decrease supply.
- Anticipated reductions in borrowing costs would affect the financial feasibility of proposed projects and potentially boost the number moving from the pipeline to the construction phase, further increasing supply.
- The trend by retailers to meet demand for same-day delivery coming from consumers and businesses in New York City may accelerate, – further increasing demand for new industrial space.
- Ongoing innovations in distribution technology that prioritize cubic space over floor space (higher ceilings, smaller footprint) will increase measured supply when looked at on a volume basis



Caution appears to be warranted concerning Brookhaven's warehousing and distribution sector. Recent levels of demand may not be sustainable. This poses a potential risk of overbuilding in the local and regional markets in the event that excessive speculative construction persists. Specific key findings include:

- **Demand in the region has proven especially strong over the past three years.** The pandemic fueled a surge in demand from online retailers, while brick-and-mortar stores also bolstered their online presence and same-day delivery systems, resulting in a rapid increase in demand for industrial overall.
- **The response by investors and developers has been robust, with the warehouse and distribution planning pipeline reaching unprecedented levels.** Suffolk County alone boasts well over 10 million square feet of warehouse and distribution center projects in the pipeline.
- **Currently, vacancy rates remain moderately low (4.1%), allowing for the ability to absorb additional near-term increases in supply.** While a surge in demand in 2022 led to vacancies plummeting to well below 3.0%, the balance between supply and demand could easily become imbalanced. The delivery of additional significant amounts of space would bring about a pattern of increasing vacancies and, potentially, declining rental rates.
- **Interviews with industrial real estate brokers express concerns that the market may become oversaturated** due to ongoing development, leaving smaller or less modern facilities vacant.
- **Supply and demand projections suggest that under multiple likely scenarios, vacancies will rise over the next five years.** Based on the consideration of multiple absorption and production rates going forward, the total market is likely to see vacancy rates increase, reaching 5% to 10% by 2028.
- **Under less favorable, though not improbable, future market conditions, vacancy rates could exceed 10%.** This scenario envisions an even more subdued absorption rate pattern combined with a higher proportion of all projects in the pipeline being completed and/or additional large projects coming to the fore.
- **Substantial vertical capacity increases for projects in the pipeline suggest that the data may underestimate the potential adverse impacts of these proposed developments.** Facilities with higher ceilings will provide greater capacity, further reducing the need for additional facilities (as measured in square feet).
- **Risks of market saturation may be limited for some new, larger-scale projects entering the market. Rather, the impact would likely fall disproportionately on older existing facilities.** This may then prompt those least desirable properties to be removed or renovated for an alternative use.
- **Unstable economic conditions impacting consumer spending would negatively affect the industrial and warehousing sector** as recessionary conditions would reduce demand for goods storage and distribution. At this point, however, this appears unlikely.



APPENDIX A: SUFFOLK COUNTY PLANNING PIPELINE

Largest Industrial Project Pipeline - Suffolk County

City	Property Address	Property Name	Area	Property Type	Project Status	Estimated Rent/SF/Yr	Planned Completion	Ceiling Height
Yaphank	0 Astor St		2,500,000	Warehouse	Proposed	Not Disclosed		
Babylon	Little East Neck Rd/North 28th St		1,600,000	Distribution	Proposed	Not Disclosed		36'
Islandia	1 Computer Associates Plaza		980,000	Distribution	Proposed	Not Disclosed		
Calverton	1743 Middle Rd		650,000	Distribution	Proposed	Not Disclosed	2026	
Yaphank	Sills Rd		650,000	Warehouse	Proposed	Not Disclosed		
Yaphank	Horseblock Road	Segme Brookhaven	561,000	Warehouse	Proposed	Not Disclosed		
Yaphank	North Service Road	Wildflower Industrial XII	549,942	Distribution	Under Const.	\$20.00	2024	36'
North Bellport	Station Road	Station Road Logistics Center	523,111	Distribution	Proposed	Not Disclosed		
Calverton	4285 Middle Country Rd	Multiphase Project	432,000	Warehouse	Proposed	Not Disclosed		
Melville	195 Spagnoli Rd	Mid-Island Logistics Ctr	399,696	Distribution	Proposed	Not Disclosed	2024	40'
Medford	440 Express Drive South	Medford Logistics Center	390,000	Warehouse	Proposed	Not Disclosed		
Deer Park	377 Carls Path		310,500	Warehouse	Proposed	Not Disclosed	2025	36'
Shirley	Long Island Expy	Bldg II (Precision Innovation Park)	250,000	Distribution	Proposed	Not Disclosed	2025	40'
Medford	N Service Rd	495 Logistics Ctr	228,000	Distribution	Proposed	Not Disclosed	2024	36'
Calverton	4245 - 4227 Middle Country Rd	Build-To-Suit Industrial	224,900	Warehouse	Proposed	Not Disclosed		30'
Edgewood	90 Wilshire Blvd		160,000	Warehouse	Under Const.	\$10.59 - 12.95	2024	
Medford	10 Donald's Way	Rechler Business Park	140,875	Distribution	Under Const.	\$9.81 - 11.99	2024	28'
Ronkonkoma	2100 Smithtown Ave	ISP III	137,470	Warehouse	Under Const.	Not Disclosed	2024	36'
Hauppauge	45 Oser Ave		132,515	Warehouse	Under Const.	\$9.60 - 11.73	2024	36'
Medford	645 National Blvd.	Wildflower Industrial XIII	129,242	Distribution	Under Const.	\$20.00	2024	36'
Farmingdale	875-999 Conklin St		122,000	Warehouse	Proposed	Not Disclosed		
Medford	Sills Road & Station Road		120,000	Warehouse	Under Const.	\$9.99 - 12.21	2025	
Hauppauge	88 Parkway Dr S		113,775	Warehouse	Under Const.	\$9.53 - 11.64	2024	36'
Holbrook	4955 Veterans Memorial Hwy	Holbrook Logistics Ctr	107,890	Distribution	Under Const.	\$10.12 - 12.36	2024	36'
Melville	125 Baylis Rd	Baylis 495 Business Park	103,500	Warehouse	Under Const.	\$11.30 - 13.82	2024	32'
Farmingdale	1620 New Hwy		100,000	Warehouse	Proposed	\$20.00	2025	
Commack	60 Motor Pky		97,558	Warehouse	Under Const.	\$9.49 - 11.60	2024	40'
Calverton	901-923 Burman Blvd	Pella Windows & Doors	84,000	Distribution	Proposed	Not Disclosed		40'
Melville	1700 Walt Whitman Rd		78,000	Warehouse	Proposed	\$21.00		40'
Bohemia	3175 Veterans Memorial Hwy	Venture Park ISP II	75,432	Warehouse	Proposed	Not Disclosed		32'
Calverton	4195 Middle Country Road	JPD United	74,650	Warehouse	Proposed	Not Disclosed		30'
Calverton	1001 Scott Ave		70,445	Warehouse	Under Const.	\$11.60 - 14.18	2024	36'
Shirley	Ramsay & Roned Roads		70,000	Warehouse	Under Const.	Not Disclosed		
Calverton	901-932 Scott Ave	Eastern Wholesale Fence	60,000	Warehouse	Proposed	Not Disclosed		40'
Smithtown	Broadley Ave		50,000	Warehouse	Proposed	Not Disclosed		
Bayport	00 Rajon Road		49,969	Warehouse	Proposed	Not Disclosed	2025	36'
East Setauket	384 Mark Tree Rd		32,000	Warehouse	Proposed	Not Disclosed		
Medford	0 Horseblock		28,000	Warehouse	Under Const.	\$10.61 - 12.97	2024	27'
Ronkonkoma	3277 Veterans Memorial Hwy		18,000	Warehouse	Proposed	Not Disclosed		
Bayport	1 Sylvan Ave		13,000	Warehouse	Proposed	Not Disclosed		16'
Cutchogue	8595 Cox Ln		12,000	Warehouse	Proposed	Not Disclosed		

Source: CoStar/Brookhaven IDA/Riverhead IDA/Camoin Associates



APPENDIX B: NASSAU COUNTY PLANNING PIPELINE

Industrial Project Pipeline - Nassau County

City	Property Address	Property Name	Area	Property Type	Project Status	Estimated Rent/SF/Yr	Planned Completion	Ceiling Height
Bethpage	600 Grumman Rd W		239,070	Distribution	Proposed	Not Disclosed	2024	
Hicksville	125 New South Rd	Nassau Logistics Ctr	207,237	Warehouse	Under Const.	Not Disclosed	2024	
Inwood	175 Roger Ave		68,000	Warehouse	Proposed	Not Disclosed		
Hicksville	449-455 W John St	Build-to-Suit	50,000	Warehouse	Proposed	Not Disclosed	2025	36'
New Hyde Park	990 Gould St		50,000	Warehouse	Proposed	Not Disclosed	2025	22'

Source: CoStar



APPENDIX C: DATA SOURCES



Lightcast (formerly Emsi Burning Glass) is a global leader in labor market analytics, offering a data platform that gives a comprehensive, nuanced, and up-to-date picture of labor markets at all scales from national to local. Key components of the platform include traditional labor market information, job postings analytics, talent profile data, compensation data, and skills analytics. Lightcast integrates government data with information from online job postings, talent profiles, and resumes to produce timely intelligence on the state of the labor market. Job and compensation data is available by industry, occupation, educational program, and skill type. [Click to learn more.](#)



Esri ArcGIS Business Analyst combines proprietary statistical models covering demographic, business, and spending data with map-based analytics to offer insights on market opportunities for industries, businesses, and sites. Business Analyst integrates datasets covering a wide range of topics including demographics, consumer spending, market potential, customer segmentation, business locations, traffic counts, and crime indexes, which can be overlaid spatially to produce customizable maps and uncover market intelligence. Data can be pulled for standard and custom geographies, allowing for valuable comparison between places. [Click to learn more.](#)



CoStar is a comprehensive source of commercial real estate intelligence, offering an inventory of over 6.4 million commercial properties spanning 135 billion square feet of space in 390 markets across the US. CoStar covers office, retail, industrial, hospitality, and multifamily markets. Property- and market-level data on absorption, occupancy, lease rates, tenants, listings, and transactions are researched and verified through calls to property managers, review of public records, visits to construction sites, and desktop research to uncover nearly real-time market changes. [Click to learn more.](#)

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Dan Stevens
Project Principal

Rachel Selsky
Project Manager

John Walker
Analyst

Service Lines



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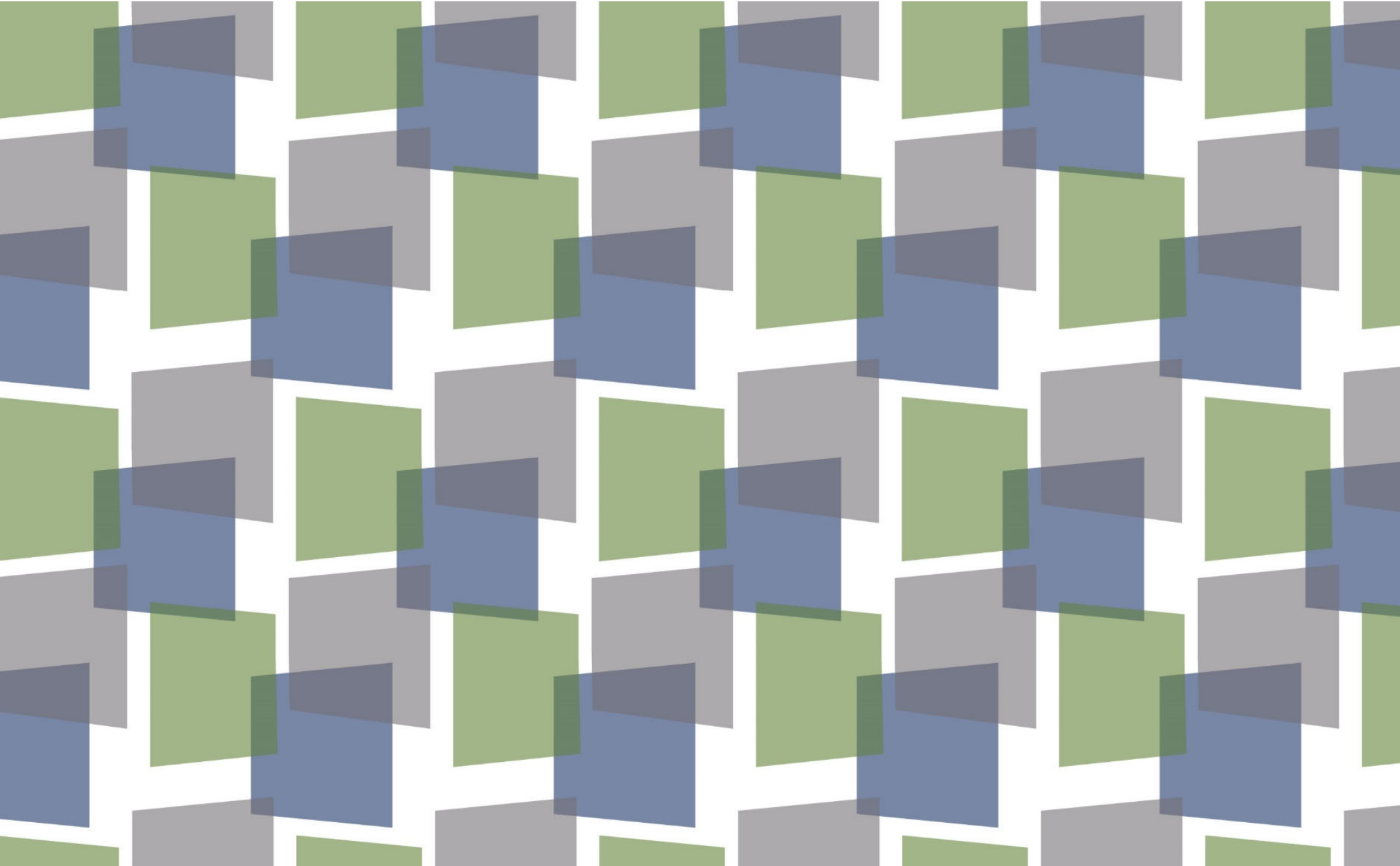


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Suffolk votes to buy building

Former nursing home could be jail, office space

BY VERA CHINESE

vera.chinese@newsday.com

Suffolk County officials are in talks to acquire the former John J. Foley nursing home property in Yaphank — which the county closed in 2013 and sold three years later — and potentially use it as a jail for adolescent offenders.

The county legislature voted 16-0 at a special meeting in Riverhead Tuesday authorizing county attorney Chris Clayton to begin negotiations and make an offer of up to \$6.2 million on the five-story, 264-bed facility.

It would cost roughly \$30 million to renovate and build out the space, county officials said.

The county is seeking state approval to use the building to house 16- and 17-year-old offenders, who under the state's Raise the Age laws cannot be held with adult inmates. The state could cover up to 75% of the renovation cost for that use, said Mike Martino, a spokesman for County Executive Ed Romaine.

"For time, for cost, for speed, this is a tremendous option," Romaine said.

That type of facility would not fill the entire 170,000-square-foot space. The county is only required to build a 40-bed facility for adolescent offenders, and currently has 17 offenders in custody, according to Sheriff's Department spokeswoman Vicki DiStefano. Four are housed out-

side Suffolk, she said.

Other possibilities for the building are a fingerprinting lab for law enforcement, a medical examiner's lab or office space for the department that controls mosquitoes, ticks and the like, Martino said.

In 2016, the county sold the property to what was then Brookhaven Memorial Hospital Medical Center for \$15 million after previous deals with a private nursing home operator fell through, Newsday reported. Brookhaven Memorial announced plans to reopen the facility for outpatient services in 2018, but it did not happen and the hospital merged with NYU Langone in 2022.

Representatives of NYU Langone, the property's current owner, declined to discuss the negotiations.



JOHN ROCA

The former John J. Foley nursing home has been closed since 2013.

Newsday reported in December Empire Equities Capital Ltd. was expected to purchase the property for \$7.6 million and open an inpatient drug treatment and rehabilitation center. Company representatives did not respond to a request for comment on why that deal fell through.

Plans to sell the nursing home stretch back to the administration of then-County Executive Steve Levy, who in 2007 proposed unloading the property to help plug budget gaps. Romaine and Suffolk County Comptroller John M. Kennedy Jr., then county legislators, were some of the biggest opponents of the proposal.

Levy on Tuesday questioned

if the county had formally studied whether it's less expensive to purchase and renovate the building, contract with outside agencies to house offenders or lease space elsewhere.

"Are they just buying the property because it seems like a bargain or do they really need the space?" he said. "That's the big question."

Romaine said preliminary estimates show renovating the space would cost less than building a new facility compliant with state laws. He said the county could also use it as a temporary space for departments if their current offices are eventually renovated.

"No matter what we use it for, we would save money," he said.

MTA seeks GCM retail operator

BY ALFONSO A. CASTILLO

alfonso.castillo@newsday.com

The MTA is on the hunt for a company to operate shops and restaurants inside the Long Island Rail Road's new Manhattan home, the agency's leader announced Tuesday.

But LIRR riders will have to wait until 2025 for most of the shopping or dining at Grand Central Madison, other than at one bar and grill opening this fall, officials said.

Metropolitan Transportation Authority chairman and CEO Janno Lieber revealed Tuesday the MTA has put out to bid a contract for a "master lessee" for Grand Central Madison, the 700,000-square foot LIRR terminal that opened in January of last year.

"There is still one unrealized component of the Grand Central Madison experience that we are all looking forward to," Lieber said at a retail confer-

ence held in the station Tuesday morning. "And that's the retail that is going to bring it to the next level. It's time for the MTA, together with the private sector, to begin addressing that."

According to the published request for proposal, the MTA is looking for a firm to oversee 25,000 square feet of retail space spread out across 32 units in the station, which spans five city blocks below Vanderbilt Avenue on Manhattan's East Side.

MTA real estate chief David Florio said bids are due back by June and the transit authority expects to award a contract by this fall.

"We're hoping to see some stores slowly ramp up through the course of 2025," Florio said. "Probably by 2026, you may see a full complement of stores."

Grand Central Madison is now serving around 65,000 riders a day, Lieber said. But those



CRAG RUTTLE

People on the concourse soon after the first train arrived at Grand Central Madison in January 2023.

riders have few options to get a bite or drink, outside a few coffee carts and vending machines.

Gerard Bringmann, chairman of the LIRR Commuter Council, a rider advocacy group, said putting the retail contract out to bid is "an important step" for Grand Central Madison.

"We're looking forward to the day the hustle and bustle of

riders is matched with shoppers, drinkers and diners in this beautiful terminal," Bringmann said in a statement.

The MTA last month revealed what Lieber called the "anchor" tenant for Grand Central Madison's retail space, Tracks Raw Bar & Grill — the popular eatery that has been a staple near Penn Station for more than 30 years. It's ex-

pected to open by this fall.

In populating the rest of Grand Central Madison's storefronts, Lieber said the MTA will look for a mix of tenants similar to those found at the original Grand Central Terminal, which opened in 1913 and sits above Grand Central Madison. It includes shops and restaurants ranging from the Apple Store to Duane Reade.



Peter L. Curry
Partner

Direct Dial: 516.227.0772
Direct Fax: 516.336.2208
pcurry@farrellfritz.com

400 RXR Plaza
Uniondale, NY 11556
www.farrellfritz.com

Our File No.
35576.100

March 26, 2024

VIA E-MAIL

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

**Re: Town of Brookhaven Industrial Development Agency
(Medford Branch, LLC/H.O. Penn Machinery Company, Inc. 2019 Facility)**

Dear Ms. Mulligan:

On April 1, 2019, the Town of Brookhaven Industrial Development Agency ("Agency") entered into a Lease and Project Agreement with Medford Branch, LLC.

On April 17, 2019, the Agency and Medford Branch, LLC granted a mortgage to Caterpillar Financial Services Corporation in the original principal amount of \$3,300,000.00, which has a current unpaid principal balance in the amount of \$2,640,000.00 (the "Existing Mortgage"). Medford Branch, LLC now intends to refinance the Existing Mortgage with Singer Island Insurance, Inc. in the aggregate principal amount of \$2,250,000.00 (the "New Mortgage"), and requires a Resolution from the Agency authorizing the Agency to consent to and execute the New Mortgage.

Please note that Medford Branch, LLC is not seeking any additional economic assistance beyond what has already been authorized.

We respectfully request that the foregoing matter be added to the agenda of the Agency's April board meeting.

Please feel free to contact me with any questions.

Very truly yours,

Peter L. Curry

Peter L. Curry

cc: Barry Carrigan, Esq.
Laura K. Fallick, Esq.



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March 4, 2024

David Canet
Managing Director SBA Lending Group
ConnectOne Bank
2455 Morris Avenue
Union, NJ 07083

Re: Williams Realty Holdings Group, LLC
Premises: 355 Sills Road, Yaphank, NY

Dear Mr. Canet,

We have acted as counsel to Williams Realty Holdings Group, LLC, a New York limited liability company and Interstate Mechanical Services, Inc., a New York corporation (collectively referred to herein as the "Borrower"), in connection with a mortgage loan from ConnectOne Bank (the "Bank") made on November 04, 2020 to the Borrower in the amount of \$4,140,000.00 (the "Mortgage Loan").

Borrower is currently applying to the Town of Brookhaven Industrial Development Agency for approval to both:

- extend the term of the existing sub-sub-sublease to the existing sub-tenant and unrelated entity, Cadcam Lab, LLC; and
- add an additional 838 rentable square feet to the Demised Premises under the Cadcam Lab, LLC sub-sub-sublease.

As you know, Mortgagee consent is a prerequisite to such IDA application.

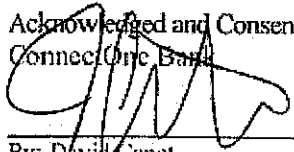
You may recall that the building located on the subject Premises comprises approximately 58,710 square feet. Borrower is now applying for approval to sublet a total of 2,105 square feet to Cadcam Lab, LLC. Inasmuch as the other sub-sub-subtenant, NP Drafting, Inc., has since vacated and no longer occupies any portion of the Premises, if the instant application is approved, 56,605 square feet will remain occupied by Borrower or its affiliated entities Fabrication Depot, LLC and Interstate Storage Services, LLC.

Should the above proposal of further subleasing meet with your approval, kindly sign and return the consent and acknowledgment below at your earliest convenience. We thank you for your continued assistance in this matter.

Very truly yours,


Michael A. Ferruggia

Acknowledged and Consented to:
Connect One Bank

 3/8/2024
By: David Canet
Managing Director SBA Lending Group

Serious crime in NYC down

Murders, rapes decline; assaults, robberies on rise

BY ANTHONY M. DESTEFANO
tony.destefano@newsday.com

Mayor Eric Adams and NYPD brass reported serious crime was down substantially in the city and in the subways this year compared with the same period in 2023. But they acknowledged they are being dogged by the public perception that transit crime remains high.

Reporting crime data for the first quarter of 2024 at a news conference, NYPD Commissioner Edward Caban said the city saw decreases in five of the seven major felony categories, including reductions in murder, rape, burglary, grand larceny and auto theft. The drop amounted to a 2.4% reduction in major felonies for the quarter compared with 2023, Caban said.

The city also saw a reduction in shootings in all five boroughs, continuing a trend seen in past few years, Caban said.

In the first quarter, murders dipped 17.2%, rapes were down 3.7%, burglaries decreased 14%, grand larcenies were down 2% and auto theft dropped by nearly 10%, according to NYPD data.

But robberies increased in



The NYPD reported a drop in most felonies in the city, as well as a reduction in transit system crimes.

the quarter 4.3% and felony assaults, which have been a problem for many months, increased 3.8%, the data showed.

Adams noted after a shaky start with increased subway crimes in January, serious felonies in the transit system were off 15% in February and 24% in March compared with a year ago.

Adams took the drop in subway crime as an important step in trying to improve the city's economic lifeblood. But he admitted there were nagging problems including with the way

the rest of the criminal justice system is not working properly.

"Recidivism, recidivism, recidivism," Adams said. "A small number of people are committing a large number of crimes."

"In fact the city is not out of control, we are the safest big city in America," Adams said, repeating a theme he has used for months.

But chief of crime control strategies Michael LiPetri said the overall criminal justice system appears dysfunctional, a "broken system" which he said has been impacted by bail re-

form and onerous discovery rules burdening prosecutors.

"Career criminals are leveraging the current system," LiPetri said. "Career criminals and recidivists know about bail reform, they know about judges not giving bail, they know about discovery. The system has shifted in their favor."

Chris Herrmann, associate professor at John Jay College of Criminal Justice, said the increase in assaults and robberies are impactful because each incident represents someone who has been victimized.

Southold extends pause on battery storage facilities

BY TARA SMITH
tara.smith@newsday.com

Southold Town has extended a pause on battery energy storage systems for another year, further delaying a proposal to build a facility in Cutchogue.

The town board first enacted the 12-month moratorium in 2023 to buy time for a task force to study the emerging technology amid safety concerns and issue a report. That moratorium was set to expire April 11, according to town officials.

Board members on March 26 voted 5-0, with one member absent, to extend the moratorium.

Michael Macco, a member of the task force, said a draft report could be submitted to the town board as early as next month.

Key Capture Energy, an Al-

bany-based renewable energy company, wants to build a 60-megawatt facility on farmland on Oregon Road in Cutchogue, according to an application filed with the town planning department in May 2022. The property is industrially zoned, but town code does not explicitly permit battery storage facilities. Residents have expressed concerns about environmental and safety impacts, including how fire departments would respond to emergencies at the site.

The company also has plans for a 50-megawatt facility next to a LIPA substation in Babylon, Newsday previously reported.

Fires at three battery storage facilities last year, including one in East Hampton, prompted several towns to enact moratoriums. The facilities complement renewable

solar and wind energy systems because they can store energy to meet peak demand.

The towns of Southampton and Huntington have moratoriums in place. Babylon, Islip and Oyster Bay are considering them.

Phil Denara, director of development for the energy firm, said in a statement the company "remains eager" to work with the town, first responders and other stakeholders to address concerns while the moratorium is active.

"Battery energy storage will provide Southold and other communities across Long Island with clean, reliable energy that will help keep the lights on during extreme weather events and other times of high electricity demand," he said.

A 60-megawatt project could power roughly 50,000 homes,

according to KCE public affairs manager Chris Linsmayer.

At a March 26 public hearing, Southold residents spoke in favor of the extension.

Tracy Levy, 64, of Laurel, supports the moratorium but would rather see no battery storage systems built in the area.

"It's not worth gambling the beauty of Oregon Road or, for that matter, the entire North Fork on a technology that is changing rapidly," Levy said.

In February, state officials released preliminary recommendations for battery storage facilities. The report suggested requiring developers to fund reviews, enhance safety monitoring and require "qualified personnel" be available to dispatch within 15 minutes of a reported fire and able to arrive on the scene within four hours.

Newsday

Long Island Office
6 Corporate Center Drive,
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CORRECTIONS

Brood XIV is the cicada brood expected to emerge north of the Bronx next year. A story on Tuesday misidentified the brood and misattributed a quote from Jody Gangloff-Kaufmann of Cornell University.

Hugh Stephens was awarded the Medal of Ushakov from Russian President Vladimir Putin in November 2020. A story on Wednesday had an incorrect date.

THIS DATE IN HISTORY

1841 President William Henry Harrison succumbed to pneumonia one month after his inaugural; John Tyler became the first vice president to assume the office of president after such a death.
1945 During World War II, U.S. forces liberated the Nazi concentration camp Ohrdruf.
1949 Twelve nations, including the United States, signed the North Atlantic Treaty in Washington, D.C.
1968 Civil rights leader Martin Luther King Jr., 39, was shot and killed while standing on a balcony of the Lorraine Motel in Memphis, Tennessee. James Earl Ray later pleaded guilty to assassinating King.
1973 The Twin Towers of New York's World Trade Center were dedicated.



March 27, 2024

RECEIVED

APR - 3 2024

Ms. Lisa Mulligan, CEO
Town of Brookhaven Industrial Development Agency
1 Independence Hill
Farmingville, NY 11738

Town of Brookhaven IDA

Dear Ms. Mulligan,

It is that time of year when we reach out and show you the impact of your generosity. The Town of Brookhaven Industrial Development Agency Scholarship continues to make an impact each and every day on our students. Your generosity provides a gift that inspires and encourages them to work towards their dreams. Thank you.

Enclosed you will find an endowment report detailing the Town of Brookhaven Industrial Development Agency Scholarship. This report illustrates how the funds are being awarded and the income activity. (As of June 30, 2023, the close of our fiscal year.) Please do not hesitate to contact me if you have any questions.

I enjoy Ralph Waldo Emerson's writing and there is a quote about life that I believe sums up your generosity.

"The purpose of life ... to be honorable, to be compassionate, to have it make some difference that you have lived and lived well."

Ralph Waldo Emerson

Thank you for your "compassion" and for making a "difference" in our students' lives. Your generosity is truly a gift to the entire SJNY community.

Sincerely,

Rory Shaffer-Walsh
Vice President of Institutional Advancement

*Lisa -
Please give me
a call if you would
like to tour our new
student center. It
would be my pleasure!*

ENDOWMENT FUND ACTIVITY REPORT

Endowment Fund

Town of Brookhaven Industrial Development
Agency Scholarship

Report Date

March 25, 2024

Fund Summary

Since 1971, the Town of Brookhaven Industrial Development Agency (IDA) has been a public benefit corporation of the state of New York. The agency's charge is to assist in the acquisition, construction, reconstruction and equipment of commercial and industrial facilities. In November 2000, the IDA created a scholarship at St. Joseph's University, New York for a Long Island Campus student who resides in the Town of Brookhaven.

Endowment Summary

As of June 30, 2023, St. Joseph's University's total endowment fund was \$60,013,131. The annual return on endowment investments for the year ended June 30, 2023 was 13%. The average annual market value for the last three years ended June 30, 2023 is \$28,803,779.

Summary

Total Endowment to Date	\$60,000
Market Value (6/30/23)	\$99,637
Market Value (6/30/22)	\$93,536
Market Value (6/30/21)	\$115,388
Market Value (6/30/20)	\$88,196
Market Value (6/30/19)	\$87,407

Income Activity Report

Income balance (6/30/22)	\$0
Income in 22-23	\$4,813
Expenditures in 22-23	(\$4,813)
Projected income 23-24	\$4,836
Available for 23-24	\$4,836
<i>(Student awarded for 23-24 – see below)</i>	

Scholarship Recipients – last 5 years

2023-24	Avery Zumpol	\$4,836
2022-23	Avery Zumpol	\$4,813
2021-22	Avery Zumpol	\$4,728
2020-21	Avery Zumpol	\$4,143
2019-20	Amanda Kosin	\$ 3,683

*For question concerning the endowment,
please contact:*

Marion Kowalski, Controller
Office of Business Affairs
St. Joseph's University, New York
155 West Roe Boulevard
Patchogue, NY 11772
Tel: 631.687.4561
E-mail: mkowalski@sjny.edu

*For questions concerning this report, please
contact:*

Rory Shaffer-Walsh, Vice President
Office of Institutional Advancement
St. Joseph's University, New York
1 Terry Street
Patchogue, NY 11772
Tel: 631.687.2658
E-mail: rshaffer-walsh@sjny.edu

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A self-elevating barge off Smith Point, as seen from Moriches Inlet, conducted sea-floor survey work for the Sunrise Wind farm on Nov. 29, 2020. Credit: Mark Harrington

By Mark

Harringtonmark.harrington@newsday.com[MHarringtonNews](#) Updated March 26, 2024 7:33 pm

SHARE

One of the largest offshore wind farms planned for Long Island received another important approval from the federal government Tuesday, while its developer gave the formal OK to move ahead with investing in the multi-billion-dollar project.

The federal government approval of a “record of decision” for Sunrise Wind is among the last the 84-turbine project needs before construction can begin, as early as next year. Sunrise Wind developer Orsted, of Denmark, said it expects the federal government to approve the final permit —its construction and operation plan —this summer, with completion expected in 2026. Orsted recently completed the 12-turbine South Fork Wind Farm earlier this month.

Both are in the waters off Massachusetts and Rhode Island, with a power cable running more than 100 miles to Smith Point County Park before it begins a 17.5-mile journey through Brookhaven to a substation in Holtsville.

The record of decision announced Tuesday indicates that the 924-megawatt project will operate with fewer turbines than originally planned, which Orsted says will power some 600,000 homes. A federal release on the decision Tuesday said it would power more than 320,000 homes.

Most of the project's power will enter the Long Island grid at Holtsville, and will be among the green-energy projects that are slated to replace fossil-fuel-powered natural gas plants over the next 25 years. Most Long Island power plants have contracts expiring in the next four years.

While the plant promises some \$169 million in tax benefits for Brookhaven Town and other local districts, a \$200 million land-based cable construction contract for Melville-based Haugland Group, and millions in research and training. New York State, which controls public messaging around the project, has yet to say specifically how much the project will increase customer rates.

When the New York State Energy Research and Development Authority announced its awarding Sunrise a new contract for energy, it would only say that Sunrise and another project, Empire Wind, slated for 12 miles off Long Beach, would together increase monthly bills by \$2.09. Orsted spokeswoman Meaghan Wims declined to discuss the ratepayer impact.

Neither NYSERDA nor Orsted would say what the final cost to build Sunrise Wind was, with Orsted calling it proprietary. Newsday has reported that Sunrise, before its new pending contract, had an all-in cost of around \$4.2 billion.

In addition to the federal record of decision Tuesday, Orsted itself said it approved a final investment decision for the project, even as it has taken hundreds of millions in impairment charges on the project already, and its partner, Eversource, has announced a plan to divest its ownership stake in the project.

The record of decision includes a statement that "major adverse impacts" from Sunrise Wind are expected for commercial and for-hire recreational fisheries,

because of “the presence of structures, navigational hazards, space-use conflicts, new cable placement and pile driving noise.”

It says the impacts “would be mitigated” by a requirement that Sunrise establish a “direct compensation” program to fishermen impacted by it, but thus far those compensation programs (excluding gear loss compensation) are available only to Massachusetts and Rhode Island fishermen, Newsday has reported.



By [Mark Harrington](#)

mark.harrington@newsday.com[MHarringtonNews](#)

Mark Harrington, a Newsday reporter since 1999, covers energy, wineries, Indian affairs and fisheries.



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APR - 5 2024

Town of Brookhaven IDA

Peter L. Curry
Partner

Direct Dial: 516.227.0772
Direct Fax: 516.336.2208
pcurry@farrellfritz.com

400 RXR Plaza
Uniondale, NY 11556
www.farrellfritz.com

Our File No.
32630/100; 33276/100

April 4, 2024

Ms. Lisa M.G. Mulligan
Chief Executive Officer
Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, NY 11738

Re: Agency Letter, Dated March 29, 2024

Ms. Mulligan:

I write to you on behalf of The Preserve at East Moriches, LLC ("the Preserve"), Middle Country Meadows, LLC ("Middle Country") and Overbay, LLC ("Overbay") in response to your letter dated March 29, 2024.

Paragraph A: I have had a fairly constant dialogue with Barry Carrigan, Esq. about the information the Agency requires. On March 21, 2024, I forwarded a spread sheet of Demetrius A. Tsunis's assets, liabilities and net worth. On March 27, 2024, I forwarded the SBA form of personal financial statement to which the spread sheet should be attached. I have no further questions or comments on the requested information since that date, and believed that the issue had been resolved.

Paragraph B: I enclose the current organizational chart for Overbay. Overbay is solely owned by Theresa and Boys Port Jefferson LLC ("TBPJ"). Mr. Tsunis is the owner of the Preferred Interest in TBPJ, representing the value of the project at the time of commencement of construction. Theresa and Jim Overbay LLC, 99% owned by Three Brothers Trust Port Jefferson and 1% by Mr. Tsunis's wife, Theresa, owns the Common Interest in TBPJ. Overbay, and all the entities involved in direct and indirect ownership of Overbay, are owned by Tsunis family members or family trusts and controlled by Mr. Tsunis.

Paragraph C: I enclose the current organizational chart for Middle Country, which is solely owned by Theresa and the Boys Selden LLC ("TBS"). Mr. Tsunis is the owner of the Preferred Interest in TBS, representing the value of the project at the time of commencement of construction. Theresa and Jim MCM LLC, 99% owned by Three Brothers Trust Port Selden Jefferson and 1% by Theresa Tsunis, owns the Common Interest in TBS. Middle Country, and all of the entities

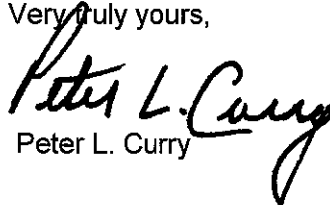
Ms. Lisa Mulligan
April 4, 2024
Page 2

involved in direct and indirect ownership of Middle Country, are owned by Tsunis family members or family trusts and controlled by Mr. Tsunis.

The organizational structures for each of Overbay and Middle Country have been developed for estate planning purposes. In the event the Agency believes that these current ownership structures require its consent under the respective Sections 8.3 of the Lease Agreements, by this letter Middle Country and Overbay respectfully request that the Agency consent to the respective current ownership structures.

Please feel free to contact me with any questions or comments.

Very truly yours,



Peter L. Curry

cc: Mr. Jim Tsunis
Laura K. Fallick, Esq.
Barry Carrigan, Esq.

Enclosures

Diagram A

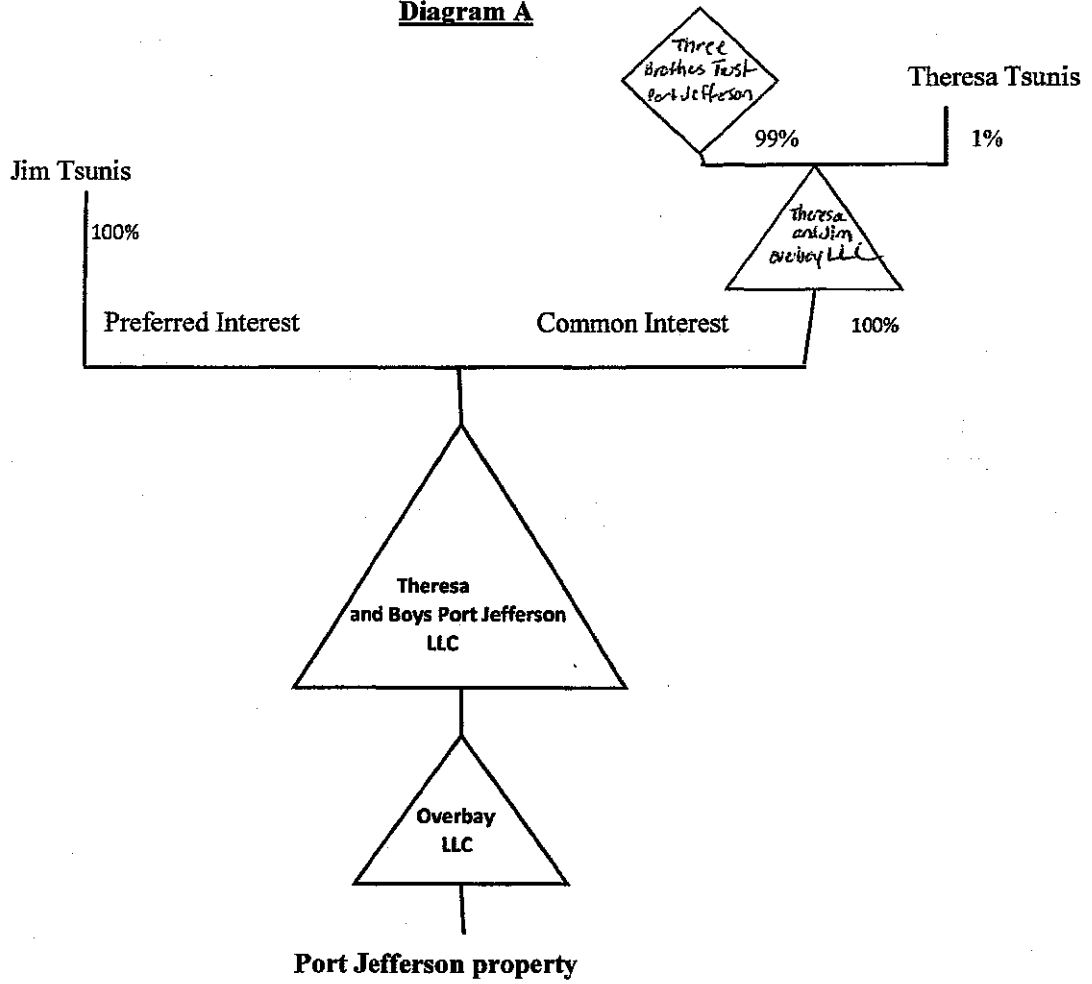
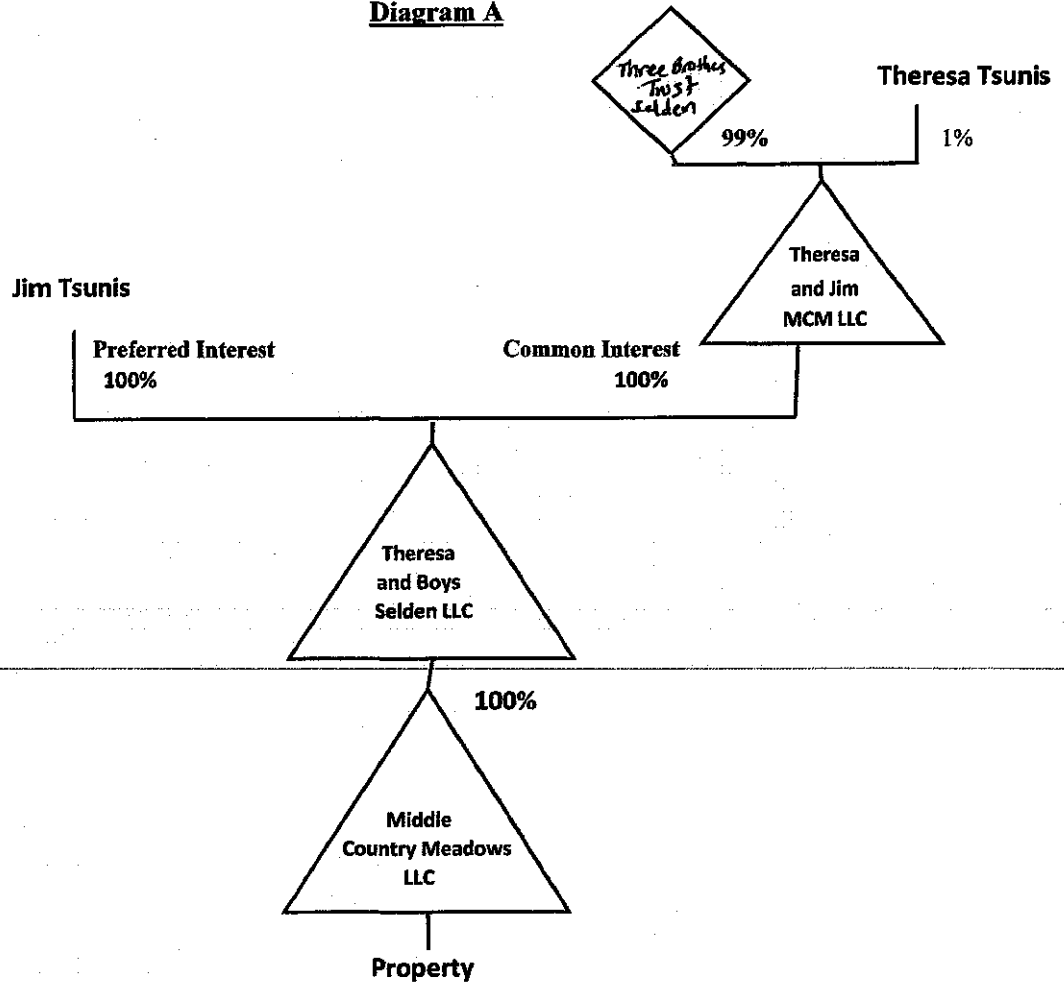


Diagram A



BARCLAY DAMON LLP

Kevin R. McAuliffe
Partner

March 29, 2024

VIA OVERNIGHT MAIL

Ms. Lisa M. G. Mulligan
Chief Executive Officer
Town of Brookhaven IDA
One Independence Hill, 2nd Floor
Farmingville, New York 11738

Re: Shoreham Solar Commons LLC - Application

Dear Ms. Mulligan:

Barclay Damon LLP represents Shoreham Solar Commons LLC (“Shoreham Solar”) with regard to its relationship with the Town of Brookhaven IDA. We submit herewith the application to the IDA for consent to the change in control and ownership of Shoreham Solar which occurred on October 25, 2023 pursuant to a purchase and sale agreement (the “PSA”) by and among Duke Renewable Energy Holdings LLC and four distinct Brookfield Infrastructure funds, each of which is partially owned by Brookfield Renewable Energy. We have attached hereto a diagram of the flow of ownership interests from the Duke entities to the Brookfield Infrastructure funds.

While the Brookfield team was aware of the relationship between Shoreham Solar and the IDA, it was unaware that Duke had failed to undertake the consent process required by the Leaseback Agreement. Brookfield relied upon the representation of Duke that it had complied in all material respects with the requirements for each tax abatement or tax exemption agreement, agreements relating to payments in lieu of taxes, or any similar program or agreement from which the project entities benefitted. Obviously, this representation covered the relationship between Shoreham Solar and the Town of Brookhaven IDA.

The complete transaction involved more than 84 existing projects and as previously reported, had a net purchase price of approximately \$1.1 Billion Dollars. The enclosed application identifies the value of the project as \$37 Million Dollars which is based upon an internal valuation of the Shoreham Project done by Brookfield. This valuation was created by a finance team at Brookfield using a discounted cash flow approach for the asset based on a risk-adjusted after-tax levered discounted rate.

The transaction was undertaken by Brookfield based upon the warranty from Duke that the existing PILOT was in full force and effect and that no additional action was required to maintain that status. If it was known to Brookfield that such was not the case, then the valuation of

Ms. Lisa M. G. Mulligan
Chief Executive Officer
Town of Brookhaven IDA
March 29, 2024
Page 2

Shoreham Solar would have been substantially reduced to reflect the absence of a PILOT.

Please let us know if there is any additional information that you and your Board require to approve this application for consent.

Very truly yours,



Kevin R. McAuliffe

KRM:hal
Enclosures

**FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
1 Independence Hill, 2nd Floor, Farmingville, New York 11738
631 406-4244**

DATE: March 2024

APPLICATION OF: Shoreham Solar Commons, LLC
Name of Owner and/or User of Proposed Project

ADDRESS: 550 S. Caldwell Street
Charlotte, NC 28202

Type of Application: Tax-Exempt Bond Taxable Bond
 Straight Lease Refunding Bond

*** Application for change of consent to transfer**

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, and should be made payable to the Town of Brookhaven Industrial Development Agency.

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 AND USER DATA
PART II	OPERATION AT CURRENT LOCATION
PART III	PROJECT DATA
PART IV	PROJECT COSTS AND FINANCING
PART V	PROJECT BENEFITS
PART VI	EMPLOYMENT DATA
PART VII	REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION
PART VIII	SUBMISSION OF MATERIALS
EXHIBIT A	Proposed PILOT Schedule
SCHEDULE A	Agency's Fee Schedule
SCHEDULE B	Construction Wage Policy
SCHEDULE C	Recapture and Termination Policy

Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): Shoreham Solar Commons, LLC

Address: 550 S. Caldwell Street
Charlotte, NC 28202

Federal Employer ID #: [REDACTED] Website: _____

NAICS Code: 221114

Owner Officer Certifying Application: Duane Davidson

Title of Officer: Director and Assistant Treasurer

Phone Number: [REDACTED] E-mail: [REDACTED]

B. Business Type:

Sole Proprietorship Partnership Limited Liability Company

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”)

Solar Generating Facility

D. Owner Counsel:

Firm Name: Barclay Damon LLP

Address: 125 E. Jefferson St.
Syracuse, NY 13202

Individual Attorney: Kevin R. McAuliffe, Esq.

Phone Number: 315-425-2875 E-mail: kmcauliffe@barclaydamon.com

E. Principal Stockholders, Members or Partners, if any, of the Owner:

Name	Percent Owned
See Attached Sheet	

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:

See Attached Sheet

I. List parent corporation, sister corporations and subsidiaries:

See Attached Sheet

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:

There is an existing relationship with the Town of Brookhaven IDA pursuant to lease dated February 1, 2017.

K. List major bank references of the Owner:

Citibank, N.A.

MUFG Union Bank, N.A.

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"): _____

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: 24 Cooper Street, Shoreham, NY 11786

2. Owned or Leased: Leased

3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):

150 acres upon which existing buildings used for offices, storage, and related uses occupy a portion of the site,
in addition to a 24.9 MW solar powered electric generating facility with ground mounted modules and associated equipment.

4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:

Solar Generating Facility

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: _____

- 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: N/A

9. Number of full-time equivalent employees (FTE's) at current location and average salary (indicate hourly or yearly salary):

None

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 * Consent to transfer

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: 24 Cooper Street, Shoreham, NY 11786

B. Tax Map: District 0200 Section 126.00 Block 02.00 Lot(s) 002.001

C. Municipal Jurisdiction:

- i. Town: Township of Brookhaven, Town of Shoreham
ii. Village: _____
iii. School District: Shoreham-Wading River School District

D. Acreage: 150 acres

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: _____

A 24.9 MWAC Solar Facility

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: PHIE Shoreham, LLC

- B. Present use of the proposed location: Solar Energy Generating Facility

- C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) Yes No

i. If yes, explain: IDA relationship with the with this agency established in 2017.

- D. Is there a purchase contract for the site? (If yes, explain): Yes No

- E. Is there an existing or proposed lease for the site? (If yes, explain): Yes No

With PHIE Shoreham, LLC dated February 1, 2017

5. Proposed Use:

- A. Describe the specific operations of the Applicant or other users to be conducted at the project site: Electric Generation

- B. Proposed product lines and market demands: Electricity

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):

The project is part of a transaction between Duke Energy and Brookfield and was executed in reliance upon the existence of the PILOT and the predictability of the real property tax burden.

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?

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following:

i. Site Clearance:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	<u>100%</u>
ii. Foundation:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	<u>100%</u>
iii. Footings:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	<u>100%</u>
iv. Steel:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	<u>100%</u>
v. Masonry:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	<u>100%</u>
vi. Other:	_____			

B. What is the current zoning? A Residence 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: N/A

E. Have site plans been submitted to the appropriate planning department? Yes No

F. Is a change of use application required? 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: completed

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: N/A

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:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ 37,000,000 _____
Building(s) demolition/construction	\$ _____
Building renovation	\$ _____
Site Work	\$ _____
Machinery and Equipment	\$ _____
Legal Fees	\$ _____
Architectural/Engineering Fees	\$ _____
Financial Charges	\$ _____
Other (Specify)	\$ _____
Total	\$ 37,000,000 _____

Please provide the percentage of materials and labor that will be sourced locally (Suffolk/Nassau Counties) _____

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:	\$ <u>37,000,000</u>	_____ years
Total Project Costs	\$ <u>37,000,000</u>	

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 *N/A

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:

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

\$ N/A

B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and .75%):

\$ _____

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):

\$ N/A

B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

\$ _____

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:

A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency’s PILOT benefit: _____

B. Agency PILOT Benefit:

i. Term of PILOT requested: to 2036

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: _____ (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
FTE													

FTEs to be Created in Second Year: _____ (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
FTE													

Number of Residents of LMA:

Full-Time: _____

Part-Time: _____

Cumulative Total FTEs ** After Year 2 _____

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	N/A	
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)

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

It was represented by Duke that there were no processes that had not been undertaken nor material defaults and the transaction closed in anticipation of the continuation of the exiting PILOT.

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?

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 DD

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 DD

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 DD

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 DD

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 DD

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 DD

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 DD

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 DD

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 DD

14. The applicant confirms and hereby acknowledges it has received the Agency's Application and Resolution Expiration Policy available at brookhavenida.org/application and agrees to comply with same.

Initial DD

Updated 12/7/23

15. The Applicant confirms and hereby acknowledges it has reviewed the Agency's application expiration policy located at <https://brookhavenida.org/files/IDA%20Resolution%20Regarding%20Expiration%20of%20Applications.pdf> and agrees to the terms regarding the expiration of the Agency's approvals.

Initial DD

Part VIII – Submission of Materials

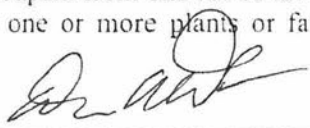
1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report). Note, if the project company is a newly formed entity, then the applicant is required to submit financial statements for the parent company or sponsor entity.
2. Applicant's annual reports (or 10-K's 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 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.

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: 

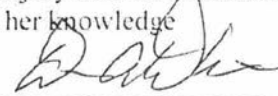
Part X – Certification

Duane A Davidson (Name of representative of entities submitting application) deposes and says that he or she is the Director & Asst Treasurer (title) of Shoreham Solar Commons 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.

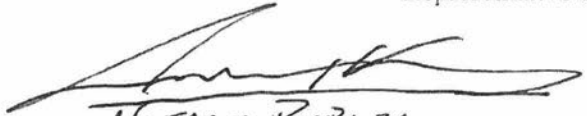
The Applicant hereby subscribes and affirms under the penalties of perjury that the information provided in this Application is true, accurate and complete to the best of his or her knowledge



Representative of Applicant

Sworn to me before this 13
Day of MARCH, 20 2024

(seal)



NOTARY PUBLIC
STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG
9/3/2022

**** 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 ****

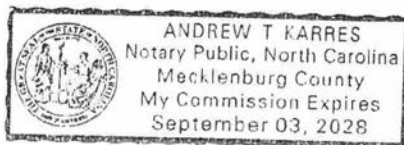


EXHIBIT A

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.

Short Environmental Assessment Form

Part 1 - Project Information

Instructions for Completing

Part 1 – Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 – Project and Sponsor Information				
Shoreham Solar Commons, LLC				
Name of Action or Project: Change of Consent to Transfer				
Project Location (describe, and attach a location map): 24 Cooper Street, Shoreham, NY 11786				
Brief Description of Proposed Action: Applicant is seeking change of consent for an existing 24.9 MW solar powered electric generating facility with ground mounted modules and associated equipment.				
Name of Applicant or Sponsor: Shoreham Solar Commons, LLC		Telephone: 980-215-9084 E-Mail: duane.davidson@derviaenergy.com		
Address: 550 S. Caldwell Street				
City/PO: Charlotte		State: NC	Zip Code: 22114	
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other government Agency? If Yes, list agency(s) name and permit or approval:			NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>
3. a. Total acreage of the site of the proposed action?		149.62 acres		
b. Total acreage to be physically disturbed?		0 acres		
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?		149.62 acres		
4. Check all land uses that occur on, are adjoining or near the proposed action:				
<input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input checked="" type="checkbox"/> Residential (suburban)				
<input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input checked="" type="checkbox"/> Other(Specify): Vacant open lands				
<input type="checkbox"/> Parkland				

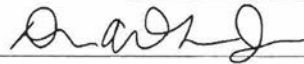
		NO	YES	N/A
5. Is the proposed action,	a. A permitted use under the zoning regulations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	b. Consistent with the adopted comprehensive plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8. a. Will the proposed action result in a substantial increase in traffic above present levels? b. Are public transportation services available at or near the site of the proposed action? c. Are any pedestrian accommodations or bicycle routes available on or near the site of the proposed action?		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____ _____		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: _____ Existing Solar Facility _____		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: _____ Existing Solar Facility _____		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
12. a. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on the National or State Register of Historic Places, or that has been determined by the Commissioner of the NYS Office of Parks, Recreation and Historic Preservation to be eligible for listing on the State Register of Historic Places? b. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory?		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency? b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____ _____ _____		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		<input checked="" type="checkbox"/>	<input type="checkbox"/>	

14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: <input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban		
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16. Is the project site located in the 100-year flood plan?	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes,	NO	YES
a. Will storm water discharges flow to adjacent properties?	<input type="checkbox"/>	<input type="checkbox"/>
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe:	<input type="checkbox"/>	<input type="checkbox"/>

18. Does the proposed action include construction or other activities that would result in the impoundment of water or other liquids (e.g., retention pond, waste lagoon, dam)? If Yes, explain the purpose and size of the impoundment:	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>

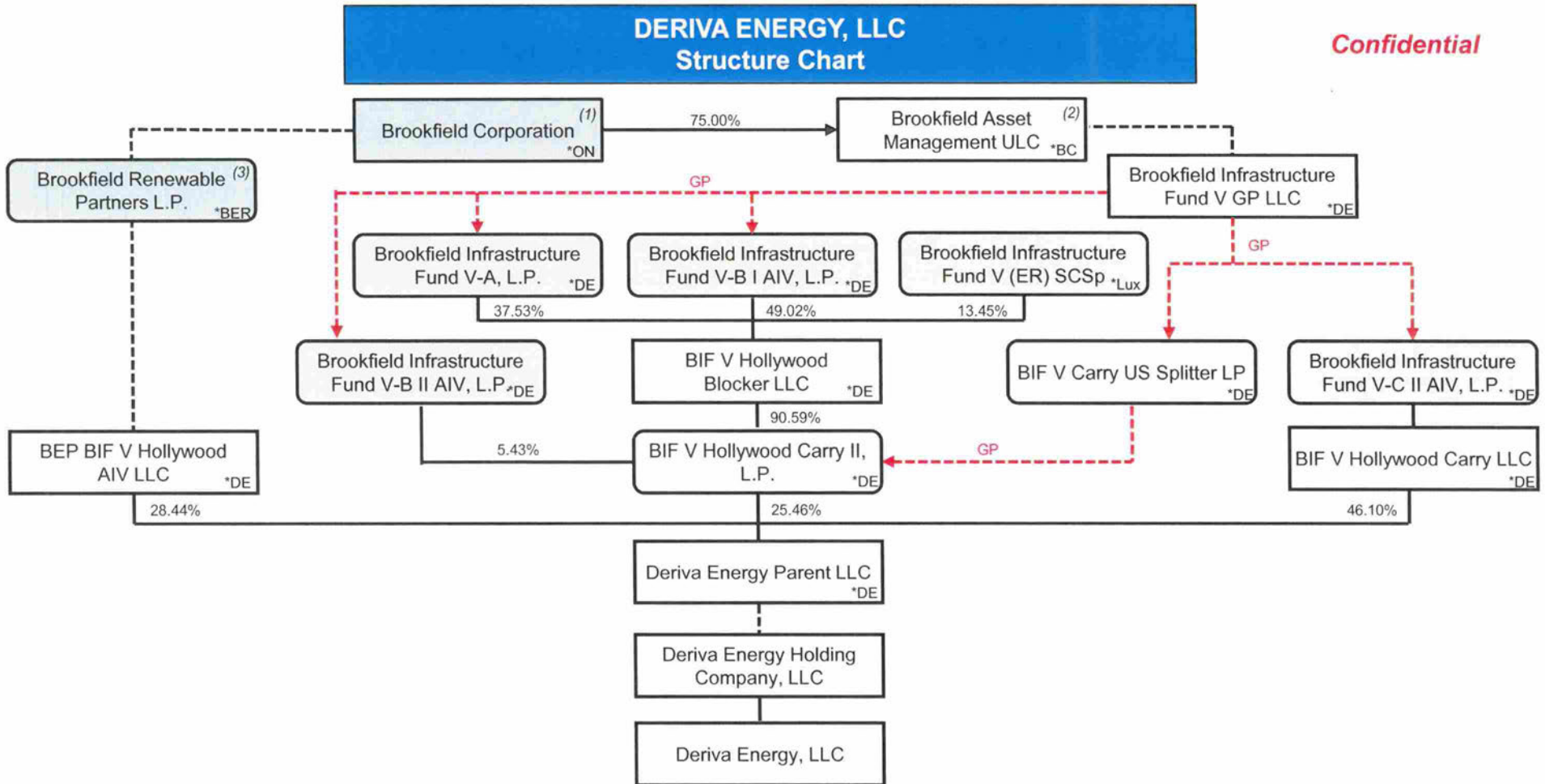
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe:	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>

20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe:	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor/name: <u>Duane Davidson</u> Date: <u>March 13, 2024</u> Signature: <u></u> Title: <u>Director and Assistant Treasurer</u>		

DERIVA ENERGY, LLC Structure Chart

Confidential



(1) Brookfield Corporation is a public company trading on the NYSE (ticker: BN) and TSK (ticker: BN).

(2) Brookfield Asset Management Ltd., a public company trading on the NYSE and TSX (ticker: BAM), owns the remaining 25%.

(3) Brookfield Renewable Partners L.P. is a public company trading on the NYSE (ticker: BEP) and the TSX (ticker: BEP.UN).

JURISDICTIONS:

- *BER = Bermuda
- *BC = British Columbia, Canada
- *DE = Delaware, U.S.A.
- *ON = Ontario, Canada
- *LUX = Luxembourg

 Public Entity

 BIF V 3rd party investors to invest as limited partners

All ownership is 100% unless otherwise indicated

 Indirect ownership

 General Partner

**FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
1 Independence Hill, 2nd Floor, Farmingville, New York 11738
631 406-4244**

DATE: 12/19/23

APPLICATION OF: **THE PRESERVE AT EAST MORICHES, LLC**
Name of Owner and/or User of Proposed Project

ADDRESS: **ONE RABRO DRIVE, SUITE 100**
HAUPPAUGE, NY 11788

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, and should be made payable to the Town of Brookhaven Industrial Development Agency.

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 AND USER DATA
PART II	OPERATION AT CURRENT LOCATION
PART III	PROJECT DATA
PART IV	PROJECT COSTS AND FINANCING
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PART VI	EMPLOYMENT DATA
PART VII	REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION
PART VIII	SUBMISSION OF MATERIALS
EXHIBIT A	Proposed PILOT Schedule
SCHEDULE A	Agency's Fee Schedule
SCHEDULE B	Construction Wage Policy
SCHEDULE C	Recapture and Termination Policy

Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): **THE PRESERVE AT EAST MORICHES, LLC**

Address: **ONE RABRO DRIVE**
HAUPPAUGE, NY 11788

Federal Employer ID # [REDACTED]

Website: **WWW.NORTHWINDGROUP.COM**

NAICS Code: **53110**

Owner Officer Certifying Application: **DEMETRIUS A. TSUNIS**

Title of Officer: **MEMBER**

Phone Number: [REDACTED]

E-mail: [REDACTED]

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: **FARRELL FRITZ, P.C.**

Address: **400 RXR PLAZA**
UNIONDALE, NY 11556

Individual Attorney: **PETER L. CURRY**

Phone Number: **516-227-0772**

E-mail: **PCURRY@FARRELLFRITZ.COM**

E. Principal Stockholders, Members or Partners, if any, of the Owner:

Name	Percent Owned
<u>DEMETRIUS A. TSUNIS</u>	<u>70</u>
<u>HOWARD HABBERSTAD</u>	<u>30</u>

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.

1981 ROUTE 110 E FARMINGDALE (TACO BELL)
22-24 ROUTE 110 MELVILLE (7-11)
1035 ROUTE 25A, MOUNT SINAI
ONE RABRO DRIVE, HAUPPAUGE
***MIDDLE COUNTRY ROAD SELDEN**
1266 NORTH COUNTRY ROAD, STONYBROOK
115 WEST BROADWAY VILLAGE OF PORT JEFFERSON
***BAYLISS STREET PORT JEFFERSON**
***SUNRISE HIGHWAY BAYPORT**
MAIN STREET VILLAGE OF PORT JEFFERSON

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:

SEE RESPONSE IN G ABOVE.

I. List parent corporation, sister corporations and subsidiaries:

NORTHWIND GROUP

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:

MIDDLE COUNTRY MEADOWS, LLC (2021)
OVERBAY LLC (2018)
PRESERVE AT SMITHTOWN (SUFFOLK COUNTY IDA)

K. List major bank references of the Owner:

VALLEY NATIONAL BANK
CONNECTONE BANK
FLAGSTAR BANK
DIME 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: N/A

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on _____

State of Incorporation/Formation: _____

C. Nature of Business: N/A

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

D. Are the User and the Owner Related Entities? N/A 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: N/A

Firm Name: _____

Address: _____

Individual Attorney: _____

Phone Number: _____

E-mail: _____

F. Principal Stockholders or Partners, if any: N/A

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:

N/A

- 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.

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
 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: **PLEASE SEE RESPONSE TO PART I. 1. G. ABOVE.**

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: **THE FACILITY WOULD BE USED AS A PLANNED SENIOR HOUSING COMMUNITY CONSISTING OF 13 BUILDINGS COMPRISING 70 UNITS. THE PROPERTY WILL BE IMPROVED WITH A 1,200 SF COMMUNITY BUILDING, SEVERAL OUTDOOR RECREATIONAL AREAS WITH HORSESHOE PITS, PICNIC TABLES AND A WALKING PATH.**

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? N/A Yes No

A. Please explain: **WHILE FINANCIAL ASSISTANCE IS NOT NECESSARY TO PREVENT THE APPLICANT FROM MOVING OUT OF NEW YORK STATE, THE APPLICANT WILL NOT BE ABLE TO FINANCE AND DEVELOP THE PROJECT WITHOUT THE REQUESTED FINANCIAL ASSISTANCE AND THE APPLICANT WILL LOOK TO DEVELOP PROJECTS OUTSIDE OF NEW YORK.**

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: **91 MONTAUK HIGHWAY, EAST MORICHES, NY 11940**

B. Tax Map: District **200** Section **685** Block **1** Lot(s) **13.1**

C. Municipal Jurisdiction:

- i. Town: **BROOKHAVEN**
ii. Village: _____
iii. School District: **EAST MORICHES**

D. Acreage: **22.32**

3. Project Components (check all appropriate categories):

A. Construction of a new building Yes No

i. Square footage: **137,558 -- MULTIPLE BUILDINGS**

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: **22.32 ACRES**

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: **AMENITIES FOR OUTDOOR RECREATIONAL AREAS AND EQUIPMENT AND MACHINERY CONSISTENT WITH A 70-UNIT SENIOR HOUSING COMMUNITY. IN ADDITION, THE PROJECT SHALL INCLUDE ADVANCED TREATMENT SANITARY SYSTEM, LANDSCAPING, PARKING FACILITY AND UTILITIES.**

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: _____

B. Present use of the proposed location: **VACANT WOODED 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
- _____

- 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 IS A PLANNED SENIOR HOUSING COMMUNITY CONSISTING OF 13 BUILDINGS COMPRISING 70 UNITS. THE PROPERTY WILL BE IMPROVED WITH A 1,200 SF COMMUNITY BUILDING, SEVERAL OUTDOOR RECREATIONAL AREAS WITH HORSESHOE PITS, PICNIC TABLES AND A WALKING PATH. 7 OF THE UNITS WILL BE SET ASIDE AS AFFORDABLE AT 80% OF AREA MEDIAN INCOME (AMI) AND 7 UNITS WILL BE SET ASIDE AS WORKFORCE HOUSING AT 120% OF AMI.**

B. Proposed product lines and market demands: **55 AND OVER RENTAL MARKET. DEMAND IS HIGH FOR MARKET-RATE RENTAL UNITS ACROSS LONG ISLAND. ACCORDING TO THE REGIONAL PLAN ASSOCIATION STUDY, THE LACK OF RENTAL HOUSING IS A POTENTIAL BARRIER TO LONG-TERM ECONOMIC RECOVERY ON LONG ISLAND AND INVESTMENT IN UNITS THAT MEET THE NEEDS OF LONG ISLAND SENIOR COMMUNITY IS CRUCIAL TO ECONOMIC REVITALIZATION.**

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:

BEYOND THE TARGETED 55 AND OVER RESIDENTIAL TENANTS, NONE.

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

THERE IS A GROWING NEED FOR SENIORS TO REMAIN ON LONG ISLAND WITHOUT THE EXPENSE AND MAINTENANCE OF OWNING A HOME. RENTAL UNITS ARE NECESSARY TO FILL THE HOUSING MARKET VOID AND MAINTAIN A HEALTHY BALANCE OF HOUSING STOCK.

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 EFFICIENT APPLIANCES AND LIGHTING WILL BE INCORPORATED INTO THE UNITS AND ENERGY SAVING MEASURES WILL BE EVALUATED AND IMPLEMENTED WHERE ECONOMICALLY APPROPRIATE.

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? **COMMERCIAL/PLANNED RETIREMENT COMMUNITY**

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

F. Is a change of use application required? 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: N/A

ii. Construction/Renovation/Equipping: JANUARY 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: OCCUPANCY: JANUARY 2025.
COMPLETION: OCTOBER 2025.

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:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	<u>\$2,200,000.00</u>
Building(s) demolition/construction	<u>\$14,000,000.00</u>
Building renovation	
Site Work	<u>\$6,000,000.00</u>
Machinery and Equipment	
Legal Fees	<u>\$200,000.00</u>
Architectural/Engineering Fees	<u>\$500,000.00</u>
Financial Charges	<u>\$2,000,000.00</u>
Other (Specify)	
Total	<u>\$24,900,000.00</u>

Please provide the percentage of materials and labor that will be sourced locally (Suffolk/Nassau Counties) **85%**

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: <u>PERMANENT</u>	\$ <u>22,410,000.00</u>	<u>10</u> 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:	\$ <u>2,490,000.00</u>	_____ years
Total Project Costs		\$ <u>24,900,000.00</u>

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

The Preserve at East Moriches, LLC
Bill Payments for All Vendors
All Transactions

All Island Valuation Services, LLC	Check	1161	10/16/2017	2,500.00
American Express 1009	Check	ONLINE	09/23/2023	2,716.16
Axelrod & Cherveney Architects	Bill Pmt -Check	1025	09/27/2012	3,400.00
Barrister Land	Check	1036	02/06/2013	445.00
Bartholomew Spadaro	Check	1122	11/03/2014	37,326.75
Bayview Landscape Architecture	Bill Pmt -Check	1227	08/11/2023	247,493.11
Campolo, Middleton & McCormick, LLP	Bill Pmt -Check		08/06/2022	122,807.58
Certilman Balin Attorneys	Bill Pmt -Check	ONLINE	09/23/2023	43,302.72
Chris M. Vorbeck P.A.	Check	1112	07/25/2014	2,000.00
Separator				
Coverage Services	Bill Pmt -Check	1224	06/09/2023	1,697.60
Crowell & Moring LLP	Check	1131	05/06/2015	5,000.00
Deluxe	Check		06/30/2010	129.14
Separator				
Department of State	Check	1018	04/17/2012	9.00
Dorine Kobert Interiors	Bill Pmt -Check	1055	07/23/2013	133.06
DY Consultants	Bill Pmt -Check	1130	04/14/2015	3,343.82
EPHASE 2, LLC	Bill Pmt -Check	1175	11/30/2018	6,279.50
Fedex	Check	1060	08/12/2013	370.90
Separator				
Separator				
GRCH Architecture PC	Bill Pmt -Check	1165	01/19/2018	7,405.00
InSite Engineering	Bill Pmt -Check	1228	08/10/2023	4,875.00
Long Island Builders Institute Inc.	Bill Pmt -Check	1064	09/24/2013	333.00
Louis J. Marcoccia, Receiver of Taxes	Bill Pmt -Check	on line	12/10/2020	130,850.49
Maxim Capital Funding	Check		09/29/2023	297,097.22
McDonald Geoscience	Bill Pmt -Check	1063	09/23/2013	600.00
Nassau Suffolk Blueprinting	Bill Pmt -Check	1022	07/11/2012	5.87
Near Comer	Check	1087	12/20/2013	6,000.00
Nelson & Pope	Bill Pmt -Check		06/05/2019	12,201.15
Nelson Pope & Voorhis, LLC	Bill Pmt -Check	1189	09/20/2019	32,110.00
NYS LLC/LLP Filing Fees	Check	DEBIT	01/31/2022	300.00
Rogers & Taylor Appraisers, Inc.	Bill Pmt -Check	1171	05/16/2018	4,500.00
Rogers & Taylor Appraisers, Inc.	Check	1113	07/25/2014	1,250.00
Saranto P. Calamas, CPA	Bill Pmt -Check	1208	03/03/2021	1,750.00
Saranto P. Calamas, CPA	Check	1073	11/07/2013	2,000.00
Scott Zamek, Esq	Bill Pmt -Check	1225	07/25/2023	7,542.70
Scott Zamek, Esq as Attorney	Check	1030	12/20/2012	1,963.78
SMM Advertising	Bill Pmt -Check	1141	11/17/2015	1,425.00
Suffolk County Comptroller	Check	1195	12/11/2019	20,000.00
Suffolk County Dept of Health Services	Check	1197	02/03/2020	2,750.00
Suffolk County Treasurer	Bill Pmt -Check	1139	11/20/2015	61,101.28
Suffolk County Treasurer	Check	1084	01/07/2014	460.00
The Preserve at East Moriches, LLC	Check	1142	12/15/2015	200.00
Town of Brookhaven	Bill Pmt -Check	1209	03/25/2021	331.57

10:54 AM
10/03/23

The Preserve at East Moriches, LLC
Bill Payments for All Vendors
All Transactions

Town of Brookhaven	Check	1156	11/29/2016	38,830.31
TREE HOUSE DESIGNERS	Bill Pmt -Check	ONLINE	09/06/2023	2,455.00
TSPE	Bill Pmt -Check	1162	12/15/2017	13,763.50
TSPE	Check	1114	07/25/2014	5,000.00
Tuna Development	Check	1191	09/19/2019	166,500.00
UPS	Bill Pmt -Check	1218	07/05/2022	110.60

Total

\$ 1,305,165.81

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

\$22,410,000.00

B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and .75%):

\$168,075.00

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):

\$13,200,000.00

B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

\$1,380,000.00

C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in “B” above: N/A

i. Owner: \$ _____

ii. User: \$ _____

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: N/A

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: **2025** (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
FTE	<u>1</u>												<u>1</u>

FTEs to be Created in Second Year: **2026** (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
FTE										<u>2</u>			<u>2</u>

Number of Residents of LMA:

Full-Time: 3

Cumulative Total FTEs ** After Year 2 3

Part-Time: _____

Construction Jobs to be Created: 100

* **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	<u>\$60,000.00</u>	<u>\$9,000.00</u>
Commission Wage Earners		
Hourly Wage Earners		
1099 and Contract Workers	<u>\$50,000.00</u>	

What is the annualized salary range of jobs to created? \$40,000.00 to \$80,000.00

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

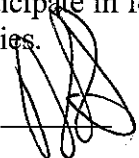
THE PROPOSED DEVELOPMENT IS ECONOMICALLY INFEASIBLE WITHOUT IDA BENEFITS. CONSTRUCTION AND FINANCING COSTS HAVE SOARED, WITH CURRENT CONSTRUCTION FINANCING RATES APPROACHING 10%. A CONSTRUCTION PROJECT LIKE THE PRESERVE AT EAST MORICHES IS UNFINANCEABLE WITHOUT OBTAINING REAL ESTATE TAX AND OTHER INCENTIVES.

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?

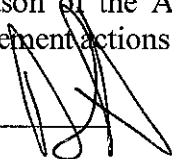
THE TOWN WOULD LOSE THE PRIMARY AND SECONDARY ECONOMIC BENEFITS ASSOCIATED WITH A \$24,900,000.00 CONSTRUCTION PROJECT. IN ADDITION, THE TOWN WOULD LOSE THE INCREASED NET NEW RESIDENT SPENDING IN THE HAMLET OF EAST MORICHES AND THE TOWN OF BROOKHAVEN.

Original signature and initials are required. Electronic signatures and initials are not permitted.

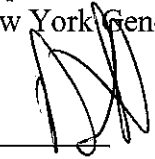
5. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, 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 

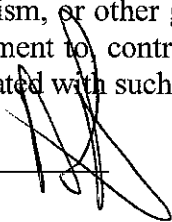
6. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project as well as may lead to other possible enforcement actions.

Initial 

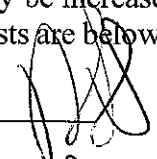
7. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Initial 

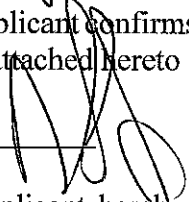
8. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they 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 

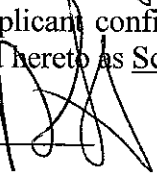
10. The Applicant confirms and hereby acknowledges it has received the Agency's Construction Wage Policy attached hereto as Schedule B and agrees to comply with the same.

Initial 

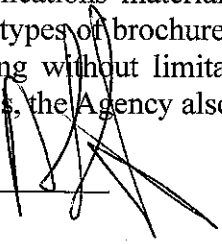
11. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture and Termination Policy, attached 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 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.

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: _____

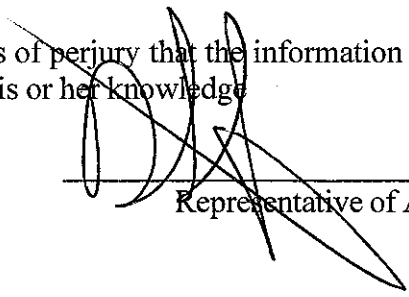
Part X – Certification

DEMETRIUS A. TSUNIS (Name of representative of entities submitting application) deposes and says that he or she is the MANAGING MEMBER (title) of The Preserve at East Moriches, 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 information acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

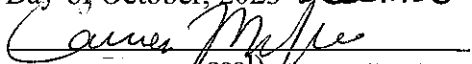
As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the “Agency”) in connection with this Application, the attendant negotiations and 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 19th
Day of October, 2023 December


CARMEN MONTIGLIO
Notary Public, State of New York
NO. 01MO008820
Qualified in Suffolk County
Commission Expires 05/31/2027

**** 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 ****

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.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR CONSENT TO SUBLEASE

APPLICATION OF: Interstate Mechanical Services, Inc. ("Company")

FOR CONSENT TO SUBLEASE TO

CADCAM LAB LLC ("Subtenant")

FACILITY/PROJECT: 355 Sills Rd., Yaphank, NY 11980

Please respond to all items either by filing 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 \$750.00 non-refundable application fee is required at the time of submission to the Agency.

Information provided herein will not be made public by the Agency prior to the passage of an official Resolution, but may be subject to disclosure under the New York State Freedom of Information Act.

Please write or call:
Town of Brookhaven Industrial Development Agency
c/o Town of Brookhaven Division of Economic Development

One Independence Hill
Farmingville, New York 11738

(631) 451-6563

I. COMPANY DATA

A. COMPANY:

NAME: Interstate Mechanical Services, Inc.
ADDRESS: 355 Sills Rd., Yaphank, NY 11980
CONTACT: Richard W. Tully, Jr.
POSITION: President
PHONE: [REDACTED]
FEDERAL EMPLOYER I. [REDACTED]

B. RELATED USERS OF THE FACILITY:

NAME	RELATIONSHIP
<u>Interstate Storage Services</u>	<u>Affiliate</u>
<u>Fabrication Depot LLC</u>	<u>Affiliate</u>
<u>Interstate Mechanical Services, Inc.</u>	<u>Applicant</u>

C. COMPANY COUNSEL:

FIRM NAME: Bruno, Gerbino, Soriano & Aitken, LLP
ADDRESS: 445 Broad Hollow Rd., Suite 420 Melville, NY 11747
INDIVIDUAL ATTORNEY: Michael A. Ferruggia
PHONE: 631-390-0010 ext. 145

D. PRINCIPAL STOCKHOLDERS, MEMBERS OR PARTNERS, IF ANY, OF COMPANY AND RELATED USERS (5% OR MORE EQUITY):

NAME	PERCENT OWNED	COMPANY/ RELATED USER
<u>Richard W. Tully, Jr.</u>	<u>70%</u>	<u>Interstate Mechanical Services, Inc.</u>
<u>Richard W. Tully III</u>	<u>15%</u>	<u>Interstate Mechanical Services, Inc.</u>

E. 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

II. PROJECT/FACILITY DATA

A. LOCATION OF PROJECT:

ADDRESS: **355 Sills Rd. Yaphank, NY 11980**

S.C. TAX MAP:

DISTRICT **0200** SECTION **739.00** BLOCK **0200** LOT **002.004 & 003 000**

B. PROJECT SITE:

1. ACREAGE:

5.85

2. BUILDING:

A) SIZE

58,710

B) CURRENT OCCUPANTS, AREA OCCUPIED AND USES

CURRENT OCCUPANT	AREA OCCUPIED (Sq. Ft.)	USE
<u>Fabrication Depot LLC</u>	<u>4,580</u>	<u>Pipe & Skid Fabrication</u>
<u>Interstate Storage Svcs. LLC</u>	<u>11,966</u>	<u>Storage Space Rental</u>
<u>Interstate Mechanical Svcs. Inc.</u>	<u>42,164</u>	<u>Fabrication & Office Space</u>

III. PROPOSED SUBTENANT

A. NAME AND ADDRESS

Cadcam Lab, LLC

355 Sills Rd., Yaphank, NY 11980

B. AFFILIATES' NAMES AND ADDRESSES

C. CURRENT LOCATION

355 Sills Rd.

Yaphank, NY 11980

D. NAME AND ADDRESS OF PRINCIPALS OF SUBTENANT AND AFFILIATES

Denis Milichnikov

2262 Motor Parkway, Ronkonkoma, NY 11779

E. RELATIONSHIP OF SUBTENANT TO COMPANY

Existing subtenant seeking to increase subleased space.

F. PROPOSED AREA TO BE OCCUPIED

1032 SF Warehouse #1 & 838 SF Warehouse #2 & 234 SF Office Space

Warehouse #2 is proposed additional space.

G. PROPOSED USE BY SUBTENANT

Manufacturing and fabrication flanges, fittings, shafts, housings and other metal parts using machining process.

H. DOES PROPOSED USE AND OCCUPANCY COMPLY WITH ALL PLANNING, ZONING, BUILDING, HEALTH AND ENVIRONMENTAL LAWS, REGULATIONS AND REQUIREMENTS, AND ALL COVENANTS, AGREEMENTS AND DECLARATIONS OF RECORD?

Yes

I. PROPOSED SUBLEASE TERMS

TERM:

5 Years

COMMENCEMENT DATE:

July 1, 2024

GUARANTORS:

Denis Milichnikov

BASE RENT:

**\$2,631.25 /month + utilities + attorney & IDA fee's
paid over 12 months.**

BASE RENT INCREASES:

3% per year

COMMON AREA RENT:

None

REAL ESTATE TAXES:

None

IMPROVEMENTS TO PROPOSED DEMISED AREA TO BE MADE BY
COMPANY

DESCRIPTION: **None**

COST: N/A

SOURCE OF PAYMENT: N/A

IMPROVEMENTS TO PROPOSED DEMISED AREA TO BE MADE BY
SUBTENANT

DESCRIPTION: **None**

COST: N/A

SOURCE OF PAYMENT: N/A

FAIR MARKET RENT EVALUATION
IS RENT TO BE CHARGED FAIR MARKET?

Yes

HOW WAS FAIR MARKET RENT DETERMINED? (ATTACH SUPPORTING DOCUMENTATION)

DOES OR WILL ANY OF THE "FINANCIAL ASSISTANCE" PROVIDED BY THE AGENCY, INCLUDING REAL ESTATE TAX EXEMPTION, SALES AND USE TAX EXEMPTION AND MORTGAGE RECORDING TAX EXEMPTION, BENEFIT THE SUBTENANT IN ANY MANNER? IF SO, EXPLAIN.

No

ATTACH COPY OF EXECUTED SUBLEASE (MAY BE CONDITIONED UPON AGENCY APPROVAL).

J. HOW MANY FULL-TIME EQUIVALENT EMPLOYEES (FTEs) ARE THERE NOW

1

HOW MANY ADDITIONAL FTEs ARE EXPECTED IN REGARDS TO THIS APPLICATION

0

Salary and Fringe Benefits:

Category of Jobs to be Created	Average Salary	Average Fringe Benefits
Salary Wage Earners	N/A	N/A
Commission Wage Earners	N/A	N/A
Hourly Wage Earners	N/A	N/A
1099 and Contract Workers	N/A	N/A

What is the annualized salary range of jobs to created?

N/A

to

N/A

IV. MORTGAGEES

HAVE THE HOLDERS OF ALL MORTGAGES OF RECORD CONSENTED TO THE PROPOSED SUBLEASE? (ATTACH EVIDENCE THEREOF).

~~RECEIVED~~ ~~Pending~~ (See attached ~~request~~ ^{APPROVAL})

COMPANY CERTIFICATION

Richard W. Tully Jr. [Insert name of chief executive officer/manager/partner of proposed subtenant] DEPOSES AND SAYS THAT HE IS THE President [insert title] OF Interstate Mechanical Services, Inc. [insert name of Company], THE COMPANY NAMED IN THE ATTACHED APPLICATION; THAT HE HAS READ THE FOREGOING APPLICATION AND KNOWS THE CONTENTS THEREOF; THAT THE SAME IS TRUE TO HIS KNOWLEDGE.

DEPONENT FURTHER SAYS THAT THE REASON THIS VERIFICATION IS BEING MADE BY THE DEPONENT AND NOT BY Interstate Mechanical Services, Inc. [insert name of Company] IS BECAUSE THE SAID COMPANY IS A S Corporation [insert type of entity]. THE GROUNDS OF DEPONENT'S BELIEF RELATIVE TO ALL MATTERS IN THE SAID APPLICATION WHICH ARE NOT STATED UPON HIS OWN PERSONAL KNOWLEDGE, ARE INVESTIGATIONS WHICH DEPONENT HAS CAUSED TO BE MADE CONCERNING THE SUBJECT MATTER OF THIS APPLICATION AS WELL AS INFORMATION ACQUIRED BY DEPONENT IN THE COURSE OF HIS DUTIES AS AN OFFICER OF AND FROM BOOKS AND PAPERS OF SAID COMPANY.

AS AN Officer (President) [insert position, e.g., officer, member, manager, partner] OF SAID COMPANY (HEREINAFTER REFERRED TO AS 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 AND ALL MATTERS RELATING TO THE PROPOSED SUBLEASE, INCLUDING THE AGENCY'S ATTORNEYS' FEES, REGARDLESS OF WHETHER OR NOT 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 CONSUMMATE THE SUBLEASE FOR ANY REASON. UPON PRESENTATION OF INVOICES, APPLICANT SHALL PAY TO THE AGENCY, ITS AGENTS OR ASSIGNS, ALL COSTS INCURRED WITH RESPECT TO THE APPLICATION, INCLUDING FEES TO COUNSEL FOR THE AGENCY AND FEES OF GENERAL COUNSEL FOR THE AGENCY.



Chief Executive Officer/Member/Manager/Partner
of Company

Sworn to before me this
8th day of March, 2024.




NOTARY PUBLIC

CATHERINE WILCOX
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01WI6405033
Qualified in Suffolk County
My Commission Expires: 3/2/2028

SUBTENANT CERTIFICATION

Denis Milichnikov [Insert name of chief executive officer/manager/partner of proposed subtenant] DEPOSES AND SAYS THAT HE IS THE Owner and President [insert title] OF CADCAM LAB LLC, THE PROPOSED SUBTENANT [insert name of subtenant] NAMED IN THE ATTACHED APPLICATION; THAT HE HAS READ THE FOREGOING APPLICATION AND KNOWS THE CONTENTS THEREOF; THAT THE SAME IS TRUE TO HIS KNOWLEDGE.

DEPONENT FURTHER SAYS THAT THE REASON THIS VERIFICATION IS BEING MADE BY THE DEPONENT AND NOT BY Cadcam Lab, LLC [insert name of subtenant] IS BECAUSE THE SAID PROPOSED SUBTENANT IS A corporation [insert type of entity]. THE GROUNDS OF DEPONENT'S BELIEF RELATIVE TO ALL MATTERS IN THE SAID APPLICATION WHICH ARE NOT STATED UPON HIS OWN PERSONAL KNOWLEDGE, ARE INVESTIGATIONS WHICH DEPONENT HAS CAUSED TO BE MADE CONCERNING THE SUBJECT MATTER OF THIS APPLICATION AS WELL AS INFORMATION ACQUIRED BY DEPONENT IN THE COURSE OF HIS DUTIES AS AN OFFICER OF AND FROM BOOKS AND PAPERS OF SAID PROPOSED SUBTENANT.



Chief Executive Officer/Member/Manager/Partner
of Proposed Subtenant

Sworn to before me this
8th day of March, 2024.

Catherine Wilcox

NOTARY PUBLIC

CATHERINE WILCOX
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01WI6405033
Qualified in Suffolk County
My Commission Expires: 3/2/2028