

Town of Brookhaven

Industrial Development Agency

MEETING AGENDA

Wednesday, December 7, 2022 at 2:00 PM

1. ROLL CALL

2. CFO'S REPORT

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

3. APPLICATIONS

Port Jefferson Commons, LLC
GGV Grove Apartments, LLC – Updated Application

4. RESOLUTIONS

10 Donald's Way, LLC
Sunrise Wind, LLC

5. CEO'S REPORT

American Organic Energy
East Setauket Energy Storage, LLC / Savion
Yaphank Energy Storage, LLC / Savion
Bactolac Request
2023 Meeting Schedule
Subtenant Application

6. EXECUTIVE SESSION

The next IDA meeting is scheduled for Wednesday, January 11, 2023.

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

2023 MEETING SCHEDULE

JANUARY 11

FEBRUARY 15

MARCH 15

APRIL 19

MAY 17

JUNE 14

JULY 19

AUGUST 16

SEPTEMBER 20

OCTOBER 18

NOVEMBER 15

DECEMBER 6

B-2: PROJECT NARRATIVE

Port Jefferson Commons presents an opportunity to create high-quality affordable housing by furthering ongoing municipal revitalization efforts in the Village of Port Jefferson. The Village of Port Jefferson completed an Urban Renewal Plan in 2016 which targeted deteriorated and underutilized sites in order to advance the objectives listed in their 2030 Comprehensive Plan Update. The proposed redevelopment program for the area includes new construction, higher density developments along Main Street and adjacent to the Port Jefferson LIRR train station. Port Jefferson Commons is located within this redevelopment area and proposes a new transit-oriented development (TOD) project that includes affordable and workforce housing with a commercial space that will activate the street scape. The vision for the development contributes to the goals of the Urban Renewal Plan by creating sustainable multifamily housing opportunities that will transform the Main Street streetscape currently occupied by a vacant lot and retail storefront. With its connection to the LIRR, this development adheres to the State's Workforce Opportunity Goals and has been selected as a 2019 Priority Project by the Long Island Regional Economic Development Council. Port Jefferson Commons is located in CT 1582.06, which is a Housing Opportunity Census Tract as published by HCR.

I. PROJECT INFORMATION

Located in the "Uptown" area of Port Jefferson at 1601-1605 Main Street in Suffolk County, this proposed transit-oriented development is located within one block from the Port Jefferson Long Island Regional Rail station, which has recently completed station improvements funded by the State, and within proximity to the Long Island Sound. The proposed residential development will meet the objectives of the Urban Renewal Plan by providing 53-units of affordable and workforce housing to families and commuters, and approximately 2,500 SF of commercial space. Port Jefferson Commons will complete the transformation of the block immediately adjacent to the Port Jefferson LIRR station as it is directly adjacent to the newly constructed Port Jefferson Crossing affordable apartment development. The design will not only compliment the new building but also expand the vision of the Village of Port Jefferson for the area. The Village of Port Jefferson is highly supportive of this Project and has submitted a Restore NY intent to submit funding application for \$2M to benefit this project, see attached Intent to Apply form in section C-2. If awarded, HTF funding can be decreased by \$2M. The building will consist of 33 one-bedroom units and 20 two-bedroom units targeted at households earning between 30% AMI – 90% AMI. In addition, the proposed project will have a preference on 15% of the apartments for persons with physical disabilities and traumatic brain injuries. The commercial space is anticipated to be a satellite outreach office for the Community Development Corporation of Long Island as evidenced by an LOI in exhibit A-5. The newly constructed three-story building will be designed to meet the energy efficiency standards by offering an all-electric building, Energy Star Appliances, Energy Star Lighting, and access to multiple nodes of public transportation options. Other amenities will include an on-site parking garage for residential-use only with three EV charging stations, community room, outdoor open space, laundry facilities, and elevator. Construction is anticipated to take 18 months and will be affordable for at least 50 years. Public utilities are available on site and serviced by the PSE&G, Suffolk County Water Authority and the Suffolk County DPW Sewer.

II. PROJECT DESIGN & SCOPE OF WORK

Conifer Realty proposes to demolish the existing blighted buildings on the site and replace them with a new construction 74,830 SF sustainable multifamily elevator building. The concrete podium structure will have a 60-space parking garage at the cellar level with residential units, commercial space, a fitness room, lobby, mail room, and laundry on the ground floor. The remaining 2 stories will be wood frame construction that will include the remaining residential units, and a community room on the third floor offering scenic views of the skyline. Broadband internet will be provided through Dojo Networks for all units to be included in the operating budget at \$20.31/unit/month. All residential dwelling units will be ADA compliant, with 6 fully adapted units designated for mobility impaired residents, and 2 units adapted for hearing and vision-impaired residents. The all-electric

building will utilize highly efficient air source heat pumps for heating and cooling and will feature semi-central ERVs for fresh air. The central heat pump domestic water heating system will be controlled by a demand and temperature system to reduce energy use.

The building's envelope will reduce energy use and increase resiliency with levels of insulation above code, including Walls-R-5 continuous rigid insulation + R-19 fiberglass batt, Roof-R-38 roof insulation.

The project will certify to EPA Indoor aiPLUS which helps to improve the home's indoor air quality by requiring construction practices and product specifications that minimize exposure to airborne pollutants and contaminants, DOE Zero Energy Ready Home which focuses on an energy efficient building that can easily accept on-site renewables to offset site energy, and Enterprise Green Communities 2020 Plus which places emphasis on healthy, efficient, and environmentally responsible homes. Additionally, Energy star appliances will be installed in each unit. The project site has access to municipal utilities (including water, sewer, and electric) along Main Street and Perry Street.

A Playground waiver has been approved by HCR, as there is a park and play area, Texaco Avenue Park, located 1-block from the site (0.1 miles) and a waiver of the 25% common area space has been approved by HCR due to the parking structure located in the cellar level of the project.

III. SITE INFORMATION

The 0.57-acre site is currently occupied by two buildings, ranging from 2,000 – 3,000 SF each. One building is a single-story retail space previously occupied by a bicycle shop and beauty salon, but currently vacant. The second is a two-story vacant building with ground floor retail and residential units above and vacant lot in the rear of the property. The existing buildings are currently contributing to blight along the Main Street corridor and will be transferred as vacant properties in preparation for demolition.

Port Jefferson Commons, LLC is in contract to purchase the properties with two separate non-related owners. The purchase price totals \$3,700,000 with site control through June 2023. The projected closing date is December 2023.

Required approvals from the Village of Port Jefferson will include site plan, SEQR, and building permit.

IV. PROJECT LOCATION & MARKET INFORMATION

Port Jefferson Commons is located at 1601-1605 Main Street in Port Jefferson, NY, an incorporated village in the Town of Brookhaven. Port Jefferson is a vibrant community with direct access to the Long Island Sound. The village boasts of historic significance due to its shipbuilding history in the mid-19th century. As a result, it has become a tourist destination, with access via a commercial ferry line that runs between Bridgeport, CT and Port Jefferson, and the Port Jefferson LIRR Regional Rail train station. The area also consists of two major hospitals, John T. Mather Memorial Hospital, located 0.3 miles from the project site, and St. Charles Hospital, located 0.9 miles from the site.

Additionally, the development is close to State University of New York, Stony Brook University. The adjacent Long Island Railroad hub also serves as a bus stop for the Suffolk County Transit Authority S61 bus line. The S76 bus line also has two stops near Port Jefferson Commons, Port Jefferson Shopping Plaza (1.6 miles) and S. Barnum Ave (1.0 miles). The proposed project site is in a prime "Uptown" location, that provides housing opportunities for families and commuters due to its proximity to the train station and surrounding economic drivers. The development site is located in Housing Opportunity Census Tract 1582.06

V. PROJECT FINANCING INFORMATION

The proposed Port Jefferson Commons project will be financed using 9% Low Income Housing Tax Credits (LIHC & SLIHC) from NYS Homes and Community Renewal (HCR), along with subsidy financing from the Housing Trust Fund Program, Federal Housing Trust Fund, and Community Investment Fund. The Village of Port Jefferson will also pursue funds from Restore NY to benefit this project. Additionally, the development team intends to apply for Section 8 Project Based Vouchers through HCR's Fall 2022 Round for the eight (8) 30% AMI Federal Housing Trust Fund units. The underwriting for this application accounts for PBV rents at HUD FMR.

Port Jefferson Commons is located adjacent to another Conifer and CDCLI development, Port Jefferson Crossing that is currently in lease-up and received a 9% LIHTC funding award in 2019. Despite the proximity to Port Jefferson Crossing, Port Jefferson Commons is not part of a multi-phased development. A multi-phased project is typically one property under a single ownership that is apportioned into smaller parcels for development purposes. The benefit of developers of multi-phased site is only having to negotiate with one seller and work through all local approvals for both sites at one time. Port Jefferson Commons is not a second phase. The current owners of Port Jefferson Commons have no relationship with the seller of Port Jefferson Crossing. Conifer spent a significant amount of time negotiating the Purchase Agreements for Port Jefferson Commons after Port Jefferson Crossing was already into construction. The development opportunity for Port Jefferson Commons presented itself after, not in conjunction with, Port Jefferson Crossing. As such each development has to undergo separate site plan, SEQR, PILOT and building permit approvals. The two developments were designed independently. The development and operating budgets are separate with no shared costs. Overall, the required developer overhead to execute the development is that of newly proposed project that was not anticipated during Port Jefferson Crossing pre-development. There was not reference to a phased development in the 2019 Port Jefferson Crossing HCR 9% LIHTC funding application. In other words, there are no efficiencies in development tasks that warrant a reduction in the standard development fee. Due to these factors, the underwriting assumes the standard 12% fee.

The project site (tax map 201-21-06, lots 1, 2, 3 & 4) are identified in the Village of Port Jefferson Urban Renewal Plan which targets the revitalization of blighted properties in the "Uptown" area of Port Jefferson. The Urban Renewal Plan furthers the objectives outlined in the 2030 Comprehensive Plan Update which recommends "higher density, mixed use development with retail and commercial establishments on the ground floor and residential units on the upper floors". In addition, the project site is located in close proximity to the Long Island Railroad (LIRR) train station, which has recently completed Enhanced Station Improvements funded by the MTA Capital Improvement program.

The Project will also seek a 30-year PILOT from the Brookhaven IDA, see commitment letter in Exhibit B-5. The Project will not be required to pay prevailing wages.

VI. DEVELOPMENT TEAM & OWNERSHIP INFORMATION

Port Jefferson Commons, LLC will own the property. Conifer and CDCLI will hold a 0.01% managing member interest in the Applicant. The Investor Member, Red Stone Equity partners, will be added to the LLC and will purchase a 99.99% interest. Below please find a list of development team members along with their project roles and responsibilities:

- **Community Development Corporation of Long Island (CDCLI)**
Non-Profit Sponsor/Co-Managing Member

CDCLI will materially participate as the non-profit sponsor/owner/co-managing member and will hold a 0.005% interest in the Applicant. CDCLIs role in the development has and will include ownership, local approvals, obtaining financing, site acquisition, loan/equity closings and residential referrals during rent-up. They will play an invaluable role in the development, local approvals, marketing and management of Port Jefferson Commons.



- **Conifer, LLC (Conifer)**

Developer

Conifer will be primarily responsible for preconstruction tasks including acquisition, design, approvals, and financing. It will provide compliance, third party supervision and construction monitoring. Conifer will arrange for all required guarantees for the project. Conifer works in multiple states with virtually every housing program and utilizes a hands-on expert approach in assembling and integrating the right programs to meet the objectives of every development. Since their inception Conifer has developed over 21,000 apartments and has worked closely with local and state agencies, nonprofit organizations, and housing authorities to create unique and innovative economic models to leverage private investments, regardless of the scarcity of public funds. It is this extensive experience that has led Conifer to have a rich history of creating successful financing models for affordable housing, mixed-income and mixed-use communities, utilizing various federal, state and local programs, Low-income Tax Credits, tax-exempt financing and debt and equity from private sectors. Conifer typically experiences prime equity pricing and lower interest rates than competitors. This allows the company to consistently maintain a pipeline of over 30 unique projects in various stages of the development process.

- **Conifer-LeChase Construction, LLC (CLC)**

General Contractor

Dedicated to creating sustainable developments, the construction team at CLC brings an award-winning combination of knowledge; with a professional staff of project managers and estimators, CLC has significant experience with LIHC, SLIHC and HTF projects. Conifer-LeChase has successfully delivered all forms of multi-unit housing – from luxury condos, apartments, senior living and affordable developments to hotels and mixed-use facilities. Projects on their resume range from small interior renovations to new construction more than \$270 million. They understand the regulations and nuances specific to each type of multi-unit project, as well as the common need for a team that can manage quality, schedules, and budgets. Whether the project is a single-story structure in a quiet setting or a high-rise in a busy city center, they bring the expertise to exceed expectations.

Port Jefferson Commons will have a fixed construction contract with the General Contractor.

- **Conifer Management, LLC (CMLLC)**

Management Agent

CMLLC will bring their extensive property management experience to work for this project. Conifer Management currently manages over 15,000 apartment units in four states. Since the inception of the Low-Income Housing Credit Program CMLLC has maintained an impeccable reputation of compliance and customer satisfaction.

Conifer's internal Marketing Department will offer Leasing & Marketing support services. The department will complete a community specific marketing plan outline that develops a target audience, sets an advertising plan, outlines area competition, and ensures curb appeal at the site.

In addition, Conifer Management has an internal Compliance Department to assist and support the management operation as it relates to numerous "affordable" financing commitments. Compliance team members offer Property Management staff training, ongoing monitoring and audit functions for Tax Credit Bond, Section 8, Rural Development, and other regulated programs. The Compliance Department reviews every move-in file for all units Conifer currently manages in four states. In addition to its own review, Conifer employs two third party tax credit compliance companies to review Conifer's initial lease up files for any new tax credit property or acquisition rehab property.



VII. DEVELOPMENT TIMELINE

Upon award of 9% LIHC, the construction financing timeline for the Port Jefferson Commons is projected to occur by December, 2023. In order to achieve a successful closing, the project will be required to obtain site plan approval and PILOT approval, which is scheduled to occur by November 2023. Following site plan approval, the architect will finalize the construction documents for building permit receipt by November 2023. The 18-month construction period will start on January 1, 2024 – June 1, 2025. Lease up will be completed by September 1, 2025, and permanent conversion will be completed by December 1, 2025.



7 Oser Avenue, Hauppauge, NY 11788
Phone : 631-951-4908

The Board of Directors
Town of Brookhaven
Industrial Development Agency
1 Independence Hill
Farmingville, NY 11738

Re : Bactolac Pharmaceutical Inc. Project # 4702-21-12A

November 14, 2022

I am pleased to inform the Board that our building, located at 50 Ramsey Rd., Shirley, NY is currently under construction and it is anticipated that the building will be completed by late Spring, early Summer of 2023. Bactolac has been fortunate over the years to have experienced continued growth and expansion on Long Island. Given our success we anticipate that growth to continue and to add jobs to the Town of Brookhaven with this latest project. However, given these recent turbulent times of inflation, we are experiencing a contraction in our business as customer inventories have swelled in 2020 and 2021, and prices have skyrocketed. Also, with the onset of Covid we are seeing a tighter labor market as well. We are hopeful that these conditions will be temporary.

Once our building is completed, it is our intention to lease the facility in order to help offset rising costs. It is our intent to go to market to lease the entire facility for a 3 year period but with an option to keeping 10,000-25,000 sq ft of space for short term growth if business conditions change and we can get back on track to meet our job requirements. We have no intention of leasing on a long term basis as this is not our business plan. We are also exploring vacating leased facilities to potentially enable us to occupy our Brookhaven facility sooner. If we go forward with leasing, we fully understand and agree to have the occupant enter into a sublease agreement with Bactolac in accordance with the IDA's requirements.

Bactolac appreciates the tremendous support that we are receiving from the Town of Brookhaven IDA. Bactolac is very committed to meeting our job growth and continued investment in the Town but respectfully asks for the Board's support through this temporary difficult time.

Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Renee Reynolds". The signature is written in black ink and ends with a long, horizontal flourish.

Renee Reynolds
Vice President, Chief Financial Office
Bactolac Pharmaceutical Inc.

-



AMERICAN ORGANIC ENERGY

December 5, 2022

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

To whom it may concern:

American Organic Energy, LLC ("AOE") plans to construct a food waste-to-energy project (the "Project") in Yaphank, New York. The Project is a response to market demand for diverting food waste from landfills and incinerators into renewable energy production and other beneficial uses.

The Project budget has increased to \$120 million of construction costs, this increase is not expected to increase the sales tax beyond the current approved sales tax allocation amount.

Funding commitments for the Project have been secured from the New York Green Bank, JPMorgan, and Pathward. These parties are providing the funds required over and above the equity provided by Charles and Arnold Vigliotti, Viridi Energy, LLC and grants from NYSERDA and Empire State Development. The AOE Project qualifies for sales tax and property tax exemptions, and these exemptions have been critical to AOE's ability to secure funding commitments for the Project.

Please contact us at 516-334-6600 or cvigliotti@licompost.com with any inquiries or clarifications. We look forward to growing our relationship with the Town of Brookhaven.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Charles Vigliotti', is written over the typed name.

Charles Vigliotti
President & CEO
American Organic Energy, LLC

Town of Brookhaven Industrial Development Agency

MRB Cost Benefit Calculator



Date: November 30, 2022
 Project Title: 10 Donald's Way, LLC
 Project Location: 10 Donald's Way Medford

Economic Impacts

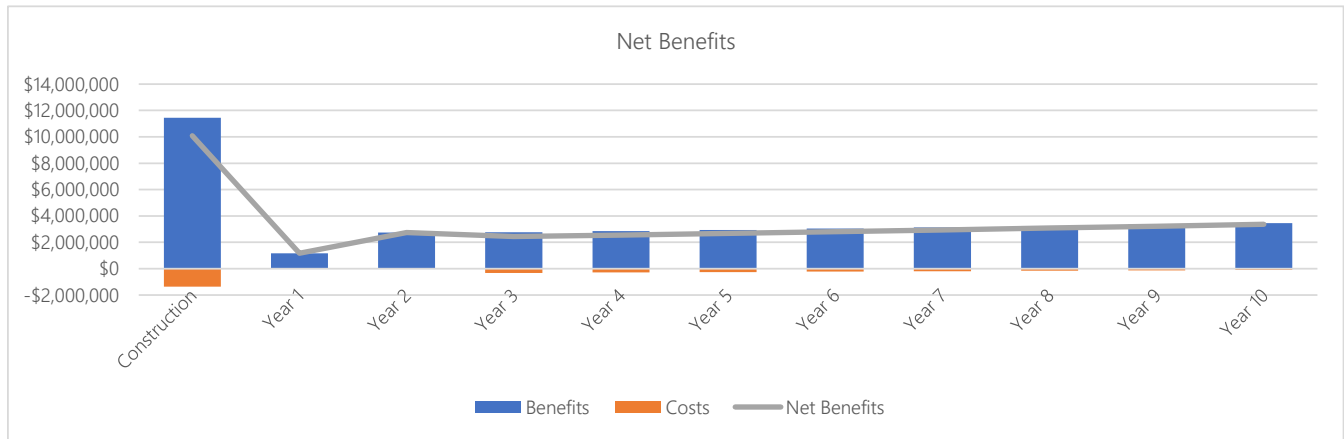
Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
 \$36,855,925

		Temporary (Construction)		
		Direct	Indirect	Total
Jobs		108	30	138
Earnings		\$8,852,261	\$1,939,637	\$10,791,898
Local Spend		\$21,406,224	\$6,766,672	\$28,172,896

		Ongoing (Operations)		
		Direct	Indirect	Total
Jobs		35	30	65
Earnings		\$19,636,614	\$12,319,221	\$31,955,834

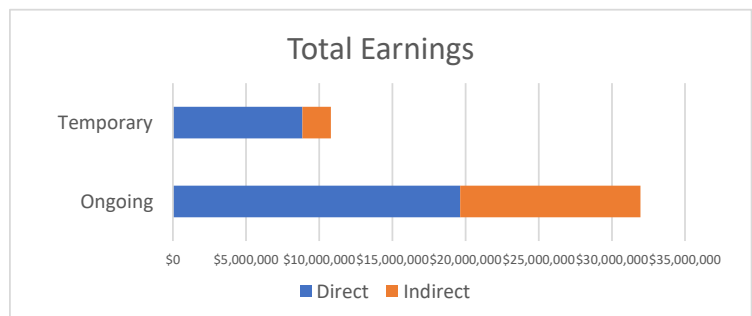
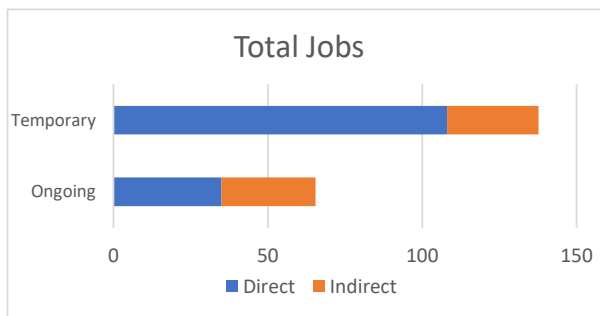
Figure 1



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

Figure 2

Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$1,698,785	\$1,516,996
Sales Tax Exemption	\$1,107,760	\$1,107,760
Local Sales Tax Exemption	\$594,016	\$594,016
State Sales Tax Exemption	\$513,744	\$513,744
Mortgage Recording Tax Exemption	\$250,170	\$250,170
Local Mortgage Recording Tax Exemption	\$83,390	\$83,390
State Mortgage Recording Tax Exemption	\$166,780	\$166,780
Total Costs	\$3,056,715	\$2,874,926

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$45,100,362	\$40,669,945
To Private Individuals	\$42,747,732	\$38,684,981
Temporary Payroll	\$10,791,898	\$10,791,898
Ongoing Payroll	\$31,955,834	\$27,893,083
Other Payments to Private Individuals	\$0	\$0
To the Public	\$2,352,630	\$1,984,964
Increase in Property Tax Revenue	\$2,006,640	\$1,671,857
Temporary Jobs - Sales Tax Revenue	\$87,347	\$87,347
Ongoing Jobs - Sales Tax Revenue	\$258,643	\$225,760
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$2,222,882	\$2,011,619
To the Public	\$2,222,882	\$2,011,619
Temporary Income Tax Revenue	\$485,635	\$485,635
Ongoing Income Tax Revenue	\$1,438,013	\$1,255,189
Temporary Jobs - Sales Tax Revenue	\$75,543	\$75,543
Ongoing Jobs - Sales Tax Revenue	\$223,691	\$195,252
Total Benefits to State & Region	\$47,323,244	\$42,681,564

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$40,669,945	\$2,194,402	19:1
State	\$2,011,619	\$680,524	3:1
Grand Total	\$42,681,564	\$2,874,926	15:1

*Discounted at 2%

Additional Comments from IDA

Applicant intends to construct a warehouse totaling 140,875 sf for use as a warehouse distribution facility on 11.01 acres of vacant land. End-users have not yet been secured. As per the Brookhaven IDA Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to, jobs created and capital investment by the applicant.

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

Town of Brookhaven Industrial Development Agency

MRB Cost Benefit Calculator



Date: October 13, 2022
 Project Title: Sunrise Wind LLC
 Project Location: see map for specific locations

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

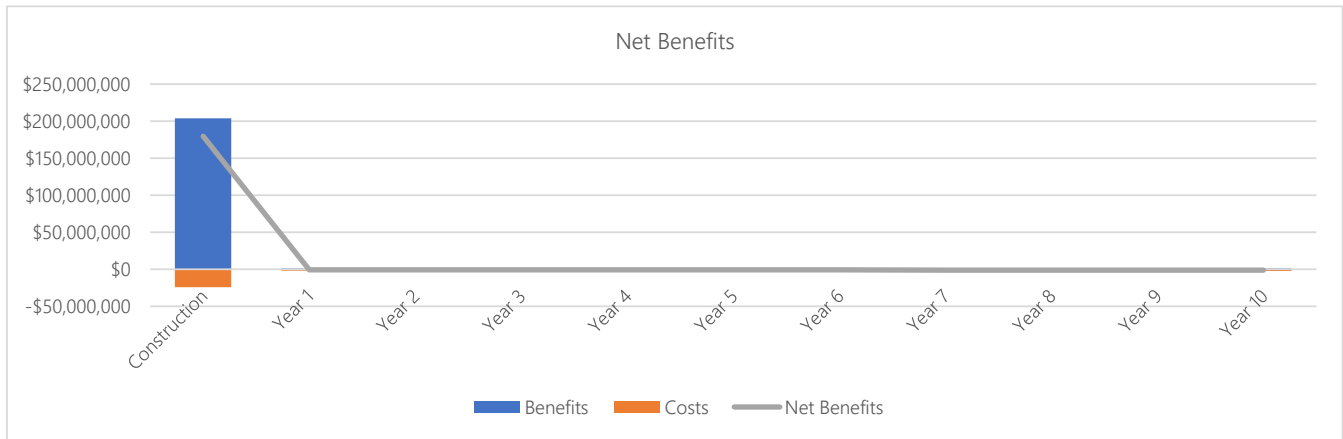
Project Total Investment
 \$491,100,000

		Temporary (Construction)		
		Direct	Indirect	Total
Jobs		2206	780	2986
Earnings		\$160,583,299	\$31,547,186	\$192,130,485
Local Spend		\$426,000,000	\$117,537,071	\$543,537,071

		Ongoing (Operations)		
		Direct	Indirect	Total
Jobs		0	0	0
Earnings		\$0	\$0	\$0

Aggregate over life of the PILOT

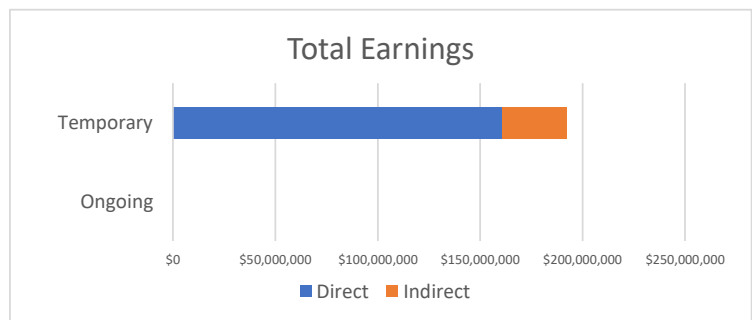
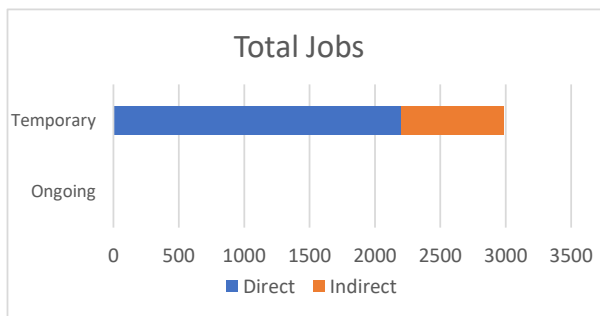
Figure 1



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

Figure 2

Figure 3



Fiscal Impacts

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$63,290,422	\$46,381,179
Sales Tax Exemption	\$24,150,000	\$24,150,000
Local Sales Tax Exemption	\$12,950,000	\$12,950,000
State Sales Tax Exemption	\$11,200,000	\$11,200,000
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$87,440,422	\$70,531,179

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$221,392,463	\$215,327,547
To Private Individuals	\$192,130,485	\$192,130,485
Temporary Payroll	\$192,130,485	\$192,130,485
Ongoing Payroll	\$0	\$0
Other Payments to Private Individuals	\$0	\$0
To the Public	\$29,261,979	\$23,197,063
Increase in Property Tax Revenue	\$27,706,923	\$21,642,007
Temporary Jobs - Sales Tax Revenue	\$1,555,056	\$1,555,056
Ongoing Jobs - Sales Tax Revenue	\$0	\$0
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$9,990,785	\$9,990,785
To the Public	\$9,990,785	\$9,990,785
Temporary Income Tax Revenue	\$8,645,872	\$8,645,872
Ongoing Income Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$1,344,913	\$1,344,913
Ongoing Jobs - Sales Tax Revenue	\$0	\$0
Total Benefits to State & Region	\$231,383,249	\$225,318,332

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$215,327,547	\$59,331,179	4:1
State	\$9,990,785	\$11,200,000	1:1
Grand Total	\$225,318,332	\$70,531,179	3:1

*Discounted at 2%

Additional Comments from IDA

Applicant proposes to construct approximately 18 miles of underground cable traveling from Smith Point Park and culminating at a converter station at the Holbrook Substation to support the Sunrise Wind power generation project, which is an approximately 924 MW power generation project to be located 30 miles east of Montauk Point. As per the IDA's Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to, capital investment by the applicant and energy production need for the region.

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

ECONOMIC AND FISCAL IMPACT ANALYSIS

Rechler Business District 10 Donald's Way

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

NPV No. 21391

Prepared for:

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

Prepared by:



NELSON POPE VOORHIS

environmental • land use • planning

70 Maxess Road
Melville, NY 11747

Contact: Charles J. Voorhis, CEP, AICP, Partner
o: 631.427.5665 | cvoorhis@nelsonpopevoorhis.com

August 17, 2022

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ATTACHMENT A NPV ECONOMIC ANALYSIS QUALIFICATIONS

EXECUTIVE SUMMARY

This analysis examines the economic and fiscal impacts that are anticipated to occur through the construction and annual operations of an industrial development to be known as Rechler Business District, 10 Donald's Way. The subject site is located on the west side of Donald's Way, south of Peconic Avenue and Horseblock Road, and east of Americus Avenue, in the **Hamlet of Medford**, Town of Brookhaven, Suffolk County, New York. The subject property is strategically located within a half mile south of the Long Island Expressway at Exit 65, allowing easy truck access to and from the property. The proposed project will provide a **140,895 square-feet** industrial building, with the capability of being single tenant or split into multiple smaller tenants. The area surrounding the project site is primarily composed of industrial land uses and a residential neighborhood located to the southwest.

The proposed project will create strong economic activity by providing jobs and a solid tax base as quantified in this report. The proposed industrial development will support local businesses in Medford and the surrounding areas, bringing increased patronage and spending power to the community. Consumer activity will ripple through the local community, creating beneficial economic and fiscal impacts throughout Medford, the Town of Brookhaven, Suffolk County, and the region as a whole.

Economic benefits include direct economic impacts, as well as those indirect and induced impacts that are projected to occur – on output, employment, and labor income – during both the 12-month construction period, and annually upon stabilized operations of the proposed project. During **construction**, direct, indirect, and induced impacts of the proposed project will result in **\$31,647,650** in **total output**, **179.53 jobs** (total full-time equivalent [FTE] jobs), and **\$12,280,846** in **labor income** (total wages). During **annual operations**, direct, indirect, and induced impacts of the proposed project will result in **\$4,419,694** in **output** (total revenue), **44.9 jobs** (total FTE jobs), and **\$2,222,961** in **labor income** (total wages).

This report includes the fiscal impacts that are anticipated to result from the proposed project. The proposed project is projected to generate **\$577,321** in **annual taxes** under full build-out and full taxation of the property, of which **\$414,826** is allocated to the **Longwood Central School District (CSD)** without introducing any new school aged children or increasing the costs of education for the district. The projected full taxation represents a net increase of \$517,745 when compared to existing site conditions of the subject parcels. As noted, this is based on full buildout and full taxation. It is noted that Town Industrial Development Agency (IDA) tax deferral will be sought. This taxation would be phased in over time and a Payment in Lieu of Taxes program would be anticipated to provide fiscal support to critical taxing jurisdictions as taxation is phased in over the time of the deferral.

In summary, the proposed project is beneficial to economic conditions of the hamlet of Medford, the Town of Brookhaven, Suffolk County, and the region, as a result of job creation (construction and operations) and tax generation. The economic (employment) and fiscal (taxation) benefits are discussed in more detail in the full report.

1.0 INTRODUCTION

Nelson, Pope & Voorhis, LLC (NPV) has been requested to prepare an economic and fiscal impact analysis for a proposed industrial development to be known as Rechler Business District, 10 Donald's Way in the hamlet of Medford, Town of Brookhaven. NPV is a professional environmental and planning firm with qualifications and expertise to prepare economic and fiscal impact analyses, and has a track record of similar completed projects, as well as residential and commercial market analysis and related economic development services to private and municipal clients. The economic qualifications of the firm and personnel are provided in **Attachment A**.

This analysis examines the economic and fiscal impacts that are anticipated to occur through the construction and annual operations of an industrial use comprised of 140,895 square-feet of space, with the capability of being single tenant or split into multiple smaller tenants. The subject site is located on the west side of Donald's Avenue, south of Peconic Avenue and Horseblock Road, and east of Americus Avenue, in the Hamlet of Medford, Town of Brookhaven, Suffolk County, New York. The subject property is strategically located within a half mile south of the Long Island Expressway at Exit 65, allowing easy truck access to and from the property. 0

The industrial sector on Long Island continues to be strong, with demand far exceeding supply. The pandemic has increased the pre-existing demand for trucking, storage and delivery of goods and services to commercial and domestic consumers. This has spurred a need for local and regional warehouse and distribution centers and support facilities.

A reputable source of real estate information specific to the Long Island industrial market research is available from Cushman & Wakefield through the Marketbeat Long Island report. Available research for the first quarter of 2022 is provided in **Attachment B** and supports a finding that the industrial market on Long Island is strong and will remain strong, and that there is unfilled surplus demand for industrial warehouse space. More specifically, the industrial vacancy rates was 2.3%, an historic low for Long Island, which indicates the need for additional industrial space.

As economic stability returns after the severe conditions of the coronavirus pandemic of 2020-22, the proposed project is expected to contribute to the long-term economic health of the community. More specifically, the proposed project will advance the planning goals of the Town and will establish many new construction and operations jobs that will help in the post-pandemic recovery. The proposed project will create strong economic activity by providing jobs and a solid tax base. Consumer activity will ripple through the local community, creating beneficial economic and fiscal impacts throughout Medford, the Town of Brookhaven, Suffolk County, and the region as a whole.

The following analysis examines and quantifies the economic and fiscal impacts that are anticipated to result from the proposed development. **Section 2.0** outlines the methodology and the sources of data used to project the economic and fiscal impacts generated in this analysis. **Section 3.0** summarizes the economic and fiscal conditions related to the proposed project. **Section 3.1** defines economic impacts for the purpose of the report, and **Section 3.2** presents the key findings of the direct economic impacts, as well as those indirect and induced impacts that are projected to occur – on output, employment, and labor income – during both the 12-month construction period, and annually upon stabilized operations of the proposed project. As previously noted, these projections anticipate stabilization of the economy in post-pandemic conditions. A summary of these key economic findings is provided in **Table 1**.

TABLE 1
SUMMARY OF KEY ECONOMIC FINDINGS

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
<i>Economic Impacts during Construction</i>			
Direct Impact	\$21,141,997	125.30	\$8,456,799
Indirect Impact	\$4,697,129	20.80	\$1,729,414
Induced Impact	\$5,808,524	33.42	\$2,094,633
Total Impact	\$31,647,650	179.53	\$12,280,846
<i>Economic Impacts during Annual Operations</i>			
Direct Impact	\$2,536,110	35.2	\$1,586,398
Indirect Impact	\$841,610	4.0	\$259,743
Induced Impact	\$1,041,974	5.7	\$376,820
Total Impact	\$4,419,694	44.9	\$2,222,961

Source: Data provided by Rechler Equity; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

Section 3.2 also includes key fiscal findings, including enrollment trends/population, budget, and current tax rates and levies for the Longwood Central School District (CSD), Town, and County. Moreover, this section summarizes the fiscal impacts that are anticipated to result from the proposed project. These include beneficial property tax revenues allocated to each of the taxing jurisdictions that receive taxation from the site.

The Applicant will be applying to the Town of Brookhaven IDA for tax deferral and a negotiated Payment in Lieu of Taxes (PILOT) program. IDA tax deferral promotes beneficial development/redevelopment and creates jobs while supplementing taxes and meeting other goals such as stimulating construction jobs and permanent employment. Since the exact terms of the PILOT have not yet been negotiated, this study analyzes the projected fiscal impacts anticipating full occupancy and full taxation based on current assessments and projected revenues.

The proposed project is projected to generate \$577,321 in annual taxes under full build-out and full taxation of the property. This represents a net increase of \$517,745 per year when compared to existing site conditions. The distribution of anticipated tax revenues is shown in **Table 2**. This projection of tax revenues is useful in assisting with an understanding of existing and future taxes to help structure a PILOT agreement. Any tax deferral programs will delay and phase-in full taxation.

**TABLE 2
ANTICIPATED TAX REVENUE GENERATION**

Taxing Jurisdiction	Current Tax Revenue (all parcels)	Projected Tax Revenue	Change in Tax Revenue	Percent of Total Tax Revenue
TOTAL SCHOOL TAXES	\$45,001	\$436,079	\$391,078	75.5%
School District - Longwood CSD	\$42,808	\$414,826	\$372,019	71.9%
Library District - Longwood CSD	\$2,193	\$21,252	\$19,059	3.7%
TOTAL COUNTY TAXES	\$6,668	\$64,616	\$57,948	11.2%
County of Suffolk	\$443	\$4,297	\$3,854	0.7%
County of Suffolk- Police	\$6,225	\$60,319	\$54,094	10.4%
TOTAL TOWN OF BROOKHAVEN TAXES	\$3,633	\$35,205	\$31,572	6.1%
Town - Town Wide Fund	\$865	\$8,383	\$7,518	1.5%
Highway- Town Wide Fund	\$235	\$2,276	\$2,041	0.4%
Town- Part Town Fund	\$280	\$2,715	\$2,435	0.5%
Highway- Part Town Fund/Snow Removal	\$2,253	\$21,831	\$19,578	3.8%
TOTAL OTHER TAXES	\$4,274	\$41,421	\$37,147	7.2%
New York State MTA Tax	\$21	\$207	\$186	0.0%
Open Space Preservation	\$330	\$3,198	\$2,868	0.6%
Fire Districts - Medford	\$2,166	\$20,985	\$18,819	3.6%
Lighting Districts - Brookhaven	\$174	\$1,689	\$1,515	0.3%
Ambulance District - Medford	\$1,004	\$9,728	\$8,724	1.7%
Real Property Tax Law	\$448	\$4,337	\$3,889	0.8%
Out of County Tuition	\$101	\$977	\$876	0.2%
Suffolk County Community College Tax	\$31	\$301	\$270	0.1%
TOTAL: ALL TAXING JURISDICTIONS	\$59,576	\$577,321	\$517,745	100.0%

Source: Town of Brookhaven Statement of Taxes 2021-2022; Analysis by Nelson, Pope & Voorhis, LLC

Lastly, **Section 4.0** outlines the references and sources of information utilized in this analysis, and as previously noted, the economic qualifications of the firm and personnel are provided in **Attachment A**.

2.0 METHODOLOGY

Various data and information from federal, state, local, and commercial data sources was used to analyze the existing conditions and projected economic and fiscal impacts stemming from the construction and annual operation of the proposed development.

Rechler Equity supplied information regarding the construction cost and construction schedule, building size, and anticipated rental rates per square foot.

Longwood Central School District provided data pertaining to the district budget, enrollment trends and per-pupil education costs.

The Town of Brookhaven and Suffolk County provided information regarding approved budgets and current tax rates for the subject properties. This tax information was used to compare the existing revenues to those that are projected to be generated upon full build-out of the proposed project.

New York State Education Department provided the New York State District Report Cards and the Fiscal Accountability Summary reports specific to the Longwood CSD. This information allows for an analysis of how the school district's enrollment.

United States Bureau of Labor Statistics and New York State Department of Labor publish the Occupational Employment Statistics survey. This survey was used to estimate the wages earned among those employed within "construction and extraction," and the "laborers and freight, stock and material movers ,hand" occupations in the Long Island labor market. These wages were assumed for each of the workers responsible for the construction and operations of the proposed project.

United States Census Bureau provides pertinent demographic data for the hamlet of Medford, Town of Brookhaven, and the Longwood CSD.

IMPLAN (formerly known as the Minnesota IMPLAN Group) developed an economic impact modeling system called IMPLAN, short for "IMpact analysis for PLANning." The program was developed in the 1970s through the United States Department of Agriculture's Forest Service and was privatized in 1993.

IMPLAN is built on a mathematical input-output (I-O) model to express relationships between various sectors of the economy in a specific geographic location. The I-O model assumes fixed relationships between producers and their suppliers based on demand, and the inter-industry relationships within a region largely determine how that economy will respond to change. In an I-O model, the increase in demand for a certain product or service causes a multiplier effect; increased demand for a product affects the producer of the product, the producer's employees,

the producer's suppliers, the supplier's employees, and so on, ultimately generating a total impact in the economy that is greater than the initial change in demand.

The IMPLAN model is a method for estimating local economic multipliers, including those pertaining to production, value-added, employment, wage, and supplier data. IMPLAN differentiates in its software and data sets between 576 sectors that are recognized by the United States Department of Commerce. Multipliers are available for all states, counties and zip codes, and are derived from production, employment and trade data from sources including the United States Census Bureau, County Business Patterns, Annual Survey of Government Employment, Annual Survey of Retail Trade; United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Consumer Expenditure Survey; United States Department of Labor; Office of Management and Budget; United States Department of Commerce; Internal Revenue Service; United States Department of Agriculture, National Agricultural Statistical Service; Federal Procurement Data Center; and United States Bureau of Economic Analysis, Regional Economic Information System, Survey of Current Business, among other national, regional, state and local data sources.

IMPLAN is widely accepted as the industry standard for estimating how much a one-time or sustained increase in economic activity in a particular region will be supplied by industries located in the region. Federal government agencies such as the Army Corps of Engineers, Bureau of Economic Analysis, Bureau of Land Management, Environmental Protection Agency, Federal Reserve Bank, Fish and Wildlife Service, and National Park Service have used the multipliers to study the local impact of government regulation on specific industries and to assess the local economic impacts of Federal actions. State and local governments including New York State Department of Labor, New York State Division of the Budget, New York State Office of the State Comptroller, New York State Assembly and New York City Economic Development Corporation, have used the multipliers to estimate the regional economic impacts of government policies and projects and of events, such as the location of new businesses within their state, or to assess the impacts of tourism. Likewise, businesses, universities and private consultants have used the multipliers to estimate the economic impacts of a wide range of projects, such as building a new sports facility or expanding an airport; of natural disasters; of student spending; or of special events, such as national political conventions.

NPV personnel have received formal IMPLAN training through IMPLAN and possess the qualifications to project economic impacts for a multitude of project types using this software. For the purpose of this analysis, multipliers specific to socio-economic data in Suffolk County's "Construction of new commercial structures" industry, which includes warehouses according to IMPLAN descriptions, were analyzed to determine the direct, indirect, and induced economic impacts during the proposed project's construction period. Moreover, multipliers specific to socio-economic data in Suffolk County's "General warehousing and storage" industry were analyzed to determine the direct, indirect, and induced economic impacts during the annual operations of the proposed project. A summary of these impacts can be found in **Section 3.2.1** and **Section 3.2.2** of this analysis.

3.0 ECONOMIC AND FISCAL IMPACTS

As noted in **Section 1.0**, this analysis summarizes the existing conditions and the economic and fiscal impacts associated with the development of an industrial building, consisting of 140,895 square-feet of space, with the capability of being single tenant or split into multiple smaller tenants in the hamlet of Medford, Town of Brookhaven. Economic impacts include direct, indirect, and induced benefits on output, employment, and associated labor income during the construction phase and during a stabilized year of annual operations. Fiscal impacts include the generation of property tax revenues and their distribution among local taxing jurisdictions subject to any tax deferral and PILOT arrangements. It is noted that these analyses are based on conditions approximately 29 months into the coronavirus pandemic and therefore represent conditions as the construction industry regains momentum and the economy stabilizes in post-pandemic conditions.

The proposed project will generate immediate construction jobs as well as increased job opportunities related to the operations and management of the facility. The proposed project will create strong economic activity by providing jobs and a solid tax base. The proposed project will also increase the distribution of tax ratables throughout the Town and County, upon full build-out and full-taxation of the development. Such economic and fiscal benefits are most crucial to the economic well-being throughout the Medford community, the Town of Brookhaven, Suffolk County, and the region as a whole.

A summary of findings is provided herein, with detailed methodologies and references provided throughout this analysis. This analysis was prepared using methods, data and information that are considered to be industry standard for such economic and fiscal impact analyses.

3.1 Definition of Economic Impacts

A direct impact arises from the first round of buying and selling and includes the production of changes and expenditures made as a result of the proposed action. These direct impacts can be used to identify additional rounds of buying and selling for other sectors of the economy and to identify the impact of spending by local households. An indirect impact refers to the increase in sales of other industry sectors stemming from business-to-business purchases in the supply chain due to the initial input purchases, which include further round-by-round sales. An induced impact accounts for the changes in household spending resulting from the labor income generated by the employees of the proposed action during construction and operations, resulting from direct and indirect impacts. The total impact is the sum of the direct, indirect and induced impacts.

3.2 Key Findings

3.2.1 Economic Impacts of Construction

A detailed analysis of direct, indirect, and induced impacts generated during the construction period is outlined below. It is important to note that each of these impacts are temporary and are projected to occur only while the proposed project is being constructed. As previously noted, these projections anticipate stabilization of the economy in post-pandemic conditions.

- For the purpose of this analysis, it is anticipated that construction of the proposed project will commence in November 2022, with the construction period anticipated to occur over a period of 12 months.¹
- The proposed project is projected to represent over \$21.1 million² in construction costs over the 12-month construction period.³ This \$21.1 million in direct annual output is projected to generate an indirect impact of nearly \$4.7 million, and an induced impact of an additional \$5.8 million, bringing the total economic impact output to over \$31.6 million during the 12-month construction period.⁴
- During the construction period, direct employment refers to the number of short-term jobs necessary to complete the construction of the proposed project. The construction period is anticipated to generate 125.3 full time equivalent (FTE) jobs, which are anticipated to last the entire duration of the 12-month construction period.
- The 125.3 FTE jobs created during the construction period will have an indirect impact of 20.80 FTE employees and an induced impact of 33.42 FTE employees in other industry sectors, bringing the total impact of the 12-month construction period to 179.53 FTE jobs.⁵ This job creation – direct, as well as indirect and induced – is most crucial to Long Island's economic well-being, and presents opportunities for persons who remain unemployed throughout the region.
- During the construction period, direct labor income refers to the annual earnings, wages, or salary paid to each of the workers responsible for the construction of the proposed project. Labor income typically comprises approximately 40% of the cost of industrial construction; the remaining portion represents the cost of materials.⁶

¹ Construction schedule provided by Rechler Equity in July 2022.

² For the purpose of this analysis, this figure and all other figures in the construction portion of this analysis reflect 2022 dollars, the year in which construction is assumed to commence.

³ Construction costs provided by Rechler Equity in July 2022, and include pre-construction consultants, demolition, and construction costs of the building. It is important to note that all costs are estimates based upon market conditions as of the date of preparation of this analysis.

⁴ According to IMPLAN, a multiplier of 1.579270 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand through the "Construction of new commercial structures" (IMPLAN Sector 55) in Suffolk County, New York.

⁵ According to IMPLAN, a multiplier of 9.69 represents the total change in the number of jobs that occurs in all industries for each additional one million dollars of output delivered to final demand through the "Construction of new commercial structures" (IMPLAN Sector 55) in Suffolk County, New York.

⁶ Construction/renovations labor and materials estimates per architectural design group Nelson + Pope.

- Labor income is projected to total \$65,197 per employee⁷ for the 12-month construction period, resulting in \$8.4 million in collective earnings among the 125.3 FTE employees. This labor income is projected to have an indirect impact of over \$1.7 million and an induced impact of nearly \$2.1 million, bringing the total economic impact of the 12-month construction period to over \$12.2 million in labor income.⁸

A summary of key economic findings projected to occur during the 12-month construction period is provided in **Table 3**.

TABLE 3
SUMMARY OF KEY ECONOMIC FINDINGS DURING 12-MONTH CONSTRUCTION PERIOD

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
Direct Impact	\$21,141,997	125.30	\$8,456,799
Indirect Impact	\$4,697,129	20.80	\$1,729,414
Induced Impact	\$5,808,524	33.42	\$2,094,633
Total Impact	\$31,647,650	179.53	\$12,280,846

Source: Data provided by Rechler Equity; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

3.2.2 Economic Impacts of Annual Operations

A detailed analysis of direct, indirect, and induced impacts generated annually during operations is outlined below. It is important to note that each of these impacts is permanent and on-going and they are projected on an annual basis, assuming continued stabilized operations. As previously noted, these projections anticipate stabilization of the economy in post-pandemic conditions.

- It is assumed that the proposed project will begin the operational phase of development upon the completion of the 12-month construction period. For the purpose of this analysis, the first year of stabilized operations is assumed to occur in the second full year of operations in 2025.

⁷ New York State Department of Labor's Occupational Employment Statistics survey reports a median wage of \$63,298 among those employed within construction and extraction occupations in the Long Island labor market. Data was collected between November 2018 and May 2021, and then updated to the first quarter of 2021 by making cost-of-living adjustments. An additional 3% increase was added to the average annual wage to approximate salaries in 2022, the year construction is anticipated to commence.

⁸ According to IMPLAN, a multiplier of 0.731501 represents the total dollar change in labor income of households employed by all industries for each additional dollar of output delivered to final demand through the "Construction of new commercial structures" (IMPLAN Sector 55) in Suffolk County, New York.

- Annual output will be generated in the form of monthly rental rates for the facility totaling \$2,536,110.
- The annual operational revenues are projected to generate an indirect impact of over \$800,000, and an induced impact of over \$1.0 million per year. This additional output is generated through round-by-round sales made at various merchants in other sectors of the regional economy. These include local retailers, service providers, banks, grocers, restaurants, financial institutions, insurance companies, health and legal services providers, and other establishments in the region.
- The sum of the direct, indirect, and induced impacts results in a total economic impact on output of over \$4.4 million during annual operations.⁹
- The proposed project is anticipated to generate 35.2 FTE jobs on site.¹⁰
- The 35.2 FTE jobs will have an indirect impact of 4.0 FTE employees and an induced impact of 5.7 FTE employees in other industry sectors, bringing the total economic impact of employment to 44.9 FTE jobs during annual operations.¹¹
- The 35.2 FTE jobs will generate a total of \$1.5 million in collective labor income.¹² This labor income will have an indirect impact of over \$250,000 and an induced impact of over \$370,000, bringing the total economic impact of labor income to over \$2.2 million during a stabilized year of operations of the proposed project.¹³

A summary of key economic findings projected to occur during annual operations is provided in **Table 4**.

⁹ According to IMPLAN, a multiplier of 1.734651 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the "General Warehousing and Storage" (IMPLAN Sector 422) in Suffolk County, New York.

¹⁰ Assumptions pertaining to the direct employment based on 1 employee per 4,000 square-feet of warehousing space, based on similar projects. It is important to note that all assumptions are estimates based upon market conditions as of the date of preparation of this analysis.

¹¹ According to IMPLAN, a multiplier of 12.73 represents the total dollar change in employment that occurs in all industries for each additional dollar of output delivered to final demand by the "General Warehousing and Storage" (IMPLAN Sector 422) in Suffolk County, New York.

¹² Assumptions pertaining to the employment compensation based on New York State Department of Labor's Occupational Employment Statistics survey, which reports a median wage of \$39,314 among those employed within "laborers and freight, stock, and material movers, hand" occupations in the Long Island labor market. Data was collected between November 2018 and May 2021, and then updated to the first quarter of 2022 by making cost-of-living adjustments. It is important to note that all assumptions are estimates based upon market conditions as of the date of preparation of this analysis.

¹³ According to IMPLAN, a multiplier of 0.842701 represents the total dollar change in labor income of households employed by all industries for each additional dollar of output delivered to final demand of the "General Warehousing and Storage" (IMPLAN Sector 422) in Suffolk County, New York.

TABLE 4
SUMMARY OF KEY ECONOMIC FINDINGS DURING ANNUAL OPERATIONS

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
Direct Impact	\$2,536,110	35.2	\$1,586,398
Indirect Impact	\$841,610	4.0	\$259,743
Induced Impact	\$1,041,974	5.7	\$376,820
Total Impact	\$4,419,694	44.9	\$2,222,961

Source: Data provided by Rechler Equity; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

3.2.3 Existing Fiscal Conditions

- According to the U.S. Census Bureau, there are 24,613 persons residing within 8,334 housing units in the hamlet of Medford, and 482,671 persons residing within 175,957 housing units in the Town of Brookhaven.¹⁴
- The vast majority of assessed parcels in the Town of Brookhaven are residential properties, comprising 74.0% of the total number of parcels. However, such properties comprise 46.9% of the Town's tax base and cause the greatest burden on community services.
- The Town of Brookhaven adopted a budget for 2021 of \$307.1 million¹⁵ and have prepared a tentative 2022 budget of \$316.8 million.¹⁶ Suffolk County adopted a 2021 budget of \$3.197 billion¹⁷ and prepared a recommended 2022 budget of \$4.742 billion.¹⁸
- The proposed project is located within the Longwood CSD and will result in additional revenue for the school district. The latest Census estimates suggest that 95.7% of all school-aged children who are enrolled in school and reside within the school district boundaries attended public schools; the remaining 4.3% of school-aged children attend private schools.
- Student enrollment within the Longwood CSD has decreased by 187 students, or -2.1%, over the ten (10) years between the 2011-12 and 2020-21 academic years.¹⁹
- According to the New York State School Report Card Fiscal Accountability Summary for the Longwood CSD, expenditures averaged \$23,232.56 per student during the 2020-21 academic year.

¹⁴ 2020 American Community Survey 5-Year Estimates, via the U.S. Census Bureau.

¹⁵ Town of Brookhaven, "2021 Adopted Budget."

¹⁶ Town of Brookhaven, "2022 Tentative Budget."

¹⁷ Suffolk County, "2021 Adopted Operating Budget."

¹⁸ Suffolk County, "2022 Recommended Operating Budget."

¹⁹ New York State Education Department.

- The Longwood CSD fiscal year 2021 expenditures totaled \$262,530,731, of which over \$161.6 million is spent on education and over \$59.6 million is spent on employee benefits, and revenues totaling \$263,886,185, of which over \$132.6 million is levied through real property taxes and assessments, over \$92.9 million through state aid, and over \$9.0 million through federal aid.²⁰
- The Longwood CSD adopted a balanced budget for the 2022-23 academic year, with revenues and expenditures totaling \$271,000,000.²¹
- Prior to the coronavirus pandemic of 2020-22, unemployment had been decreasing substantially since its peak in 2010-2012. Unemployment in the Town, County, Long Island, and New York state increased significantly in 2020; but started to decline in 2021 and continued to decline through 2022. As of June 2022, approximately 8,200 persons – 3.1% of the Town's labor force – are unemployed. While it is important to note that these data have not been seasonally adjusted, the trends recorded as of June 2022 were slightly higher than the unemployment rates in Suffolk County (2.8%) and Long Island (2.9%) and slightly lower than the statewide unemployment rate (4.4%) at that time.²²
- Under existing conditions, the parcels that comprise the subject property are estimated to generate existing taxes of \$59,576 per Town tax bills. The tax rates and distribution of existing taxes are provided in **Table 5**.

²⁰ Office of the New York State Comptroller.

²¹ Longwood Central School District.

²² New York State Department of Labor.

**TABLE 5
EXISTING TAX REVENUE GENERATION**

Taxing Jurisdiction	Current Tax Revenue (all parcels)	Projected Tax Revenue	Percent of Total Tax Revenue
TOTAL SCHOOL TAXES	309.816	\$436,079	75.5%
School District - Longwood CSD	294.717	\$414,826	71.9%
Library District - Longwood CSD	15.099	\$21,252	3.7%
TOTAL COUNTY TAXES	45.907	\$64,616	11.2%
County of Suffolk	3.053	\$4,297	0.7%
County of Suffolk- Police	42.854	\$60,319	10.4%
TOTAL TOWN OF BROOKHAVEN TAXES	25.012	\$35,205	6.1%
Town - Town Wide Fund	5.956	\$8,383	1.5%
Highway- Town Wide Fund	1.617	\$2,276	0.4%
Town- Part Town Fund	1.929	\$2,715	0.5%
Highway- Part Town Fund/Snow Removal	15.510	\$21,831	3.8%
TOTAL OTHER TAXES	29.428	\$41,421	7.2%
New York State MTA Tax	0.147	\$207	0.0%
Open Space Preservation	2.272	\$3,198	0.6%
Fire Districts - Medford	14.909	\$20,985	3.6%
Lighting Districts - Brookhaven	1.200	\$1,689	0.3%
Ambulance District - Medford	6.911	\$9,728	1.7%
Real Property Tax Law	3.081	\$4,337	0.8%
Out of County Tuition	0.694	\$977	0.2%
Suffolk County Community College Tax	0.214	\$301	0.1%
TOTAL: ALL TAXING JURISDICTIONS	410.163	\$577,321	100.0%

Source: Town of Brookhaven Statement of Taxes 2021-2022; Analysis by Nelson, Pope & Voorhis, LLC

3.2.4 Anticipated Fiscal Impacts

- For taxing purposes, the total estimated market valuation of the proposed project is based upon the anticipated rental rates of the proposed buildings during a stabilized year of operations, resulting in gross annual rents of over \$2.5 million.²³ A vacancy loss of 5% and a 20% expense ratio results in a net income of over \$1.9 million. When applying a capitalization rate of 0.1 and an equalization rate of 0.74%, the estimated assessed valuation of the proposed project during a stabilized year of operations is approximately \$140,754. This is shown in **Table 6**.

²³ Annual rental rates of \$18 per square-foot provided by Rechler Equity in July 2022.

TABLE 6
PROJECTED ASSESSED VALUATION

Parameter	Value
Gross Annual Rents	\$2,536,110
Vacancy Loss	5%
Expense Ratio	20%
Net Operating Income	\$1,902,083
Capitalization Rate	0.1
Estimated Market Value	\$19,020,825
Equalization Rate	0.74%
Assessed Value: Proposed Project	\$140,754

Source: Client; Town of Brookhaven Assessor's Office; Analysis by Nelson, Pope & Voorhis, LLC.

- Fiscal impacts are projected based on a stabilized year of operations and full taxation based on current assessments and projected revenues. It is noted that any tax deferral programs will delay and phase-in full taxation. The projection of tax revenues is useful in determining future taxation and in assisting with an understanding of existing and future taxes to help structure a PILOT agreement.
- During a stabilized year of operations and full taxation, the proposed project is projected to generate approximately \$577,321 in annual property taxes. This represents a net increase of over \$517,745 per year when compared to existing site conditions. The distribution of tax revenues is shown in **Table 7**.
- It is important to note that the information provided in **Table 7** was derived from the current assessment factors and tax rates provided by the Town of Brookhaven Assessors Office, as well as the total projected assessed valuation for the proposed project upon a stabilized year of operations. It is also important to note that all analyses are based on current tax dollars, and the revenue allotted among taxing jurisdictions will vary from year to year, depending on the annual tax rates, assessed valuation and equalization rates. Further, the final assessment and levy will be determined by the sole assessor at the time of occupancy. Projections included herein are as accurate as possible using fiscal impact methodologies, for the purpose of the planning and land use approval process.

**TABLE 7
ANTICIPATED TAX REVENUE GENERATION**

Taxing Jurisdiction	Current Tax Revenue (all parcels)	Projected Tax Revenue	Change in Tax Revenue	Percent of Total Tax Revenue
TOTAL SCHOOL TAXES	\$45,001	\$436,079	\$391,078	75.5%
School District - Longwood CSD	\$42,808	\$414,826	\$372,019	71.9%
Library District - Longwood CSD	\$2,193	\$21,252	\$19,059	3.7%
TOTAL COUNTY TAXES	\$6,668	\$64,616	\$57,948	11.2%
County of Suffolk	\$443	\$4,297	\$3,854	0.7%
County of Suffolk- Police	\$6,225	\$60,319	\$54,094	10.4%
TOTAL TOWN OF BROOKHAVEN TAXES	\$3,633	\$35,205	\$31,572	6.1%
Town - Town Wide Fund	\$865	\$8,383	\$7,518	1.5%
Highway- Town Wide Fund	\$235	\$2,276	\$2,041	0.4%
Town- Part Town Fund	\$280	\$2,715	\$2,435	0.5%
Highway- Part Town Fund/Snow Removal	\$2,253	\$21,831	\$19,578	3.8%
TOTAL OTHER TAXES	\$4,274	\$41,421	\$37,147	7.2%
New York State MTA Tax	\$21	\$207	\$186	0.0%
Open Space Preservation	\$330	\$3,198	\$2,868	0.6%
Fire Districts - Medford	\$2,166	\$20,985	\$18,819	3.6%
Lighting Districts - Brookhaven	\$174	\$1,689	\$1,515	0.3%
Ambulance District - Medford	\$1,004	\$9,728	\$8,724	1.7%
Real Property Tax Law	\$448	\$4,337	\$3,889	0.8%
Out of County Tuition	\$101	\$977	\$876	0.2%
Suffolk County Community College Tax	\$31	\$301	\$270	0.1%
TOTAL: ALL TAXING JURISDICTIONS	\$59,576	\$577,321	\$517,745	100.0%

Source: Town of Brookhaven Statement of Taxes 2021-2022; Analysis by Nelson, Pope & Voorhis, LLC

- The proposed project includes the development of industrial space and therefore, will not generate additional students to the Longwood CSD. The proposed project is anticipated to levy approximately \$414,826 in property tax revenues for the school district, without generating additional costs stemming from an increased student enrollment. This net revenue could ease the district's need to tap into additional fund balances and could also help alleviate an increased burden on other taxpayers throughout the district.
- As noted, the Applicant will be applying to the Town of Brookhaven IDA for tax deferral and a negotiated PILOT program. IDA tax deferral promotes beneficial development/redevelopment and creates jobs while supplementing taxes and meeting other goals such as stimulating construction jobs and permanent employment. Since the exact terms of the PILOT have not yet been negotiated, this study analyzes the projected fiscal impacts anticipating full occupancy and full taxation based on current assessments and projected revenues.

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ATTACHMENT A
Nelson Pope Voorhis
Economic Analysis Qualifications

STATEMENT OF QUALIFICATIONS ECONOMIC AND FISCAL IMPACT ANALYSIS



NELSON POPE VOORHIS
environmental • land use • planning

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INTRODUCTION

Nelson, Pope & Voorhis, LLC (“Nelson Pope Voorhis” or “NPV”) is an environmental planning and consulting firm established in 1997 that serves governmental and private sector clients preparing creative solutions specialized in the area of complex environmental project management and land use planning/analysis. Our offices are strategically located in Melville, Long Island, NY and Suffern, NY in the Hudson River Valley. NPV consists of three divisions, created to better serve clients with high quality, innovative and responsive consulting services in all aspects of environmental planning. The three divisions are:

- **Environmental and Community Planning Division:** prepares comprehensive plans, long-term planning studies, corridor redevelopment studies, brownfield plans and comprehensive and strategic zoning amendments. The group is effective in the use of geographic information systems (GIS) mapping to evaluate issues and present baseline data. Effective community outreach strategies are developed and tailored for each project and the community in which the project is taking place. The group represents a number of planning boards in the region.
- **Phase I/II ESA and Remediation Division:** prepares Phase I/II Environmental Site Assessments with soil and groundwater sampling services, lead based paint, asbestos and radon inspection services, and all forms of environmental sampling. The division evaluates the implications of past and/or present contamination and property uses on future land uses.
- **Environmental Resource and Wetland Division:** conducts ecological assessment and planning, landscape and coastal restoration, wetland delineation and restoration, habitat assessment, conducts stormwater modeling and green infrastructure planning and implementation. This division assists clients through permitting and SEQRA processes.

The primary focus of the firm is to provide quality consulting services that meet the needs and goals of our clients while respecting the environment. We pride ourselves being extremely responsive to each client. Clients rely on NPV’s depth of experience and expertise to provide solutions to each unique project within budget and on schedule. Our clientele, some of whom we have represented for decades, recognize NPV’s capabilities and are secure in knowing that they receive quality professional services from project inception through completion. NPV’s multidisciplinary staff includes AICP-certified planners, economists, ecologists, hydrologists, certified environmental professionals, grants specialists, and GIS specialists.

As a local firm, NPV has significant expertise in performing both Economic and Fiscal Impact Analyses as well as Market Studies. We have served as a primary consultant to many private developers as well as municipalities and have established a solid track-record of completed projects and local government references throughout Long Island, with an emphasis on economic related projects.

NPV has the capabilities to provide the following services:

PHASE I/II ESA AND REMEDIATION	COMMUNITY AND LAND PLANNING	ENVIRONMENTAL AND WETLAND ASSESSMENT
<p><u>ENVIRONMENTAL AUDITS</u> Phase I ESA & Due Diligence Investigations Phase II ESA Groundwater Investigations Soil Sampling, Boring and Classifications Soil Gas Surveys Monitoring Wells & Piezometers Tank Sampling Pesticide Sampling & Plans Soil Management Plans Remediation Brownfield/Voluntary Cleanup Plans RCRA Closures Superfund Sites Asbestos Surveys Influent/Effluent Sampling Lead Based Paint Surveys Subsurface Investigations Ground Penetrating Radar (GPR) Dewatering Services Pipe Camera Magnetometer Groundwater Monitoring Studies Flow Studies Water Supply Studies Nitrogen Load/TMDL Evaluation</p> <p><u>ENVIRONMENTAL ANALYSIS</u> NYS SEQRA/NYC CEQR Administration NEPA Analysis/Documentation EIS/EAF Preparation GEIS & Regional Impact Analysis Noise Monitoring & Assessment Air Impact Analysis Visual Assessment</p>	<p><u>ECONOMIC</u> Fiscal Impact Analysis Economic Impact Analysis IMPLAN and RIMS II Economic Impact Modeling School District/Community Service Impact Analysis Market Studies Niche Market Analysis Demographic Studies Economic Development Planning Business Retention & Expansion Strategies Downtown Revitalization IDA Financing Assistance</p> <p><u>PLANNING</u> Development of Feasibility Studies LEED Planning Public Outreach Meetings Demographic Analysis Municipal Review Services Planning & Zoning Analysis Build Out Analysis GIS Analysis Code Preparation & Review Downtown Revitalization Regional Planning & Land Use Plans Recreation Planning LWRP & Harbor Management Plans Grant Writing & Administration Public Outreach & Community Surveys Community Visioning District Mapping Spatial Analysis of Call Database Needs Assessment Demographic Analysis</p>	<p><u>STORMWATER MANAGEMENT</u> Stormwater Permitting Stormwater Pollution Prevention Plans (SWPPP) Erosion & Sediment Control Plans NYSDEC “Qualified Inspectors” for Construction Field Monitoring Stormwater Management Programs NYSDEC Annual Reports Construction Stormwater Field Monitoring Outfall & Infrastructure Inventory GIS Mapping & Analysis Stormwater BMP’s Stormwater Management Planning Low Impact Design</p> <p><u>ECOLOGY & WETLANDS</u> Wetland Delineation and Permits Permit Plans Restoration/Mitigation Plans Ecological Studies and Surveys Endangered Species Surveys Pond Management Plans Invasive Species Control Water Quality Evaluation Habitat Management Watershed Management Plans Environmental Education /Outreach</p> <p><u>COASTAL & WATERFRONT MANAGEMENT</u> Waterfront Management Plans Waterfront Certifications Coastal Erosion Hazard Area FEMA Compliance Shoreline Restoration Planning Ecological Landscape Design</p>

Economic and Fiscal Impact Analyses & Market Studies

NPV performs economic impact analyses and utilizes the software IMPLAN (a model that combines a set of extensive databases, economic factors, multipliers, and demographic statistics) to estimate short and long-term employment projections generated by a development. Economic impacts are determined by inputting the anticipated direct spending from construction and operations of each of the development through the IMPLAN model which may be calibrated to reflect local spending patterns. The IMPLAN model estimates the full-time job creation during construction and under operation — and the direct, indirect and induced economic benefits related to purchase of goods and services. Direct effects are the immediate result of the project

implementation. Indirect benefits stem from the purchase by local businesses/industries of goods and services from other local businesses/industries (also known as intermediate expenditures). Induced benefits reflect the spending of wages from residents (accounting for household purchases made by paid employees or from new residents in housing developments).

For fiscal impact analyses, NPV identifies project benefits and/or impacts in terms of tax revenue projections and demand for community services from various providers – including the ramifications of development on local school districts.

NPV prepares market studies to evaluate the need for a particular type of development, which include housing needs assessments, evaluation of retail gaps and surpluses, and niche market and branding studies.



KEY PERSONNEL

All NPV professionals are available to assist on an as-needed basis. Kathy Eiseman will serve as the project coordinator, working as the primary contact and assigning projects to the various professionals on the team. Specific individuals expected to provide services and their individual roles for Economic and Fiscal Impact Analyses initiatives are noted as follows:

Personnel	Qualifications, Project Role
Kathryn J. Eiseman AICP Partner	Project Oversight
Charles J. Voorhis, CEP, AICP Principal	Project Coordination
Taylor Garner, AICP Senior Environmental Planner	Project Coordination, Preparation of Reports
Valerie Monastra Principal Planner	Preparation of Reports

Nelson Pope Voorhis is managed by a select group of partners. Each provides specific expertise in the field of environmental planning, land use planning/analysis, remediation, engineering and land surveying that is unique within the industry. The diverse leadership of NPV couples the experience of our senior partners with the innovation and enthusiasm of our younger staff. Many of the team’s staff have advanced technical degrees and/or technical certifications. Such as LEED Accredited Professional (LEED AP), OSHA 40 Hour HAZWOPER, and American Institute of Certified Planners (AICP), etc.

Kathryn J. Eiseman, AICP, Partner is a Partner and Division Manager of the Environmental & Community Planning Division. She has over 20 years of planning experience in environmental planning and manages both private and public planning projects. Current projects include the Local Waterfront Revitalization Program for the Town of Islip and Brownfield Opportunity Area (BOA) for the Town of Riverhead BOA. Ms. Eiseman is the planner for the Villages of Southampton and Sag Harbor Planning Boards and directs her staff to perform site plan and subdivision reviews and advises the Board on a regular basis. She is skillful in managing complex projects and working with team members both in house and as subconsultants. Her staff is proficient in the use of GIS and design software for preparation of high-quality graphic products. Ms. Eiseman is experienced in the art of public participation and education and tailors her approach to the unique needs of each project community. She is an enthusiastic and creative planner who endeavors to bring a fresh approach to each project as well as to her position as Treasurer for the Long Island Section of the American Planning Association.

Charles Voorhis, CEP, AICP is Principal of NPV and has over 40 years of experience in environmental planning on Long Island and in the New York metropolitan area. Mr. Voorhis is a member of the American Institute of Certified Planners (AICP) and is a Certified Environmental Professional (CEP). He has a wealth of experience in managing large scale municipal projects including regional environmental planning, downtown revitalization and action planning, Generic Environmental Impact Statements, stormwater management, wetlands and coastal management, and municipal consulting. Mr. Voorhis and his firm serve as environmental planning consultants to many of New York Towns and Villages and are currently in the process of preparing several long-range planning initiatives for several Towns in Nassau and Suffolk Counties.

Taylor Garner is an environmental planner with an undergraduate degree in Environmental Science from Villanova University and a master's degree in Urban Planning with a concentration in Sustainability and the Environment from Hunter College. Ms. Garner has undergone the Formal training course in the IMPLAN Economic Modeling System IMPLAN. She oversees the preparation of market analyses and feasibility studies, niche market studies and branding plans, school district analyses, economic development strategies, as well as fiscal (projecting taxes and the impact to local jurisdictions) and economic (projecting job creating and associated revenues circulating throughout the economy) impact analyses for residential, commercial, office, industrial, recreational, hospitality, tourism and mixed-use developments. She has experience in analyzing demographic data and preparing grant applications. Ms. Garner has been involved with comprehensive plans, local waterfront revitalization plans, brownfield development, zoning plans, and public participation and community visioning processes. Ms. Garner is also experienced in the preparation and review of environmental assessment documents, including SEQRA and CEQR documents, and site plan review for the Villages of Southampton and Sag Harbor and the Town of Oyster Bay.

Valerie Monastra is an is an AICP Certified Environmental Planner with over 18 years of experience throughout the Hudson Valley in management and planning pertaining to land use development, zoning, environmental review, affordable housing and community development projects. Her educational and employment history encompass both urban and environmental planning as well as governmental administration. Ms. Monastra has experience providing planning services to New York State agencies including DOS, DEC, OPRHP and ESD and is expert in the SEQRA and NEPA processes. Ms. Monastra serves as the President of the Westchester Municipal Planning Federation. She has vast experience working on the local level with municipalities to complete plans and navigate projects through the land use approval process.

Detailed resumes can be provided upon request.

RELEVANT EXPERIENCE

The following list of projects have been selected to demonstrate the team’s qualifications and capabilities.

City of New Rochelle Downtown Overlay Zone (DOZ) Zoning Amendments (New Rochelle, NY)

NPV prepared an economic and fiscal impact analysis for the proposed 2021 Amendments to the City of New Rochelle Downtown Overlay Zone (DOZ), located in the downtown area of New Rochelle, New York. The City is proposing updates to the Theoretical Development Scenario (TDS), which was originally evaluated as part of the 2015 Generic Environmental Impact Statement (GEIS). The GEIS was prepared to evaluate potential impacts that could result from the adoption of the DOZ. The 2021 TDS changes are proposed to address the shift in demand away from certain commercial uses and to provide for additional residential and live/work options, as well as retail and restaurant options designed to integrate the outdoors and new outdoor recreational opportunities into the DOZ. Additionally, the 2021 DOZ Amendments include the continuation of the DO Zones to the south and east to add a new “Waterfront Overlay District” (“DO-7 Zone”) to allow for development on or near a newly created publicly accessible waterfront. Collectively, the 2021 DOZ Amendments (the “Proposed Action”) are intended to continue the successful growth within the entire DOZ while re-balancing the potential development impacts of a revised TDS.

The analysis examines the economic and fiscal impacts that are anticipated to occur through the implementation, construction and annual operations of the revised TDS, intended to continue growth within various zoning districts within the City’s downtown and waterfront.

Greybarn Sayville (Sayville, NY)

NPV has updated this fiscal and economic impact analysis for the Greybarn-Sayville Planned Development District (PDD) as part of the Draft Environmental Impact Statement (DEIS). The proposed project is on the site of a former Country Club, a 114.33-acre property in the hamlet of Sayville of the Town of Islip. The proposed project will include the development of 1,365 multi-family residential rental units, on-site stormwater and sanitary wastewater treatment systems, connections to the public water supply, recreational and commercial amenities (limited to the site’s residents, and including small retail/commercial spaces, interior open spaces, outdoor pool/patio areas, and an internal walking trail network), and a 25±-acre public open space along the perimeter of the site, in which a pedestrian path is proposed. The proposed project also includes expanded wastewater treatment capabilities for wastewater from downtown Sayville, and installation of a sewer main from downtown Sayville to the on-site sewage treatment plant (STP).

The project responds to the public need for increased quality rental housing opportunities in the area. The proposed project has been designed using smart growth development principles, by incorporating features and characteristics including internal walkability, sense-of-place features, safe and convenient pedestrian access to on-site amenities (within the site and limited to use of the site’s residents), and on-site recreational amenities for its residents. In addition, the proposed project will create strong economic activity by providing jobs and a solid tax base.

Concern for Independent Living (Southampton, NY)

NPV prepared a fiscal and economic impact summary to examine the fiscal and economic impacts that are anticipated to occur through the construction and annual operations of a proposed residential development with 60 workforce rental apartment units to be located on County Road 39 in the Village of Southampton. Due to the generally affluent nature of the south fork of Long Island, and many parts of Southampton in particular, the demand for workforce housing units in Southampton is strong, and there is documented need for this type of housing in the community. The proposed project responds to the Town's and community's desire to provide such rental housing opportunities in the area, as recognized in various comprehensive planning documents and evidenced by current conditions within the surrounding community.

There also remains an unmet demand for veteran housing, including housing for disabled veterans who may have a need for accessible housing and supportive services. The units will be comprised of 36 one-bedroom and 24 two-bedroom apartment units, and the proposed project will also include a 5,000 square foot (SF) community building with a gym, computer room, and community room for use by residents and staff, as well as service provision for the supportive housing units. All of the units will be designated as "affordable" units under the Town Code and will be occupied by households that meet applicable economic standards as administered by the Town. A portion of the units will be occupied by veterans, including disabled veterans and disabled veterans in need of support. The project will benefit the community by transforming an overgrown and littered site into attractive, high-quality workforce housing that will enhance the community. As economic stability returns following the coronavirus pandemic of 2020, the proposed project is expected to contribute to the long-term economic health of the community.

Superblock Long Beach (Long Beach, NY)

NPV prepared a Fiscal Impact Analysis and a Household Buying Power Analysis for a residential development in Long Beach, New York. This analysis will assist the developer in quantifying the fiscal impact that the new residential development will have on the local tax base, and the economic impact that new household spending will have on the local economy. Economic impact including construction and operational job creation was addressed in detail in the Economic Impact Summary Analysis prepared by NPV earlier in 2020. This analysis examines the fiscal impacts and the household spending that is anticipated to occur during annual operations of a new residential development including: 200 one- and two-bedroom condominiums; and, 238 market-rate and workforce studio, one- and two-bedroom rental units.

Prior to the coronavirus pandemic of 2020, the condominium market in Long Beach has been quite attractive, with a strong demand and a supply of such housing units proximate to the boardwalk, and/or with water views. The rental market has suffered from a dearth of new transit-oriented communities. The proposed residential development is responsive to this demand in Long Beach, and as economic stability returns, is expected to contribute to the long-term economic health of the community through the provision of such newly constructed luxury housing opportunities. The proposed residential development is expected to create strong economic activity by providing a solid tax base upon completion and full taxation of the project. The new residents living within the 200 condominiums and 238 rental units proposed for development will patronize downtown establishments, bringing significant new disposable income to the merchants in the community. Consumer activity will ripple through the local community, creating beneficial fiscal and economic impacts throughout Long Beach, Nassau County, and the region as a whole. Consequently, economic activity including job creation and

consumer buying power will be generated by the project.

Storage Deluxe (Valley Stream, NY)

NPV prepared a market feasibility, fiscal and economic impact summary analysis for a commercial storage facility in Valley Stream, New York. This analysis examines the feasibility in the local market, as well as fiscal and economic impacts that are anticipated to occur through the construction and annual operations of a new four-story, 140,000 square foot (SF) commercial storage facility. With the decline in the number of warehouse facilities in the region, and rising commercial rents, many companies can no longer afford large warehouses. Such businesses have nowhere to store their inventory, which is a major roadblock to their success and growth. The proposed commercial storage facility is responsive to this need and anticipates serving the needs of hundreds of local businesses in Valley Stream and surrounding communities, in a cost-effective manner.

The proposed commercial storage facility will create strong economic activity by providing new employment opportunities and will provide a tax revenue and/or payment in lieu of taxes. The analysis served to accompany the IDA application to the Town of Hempstead.

RD Industrial Site (Yaphank, NY)

NPV prepared a series of economic and fiscal calculations as part of the Land Use Application being prepared for a 47+ acre project site is located the hamlet of Yaphank, Town of Brookhaven. The proposed project includes the development of two one-story distribution warehouses, as well as a three-story self-storage building. For the purpose of this analysis, it was assumed that both distribution warehouse buildings will be occupied by a mix of industrial and office uses, with a split of 90%/10% favoring pure industrial use.

As economic stability returns following the coronavirus pandemic of 2020-21, the proposed project is expected to contribute to the long-term economic health of the community. More specifically, the proposed project will establish many new construction and operational jobs that will help in the pre- and post-pandemic recovery, as well as a solid tax base upon full build-out and full-taxation of the property.

Canoe Place Inn and Hampton Boathouses (Hampton Bays, NY)

The Canoe Place Inn (CPI) has a longstanding history and serves as an important part of the character of the Hampton Bays community. The rehabilitation the formerly vacant CPI included synergistic uses on the site reminiscent of its history, working together to draw interest for destination weddings, charity events, business conferences and other special events.

In the 2014 preparation of the Environmental Impact Statement, NPV prepared a Fiscal Impact Analysis and Assessment of Needs and Benefits for the Canoe Place Inn and Hampton Boathouses properties. The study examined and quantified the beneficial impacts to the local school district as well as the generation of annual property tax revenues. Moreover, the analysis projected the economic impacts – on output, employment and labor income – during both the construction period and annually, upon a stabilized year of operations of the rehabilitated CPI and residential project components. NPV also prepared a Residential Market Analysis for the Hampton Boathouses property on Shinnecock Canal. The analysis analyzed the relationship between the demand for, and supply of, comparable residential developments and ultimately,

quantified the amount and type of housing units that could be supported by the target market – including both those for year-round residents and seasonal residents.

In 2019, NPV prepared a Market Feasibility Analysis for CPI, for submission to the Suffolk County Industrial Development Agency (SCIDA) for tax deferral and other financial assistance. The analysis examined the demand for CPI, the local and regional tourism market and forecasted growth, and determined that CPI will establish a tourism destination that is likely to attract a significant number of visitors from outside the economic development region, and therefore eligible for SCIDA assistance.

Danford’s Hotel, Marina & Spa: Economic Planning Analysis(Port Jefferson, NY)

Danford’s Hotel, Marina & Spa is an integrated water-dependent facility in Port Jefferson, New York, and is referred to as “the anchor of Port Jefferson.” The hotel, marina, spa and restaurant are inter-related uses that support recreational/commercial boating, marine trades, marine material suppliers and related industries. The combined facility is an economic engine for Port Jefferson and the region, with the annual maintenance to, and operations of, the facility creating strong economic activity. An abundant amount of consumer activity ripples through the

local community, contributing vastly to the economy of downtown Port Jefferson, and into the Town of Brookhaven, Suffolk County and the region as a whole.

NPV prepared an Economic Planning Analysis that quantified the beneficial economic impacts associated with Danford’s Hotel, Marina & Spa. The analysis examined the direct, indirect and induced impacts on output, employment and labor income, during the annual maintenance and repair construction of the facility, as well as during annual operations of the hotel, marina & spa.

TopGolf Market Feasibility Analysis (Holtsville, New York)

Topgolf is a global sports and entertainment community, which was first launched in the United States in 2005. It has served as the pioneer in the golf entertainment industry ever since. The most recent location in Holtsville, NY includes a 65,000 square foot, state-of-the-art, multi-level golf entertainment complex, and allows for a unique experience that can be enjoyed year-round. No such facility currently exists on Long Island. The synergistic uses provided at the Topgolf Holtsville location will work together to draw interest for local residents, college students and employers, as well as persons originating from outside of the area for patronage, corporate and charity events, business conferences and other special activities. This broad combination of guests will provide economic activity both at the site and into the surrounding community.

In 2016, NPV prepared a Economic and Fiscal Impact Analysis that examined and quantified the beneficial tax revenue benefits as well as economic impacts – on output, employment and labor income – during both the construction period and annually, upon a stabilized year of operations of the proposed Entertainment Recreation Facility. In 2019, NPV prepared a Market Feasibility Analysis for Topgolf, to accompany the Industrial Development Agency (IDA) application to the Town of Brookhaven. The analysis examined the strength of the regional entertainment recreation industry, the demand for this type of use, the lack of supply of comparable facilities in the local and regional economy, and various benefits that would be accrued to the local economy and community at large, through the annual operations of the Topgolf project. The analysis concluded that

Topgolf would provide a combined entertainment and recreation facility, that but for the project, would not be reasonably available to the residents of the Town of Brookhaven or Suffolk County, and therefore it was deemed eligible and appropriate for IDA assistance.

Economic Development Chapter of the Comprehensive Plan Update (Town of Southold)

In an effort to achieve the Town's vision, five goals and numerous objectives were formed to provide direction for future decision-making pertaining to the Town's economy. Much of the Town's economic vitality is based on the Town's unique rural, historic and maritime-based character as well as its natural resources. NP&V prepared the economic chapter of the Comprehensive Plan Update for the Town of Southold to allow for the formation of appropriate recommendations and implementation strategies focused on long-term economic sustainability throughout the Town.

One of the specific tasks involved with the economic chapter of the Town's Comprehensive Plan is the zoning/build-out analysis. The Town of Southold is facing development pressure and is concerned about the impact that the current zoning may have on the Town's resources. The Town of Southold prepared a build-out analysis of several zoning districts, and NP&V funneled these findings into a model to assess the regional impact of full build-out and modified development scenarios. Ensuring quality of life, protection of environmental resources, housing needs and maintenance of the tax base were key elements of the model. This project involved the creation of a model to synthesize multiple evaluation factors to analyze the impact of full build out of the Town of Southold under its current zoning.

Niche Market and Branding Plan & Build-Out/Tax Base Analysis(Bellport, NY)

NPV worked with the Town of Brookhaven on a niche market and branding plan for the Greater Bellport community. The focus of this plan was to form a set of recommendations that outlined the necessary steps that members in the Greater Bellport community can take in order to successfully create a sense of place, community pride and positive perceptions through a more niche-oriented position in the local market. NPV recommended various initiatives to make the Greater Bellport community unique and marketable, creating a place that people want to be, where people are comfortable, and a place that people remember and come back to time and again. The niche market and branding plan strives to promote the community's niche market to new residents, visitors and economic development opportunities alike, offering the Greater Bellport community the opportunity to develop a theme that they want to be known for. NPV worked with the Town of Brookhaven on a build-out/tax base analysis, to analyze how the local school district could be impacted by growth. NPV created a GIS model to compare tax assessments for various land use scenarios to ensure an adequate tax base to support increased growth in school population without disproportionate increases in residential tax rates. This model was used to test assumptions for future development and to analyze various alternatives in an automated fashion, allowing for easy comparison of scenarios and results. Ultimately, the model will provide a reality check for future planning with respect to provision of quality community services and may provide support for creating additional commercial tax base within the district.

ATTACHMENT B
Cushman & Wakefield
Market Beat Long Island
Industrial Q1 2022

	YoY Chg	12-Mo. Forecast
2.3% Vacancy Rate	▼	▼
320K YTD Net Abs., SF	▲	▲
\$13.79 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
1.3M Long Island Employment	▲	▲
3.6% Long Island Unemployment Rate	▼	▼
3.6% U.S. Unemployment Rate	▼	▼

Source: BLS

ECONOMY: Unemployment Rate Declines as Industrial Job Sector Expands

Long Island economic conditions continued to trend upward during the first quarter, as total nonfarm employment grew by 11,500 jobs since year-end 2021. Despite the slight reduction of manufacturing workers, the addition of 4,710 trade, transportation & utilities occupations fueled industrial job growth. The regional economy also benefited from higher employment levels, as the unemployment rate fell by 120 basis points (bps) to 3.6%.

SUPPLY & DEMAND: Vacancy Hits Historic Low as Tenant Demand Eclipses Supply

The industrial vacancy rate for Long Island closed the quarter at a new historic low, posting a year-over-year (YOY) decrease of 150 bps to 2.3%. At quarter-end, the Central Nassau submarket boasted a 1.1% rate, the lowest in the region. Surging demand continued to outpace supply, resulting in a year-to-date (YTD) positive net absorption of 320,000 square feet (sf)—7.4% higher than 2021's first quarter. Even with supply shortages, leasing activity exceeded 1.3 million square feet (msf)—the highest point in recent history—surpassing the previous peak by 140,000 sf achieved during the third quarter of 2020. Although first quarter deal volume is traditionally slower, activity tripled fourth quarter 2021 totals, resulting from eight deals inked above 50,000 sf. Suffolk County led the charge in overall leasing activity with nearly 1.1 msf transacted, driven by a confidential e-commerce company's 246,500-sf lease at 90 Ruland Road in Melville and Tekweld's 104,000-sf lease at 85 Nikon Court in Hauppauge.

Overall asking rents increased by \$0.68 per square foot (psf) to \$13.79 since year-end 2021—the market's highest rent on record as existing product continued to dissipate. This can be attributed to increases across the board for warehouse/distribution buildings, which surpassed \$14.00 psf for the first time. Most notably, Eastern Nassau's warehouse average asking rental rate yielded a 19.2% quarterly increase, the largest growth rate on Long Island during this period. The market's average rate surged by 42.2% over the last three years.

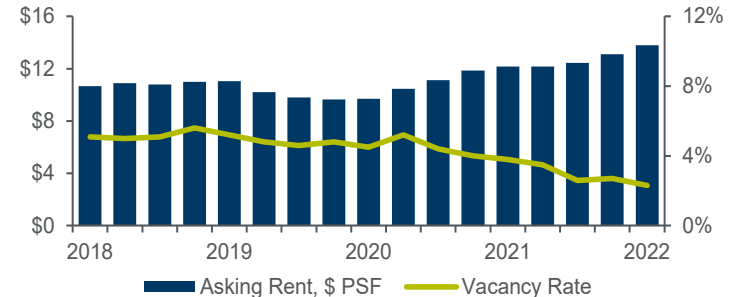
OUTLOOK: Construction Delays Put Pressure on Supply as Older Buildings Attract Tenants

Out of the gate in 2022, the industrial market improved with labor indicators and robust tenant demand. However, several developments currently under construction have reported delays of up to one year due to global supply chain issues and longer lead times for construction materials. This has redirected tenants to focus on older Class B and C buildings to meet their requirements, pushing rental rates for these properties to similar levels of Class A product. Investors are now shifting their priority toward redeveloping antiquated office buildings in tandem with adapting to the office market's flight-to-quality trend to meet evolving market needs.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION	UNDER CONSTRUCTION (SF)	OVERALL WEIGHTED AVG NET RENT (HT)*	OVERALL WEIGHTED AVG NET RENT (MF)*	OVERALL WEIGHTED AVG NET RENT (W/D)*	OVERALL WEIGHTED AVG NET RENT*
Western Nassau	16,348,964	362,093	2.2%	-77,773	-77,773	235,234	\$10.66	\$15.48	\$15.56	\$15.32
Central Nassau	7,439,778	80,028	1.1%	13,500	13,500	101,930	N/A	\$13.00	\$13.03	\$13.00
Eastern Nassau	21,072,583	657,893	3.1%	94,100	94,100	204,000	\$12.04	\$15.82	\$17.48	\$16.39
NASSAU TOTALS	44,861,325	1,100,014	2.5%	29,827	29,827	541,164	\$11.83	\$14.95	\$16.74	\$15.74
Western Suffolk	30,698,646	381,880	1.2%	320,672	320,672	599,983	\$15.00	\$10.75	\$12.88	\$12.44
Central Suffolk	43,217,905	1,146,752	2.7%	69,656	69,656	206,134	\$11.36	\$12.10	\$13.71	\$13.35
Eastern Suffolk	14,181,032	434,160	3.1%	-100,000	-100,000	177,620	N/A	N/A	\$12.02	\$12.02
SUFFOLK TOTALS	88,097,583	1,962,792	2.2%	290,328	290,328	983,737	\$12.50	\$11.65	\$13.08	\$12.86
LONG ISLAND TOTALS	132,958,908	3,062,806	2.3%	320,155	320,155	1,524,901	\$12.13	\$13.25	\$14.03	\$13.79

*Rental rates reflect weighted net asking \$psf/year

HT = High Technology/Flex MF = Manufacturing W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET	LEASE TYPE
90 Ruland Road, Melville	246,500	Confidential E-Commerce Tenant	Warehouse/Distribution	Eastern Suffolk	New Lease
300 Michael Drive, Syosset	150,145	Krystal Fruits and Vegetables	Warehouse/Distribution	Eastern Nassau	New Lease
85 Nikon Court, Hauppauge	104,000	Tekweld	Warehouse/Distribution	Central Suffolk	New Lease

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SF	SELLER/BUYER	PROPERTY TYPE	PRICE/\$PSF	SUBMARKET
81 Spence Street, Bay Shore	129,500	Duro Dyne Corporation / Metropolitan Realty Associates	Warehouse/Distribution	\$22.3M / \$172	Central Suffolk
45 Oser Avenue, Hauppauge	121,830	STORE Capital Corporation / Link Logistics	Flex	\$21.0M / \$172	Central Suffolk
1 Newport Plaza, Freeport	114,000	Aml Realty LLC / Uniware	Warehouse/Distribution	\$14.5M / \$127	Western Nassau

NOTABLE PROJECTS UNDER CONSTRUCTION

PROPERTY	SF	DEVELOPER	MAJOR TENANT	SUBMARKET
235 Pinelawn Road, Melville	599,983	Hartz Mountain Industries	Speculative	Western Suffolk
253-51 Rockaway Boulevard/ JFK Logistics Center, Woodmere	235,234	Wildflower LTD	Confidential	Western Nassau
303 Robbins Lane, Syosset	204,000	Scannell Properties	Confidential	Eastern Nassau

DIMITRI MASTROGIANNIS

Senior Research Analyst
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JOSEPH CARIDI

Managing Principal, Long Island & Connecticut
joseph.Caridi@cushwake.com

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TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR CONSENT TO SUBLEASE

APPLICATION OF: _____ (“Company”)

FOR CONSENT TO SUBLEASE TO

_____ (“Subtenant”)

FACILITY/PROJECT: _____

DATE: _____

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 one (1) original and one (1) electronic form.

A \$750.00 non-refundable application fee made payable to the Town of Brookhaven Industrial Development Agency 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
One Independence Hill
Farmingville, New York 11738

(631) 451-6563

I. Company Data

A. Company: _____
Contact: _____
Title/Position: _____
Address: _____
Phone: _____
Federal Employer I.D.: _____

B. Related User of the Facility:

Name	Relationship
_____	_____
_____	_____
_____	_____

C. Company Counsel:

Firm Name: _____
Individual Attorney: _____
Address: _____
Phone: _____

II. Project/Facility Data

A. Location of Project: _____
Address: _____
S.C. Tax Map:
District _____ Section _____ Block _____ Lot _____

B. Current Occupants, Area Occupied, and Uses

Current Occupant	Area Occupied (Sq. Ft.)	Use	Current # of FTEs
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

III. Proposed Subtenant

A. Name of Subtenant: _____

B. Address: _____

C. Contact: _____

D. Affiliates Names and Addresses: _____

E. Current Location: _____

F. Subtenant Counsel:

Firm Name: _____

Individual Attorney: _____

Address: _____

Phone: _____

G. Will the completion of the project or the subleasing to the Subtenant 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 _____

i. If no, explain how current facilities will be utilized

ii. If yes, please indicate whether the subleasing of the Facility to the Subtenant is reasonably necessary for the Subtenant to maintain its competitive position in its industry or remain in the State and explain in full:

H. Principal stockholders, members, or partners, if any, of Subtenant:

Name	Percent Owned
------	---------------

_____	_____
_____	_____
_____	_____

I. Has the Subtenant, or any subsidiary or affiliate of the Subtenant, 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?

YES _____ NO _____

1. If yes, please explain

ii. Been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)?

YES _____ NO _____

1. If yes, please explain

J. Relationship of Subtenant to Company (e.g., affiliate, arm's-length tenant, etc.)

K. Proposed area of the facility to be occupied by the Subtenant (Sq.Ft.) _____

L. Describe the specific operations of the Subtenant or other users to be conducted at the project site:

M. Does the proposed use and occupancy of the Subtenant conform with all applicable zoning, planning, building and Environmental Laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Facility?

YES _____ NO _____

i. if no, please explain:

IV. Proposed Sublease Agreement Terms

Attach a copy of Executed Sublease Agreement (may be conditioned upon Agency approval)

Term: _____

Commencement Date: _____

Guarantors: _____

Base Rent: _____

Base Rent Increases and Intervals: _____

Common Area Rent: _____

Improvements to Proposed Demised Area to be Made by **Company**

Description: _____

Cost: _____

Source of Payment: _____

Improvements to Proposed Demised Area to be Made by **Subtenant**

Description: _____

Cost: _____

Source of Payment: _____

A. Fair Market Rent Evaluation

Is rent to be charged Fair Market? YES _____ NO _____

How was Fair Market rent determined? (Attach supporting documentation)

B. Does or will any of the “Financial Assistance” provided by the Agency, including Real Estate Tax Exemption, Sales and Use Tax Exemption, benefit the Subtenant in any manner?

YES _____ NO _____

If yes, explain

C. How many Full-Time Equivalent Employees (FTEs) are there presently at the subtenant’s current location: _____

How may additional FTEs are to be expected at the Facility regarding this application: _____

D. Salary and Fringe Benefits by Subtenant

Jobs To be Created:

	Average Salary	Average Fringe Benefits
Salary Wage Earners	_____	_____
Commission Wage Earners	_____	_____
Hourly Wage Earners	_____	_____
1099/Contract Workers	_____	_____

What is the annualized salary range of jobs to be created?

\$ _____ to \$ _____

What is the number of construction jobs created as a result of this Subtenant Application? _____ (FTEs)

V. Mortgagees

Have the Holders of all mortgages or record consented to the proposed sublease?

YES _____ NO _____

If yes, attach evidence thereof

COMPANY CERTIFICATION

[Insert name of chief executive
officer/manager/partner of proposed subtenant]

deposes and says that s/he is the

_____ [insert title] of _____
[insert name of Company], the company named in the attached application; that s/he has read the
foregoing application and knows the contents thereof; that the same is true to her/his knowledge.

Deponent further says that the reason this verification is being made by the deponent and not by

_____ [insert name of company] is because the said company is a _____
[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 _____ [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.

Sworn to before me this
_____ day of _____

NOTARY PUBLIC
Chief Executive
Officer/Member/Manager/Partner of
Company

SUBTENANT CERTIFICATION

_____ [*insert name of Chief Executive Officer/Manager/Partner of proposed subtenant*] deposes and says that s/he is the

_____ [*insert title*] of _____, the proposed subtenant [*insert name of subtenant*] named in the attached application; that s/he has read the foregoing application and knows the contents thereof; that the same is true to her/his knowledge.

Deponent further says that the reason this verification is being made by the deponent and not by

_____ [*insert name of subtenant*] is because the said proposed subtenant is a _____ [*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 _____ day of _____.

NOTARY PUBLIC

<u>Year</u>	<u>Proposed Sunrise Wind PILOT</u>	
1		\$1,120,000
2		\$1,120,000
3		\$1,120,000
4		\$1,120,000
5		\$1,120,000
6		\$1,120,000
7		\$1,120,000
8		\$1,120,000
9		\$1,120,000
10		\$1,120,000
11		\$1,120,000
12		\$1,120,000
13		\$1,120,000
14		\$1,120,000
15		\$1,120,000
16		\$1,120,000
17		\$1,120,000
18		\$1,120,000
19		\$1,120,000
20		\$1,120,000
21		\$1,120,000
22		\$1,120,000
23		\$1,120,000
24		\$1,120,000
25		\$1,120,000
Proposed PILOT benefits are for discussion purposes only and have not been approved by the Agency Board.		

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TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

-----x

PUBLIC HEARING
RE: SUNRISE WIND, LLC

-----X

One Independence Hill
Farmingville, New York

October 25, 2022
1:00 p.m.

TRANSCRIPT OF PROCEEDINGS

* * *

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

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY
One Independence Hill
Farmingville, New York 11738

BY: LISA M.G. MULLIGAN,
CHIEF EXECUTIVE OFFICER

ALSO PRESENT: JULIA BOVEY
ANDREW KOMAROMI
JOHN CASE
AMY ELLIS
WILLIAM WEIR

* * *

1
2 MS. MULLIGAN: Good afternoon. May
3 I have everybody's attention?

4 So it's 1:00 on October 25th. My
5 name is Lisa Mulligan. This is the Town
6 of Brook haven Industrial Development
7 Agency Public Hearing for the Sunrise Wind
8 project. I am going to read the notice of
9 public hearing for the record.

10 NOTICE IS HEREBY GIVEN that public
11 hearing pursuant to Article 18-A of New
12 York State General Municipal Law will be
13 held by the Town of Brook haven Industrial
14 Development Agency (the "Agency") on the
15 25th day of October, 2022, at 1:00 p.m.
16 local time, at the Town Of Brook haven Town
17 Hall, 1 Independence Hill, Farmingville,
18 New York 11738, in connection with the
19 following matters:

20 Sunrise Wind LLC, a limited
21 liability company organized and existing
22 under the laws of the State of Delaware,
23 on behalf of itself and/or the principals
24 of Sunrise Wind LLC and/or an entity
25 formed or to be formed on behalf of any of

1
2 the foregoing (collectively, the
3 "Company"). The Company is a joint
4 venture between Orsted North America,
5 Inc., a global leader in off-shore wind,
6 and Eversource Investments LLC, a national
7 energy leader with expertise in regional
8 energy transmission.

9 The Company has applied to the
10 Agency, to enter into a transaction in
11 which the Agency will assist in the
12 acquisition, constructing and equipping of
13 an offshore and onshore electric
14 transmission cable (the "Transmission
15 Cable") to be located on land covered by
16 easements, licenses, leases, right of way,
17 permits or other access agreements to be
18 granted from the State of New York,
19 municipalities or other governmental
20 agencies (collectively, the "Right of
21 Way") and designed to deliver the power
22 generated by Sunrise Wind Farm, an
23 offshore renewable energy generation
24 facility (with the capacity to produce
25 approximately 924 MW), consisting of:(i)

1
2 up to 6.2 miles (320kV) of Direct
3 Current, ("DC") Submarine Export Cable from
4 the New York State Territorial Waters
5 Boundary located at approximately 3.0
6 nautical miles offshore from Fire Island
7 located on the Right of Way granted from
8 the State of New York, then to the eastern
9 portion of Smith Point County Park on Fire
10 Island;(ii), then up to 1,575 feet onshore
11 and underground where the Transmission
12 Cable will be spliced together at the
13 transition joint bay, ("TJB") located
14 underground in a concrete vault within the
15 parking lot for Smith Point County
16 Park;(iii), the TJB will be constructed by
17 the Company located on the Right of Way
18 granted by Suffolk County; from the TJB
19 the transmission cable will be
20 approximately (320 kV)DC and will run
21 underground parallel to Fire Island Beach
22 Road within the paved Smith Point County
23 Park parking lot on a Right of Way granted
24 by Suffolk County, approximately 2,000
25 feet west, crossing under the William

1
2 Floyd Parkway to a recreational area
3 located west of the William Floyd Parkway,
4 located on a Right of Way granted by
5 Suffolk County;(iv), then the Transmission
6 Cable will travel underwater across the
7 intercoastal waterway, ("ICW") in a Right
8 of Way granted by the Town Of Brook haven,
9 in a northwest direction via a Horizontal
10 Directional Drill approximately 0.5 miles
11 in length to a paved parking lot within
12 the Smith Point Marina along the East
13 Concourse Drive;(v), then the Transmission
14 Cable will travel north approximately 800
15 feet underground pursuant a Right of Way
16 granted by Suffolk County, then
17 underground east approximately 550 feet
18 following East Concourse Drive pursuant to
19 a Right of Way granted by the Town of
20 Brook haven;(vi), then underground north
21 approximately 3.6 miles along William
22 Floyd Parkway located on a Right of Way
23 granted by Suffolk County, to the
24 intersection with Surrey Circle;(vii),
25 then the Transmission Cable will be routed

1
2 underground along Surrey Circle, pursuant
3 to a Right of Way granted by the Town of
4 Brook haven, for an approximately 0.1 miles
5 and will continue north along Church Road,
6 pursuant private easements and/or Right of
7 Ways granted by the Town of Brook haven,
8 crossing under the Long Island Rail Road,
9 ("LIRR") to Mastic Boulevard pursuant to a
10 Right of Way by the Metropolitan
11 Transportation Authority ("MTA"),(viii),
12 then underground west along Mastic
13 Boulevard, pursuant to a Right of Way
14 granted by the Town of Brook haven,
15 approximately 0.2 miles to the
16 intersection with Francine Place, pursuant
17 to a Right of Way granted by the Town of
18 Brook haven, and underground and north on
19 Francine Place for approximately 0.1 miles
20 to intersection of Montauk Highway,
21 pursuant to a Right of Way granted by
22 Suffolk County;(ix), then the Transmission
23 Cable will cross under the Montauk Highway
24 to Revilo Avenue, pursuant to a Right of
25 Way granted by the Town of Brook haven, and

1
2 continuing underground north along Revilo
3 Avenue for approximately 0.07 miles to the
4 work area for Sunrise Highway
5 Crossing;(x), then a Transmission Cable
6 will cross under Sunrise Highway, pursuant
7 to a Right of Way granted by the New York
8 State Department of Transportation, ("NYS
9 DOT"), to Revilo Avenue, continuing
10 underground north to the intersection
11 Victory Avenue, pursuant to a Right of Way
12 granted by the Town of Brook haven and then
13 continue west on Victory Avenue, pursuant
14 to a Right of Way granted by Suffolk
15 County, continuing underground, crossing
16 under the Carmans River, approximately 2.1
17 miles to Horseblock Road;(xi), then the
18 Transmission Cable will continue
19 underground northwest along Horseblock
20 Road, pursuant to a Right of Way granted
21 by Suffolk County, for approximately 3.2
22 miles before turning north on Columbus
23 Avenue, pursuant to Right of Ways and/or
24 Easements granted by the Town of
25 Brook haven and the Long Island Power

1
2 Authority for 100 feet, then under the
3 LIRR, pursuant to a Right of Way by the
4 MTA to Horseblock Road North Ramp 80 feet
5 and continuing underground northwest along
6 Horseblock Road North Ramp 190 feet, and
7 then continuing underground along North
8 Horseblock Road 1,400 feet;(xii), then the
9 Transmission Cable will be routed west
10 underground along Long Island Expressway,
11 ("LIE") South Service Road, pursuant to a
12 Right of Way granted by the New York State
13 DOT, for approximately 4.1 miles and
14 continue on Waverly Avenue, pursuant to a
15 Right of Way granted by the Town of
16 Brook haven where it will turn south for
17 approximately 0.4 miles to Long Island
18 Avenue, pursuant to a Right of Way granted
19 by the Town of Brook haven; and(xiii), the
20 Transmission Cable will then follow Long
21 Island Avenue west, pursuant to a Right of
22 Way granted by the Town of Brook haven, to
23 Union Avenue to three (3) new buildings,
24 totaling approximately 55,000 square feet
25 to be constructed by the Company,

1
2 comprising the Onshore Converter Station
3 located on a 7.1 acre parcel;
4 (collectively, the Transmission Cable will
5 contain a total of approximately 17.5
6 miles (320kV))and up to 1.0 mile (138kV)of
7 Alternating Current (AC) onshore
8 interconnection cable connecting to the
9 Existing Holbrook Substation which is
10 owned and operated by the Long Island
11 Power Authority (the Company's rights in
12 the Right of Way, collectively, the
13 "Land"; and the Company's rights in the
14 personal property and equipment,
15 collectively, the "Equipment"; and the
16 Company's rights in the fixtures and
17 improvements to real property,
18 collectively, the "Improvements"; and
19 collectively, the Land, Equipment and the
20 Improvements, the "Facility"), which
21 Facility is to be leased and subleased by
22 the Agency to the Company for use in
23 supplying power to the New York State's
24 existing electrical grid and will support
25 off-shore wind and energy goals

1
2 established by New York State (the
3 "Project"). The Facility will be
4 initially owned, operated and/or managed
5 be the Company.

6 The Transmission Cable route
7 travels through the following school
8 districts and special districts: (1),
9 William Floyd School District; (2), South
10 Country School District; (3), Longwood
11 School District; (4), Patchogue Medford
12 School District; (5), Sachem School
13 District; (6), Mastic Beach Fire
14 Department; (7), Mastic Fire Department;
15 (8), Brook haven Fire Department; (9),
16 Medford Fire Department; and (10),
17 Holtsville Fire Department.

18 The Agency will acquire a
19 subleasehold interest in the Land, a
20 leasehold interest in the Improvements and
21 title to or a leasehold interest in the
22 Equipment and will sub-sublease, sublease
23 and lease the Facility to the Company.
24 The Agency contemplates that it will
25 provide financial assistance to the

1
2 Company in the form of exemptions from
3 sales and use taxes, an exemption of
4 mortgage recording taxes and abatement of
5 real property taxes, consistent with the
6 policies of the Agency.

7 A representative of the Agency
8 will, at the above-stated time and place,
9 hear and accept written comments from all
10 persons with views in favor of or opposed
11 to either the proposed financial
12 assistance to the Company or the location
13 or nature of the Facility. Prior to the
14 hearing, all persons will have the
15 opportunity to review on the Agency's
16 web site (<https://brookhavenida.org/>), the
17 application for financial assistance filed
18 by the Company with the Agency an analysis
19 of the costs and benefits of the proposed
20 Facility. A map depicting the route of
21 the Transmission Cable will also be
22 uploaded to the Agency's web site.

23 Okay. So I am going to turn this
24 over to Sunrise Wind to do a presentation
25 about the project.

1
2 MR. KOMAROMI: Good afternoon
3 everyone. My name is Andrew Komaromi.
4 And I am representing Sunrise Wind with
5 the law firm of Harris Beach.

6 First and foremost, I would like to
7 thank the Brook haven Industrial
8 Development Agency for organizing this
9 public hearing and for their partnership
10 along the way to assist with what was just
11 described, which was informative, for the
12 project.

13 To give a little bit of a more
14 illustrative description of the project,
15 with us today are John Case and Amy Ellis
16 from Eversource on behalf of Sunrise Wind
17 to give you a little bit broader, as I
18 mentioned, a more illustrative
19 presentation with maps and pictures.

20 MS. ELLIS: Thank you for having us
21 here today.

22 So we do have a brief slide deck
23 here just to talk about the background of
24 our project, as well as an overview of our
25 project route.

1
2 So Sunrise Wind is a joint venture
3 project. We actually have two projects
4 that we are building in New York. We have
5 South Fork Wind, which is located out in
6 East Hampton and is actually under
7 construction currently. And then we have
8 Sunrise Wind, which we are here to speak
9 to you all about today.

10 So Orsted and Eversource, we are
11 the joint venture. Orsted is the offshore
12 wind component. They have been in the
13 offshore wind business for 20-plus-years
14 and they actually have built the first
15 offshore wind farm in the world and I
16 believe in 1991 was that year. And they
17 also operate the United States' first
18 offshore wind farm in Block Island.

19 For Eversource, we are the onshore
20 utility company. So we bring homegrown
21 knowledge of local energy transmission
22 with a 100-plus-year history operating in
23 the northeast. And through that time,
24 we've developed a deep-rooted knowledge of
25 the region's electrical system and we

1
2 also -- a lot of our focus right now is on
3 the clean energy solutions in the region.

4 So just to provide an aerial visual
5 in terms of where Sunrise Wind will be
6 located: If you see there's three blue
7 locations, those are actually our three
8 projects as a joint venture that we have,
9 I mentioned South Fork Wind and we also
10 have Revolution Wind.

11 Again, for today's purposes,
12 Sunrise Wind is that dark blue area. So
13 the -- the turbines will be located 30
14 miles off of Montauk Point and that
15 offshore cable route is approximately 106
16 miles. And for the onshore component, it
17 will come onto shore over at Smith Point
18 County Park and then eventually connect to
19 the Holbrook Substation. Once -- when the
20 project is up and operational, we are
21 expecting that it will deliver power up to
22 600,000 homes per year.

23 Just to go over some of the
24 benefits that Sunrise Wind will provide to
25 New York, and specifically Suffolk County

1
2 and Brook haven: So I mean, this is a very
3 interesting and great time that we are in
4 right now with the clean energy and
5 specifically, creating this green energy
6 economy in New York and again,
7 specifically in Suffolk County Brook haven.

8 Sunrise Wind has committed to
9 providing major economic development to
10 the region, again, both here locally and
11 then also throughout the capital region,
12 which is expected to support about 800
13 direct and then 1500 to 2000 indirect and
14 induced jobs. And having that onshore
15 cable route of 18 miles, we are expecting
16 that there will be numerous construction
17 jobs that will be available on the way as
18 well.

19 Just in terms of strategic
20 investments, Sunrise Wind has committed to
21 providing ten million for the National
22 Offshore Wind Training Center, which
23 actually just last week the governor did
24 an announcement regarding the transfer of
25 land from the State to the County for the

1
2 location of Brentwood, which this training
3 center will be located in. And then we
4 also have our five million dollars in
5 research and development, which is the
6 partnership with Stony Brook University,
7 and we also are committed to locating our
8 O&M hub in Brook haven, specifically
9 Setauket, which we are expecting will
10 bring approximately 70 permanent jobs out
11 of that facility.

12 And then lastly, we have our Home
13 Port Of Service Operation Vessel, which
14 will be located in Port Jefferson and that
15 will be essentially utilized for the
16 technicians that will be living out in
17 sea.

18 So I will pass it out to you.

19 MR. CASE: So this is the onshore
20 route that Lisa went through in some
21 detail.

22 If I can provide some context, if
23 you can go back a little bit, I want to
24 explain a little bit more of the technical
25 details associated with it.

1
2 So as Amy mentioned, in the blue is
3 the leased farm area, that is where our
4 wind turbines are located, we are
5 anticipating 94 wind turbines out in
6 there. Also in that area is an offshore
7 substation, which collects the power
8 produced by the turbines, steps it up to a
9 (320 kV)D.C. and then that allows for
10 efficient transmission along the 106-mile
11 route to the onshore. The last six miles
12 of that export cable are in New York State
13 waters.

14 And now we can go down to the route
15 map. And you can see on the lower
16 right-hand is where we do make landfall.
17 That is done through a horizontal
18 direction drill, which is a method of
19 installation, it's called a trenchless
20 method of installation that allows us to
21 put a drill rig in the parking lot at
22 Smith Point County Park. We drill
23 underneath the dunes, 70 to 80 feet below
24 the dunes, and we come out about a
25 kilometer out in the waters, we avoid any

1
2 impacts to beaches, we avoid any impacts
3 to dynamic environment that's right at the
4 shoreline there.

5 And then from that HD location, as
6 Lisa mentioned in the description, we
7 typically install via traditional
8 construction methods, with a duct bank
9 excavator that's three and a half feet
10 wide, we try to bury our cables four to
11 six feet deep underneath the roads, trying
12 to hug the shoulders to avoid traffic
13 impacts where we can, and that's the
14 18 miles to our onshore convertor station.

15 There are a couple of additional
16 locations where we do use those trenchless
17 methods, similar to our landfall HDD. We
18 cross the intercoastal waterway,
19 obviously, another sensitive area, we will
20 horizontal directional drill under there,
21 so we will have a worksite set up at
22 either end of that; on the Smith Point
23 County Park, as well as the Smith Point
24 Marina. And we will drill underneath ICW,
25 40 to 50 feet below the water, so no

1
2 impact to the environment with that --
3 with that installation method.

4 The traditional duct bank follows
5 most of the route. Where we come upon
6 LIRR crossings, we'll do the trenchless
7 crossing in that location, those two
8 locations as well, as the Sunrise Highway.
9 We will not be excavating the cross there,
10 we'll trenchless drill across Sunrise
11 Highway and Carmans River.

12 When we reach the onshore convertor
13 station -- go to the next slide, please.
14 So our export cable will come into this --
15 this is land that we have site control
16 over at Union Avenue. We have worked with
17 two landowners, we have two parcels just
18 off of Union Avenue, that total of 7.1
19 acres. This will be where our onshore
20 convertor station is constructed. At this
21 location, we stepped the voltage down from
22 the (320 kV)DC down to (138 kV)AC, that's
23 a standard transmission voltage within the
24 area. It allows for the connection into
25 the interconnection point at Holbrook

1
2 Substation with minimal impacts to the
3 existing grid.

4 From this onshore convertor station
5 to the Holbrook interconnection is
6 approximately one mile, where we will have
7 (138 kV)AC cables installed underground,
8 along Union Avenue and then up the -- up
9 the Long Island Power Authority's right of
10 way into Holbrook.

11 As mentioned, at Holbrook, there is
12 an expansion that is required. We are
13 permitting that work, but the work itself,
14 the design and the construction, will be
15 done by PSEG Long Island.

16 I'll just mention, rather than
17 going into detail on the route, the
18 routing has been established through a
19 vigorous alternative analysis that we
20 started at least three years ago,
21 in-person meetings with the Town, with the
22 County, trying to develop the least
23 impactful and practicable alternative for
24 us to construct this route.

25 The alternative analysis resulted

1
2 in what we submitted in our Article 7
3 application, which was before the Public
4 Service Commission, we filed that
5 application in late 2020. The last year
6 of that process has been in settlement
7 discussions with various State agencies
8 and other interested parties in directing
9 how we would design, construct and
10 maintain and ultimately decommission our
11 project. Those settlements resulted in
12 over 200 conditions that we've agreed to
13 in order to comply with those
14 requirements. And that has been submitted
15 to the Public Service Commission and we
16 fully expect them to adopt that and
17 provide us with our Certificate of
18 Environmental Compatibility within the
19 next month or two.

20 And any questions on that?

21 MS. MULLIGAN: Okay. Thank you so
22 much.

23 The next part of our public hearing
24 is public comment. So I just want to ask
25 anyone who wants to speak, please, give me

1

2

a card, I received a few of them. And I

3

just ask that you state and spell your

4

name for the record and your affiliation.

5

Everyone will have three minutes to speak.

6

And I apologize that our clock is a little

7

bit small. I will hold it up so you can

8

see.

9

I am actually going to take the

10

speakers out of order a little bit because

11

we have a representative from the South

12

Country School District, and as an

13

impacted tax jurisdiction, I want to give

14

them the opportunity to speak first.

15

So Mr. Santana, would you like to

16

come up? Would you like to speak?

17

ANTONIO SANTANA: Sure.

18

MS. MULLIGAN: Okay. Like I said,

19

please state your name and spell your name

20

for the record and your affiliation.

21

You can have a seat right there,

22

yes.

23

ANTONIO SANTANA: Thank you. My

24

name is Antonio Santana. I am the

25

superintendent of schools for the South

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Country School District. The spelling of my name is A-N-T-O-N-I-O S-A-N-T-A-N-A.

The South Country School District is aware of the proposed project, Sunrise Wind LLC to be situated within the district's boundaries.

In that regard, we request that the Brook haven Industrial Developmental Agency consider the potential impact of the project upon the district and it's taxpayers and the needs of the school district in its consideration of the request for financial assistance for this for-profit entity.

If any benefit to the district, its students or its taxpayers may be achieved through this project, we would request the IDA's assistance in obtaining such benefit.

The Board of Education would welcome the opportunity to discuss any potential project they may approve to the school district.

Thank you.

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MS. MULLIGAN: Thank you.

Okay. The next speaker Jordan Christensen.

JORDAN CHRISTENSEN: Hello.

MS. MULLIGAN: And, again, state and spell your name.

JORDAN CHRISTENSEN: Sure. My name is Jordan Christensen, J-O-R-D-A-N C-H-R-I-S-T-E-N-S-E-N. And I am with Citizens Campaign for the Environment. And we are just here today to say that we are very supportive for the Sunrise Wind project.

So as I am sure everyone at this table knows, New York currently has the most ambitious climate law in the nation. We have goals statewide of 70 percent renewable energy by 2030, carbon-neutral economy by 2050, and that it will be impossible, particularly for Long Island, to get there without offshore wind projects like Sunrise Wind.

So this project is going to power 600,000 homes with clean renewable energy,

1
2 which in a county that regularly receives
3 an "F" for air quality, could be very game
4 changing and is very exciting. And this,
5 along with the other four approved
6 projects, they are going from sort of
7 Brooklyn, all the way out east, are going
8 to bring us half way to that goal. So we
9 are very, very supportive and we want to
10 make sure there are no delays. We are
11 asking the Town to work consistently with
12 Eversource and Orsted to ensure this
13 project goes forward and make sure we
14 bring this renewable energy benefits to
15 local people in Brook haven Town.

16 I just also wanted to add in
17 addition to environmental benefits,
18 although this is less of our wheelhouse
19 and I'm sure other speakers will speak to
20 it, is the transition to the green-job
21 economy. So we are looking at millions of
22 dollars of economic benefits, we are
23 looking at community benefits package,
24 which is of course required by the
25 reviews, and things like an entire

1
2 transition for a new generation of
3 students into an emerging industry and
4 address transition and address transition
5 from polluting fossil fuels to renewable
6 energy.

7 So we are very, very excited and
8 thank you for your time today.

9 MS. MULLIGAN: Thank you.

10 Okay. The next speaker is Grant
11 Newburger.

12 GRANT NEWBURGER: It's Newburger.
13 But that's all right. Sorry, Lisa, I know
14 my handwriting is not too great.

15 MS. MULLIGAN: We'll meet in the
16 middle.

17 GRANT NEWBURGER: Grant Newburger,
18 spelled, G-R-A-N-T N-E-W-B-U-R-G-E-R.

19 I represent the Nassau-Suffolk
20 Building Construction Trades Council. We
21 have 65,000 members and 36 different
22 affiliates and local unions here on Long
23 Island. Effectively, we are the umbrella
24 that represents all the unions here in the
25 construction industry.

1
2 First, I just wanted to
3 congratulate Mitch Pally on becoming the
4 new member of the IDA. Congratulations,
5 Mitch.

6 You know, I am here to one hundred
7 percent support this project. Just going
8 to go point-by-point: Our president,
9 Matthew Aracich, is the president of the
10 Building Trade Council, also serves as the
11 president of the National Offshore Wind
12 Training Center. It will be a real beacon
13 for workforce development here in Suffolk
14 County. You know, in that center, in
15 Brentwood, is really going to be a model
16 that all offshore wind projects should
17 follow nationally.

18 Furthermore, Sunrise Wind is a
19 Project Labor Agreement, so all of the
20 construction work being done will be with
21 our local union labor. It really, you
22 know, is true local economic development
23 when we can guarantee all these jobs will
24 be done by local union members from the
25 building trades.

1
2 Furthermore, you know, the building
3 trades is the real economic driver here on
4 Long Island, right? I mention over 65,000
5 members, all of which are local. It's
6 tough to, you know, connect with a family
7 who doesn't have some connection to our
8 council, whether it be a son, a uncle, a
9 cousin, and with the project labor
10 agreement commitment, it really shows a
11 true commitment to local economic
12 development for local jobs, so thank you.

13 MS. MULLIGAN: Thank you.

14 Does anybody else want to speak?

15 (Whereupon, there was no response
16 amongst the public present.)

17 MS. MULLIGAN: We'll keep this open
18 for another 15 minutes or so to see if
19 anybody else shows up.

20 (Whereupon, a recess was taken.)

21 MS. MULLIGAN: Hearing no other
22 comment, it is 1:40 on Tuesday, October
23 25th, I am going to close this public
24 hearing. Thank you, everybody.

25 (Time noted: 1:40 p.m.)

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

DOMENICA RAYNOR

<p>A</p> <p>abatement (1) 12:4</p> <p>above-stated (1) 12:8</p> <p>AC (1) 10:7</p> <p>accept (1) 12:9</p> <p>access (1) 4:17</p> <p>achieved (1) 24:17</p> <p>acquire (1) 11:18</p> <p>acquisition (1) 4:12</p> <p>acre (1) 10:3</p> <p>acres (1) 20:19</p> <p>across (2) 6:6;20:10</p> <p>actually (6) 14:3,6,14;15:7; 16:23;23:9</p> <p>add (1) 26:16</p> <p>addition (1) 26:17</p> <p>additional (1) 19:15</p> <p>address (2) 27:4,4</p> <p>adopt (1) 22:16</p> <p>aerial (1) 15:4</p> <p>affiliates (1) 27:22</p> <p>affiliation (2) 23:4,20</p> <p>afternoon (2) 3:2;13:2</p> <p>Again (4) 15:11;16:6,10;25:6</p> <p>agencies (2) 4:20;22:7</p> <p>Agency (13) 3:7,14,14;4:10,11; 10:22;11:18,24;12:6, 7,18;13:8;24:9</p> <p>Agency's (2) 12:15,22</p> <p>ago (1) 21:20</p> <p>agreed (1) 22:12</p> <p>Agreement (2) 28:19;29:10</p> <p>agreements (1)</p>	<p>4:17</p> <p>air (1) 26:3</p> <p>allows (3) 18:9,20;20:24</p> <p>along (14) 6:12,21;7:2,5,12; 8:2,19;9:5,7,10; 13:10;18:10;21:8; 26:5</p> <p>Alternating (1) 10:7</p> <p>alternative (3) 21:19,23,25</p> <p>although (1) 26:18</p> <p>ambitious (1) 25:17</p> <p>America (1) 4:4</p> <p>amongst (1) 29:16</p> <p>Amy (2) 13:15;18:2</p> <p>analysis (3) 12:18;21:19,25</p> <p>and/or (5) 3:23,24;7:6;8:23; 11:4</p> <p>Andrew (1) 13:3</p> <p>andxiii (1) 9:19</p> <p>announcement (1) 16:24</p> <p>anticipating (1) 18:5</p> <p>ANTONIO (3) 23:17,23,24</p> <p>A-N-T-O-N-I-O (1) 24:3</p> <p>apologize (1) 23:6</p> <p>application (3) 12:17;22:3,5</p> <p>applied (1) 4:9</p> <p>approve (1) 24:23</p> <p>approved (1) 26:5</p> <p>approximately (21) 4:25;5:5,20,24; 6:10,14,17,21;7:4,15, 19;8:3,16,21;9:13,17, 24;10:5;15:15;17:10; 21:6</p> <p>Aracich (1) 28:9</p> <p>area (7) 6:2;8:4;15:12;18:3, 6;19:19;20:24</p> <p>Article (2)</p>	<p>3:11;22:2</p> <p>assist (2) 4:11;13:10</p> <p>assistance (5) 11:25;12:12,17; 24:14,19</p> <p>associated (1) 17:25</p> <p>attention (1) 3:3</p> <p>Authority (3) 7:11;9:2;10:11</p> <p>Authority's (1) 21:9</p> <p>available (1) 16:17</p> <p>Avenue (13) 7:24;8:3,9,11,13, 23;9:14,18,21,23; 20:16,18;21:8</p> <p>avid (3) 18:25;19:2,12</p> <p>aware (1) 24:5</p>	<p>Boulevard (2) 7:9,13</p> <p>boundaries (1) 24:7</p> <p>Boundary (1) 5:5</p> <p>Brentwood (2) 17:2;28:15</p> <p>brief (1) 13:22</p> <p>bring (4) 14:20;17:10;26:8, 14</p> <p>broader (1) 13:17</p> <p>Brook (23) 3:6,13,16;6:8,20; 7:4,7,14,18,25;8:12, 25;9:16,19,22;11:15; 13:7;16:2,7;17:6,8; 24:9;26:15</p> <p>Brooklyn (1) 26:7</p> <p>building (5) 14:4;27:20;28:10, 25;29:2</p> <p>buildings (1) 9:23</p> <p>built (1) 14:14</p> <p>bury (1) 19:10</p> <p>business (1) 14:13</p>	<p>13:15;17:19</p> <p>Center (4) 16:22;17:3;28:12, 14</p> <p>Certificate (1) 22:17</p> <p>changing (1) 26:4</p> <p>Christensen (4) 25:4,5,8,9</p> <p>C-H-R-I-S-T-E-N-S-E-N (1) 25:10</p> <p>Church (1) 7:5</p> <p>Circle (1) 7:2</p> <p>Circlevii (1) 6:24</p> <p>Citizens (1) 25:11</p> <p>clean (3) 15:3;16:4;25:25</p> <p>climate (1) 25:17</p> <p>clock (1) 23:6</p> <p>close (1) 29:23</p> <p>collectively (7) 4:2,20;10:4,12,15, 18,19</p> <p>collects (1) 18:7</p> <p>Columbus (1) 8:22</p> <p>comment (2) 22:24;29:22</p> <p>comments (1) 12:9</p> <p>Commission (2) 22:4,15</p> <p>commitment (2) 29:10,11</p> <p>committed (3) 16:8,20;17:7</p> <p>community (1) 26:23</p> <p>company (13) 3:21;4:3,3,9;5:17; 9:25;10:22;11:5,23; 12:2,12,18;14:20</p> <p>Company's (3) 10:11,13,16</p> <p>Compatibility (1) 22:18</p> <p>comply (1) 22:13</p> <p>component (2) 14:12;15:16</p> <p>comprising (1) 10:2</p> <p>Concourse (2) 6:13,18</p>	
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10 Donald's Way DRAFT PILOT

YEAR		PILOT
1	\$	18,589
2	\$	18,961
3	\$	35,774
4	\$	72,980
5	\$	111,659
6	\$	151,856
7	\$	193,617
8	\$	236,986
9	\$	282,014
10	\$	328,748
11	\$	377,238
12	\$	427,536

PROPOSED PILOT BENEFITS ARE FOR DISCUSSION PURPOSES ONLY AND HAVE NOT BEEN APPROVED BY THE AGENCY.

November 9, 2022

VIA Email (lmulligan@brookhavenny.gov)

Ms. Lisa Mulligan
Chief Executive Officer
Town of Brookhaven Industrial
Development Agency
1 Independence Hill, 2nd Floor
Farmingville, New York 11738

Re: East Setauket Energy Storage, LLC
Application dated February 19, 2021
("Application")

Dear Ms. Mulligan:

Please consider this letter an amendment to our Application by which we request that the proposed term of the PILOT for our Project extend for 25 years.

Thank you for your consideration.

Very truly yours
East Setauket Energy Storage, LLC

DocuSigned by: *Drew Gibbons* DocuSigned by: *Matt Studd*
By: Drew Gibbons Authorized Person Matt Studd Authorized Person
253602456D4A4EA... 61273D0FC007412...
[Print Name, Title]

cc: William Weir, Esq. (WWeir@nixonpeabody.com)
Robert Panasci (RPanasci@youngsommer.com)
Howard Gross (hgross@wgplaw.com)

November 9, 2022

VIA Email (lmulligan@brookhavenny.gov)

Ms. Lisa Mulligan
Chief Executive Officer
Town of Brookhaven Industrial
Development Agency
1 Independence Hill, 2nd Floor
Farmingville, New York 11738

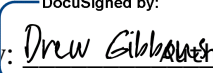
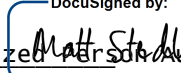
Re: Yaphank Energy Storage, LLC
Application dated July 6, 2022 (“Application”)

Dear Ms. Mulligan:

Please consider this letter an amendment to our Application by which we request that the proposed term of the PILOT for our Project extend for 25 years.

Thank you for your consideration.

Very truly yours
Yaphank Energy Storage, LLC

DocuSigned by:  DocuSigned by: 
By: Drew Gibbons Authorized Person Matt Stoddard Authorized Person
2D3602156D4A4EA... 61273D0FC007412...
[Print Name, Title]

cc: William Weir, Esq. (WWeir@nixonpeabody.com)
Robert Panasci (RPanasci@youngsommer.com)
Howard Gross (hgross@wgplaw.com)

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

DATE: 11/12/22

APPLICATION OF: Port Jefferson Commons, LLC
Name of Owner and/or User of Proposed Project

ADDRESS: 1601-1607 Main St
Port Jefferson, NY 11777

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 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): Port Jefferson Commons, LLC

Address: 1000 University Ave, Suite 500
Rochester, NY 14607

Federal Employer ID #: [REDACTED] Website: https://www.coniferllc.com

NAICS Code: 531110

Owner Officer Certifying Application: Lisa M. Kaseman

Title of Officer: Senior Vice President

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”)

Lessor of Residential Buildings and Dwellings

D. Owner Counsel:

Firm Name: Forchelli Deegan Terrana

Address: 333 Earle Ovington Blvd, Suite 1010

Uniondale, NY 11553

Individual Attorney: Kathleen Deegan Dickson

Phone Number: 516-248-1700

E-mail: kdickson@forchellilaw.com

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

Name	Percent Owned
<u>Conifer Realty, LLC</u>	<u>100%</u>
<u> </u>	<u> </u>
<u> </u>	<u> </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.

See attached

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

I. List parent corporation, sister corporations and subsidiaries:

Conifer Realty, LLC is teh sole member of Owner. Conifer Realty is also the sole member of Conifer, LLC (Developer), Conifer Management, LLC (Mgmt. Agent), & Conifer Construction, LLC which is a Member of Conifer-LeChase Construction, LLC (General Contractor)

- 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:

Real Estate Tax Exemption, Mortgage Tax Exemption, and Sales Tax Exemption for the Wincoram and Port Jefferson Projects

- K. List major bank references of the Owner:

M&T Bank: Tim Degrave (585-258-8420)

Five Star Bank: John Berry (585-627-1396)

2. User Data

for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user)

- A. User (together with the Owner, the "Applicant"): Not Applicable

Address: _____

Federal Employer ID #: _____ Website: _____

NAICS Code: _____

User Officer Certifying Application: _____

Title of Officer: _____

Phone Number: _____ E-mail: _____

- B. Business Type:

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on _____

State of Incorporation/Formation: _____

- C. Nature of Business:

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

D. Are the User and the Owner Related Entities? Yes No

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: _____

Address: _____

Individual Attorney: _____

Phone Number: _____

E-mail: _____

F. Principal Stockholders or Partners, if any:

Name

Percent Owned

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director, or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (If yes, please explain)

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (If yes, please explain)

H. If any of the above persons (see "F", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

J. List parent corporation, sister corporations and subsidiaries:

K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

L. List major bank references of the User:

Part II – Operation at Current Location

*** (if the Owner and the User are unrelated entities, answer separately for each) ***

1. Current Location Address: 1601-1607 Main Street, Port Jefferson, NY 11777

2. Owned or Leased: Owned

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

.57 acre site; two existing buildings ranging from 1-2 stories

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

Buildings are currently vacant. There are no current operations on site

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: Current facilities will be demolished and replaced with 53 units of work-force housing, and amenity space

- 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: _____

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

Not Applicable

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: 1601-1607 Main St, Port Jefferson, NY 11777

B. Tax Map: District 0206 Section 021.00 Block 06.00 Lot(s) 1, 2, 3, 4

C. Municipal Jurisdiction:

- i. Town: Brookhaven
ii. Village: Port Jefferson
iii. School District: Brookhaven-Comsewogue Union Free School District

D. Acreage: .57

3. Project Components (check all appropriate categories):

A. Construction of a new building Yes No
i. Square footage: 78,807

B. Renovations of an existing building Yes No
i. Square footage: _____

C. Demolition of an existing building Yes No
i. Square footage: 5,500

D. Land to be cleared or disturbed Yes No
i. Square footage/acreage: .57 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: _____

Appliances, Elevators, HVAC

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: Belle Terre Properties, LLC; and 1605 Main St, LLC _____

B. Present use of the proposed location: **Vacant commercial space, and two residential units**

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

Two Purchase and Sale Agreements with two private sellers

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: _____

53 units of residential housing and amenity space.

B. Proposed product lines and market demands: **Not Applicable**

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

Not Applicable

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

To provide workforce housing to families and commuters

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes No

i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? _____

F. To what extent will the project utilize resource conservation, energy efficiency, green technologies, and alternative / renewable energy measures?

The project will be designed to Enterprise Green Communities+ standards

6. Project Work:

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

- i. Site Clearance: Yes No % COMPLETE 0%
- ii. Foundation: Yes No % COMPLETE 0%
- iii. Footings: Yes No % COMPLETE 0%
- iv. Steel: Yes No % COMPLETE 0%
- v. Masonry: Yes No % COMPLETE 0%
- vi. Other: No construction work has started on the project

B. What is the current zoning? C-2 Commercial

C. Will the project meet zoning requirements at the proposed location?

Yes No

D. If a change of zoning is required, please provide the details/status of the change of zone request: Not Applicable

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

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: 12/15/23

ii. Construction/Renovation/Equipping: 12/15/23

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: 18 month construction period

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>3,700,000</u>
Building(s) demolition/construction	\$ <u>16,656,515</u>
Building renovation	\$ _____
Site Work	\$ <u>1,557,857</u>
Machinery and Equipment	\$ <u>53,109</u>
Legal Fees	\$ <u>365,000</u>
Architectural/Engineering Fees	\$ <u>805,000</u>
Financial Charges	\$ <u>2,473,192</u>
Other (Specify)	\$ <u>6,010,294</u>
Total	\$ <u>31,620,967</u>

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:

	<u>Amount</u>	<u>Term</u>
A. Tax-exempt bond financing:	\$ _____	_____ years
B. Taxable bond financing:	\$ _____	_____ years
C. Conventional Mortgage:	\$ <u>3,700,000</u>	<u>30</u> years
D. SBA (504) or other governmental financing:	\$ _____	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ <u>26,666,120</u>	
F. Other loans:	\$ _____	_____ years
G. Owner/User equity contribution:	\$ <u>1,254,847</u>	_____ years
Total Project Costs	\$ <u>31,620,967</u>	

i. What percentage of the project costs will be financed from public sector sources?

84% _____

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:

No

D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

N/A

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

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

\$ 28,845,000

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

\$ 216,337

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):

\$ 18,267,481

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

\$ 1,575,570

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: No

B. Agency PILOT Benefit:

i. Term of PILOT requested: 30 years, co-terminus with financing

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 11/12/22 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													1.5

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													1.5

Number of Residents of LMA:

Full-Time: 0 Cumulative Total FTEs ** After Year 2 1.5
 Part-Time: _____

Construction Jobs to be Created: 144

*** 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	45,000	13,700
Commission Wage Earners		
Hourly Wage Earners		
1099 and Contract Workers		

What is the annualized salary range of jobs to created? 42,500 to 50,000

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

Part VII – Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (If yes, furnish details on a separate sheet)

Yes No

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state, or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, or other operating practices? (If yes, furnish details on a separate sheet)

Yes No

3. Is there a likelihood that the Applicant would proceed with this project without the Agency's assistance? (If no, please explain why; if yes, please explain why the Agency should grant the benefits requested)

Yes No

If we do not receive the agency's assistance, the project will be deemed financially infeasible by the NYS housing and Community Renewal.

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 proposed 53-unit affordable housing project will not be financially feasible if the requested PILOT is not provided. The public financing award will be rescinded.

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 LMK

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 LMK

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 LMK

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 LMK

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 LMK

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 LMK

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 LMK

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 LMK

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 LMK

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)

In connection with this submission Conifer Realty is submitting 2 yrs. Audited Financial Statements. These are being submitted for your review and not to be shared with other parties without the permission of a Senior Staff Member.

Should you have any questions regarding the enclosed, please direct them to:

Conifer Realty – Robert Corredine, Executive Vice President | rcorredine@coniferllc.com

Audited Financial Statements have not been included in this section of the binder, rather they can be found in a seal, confidential, envelope accompanying this submission.

Part IX – Special Representations

1. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project. The Applicant hereby indicates its compliance with Section 862(1) by signing the applicable statement below. **(Please sign only one of the following statements a. or b. below).**

- a. The completion of the entire project will not result in the removal of an industrial or manufacturing plant of the project occupant from one are of the stat to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state.

Representative of the Applicant: Lisa M Kaseman

- 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: Lisa M Kaseman

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: Lisa M Kaseman

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: Lisa M Kaseman

Part X – Certification

_____ (Name of representative of entities submitting application) deposes and says that he or she is the _____ (title) of _____, 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

Lisa M Kaseman
Representative of Applicant

Sworn to me before this 14th
Day of November, 2022
Andrea M. DeCastro
(seal)

ANDREA M. DECASTRO
Notary Public - State of New York
No. 01DE6173443
Qualified in Monroe County
My Commission Expires August 27, 2023

**** 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 -	$\frac{3}{4}$ of one percent up to \$25 million total project cost and an additional $\frac{1}{4}$ 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) -	$\frac{1}{4}$ 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

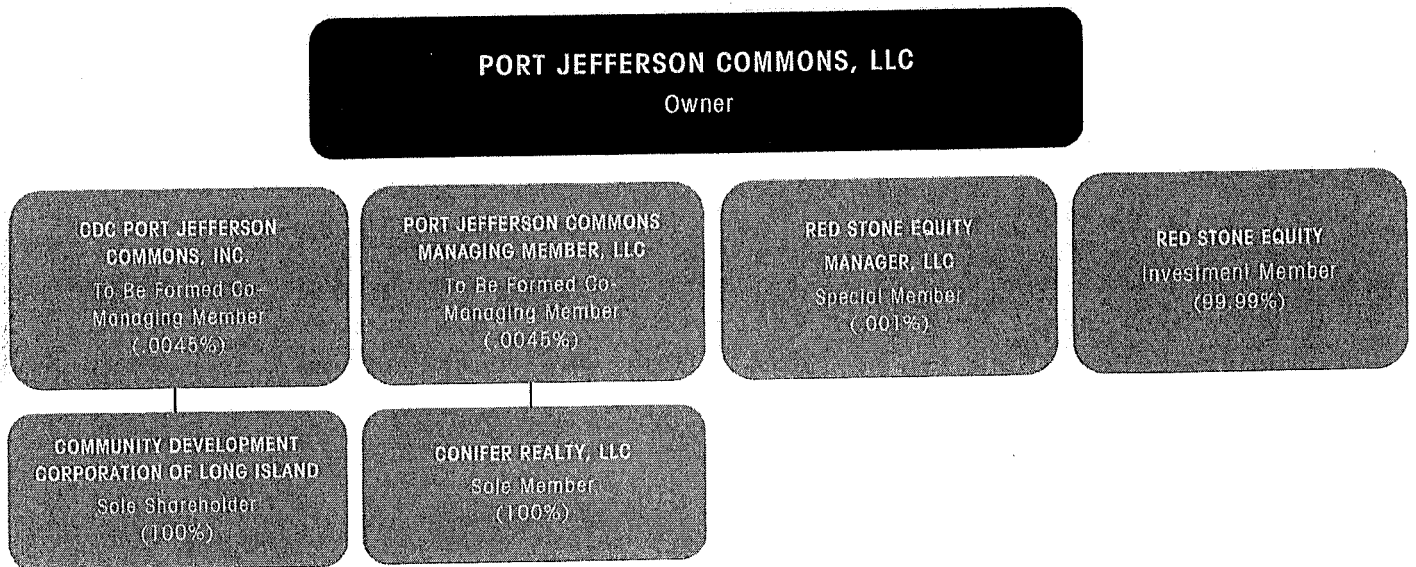
Agency Payment in Lieu of Taxes (PILOT) Policy

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.

PROPOSED ORGANIZATIONAL CHART



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

DATE: 11/29/22

APPLICATION OF: GGV Grove Apartments LLC c/o Georgica Green Ventures, LLC
Name of Owner and/or User of Proposed Project

ADDRESS: 50 Jericho Quadrangle, Suite 118
Jericho, NY 11753

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 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): GGV Grove Apartments LLC c/o Georgica Green Ventures, LLC

Address: 50 Jericho Quadrangle, Suite 118
Jericho, NY 11753

Federal Employer ID #: Website: www.georgicagreen.com

NAICS Code: N/A

Owner Officer Certifying Application: David Gallo

Title of Officer: Authorized Signatory

Phone Number: E-

B. Business Type:

Sole Proprietorship Partnership Limited Liability Company

Privately Held Public Corporation Listed on 10/18/2010

State of Incorporation/Formation: New York

C. Nature of Business:

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

Residential & mixed-use developer specializing in affordable/ tax credit developments in New York State.

D. Owner Counsel:

Firm Name: Certilman Calin Adler & Hyman, LLP

Address: 90 Merrick Avenue 9th Floor
East Meadow, NY 11554.

Individual Attorney: Timothy Shea, Jr.

Phone Number: 516-296-7885 E-mail: tshea@certilmanbalin.com.

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

Name	Percent Owned
Raymond James Tax Credit Investment Fund, Inc.	99.99%
GGV Grove Apartments MM LLC	0.01%

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:

N/A

I. List parent corporation, sister corporations and subsidiaries:

GGV Grove Apartments MM LLC, G&G Property Holdings II LLC, Georgica Green Ventures, LLC
Georgica Construction LLC, Georgica Property Management LLC, Kulka LLC

J. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

No

K. List major bank references of the Owner:

1. Erin Galligan (Bank of America) 646-743-0442

2. Matthew Schatz (TD Bank) 212-651-2717

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 - Not applicable

Address: N/A

Federal Employer ID #: N/A Website: N/A

NAICS Code: N/A

User Officer Certifying Application: N/A

Title of Officer: N/A

Phone Number: N/A E-mail: N/A

B. Business Type:

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on N/A

State of Incorporation/Formation: N/A

C. Nature of Business:

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

N/A

D. Are the User and the Owner Related Entities? Yes No

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: N/A

Address: _____

Individual Attorney: _____

Phone Number: _____

E-mail: _____

F. Principal Stockholders or Partners, if any:

Name	Percent Owned
<u>N/A</u>	_____
_____	_____
_____	_____

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director, or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (If yes, please explain)

N/A

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (If yes, please explain)

N/A

H. If any of the above persons (see “F”, above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

N/A

I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

N/A

J. List parent corporation, sister corporations and subsidiaries:

N/A

K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

N/A

L. List major bank references of the User:

N/A

Part II – Operation at Current Location

*** (if the Owner and the User are unrelated entities, answer separately for each) ***

1. Current Location Address: 400 East Main Street, East Patchogue, NY

2. Owned or Leased: Contract Vendee

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

2.78 acres

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

Land to be used for the development of affordable, multifamily, housing.

5. Are other facilities or related companies of the Applicant located within the State?

Yes No

A. If yes, list the Address: Georgica Property Management LLC, Georgica Construction LLC (See 1I)

6. Will the completion of the project result in the removal of any facility or facilities of the Applicant from one area of the state to another OR in the abandonment of any facility or facilities of the Applicant located within the State? Yes No

A. If no, explain how current facilities will be utilized: _____

N/A

B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:

N/A

7. Has the Applicant actively considered sites in another state? Yes No

A. If yes, please list states considered and explain: N/A

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes No

A. Please explain: _____

N/A

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

N/A

- G. Installation of machinery and/or equipment Yes No
i. List principal items or categories of equipment to be acquired: _____
-

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: 400 East Main Street Corp.

B. Present use of the proposed location: The site is currently improved with one-story commercial/
building and surface parking.

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

- i. If yes, explain: _____

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

Yes, the PSA is executed with NRP Properties LLC& has been assigned to GGV Grove Apartments LLC.

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 site will be a supportive housing downtown-oriented, mixed-use, mixed-income multifamily development. The project will include 55 income restricted apartments in a two-story 3 building garden style development with ground floor amenities, support services for victims/survivors of domestic violence, and commercial/non-profit space.

B. Proposed product lines and market demands: _____

N/A

D. If a change of zoning is required, please provide the details/status of the change of zone request: N/A

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

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: July 2023

ii. Construction/Renovation/Equipping: July 2023

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: 24 months (18 months construction + 6 months for rent-up

and conversion). Construction is planned to begin July 2023 and conclude January 2025. It is anticipated the first use is expected to occur at construction completion in January 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>3,200,000</u>
Building(s) demolition/construction	\$ <u>18,928,742</u>
Building renovation	\$ <u>N/A</u>
Site Work	\$ <u>Included in Construction</u>
Machinery and Equipment	\$ <u>Included in Construction</u>
Legal Fees	\$ <u>515,000</u>
Architectural/Engineering Fees	\$ <u>2,662,000 (Includes other soft costs/due diligence)</u>
Financial Charges	\$ <u>2,922,159</u>
Other (Specify)	\$ <u>4,487,484 (Reserves, Fees & Working Capital)</u> \$ <u>1,039,469 (Contingency)</u>
Total	\$ <u>33,754,854</u>

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:

	<u>Construction</u>	<u>Term</u>	<u>Permanent</u>
	<u>Amount</u>		<u>Amount</u>
A. Tax-exempt bond financing:	\$ <u>N/A</u>	<u>N/A</u> years	\$ <u>0</u>
B. Taxable bond financing:	\$ <u>N/A</u>	<u>N/A</u> years	\$ <u>0</u>
C. Conventional Mortgage:	\$ <u>22,980,000</u>	<u>30</u> years	\$ <u>6,755,000</u>
D. SBA (504) or other governmental financing:	\$ <u>N/A</u>	<u>N/A</u> years	\$ <u>0</u>
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ <u>6,620,496</u>		\$ <u>23,913,739</u>
F. Other loans:	\$ <u>600,000</u>	<u>30</u> years	\$ <u>1,200,000</u>
G. Owner/User equity contribution:	\$ <u>3,554,358</u>	<u>30</u> years	\$ <u>1,886,115</u>
Total Project Costs	\$ <u>33,754,854</u>		\$ <u>33,754,854</u>

i. What percentage of the project costs will be financed from public sector sources?

21% / 74%

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:

No

D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

N/A

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

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

\$ 29,735,000

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

\$ 223,013

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):

\$ 10,557,127

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

\$ 910,552

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

i. Owner: \$ N/A

ii. User: \$ N/A

3. Real Property Tax Benefit:

A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency’s PILOT benefit: Sales Tax & Mortgage Recording Tax Exemption requests.

B. Agency PILOT Benefit:

i. Term of PILOT requested: 32 years (including construction)

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 11/2022 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	3	1	3										7

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													0

Number of Residents of LMA:

Full-Time: 3

Part-Time: 1

Cumulative Total FTEs ** After Year 2 +/- 7

Construction Jobs to be Created: +/- 150

*** 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	+/- \$68,000	+/- \$68,000 - 80,000
Commission Wage Earners		
Hourly Wage Earners	+/- \$35,000	
1099 and Contract Workers		

What is the annualized salary range of jobs to created? \$35,000 to \$80,000

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

Part VII – Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (If yes, furnish details on a separate sheet)

Yes No

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state, or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, or other operating practices? (If yes, furnish details on a separate sheet)

Yes No

3. Is there a likelihood that the Applicant would proceed with this project without the Agency's assistance? (If no, please explain why; if yes, please explain why the Agency should grant the benefits requested)

Yes No

Considering the below market rentals/ reduced rent to be charged on 100% of the units in the Project, high sales taxes, limited availability of financing from New York State Department of Homes and Community

Renewal and high construction and maintenance costs. The Project would not be financially feasible without the requested assistance.

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 project would not be able to move forward.

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

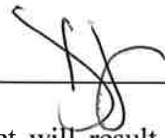
1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).
2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, 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

David Gallo (Name of representative of entities submitting application) deposes and says that he or she is the Member (title) of GGV Grove Apartments 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 29th
Day of November 2022
LISA KRONENBERG
NOTARY PUBLIC STATE OF NEW YORK
(seal) No. 01KR6326479
Qualified in Nassau County
My Commission Expires 06-15-2023

**** 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.