

Town of Brookhaven  
**Industrial Development Agency**

MEETING AGENDA

**Wednesday, September 20, 2023 at 8:25 A.M.**

1. ROLL CALL

2. MINUTES

August 16, 2023  
September 7, 2023

3. CFO'S REPORT

Budget vs. Actual Report – August 31, 2023  
Budget

4. APPLICATION

American Beverage Crafts, LLC (Blue Point Brewery)

5. RESOLUTION

American Beverage Crafts, LLC (Blue Point Brewery)

6. CEO'S REPORT

Job Creation Numbers  
8:30 AM Meetings

*The next IDA meeting is scheduled for October 23, 2023.*

TOWN OF BROOKHAVEN  
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

AUGUST 16, 2023

MEMBERS PRESENT: Frederick C. Braun, III  
Martin Callahan  
Ann-Marie Scheidt  
Frank C. Trotta  
Mitchell H. Pally

EXCUSED MEMBERS: Felix J. Grucci, Jr.  
Gary Pollakusky

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer  
Lori LaPonte, Chief Financial Officer  
Amy Illardo, Director of Marketing  
Terri Alkon, Administrative Assistant  
Annette Eaderesto, IDA Counsel  
William F. Weir, Nixon Peabody, LLP  
Howard Gross, Weinberg, Gross & Pergament, LLP (via Zoom)

Chairman Braun opened the Industrial Development Agency meeting at 8:08 A.M. on Wednesday, August 16, 2023, in the Agency's Office on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

At 8:09 A.M., Ms. Scheidt made a motion to enter executive session to discuss proposed, pending, or current litigation and the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. The motion was seconded by Mr. Pally and unanimously approved.

Ms. Eaderesto joined the meeting at 8:20 A.M.

At 8:54 A.M., Mr. Trotta made a motion to resume the regular agenda. Ms. Scheidt seconded the motion, and all voted in favor. No action was taken in executive session.

**MEETING MINUTES OF JULY 19, 2023**

The motion to approve these Minutes as presented was made by Mr. Callahan and seconded by Ms. Scheidt. All voted in favor.

**CFO'S REPORT**

Ms. LaPonte presented the Actual vs. Budget Report for the period of January 1, 2023 through July 31, 2023. Expenses are at or below budget except for office expenses due to new computers, IT support and phone service. Also increased are insurance expenses and investment earnings. All payroll taxes and related withholdings have been paid timely in accordance with Federal and State guidelines. All regulatory reports have been made in a timely fashion.

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

**FAIRFIELD KNOLLS AT MOUNT SINAI OWNER, LLC / EB AT MT. SINAI – APPLICATION**

This application has been tabled at the request of the applicant.

**RONK HUB SUBTENANT – CATHOLIC HEALTH SERVICES – APPLICATION**

Catholic Health Services is requesting to sublease 2,600 square feet at the Ronk Hub project for a medical urgent care facility. They expect to employ 6.5 full-time equivalent employees.

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

**RONK HUB CONDEMNATION – RESOLUTION**

The motion to approve this resolution was made by Mr. Trotta, seconded by Mr. Callahan, and unanimously approved.

**RONK HUB SUBTENANT – CATHOLIC HEALTH SERVICES – RESOLUTION**

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

### **10 DONALD'S WAY – RESOLUTION**

This project has requested an increase in the mortgage recording tax exemption due to the mortgage amount increasing. The motion to approve this resolution was made by Mr. Callahan, seconded by Ms. Scheidt, and unanimously approved.

### **APPLICATIONS & RESOLUTIONS EXPIRATION – RESOLUTION**

This resolution calls for applications and resolutions to expire after a set time if no action has been taken. All pending projects will be notified of this change. The motion to approve this resolution was made by Mr. Pally and seconded by Ms. Scheidt. All voted in favor.

### **CANNABIS POLICY – RESOLUTION**

Certain municipalities have opted out of engaging in the cannabis industry. Mr. Callahan made a motion to not entertain granting IDA benefits to any facility that is being used for the cultivation, processing, manufacturing, distribution, wholesale or retail sale of cannabis or cannabis related products. The motion was seconded by Ms. Scheidt and unanimously approved.

### **CEO'S REPORT**

#### **Top Golf September Event**

Mr. Pally made a motion to approve spending approximately \$4,000 on a networking event to be held at Top Golf on September 27, 2023. The motion was seconded by Mr. Callahan, and all voted in favor.

#### **Community Development Corporation Annual Luncheon Sponsorship**

Mr. Trotta made a motion to approve a \$2,500 sponsorship for the Community Development Corporation's annual luncheon on October 12, 2023. If additional tickets need to be purchased they will be on an as needed basis. The motion was seconded by Mr. Callahan and approved with Ms. Scheidt abstaining.

IDA Meeting  
August 16, 2023

The motion to close the IDA meeting at 9:16 A.M. was made by Mr. Pally, seconded by Ms. Scheidt and unanimously approved.

*The next IDA meeting is scheduled for Wednesday, September 20, 2023.*

DRAFT

TOWN OF BROOKHAVEN  
**INDUSTRIAL DEVELOPMENT AGENCY**  
SPECIAL MEETING MINUTES  
SEPTEMBER 7, 2023

MEMBERS PRESENT: Frederick C. Braun, III  
Martin Callahan  
Ann-Marie Scheidt  
Frank C. Trotta  
Mitchell H. Pally  
Gary Pollakusky (via Zoom)

EXCUSED MEMBER: Felix J. Grucci, Jr.

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer  
Amy Illardo, Director of Marketing  
Jocelyn Linse, Executive Assistant  
Terri Alkon, Administrative Assistant  
Terance Walsh, Nixon Peabody, LLP (via Zoom)  
Gregg Rechler, Rechler Equity Partners  
Guy Germano, Germano & Cahill, P.C.

Chairman Braun opened the Industrial Development Agency special meeting at 8:04 A.M. on Thursday, September 7, 2023, in the Agency's Office on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

**10 DONALD'S WAY, LLC – SUBTENANT – KEY SPAN GAS EAST**

Key Span Gas East Corp. has requested to sublease approximately 101,000 square feet of the approximately 140,000 square foot 10 Donald's Way facility. Key Span currently has over 100 employees at other facilities across Long Island which will remain active at those sites. Key Span Gas East Corp. expects to add 25 full-time equivalent employees at the 10 Donald's Way facility.

The motion to approve Key Span Gas East Corp. as a subtenant in the 10 Donald's Way facility was made by Mr. Pally and seconded by Ms. Scheidt. All voted in favor.

**CEO'S REPORT**

October Meeting

The October meeting is currently scheduled for October 18, 2023; the meeting will be moved to October 23, 2023. The motion to approve this change was made by Mr. Pally, seconded by Ms. Scheidt and approved with Mr. Pollakusky not voting.

The motion to close the meeting at 8:14 A.M. was made by Mr. Callahan, seconded by Ms. Scheidt and approved with Mr. Pollakusky not voting.

*The next IDA meeting is scheduled for Wednesday, September, 20, 2023.*

DRAFT

## **Strober: Resolving Long Island's next-gen housing crisis starts with IDAs**

By Kyle Strober

August 31, 2023

Building multifamily residential housing is a business. That reality means that unless the region's development community can phase in the property taxes, housing units will not be affordable for our next generation of Long Islanders. Deferring that immediate full tax bill comes through programs offered by industrial development agencies that are under the authority of Long Island's various towns and our two counties. Some call those programs "incentives" for developers to build. They are not. They are, in fact, essential if we are to meet the ever-growing housing crisis that virtually everyone acknowledges is threatening our ability to attract and keep next-gen Long Islanders as well as allow our seniors to age in place.

A report by the Long Island Multifamily Housing Study found the bi-county region is short by approximately 72,000 multifamily units of what it needs. Project out a decade or more and Long Island will be short some 95,000 multifamily units of anticipated demand. That would make today's crisis tomorrow's catastrophe. To appreciate the math behind these numbers for multifamily units one has to recognize that the costs of construction material and acquiring real estate are just part of the equation. A pre-COVID estimate would budget multifamily residential at \$260 per square foot on the Island. Developers in 2023 now need to budget an estimated \$500 per square foot, and that's if the cost of construction commodities such as concrete and wood framing remain static.

Those numbers are also dependent on what banks will charge for the cost of money in a business environment now being dictated by the Federal Reserve and the rate of return expected by investors in multifamily development. Yet these expenses are just a percentage of what is weighing down the bottom line. Developers also must factor in the cost of government regulations. While on-the-job safety requirements are needed and embraced, there are countless other expenses baked into multifamily projects that reflect more ideology than common sense mandates. For example, a broad range of energy-conservation technology must now be included, such as the elimination of cost-efficient natural gas boilers and appliances. These requirements come at a time when there are serious questions as to whether the electrical grid is robust enough to meet the considerable power demand these new regulations will create.

Often lost in the debate over IDA benefits is the simple fact that multifamily construction usually reinvents dormant real estate that was paying far less in property taxes. Often an IDA agreement includes a requirement that the developer begin to send tax revenue to the local municipality under what is often a payment-in-lieu-of-taxes agreement (PILOT). Fortunately, IDA's are engaging developers who propose multi-unit housing. The Nassau County IDA recently granted phased-in tax bills to developers of a 60-unit Great Neck apartment proposal. The Glen Cove IDA approved the Garvies Point and Village Square housing projects for similar tax incentives, while in Hempstead Town, its IDA agreed to provide tax incentives for multi-unit housing in Westbury.

An additional strategic benefit from these IDA programs is the economic activity generated as a result of the construction of multi-unit housing. The revitalization of downtowns by new residents patronizing local shops is an obvious value, but so, too, are the hundreds of construction jobs generated by these programs which, in turn, add significant depth to the region's economy.

The thoughtful application of IDA benefits has the means to confront the crisis in next-gen housing with



the recognition that no developer can literally afford to launch construction on multifamily residences whose finances are doomed to fail.

Kyle Strober  
*Executive Director*  
ABLI  
[631-951-2410](tel:631-951-2410) office  
[516-850-8801](tel:516-850-8801) cell  
[@ForABetterLI](https://www.facebook.com/ForABetterLI)

[nyabli.com](http://nyabli.com)



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

DATE: 9/11/2023

APPLICATION OF: American Beverage Crafts, LLC  
Name of Owner and/or User of Proposed Project

ADDRESS: 225 W. Main Street  
Patchogue, NY 11772

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

Please respond to all items either by filling in blanks, by attachment (by marking space "see attachment number 1", etc.) or by N.A., where not applicable. Application must be filed in two copies. A non-refundable application fee is required at the time of submission of this application to the Agency. The non-refundable application fee is \$3,000 for applications under \$5 million and \$4,000 for applications of \$5 million or more, and should be made payable to the Town of Brookhaven Industrial Development Agency.

Transaction Counsel to the Agency may require a retainer which will be applied to fees incurred and actual out-of-pocket disbursements made during the inducement and negotiation processes and will be reflected on their final statement at closing.

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

Prior to submitting a completed final application, please arrange to meet with the Agency's staff to review your draft application. Incomplete applications will not be considered. The Board reserves the right to require that the applicant pay for the preparation of a Cost Benefit Analysis, and the right to approve the company completing the analysis.

PLEASE NOTE: It is the policy of the Brookhaven IDA to encourage the use of local labor and the payment of the area standard wage during construction on the project.

IDA benefits may not be conferred upon the Company until the Lease and Project Agreement have been executed.

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**Part I: Owner & User Data**

**1. Owner Data:**

A. Owner (Applicant for assistance): American Beverage Crafts, LLC

Address: 195 Ottley Drive NE  
Atlanta, GA 30324

Federal Employer ID #: [REDACTED] Website: www.tilray.com

NAICS Code: 312120

Owner Officer Certifying Application: Allen W. Yee

Title of Officer: General Counsel/Corp. Secretary

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: Delaware

**C. Nature of Business:**

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

brewery of beer and other malt beverages; associated retail sale of food and beverages

**D. Owner Counsel:**

Firm Name: N.A.

Address: N.A.

N.A.

Individual Attorney: N.A.

Phone Number: N.A.

E-mail: N.A.

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

Name	Percent Owned
<b>Tilray-ABC, LLC</b>	<b>100%</b>
_____	_____
_____	_____
_____	_____

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 Part "I" below; note that Tilray Brands, Inc. is a publicly traded corporation on the NASDAQ and the Toronto Stock Exchange.**

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 Part "I" below and refer to Part "G" above.**

I. List parent corporation, sister corporations and subsidiaries:

**Tilray-ABC, LLC is a wholly owned subsidiary of Tilray Beverages, LLC.**

**Tilray Beverages, LLC is a wholly owned subsidiary of Tilray Brands, Inc.**

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:

Bank of Montreal

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"): Blue Point Brewing Company, Inc.

Address: 225 W. Main St.

Patchogue, NY 11772

Federal Employer ID # [REDACTED]

Website: www.bluepointbrewing.com

NAICS Code: 312120

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 \_\_\_\_\_

State of Incorporation/Formation: New York

C. Nature of Business:

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

manufacturer of alcoholic malt beverage, including, craft beer and flavored malt beverages, and other alcoholic beverages, such as canned cocktails.

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: N.A.  
N.A.  
 Individual Attorney: N.A.  
 Phone Number: N.A. E-mail: N.A.

F. Principal Stockholders or Partners, if any:

Name	Percent Owned
<u>Craft USA Holdings, LLC</u>	<u>100%</u>
<u> </u>	<u> </u>
<u> </u>	<u> </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)

No.

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

No.

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

Craft USA Holdings, LLC is 100% indirectly owned by Anheuser-Busch InBev S/ANV, a public corporation, which is publicly traded on the New York Exchange and other international exchanges.

- 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:

See Part "H" above; note that Blue Point Brewing Company, Inc. ("Blue Point") is the current site user and tenant under the Brookhaven IDA lease. Blue Point will remain the legal party to said lease and other related incentive agreements (collectively, the "Incentive Documents"). Blue Point's performance under the Incentive Documents will be unchanged by the ownership transfer

- J. List parent corporation, sister corporations and subsidiaries:

See Part "H" above.

- 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:

Blue Point is the current entity operating at the Project Site and will remain as the legal party to the Incentive Documents.

- 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: See Part 1, Section 2(a) above.
2. Owned or Leased: Leased.
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):  
N.A.



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

See Part 1, Section 2(c) above.

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5. Are other facilities or related companies of the Applicant located within the State?  
Yes  No

A. If yes, list the Address: Tilray owns Montauk Brewing, with a location at 62 S. Erie Ave., Mountauk, NY 11954

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. - this application concerns a change in control in Tenant (Blue Point).

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. - this application concerns a change in control in Tenant (Blue Point).

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

A. If yes, please list states considered and explain: N.A. - this application concerns a change in control in Tenant (Blue Point).

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. - this application concerns a change in control in Tenant (Blue Point).

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

N.A. - this application concerns a change in control in Tenant (Blue Point).

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**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: 225 West Main Street, Patchogue, NY 11772

B. Tax Map: District 0204 Section 008.00 Block 09.00 Lot(s) 005.003

C. Municipal Jurisdiction:

- i. Town: Brookhaven
- ii. Village: Patchogue
- iii. School District: Patchogue-Medford Union School District

D. Acreage: 8.4

3. Project Components (check all appropriate categories):

- A. Construction of a new building  Yes  No
  - i. Square footage: \_\_\_\_\_
- B. Renovations of an existing building  Yes  No
  - i. Square footage: \_\_\_\_\_
- C. Demolition of an existing building  Yes  No
  - i. Square footage: \_\_\_\_\_
- D. Land to be cleared or disturbed  Yes  No
  - i. Square footage/acreage: \_\_\_\_\_
- E. Construction of addition to an existing building  Yes  No
  - i. Square footage of addition: \_\_\_\_\_
  - ii. Total square footage upon completion: \_\_\_\_\_
- F. Acquisition of an existing building  Yes  No
  - i. Square footage of existing building: \_\_\_\_\_

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

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: BUD AND BREWERY, LLC

B. Present use of the proposed location: See Part 1, Section 2(c).

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

i. If yes, explain: See Part 1, Section 2(l).

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

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

Blue Point leases the site from BUD AND BREWERY, LLC

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: See Part 1, Section 2(c).

B. Proposed product lines and market demands: N.A. - this application concerns a change in control in Tenant (Blue Point).

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

N.A. - this application concerns a change in control in Tenant (Blue Point).

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

N.A. - this application concerns a change in control in Tenant (Blue Point).

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? There is a brewpub within the Project Site; its footprint is not anticipated to change,

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

N.A. - this application concerns a change in control in Tenant (Blue Point).

6. Project Work:

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

- i. Site Clearance: Yes  No  % COMPLETE \_\_\_\_\_
- ii. Foundation: Yes  No  % COMPLETE \_\_\_\_\_
- iii. Footings: Yes  No  % COMPLETE \_\_\_\_\_
- iv. Steel: Yes  No  % COMPLETE \_\_\_\_\_
- v. Masonry: Yes  No  % COMPLETE \_\_\_\_\_
- vi. Other: \_\_\_\_\_

B. What is the current zoning? E - Industrial

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

Yes  No

D. If a change of zoning is required, please provide the details/status of the change of zone request: No change in zoning is sought in connection with the change in control of Tenant (Blue Point).

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

F. Is a change of use application required? Yes  No

7. Project Completion Schedule:

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

i. Acquisition: N.A.

ii. Construction/Renovation/Equipping: N.A.

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: N.A.

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**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>N.A.</u>
Building(s) demolition/construction	\$ <u>N.A.</u>
Building renovation	\$ <u>N.A.</u>
Site Work	\$ <u>N.A.</u>
Machinery and Equipment	\$ <u>N.A.</u>
Legal Fees	\$ <u>N.A.</u>
Architectural/Engineering Fees	\$ <u>N.A.</u>
Financial Charges	\$ <u>N.A.</u>
Other (Specify)	\$ <u>N.A.</u>
Total	\$ <u>See Attachment 1</u>

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

Please note, IDA fees are based on the total project costs listed above. At the completion of your project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be adjusted as a result of the certified cost affidavit. Money will not be refunded if the final project cost is less than the amount listed above.

2. Method of Financing:

	Amount	Term
A. Tax-exempt bond financing:	\$ <u>N.A.</u>	<u>N.A.</u> years
B. Taxable bond financing:	\$ <u>N.A.</u>	<u>N.A.</u> years
C. Conventional Mortgage:	\$ <u>N.A.</u>	<u>N.A.</u> years
D. SBA (504) or other governmental financing:	\$ <u>N.A.</u>	<u>N.A.</u> years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ <u>N.A.</u>	
F. Other loans:	\$ <u>N.A.</u>	<u>N.A.</u> years
G. Owner/User equity contribution:	\$ <u>N.A.</u>	<u>N.A.</u> years
Total Project Costs	\$ <u>N.A.</u>	

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

N.A.

3. Project Financing:

A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes  No

i. If yes, provide detail on a separate sheet.

B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

N.A.

C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

N.A.

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

N.A.

**Part V – Project Benefits**

1. Mortgage Recording Tax Benefit:

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

\$ N.A.

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

\$ N.A.

2. Sales and Use Tax Benefit:

A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency’s exemption):

\$ N.A.

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

\$ N.A.

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: Applicant is seeking an assignment of existing benefits

B. Agency PILOT Benefit:

i. Term of PILOT requested: N.A.

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. \*\***



**SEE ATTACHMENT 1**

**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 \*\*: \_\_\_\_\_ See Attachment 1  
 Date \_\_\_\_\_ Average Annual Salary of Jobs to be Retained \_\_\_\_\_  
 FTEs to be Created in First Year: \_\_\_\_\_ (fill in year)

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

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

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

Number of Residents of LMA:

Full-Time: \_\_\_\_\_

Part-Time: \_\_\_\_\_

Cumulative Total FTEs \*\* After Year 2 \_\_\_\_\_

Construction Jobs to be Created: \_\_\_\_\_

\* The Labor Market Area includes the County/City/Town/Village in which the project is located as well as Nassau and Suffolk Counties.

\*\* To calculate FTEs (Full-Time Equivalent Employees) please use the following example: if an organization considers 40 hours per week as full-time and there are four employees who work 10 hours each per week, the cumulative hours for those employees equal 1 FTE.

2. Salary and Fringe Benefits:

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

What is the annualized salary range of jobs to created? \_\_\_\_\_ to \_\_\_\_\_

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

**Part VII – Representations, Certifications and Indemnification**

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

Yes  No

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

Yes  No

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

Yes  No

N.A.

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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?

N.A.

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**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 AWY *AWY*

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 AWY *AWY*

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 AWY *AWY*

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 AWY *AWY*

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 AWY *any*

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 AWY *any*

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 AWY *any*

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 AWY *any*

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 AWY *any*

**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: Allen W. Yee 

- 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: Allen W. Yee 

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: Allen W. Yee 

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: Allen W. Yee 

**Part X – Certification**

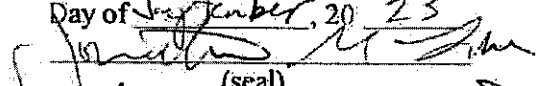
Allen W. Yee (Name of representative of entities submitting application) deposes and says that he or she is the General Counsel/ Corporate Secretary (title) of American Beverage Crafts, LLC, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

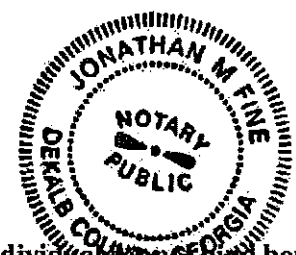
Deponent further says that s/he is duly authorized to make this certification on behalf of the entities named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal 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

Allen W. Yee   
Representative of Applicant

Sworn to me before this 9<sup>th</sup>  
Day of September, 2023  
  
(seal)  
My Commission Expires: 01/07/2027



**\*\* Note: If the entities named in this Application are unrelated and one individual signs 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 31<sup>st</sup> of each year, or in two equal payments due January 31<sup>st</sup> and May 31<sup>st</sup> 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 31<sup>st</sup>** of any year or **May 31<sup>st</sup>** 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.**

**ATTACHMENT 1 TO FORM APPLICATION FOR FINANCIAL ASSISTANCE DATED AS OF SEPTEMBER 11,  
2023, ON BEHALF OF AMERICAN BEVERAGE CRAFTS, LLC**

**1. PART IV – PROJECT COSTS AND FINANCING:**

Total: *The sale price for the sale of all assets and equity interests of eight craft bands is \$85,000,000.*



**2. PART VI – EMPLOYMENT DATA:**

*Pursuant to the sale agreement, Tilray has agreed to “offer employment to all employees [currently] employed [at the Blue Point facility] in the same position....at the same work location (other than for remote employees, who may be required to return to the office) with the same base compensation and bonus opportunity as applied to them as of immediately prior to the Closing.” (emphasis added) (Sec. 8.8(a) of the sale agreement) In addition, Tilray has committed to provide employees “service credit for all periods of employment” with Blue Point for “for purposes of eligibility to participate, vesting and vacation and severance eligibility” with Tilray. (Sec. 8.8(b) of the sale agreement)*

*The Brookhaven IDA facility has 51 FTE employees with the following ranges, and pursuant to the sale agreement, as summarized above, employees will maintain the compensation post-closing:*

**Salary Wage Earners:**

*Average Salary or Salary Range: \$98,085.41*

*Average Fringe Benefits: \$7,691.28*

*Median Salary or Salary Range: \$84,921.03*

*Median Fringe Benefits: \$9,640.75*

**Hourly Wage Earners:**

*Average Salary or Salary Range: \$39,170.89*

*Average Fringe Benefits: \$3,243.54*

*Median Salary or Salary Range: \$39,520.00*

*Median Fringe Benefits: \$1,608.59*



September 11, 2023

**VIA FEDEX**

Town of Brookhaven Industrial Development Agency  
1 Independence Hill, 2<sup>nd</sup> Floor  
Farmingville, NY 11738  
Attention: Chief Executive Officer

Town of Brookhaven, Town Attorney's Office  
1 Independence Hill, 3<sup>rd</sup> Floor  
Farmingville, NY 11738  
Attn: Annette Eaderesto, Esq.

Re: Blue Point Brewing Company, Inc. with Town of Brookhaven IDA

Dear Sir or Madam:

Reference is made to the Lease and Project Agreement dated December 1, 2017 (the "Lease") between the Town of Brookhaven Industrial Development Agency (the "IDA") and Blue Point Brewing Company, Inc. (the "Company") relating to 225 West Main Street, Patchogue, NY (the "Facility").

Pursuant to Section 8.3 of the Lease, this letter is to request the consent of the IDA to the sale of 100% of the shares in the Company by the current shareholders to American Beverage Crafts, LLC ("Tilray"). This transaction is anticipated to close on or about September 30, 2023.

Attached are organizational charts which show the current ownership structure of the Company and the ownership structure which will take effect upon the closing of this transaction.

We have been advised by Tilray that it intends to retain all employees at the Facility following the closing of the transaction. Tilray does anticipate making capital improvements after closing to promote optimum capacity of the Facility but has not yet firmed up its plans. Of course, Tilray will seek any appropriate approvals and permits in advance of undertaking any such improvements.

161 RIVER AVE  
PATCHOGUE, NY



BLUEPOINTBREWING.COM

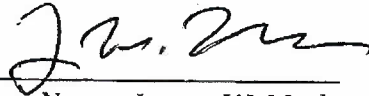




We respectfully request the consent of the IDA to this transaction. If you require any additional information with respect to this transaction, please do not hesitate to contact me.

Very truly yours,

**BLUE POINT BREWING COMPANY, INC.**

By:   
Name: James W. Mathis  
Title: Secretary

Enc.

cc: Barry Carrigan, Esq. (bcarrigan@nixonpeabody.com)

161 RIVER AVE  
PATCHOGUE, NY



BLUEPOINTBREWING.COM



Town of Brookhaven Industrial Development Agency  
1 Independence Hill, 2<sup>nd</sup> Floor  
Farmingville, NY 11738  
Attn: Chief Executive Officer

Town of Brookhaven, Town Attorney's Office  
1 Independence Hill, 3<sup>rd</sup> Floor  
Farmingville, NY 11738  
Attn: Annette Eaderesto, Esq.

RECEIVED  
SEP 12 2023  
Town of Brookhaven IDA

September 11, 2023

Re: *Blue Point Brewing Company, Inc. Request for Consent of Sale*

Dear Sir or Madam:

On behalf of Blue Point Brewing Company, Inc. ("Blue Point"), in connection with Blue Point's request for the consent of the Town of Brookhaven Industrial Development Authority (the "IDA"), please find enclosed:

1. One (1) copy of Blue Point's letter request dated as of September 11, 2023;
2. One (1) copy of American Beverage Craft's cover letter dated as of August 28, 2023;
3. One (1) fully compiled copy of the Short Environmental Assessment Form (the "Short Environmental Assessment Form") dated as of September 11, 2023, submitted by American Beverage Crafts, LLC; and
4. One (1) fully compiled copy of the Form Application for Financial Assistance (the "Application") dated as of September 11, 2023, submitted by American Beverage Crafts, LLC.

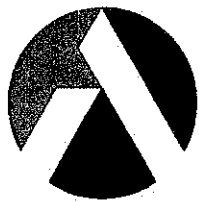
American Beverage Crafts, LLC is also submitting original signature pages to the Application and the Short Environmental Assessment Form to your attention, which we anticipate will be received on or before September 12, 2023. We are also sending the application fee for this request to your attention via FedEx and anticipate that it will be received on or before September 13, 2023.

Thank you for your consideration; please do not hesitate to contact me at [rachel.taylor@anheuser-busch.com](mailto:rachel.taylor@anheuser-busch.com) or at 314-601-2195 with any questions.

Sincerely,

*Rachel C. Taylor*  
Associate General Counsel  
Anheuser-Busch Companies, LLC

Encl.  
cc: Barry Carrigan, Esq. ([bcarrigan@nixonpeabody.com](mailto:bcarrigan@nixonpeabody.com))



**AMERICAN  
BEVERAGE CRAFTS**  
A TILRAY BRANDS COMPANY

August 28, 2023

Town of Brookhaven Industrial Development Agency  
1 Independence Hill, 2<sup>nd</sup> Floor  
Farmingville, NY 11738  
Attn: Chief Executive Officer

Town of Brookhaven, Town Attorney's Office  
1 Independence Hill, 3<sup>rd</sup> Floor  
Farmingville, NY 11738  
Attn: Annette Eaderesto, Esq.

Re: Blue Point Brewing Company, Inc. Request for Consent of Sale

Dear Sir or Madam:

We write with reference to Blue Point Brewing Company, Inc. ("Blue Point")'s request for consent of its sale to our company American Beverage Crafts, LLC ("ABC") as required by the Lease and Project Agreement dated December 1, 2017 (the "Lease") between the Town of Brookhaven Industrial Development Agency (the "IDA") and Blue Point relating to 225 West Main Street, Patchogue, NY (the "Facility"). This sale is anticipated to close on or about September 30, 2023. In connection with the consummation of the sale, the legal ownership of Blue Point will be transferred to ABC, and Blue Point will remain the legal party to the Lease and related IDA transaction documents (collectively, the "Lease Documents"). Blue Point's performance under the Lease and the Lease Documents will be unchanged by the ownership transfer described herein.

In support of Blue Point's request for consent, ABC writes as the buyer to share additional information about the sale, its business plans for Blue Point, and its commitment to the IDA and Patchogue village and Brookhaven town communities after the sale.

The sale of Blue Point to ABC is part of a larger transaction in which ABC is acquiring a portfolio of brewing businesses from Blue Point's current owner, Craft USA Holdings, LLC, an affiliate of Anheuser-Busch, LLC. This includes breweries and brands stretching coast to coast with national product distribution. Upon completion of the transaction, Blue Point becomes a wholly owned subsidiary of ABC and will join a family of beer brands which together comprise the country's fifth largest craft brewer. ABC's parent is Tilray Brands, Inc., a publicly traded consumer packaged goods

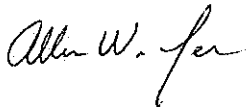
company headquartered in New York City with annual revenues of over \$668M and market capitalization of over \$1.6B.

ABC and Tilray are committed to Blue Point's operation in Patchogue. Specifically, ABC intends to continue current brewing, packaging, and retail operations at the Facility. It intends to retain all employees currently working at the facility. Indeed, we intend to grow the business at and to make additional capital investments into the Facility over time – although the nature and timing for those additional investments is yet to be determined. Of course, we will seek appropriate approvals and permits in advance of undertaking any such improvements.

We respectfully request the consent of the IDA for the sale of Blue Point to ABC. If you require any additional information, please do not hesitate to contact me.

Sincerely,

AMERICAN BEVERAGE CRAFTS, LLC

A handwritten signature in cursive script, appearing to read "Allen W. Yee".

By: Allen W. Yee, General Counsel & Corporate Secretary  
allen.yee@tilray.com  
470-637-3151

# FACES

OF LONG ISLAND



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## OUR TOWNS

### HUNTINGTON TOWN

# BATTERY STORAGE FACILITY MORATORIUM BEING MULLED

BY DEBORAH S. MORRIS  
[deborah.morris@newsday.com](mailto:deborah.morris@newsday.com)

Huntington officials will consider a moratorium on approving applications for battery energy storage system facilities in the town — possibly joining other Long Island municipalities that recently have taken that step.

A public hearing will be held at 7 p.m. on Sept. 12 at Town Hall to gather input on a potential six-month pause on any projects because of concerns that lithium-ion batteries can spontaneously explode and catch fire, officials said.

There currently are no proposals pending for such storage facilities in Huntington, according to the town.

Earlier this month, Southampton officials voted in a six-month moratorium on considering such projects in that town, freezing a pending application.

Earlier this year, Southold Town approved a 12-month moratorium on applications while a task force works on making recommendations to local legislators.

The Town of Riverhead in April approved legislation to allow battery energy storage facilities in certain zoning districts.

Lithium-ion batteries are rechargeable, storing power from different energy sources like the wind and sun for future use. But the devices can face a failure known as “thermal runaway” when they generate more heat than can be dissipated, leading to extremely high temperatures, smoke and fire, according to UL Research Institutes.

In July, Gov. Kathy Hochul announced

the creation of an Inter-Agency Fire Safety Working Group after three fires at battery storage facilities, including one in East Hampton. State agencies will inspect storage sites across New York and make sure first responders have the training and information they need to prepare and deploy resources in case of a fire.

Huntington Town Board member Sal Ferro, who is sponsoring the resolution for a moratorium, said town first responders recently raised concerns about the challenges of fighting fires at battery energy storage facilities.

“We need to find out, what are the best practices out there when it comes to them?” Ferro said. “What are the safest locations? Should we only put them in industrial areas? How should they be built?”

Ferro said a moratorium would allow time to get answers. Currently, Huntington has no town code that applies to battery energy storage systems, officials said.

Ferro said he’s aware of actions by other towns and is open to seeing if the paths of those municipalities also could work in Huntington.

East Northport resident Mark Sertoff, a retired science and technology teacher, said he is concerned about the potential danger of such facilities because lithium-ion battery fires create unsafe conditions for residents and the environment — including affecting drinking water and air quality.

“I think the town considering a moratorium is a good, deliberate plan of action,” Sertoff said. “Get more information — because the repercussions could be disastrous.”

## Cops: Phone light aids rescue of four whose boat capsized

A Brentwood family of four whose small boat capsized in Long Island Sound on Monday night was rescued by Suffolk marine officers who were signaled by the light of a teenager’s cellphone, police said.

Suffolk Police Marine Bureau Officers, responding from land in a 31-foot boat, answered a 911 call at 8:26 p.m. from a 17-year-old, saying he and his family were aboard a boat that was taking on water in the Sound off Northport, police said.

The 14-foot skiff capsized before police arrived and the family was in the water within minutes of the initial call, police said. Only two of the four family members were wearing life preservers, police said.

Bobbing in the darkness, Oscar Martinez, 17, used the flashlight on his cellphone to signal Marine Bureau Officers

Robert Reed and Robert Mroczkowski, police said.

Within 10 minutes of the initial call, Oscar Martinez, Jose Velasquez, 29, Olsin Martinez, 37, and Emma Martinez, 22, all of Brentwood, were pulled from the water to safety near the jetty just off the LIPA plant, police said.

The four were taken to the Soundview boat ramp near the Northport Power Station for evaluation by Northport Fire Department personnel and declined medical treatment, police said.

A family member told a Newsday reporter Tuesday they didn’t speak English and declined to comment.

The cause of the capsizing was not clear Tuesday morning.

— ROBERT BRODSKY AND MACY EGELAND