

SUBJECT TO BOARD APPROVAL

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

JANUARY 11, 2023

MEETING MINUTES

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

EXCUSED MEMBER: Felix J. Grucci, Jr.

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
John LaMura, Deputy Director
Amy Illardo, Director of Marketing
Jocelyn Linse, Executive Assistant
Terri Alkon, Administrative Assistant (via Zoom)
Annette Eaderesto, IDA Counsel
William F. Weir, Nixon Peabody, LLP
Howard Gross, Weinberg, Gross & Pergament (via Zoom)
Peter Curry, Farrell Fritz, P.C.
Steven Krieger, B2K Development
David Burman, B2K Development

Chairman Braun opened the Industrial Development Agency meeting at 12:29 P.M. on Wednesday, January 11, 2023, in the Agency's Office on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

MEEETING MINUTES OF OCTOBER 26, 2022

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

MEETING MINUTES OF NOVEMBER 16, 2022

The motion to approve these Minutes as presented was made by Mr. Pollakusky, seconded by Ms. Scheidt and unanimously approved.

CFO'S REPORT

Ms. LaPonte presented the Budget vs. Actual Reports for the period ending November 30, 2022. Deposits and expenses were noted, all expenses were in line with the budget. All payroll taxes and related withholdings have been paid timely in accordance with Federal and State guidelines. All regulatory reports have been filed in a timely fashion. The external audit is starting on January 23rd; the Members were asked to return the questionnaires back to the accountants as soon as possible.

The motion to accept the report was made by Mr. Pally and seconded by Mr. Pollakusky. All voted in favor.

EB AT EAST PATCHOGUE, LLC – APPLICATION

This application is for a 139-unit senior rental complex with 10% of the units affordable and 10% of the units for workforce housing. The development is situated on 14 vacant acres on Sipp Avenue in East Patchogue. Project costs are estimated at approximately \$54.6 million. Five full-time equivalent jobs are expected as well as approximately 150 construction jobs. Exemptions from mortgage recording tax, sales tax and a PILOT have been requested. Mr. Curry and Mr. Krieger made a brief presentation to the Board.

The motion to accept the application and schedule a public hearing was made by Mr. Callahan, seconded by Mr. Trotta and unanimously approved with Mr. Pally abstaining.

HSRE-EB HOLTSVILLE – RESOLUTION

A letter was received requesting the IDA’s consent for HSRE-EB Holtsville to enter into a short-term extension with Wells Fargo. No new benefits are being requested.

The motion to approve this resolution extending the financing to June 30, 2023, was made by Mr. Braun and seconded by Mr. Callahan. The motion was approved with Mr. Pally abstaining.

CD RAMSAY, LLC – FINAL AUTHORIZING RESOLUTION

A public hearing for this approximately 18,500 square foot facility to be constructed adjacent to CD Ramsay’s current facility in the Shirley Industrial Park was held with no comment received. The cost benefit analysis and PILOT were included in the meeting packets.

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

MS PACKAGING – RESOLUTION

There are two entities in the MS Packaging facility on Zorn Boulevard that are affiliates of MS Packaging, Great White Packaging Corp. and MS Packaging & Supply Distribution Corp. They have no employees or dedicated space at the facility. A Tenant Agency Compliance Agreement will be executed for insurance purposes.

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

Ms. Scheidt left the meeting at 12:56 P.M.

WF INDUSTRIAL X11, LLC – AMENDED APPLICATION & RESOLUTION

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Project costs have changed as well as the sales tax exemption from the original application for this three, one-story buildings spec warehouse distribution project. The project will total 550,000 square feet in total once completed. A public hearing was held with no comments received. Project representatives provided the Board with an update on the project, tenants have not been identified yet.

The motion to accept the amended application and approve the resolution was made by Mr. Trotta, seconded by Mr. Pollakusky and unanimously approved.

CEO'S REPORT

Board Assessments

The board assessments were included in the meeting packets for the Members to complete and return.

Acknowledgement of Fiduciary Duties

The Members were asked to sign the Acknowledgment of Fiduciary Duties form and return it to the office.

Financial Disclosure Form

The financial disclosure form is forthcoming, it will be completed online this year.

February Meeting

Mr. Pally made a motion to move the February meeting to February 8th at 12:00 P.M. The motion was seconded by Mr. Callahan and unanimously approved.

ORGANIZATIONAL RESOLUTIONS

Resolution #6 – Appointing of Legal Counsel

Annette Eaderesto

William F. Weir

Howard Gross

Resolution #7 – Appointment of Insurance Broker of Record

Resolution #8 – Slate of IDA Board Officers

Frederick C. Braun, III, Chairman

Felix J. Grucci, Jr., Vice-Chair

Martin Callahan, Treasurer

Ann-Marie Scheidt, Secretary

Frank C. Trotta, Assistant Treasurer

Gary Pollakusky, Assistant Secretary

Mitchell H. Pally, Member

Resolution #9 – Adoption of Committee Charters and Establishment and Appointing of Governance, Finance and Audit Committees

Resolution #10 – Adoption of Fee Schedule

The motion to approve resolutions #6 through #10 was made by Mr. Pally and seconded by Mr. Pollakusky. All voted in favor.

Resolution #11 – Office Rental at Town of Brookhaven

Resolution #12 – Hourly Requirement

Resolution #13 – 2023 Meeting Schedule

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Resolution #14 – Appointment of Website Design & Maintenance

Resolution #15 – Banking and Investing

The motion to approve resolutions #11 through #15 was made by Mr. Pollakusky, seconded by Mr. Pally and unanimously approved.

Resolution #16 – Adopting a Mission Statement and Measurement Report

Resolution #17 – Adopting the Town of Brookhaven Ethics Policy, Procurement Policy and Property Acquisition and Disposal Policy

Resolution #18 – Adopting a Uniform Tax Exemption Policy

Resolution #19 – Adopting a Compensation Policy

Resolution #20 – Adopting a Policy Concerning Board Member and Employee Loans

The motion to approve resolutions #16 through #20 was made by Mr. Callahan and seconded by Mr. Pollakusky. All voted in favor.

Resolution #21 – Adopting a Prevailing Wage Policy

Resolution #22 – Adopting an Adaptive Reuse Policy

Resolution #23 – Delegating and Authorizing Execution of IDA Documents

Resolution #24 – Adopting an Incentive Compensation Policy

Resolution #25 – Longevity

The motion to approve resolutions #21 through #25 was made by Mr. Trotta, seconded by Mr. Callahan and unanimously approved.

Resolution #26 – Adoption of a Deferred Compensation Policy

Resolution #27 – Holiday Schedule

Resolution #28 – Adopting a Travel and Discretionary Funds Policy

Resolution #29 – Adopting an Accrual Policy for Management Employees

Resolution #30 – Adopting an Accrual Policy for Full Time Non-Management Employees

The motion to approve resolutions #26 through #30 was made by Mr. Callahan and seconded by Mr. Pally. All voted in favor.

Resolution #31 – Audit and Accounting Services – PKF O’Connor Davies in an amount not to exceed \$25,000 and Jones Little & Co., CPA’s, LLP in an amount not to exceed \$1,600.

Resolution #32 – Adopting a Bereavement Policy

Resolution #33 – Conflict of Interest Policy

Resolution #34 – Appointment of Insurance Risk Manager

Resolution #35 – Approval of Unlawful Harassment and Unlawful Sexual Harassment Prohibition Policy

The motion to approve resolutions #31 through #35 was made by Mr. Pally, seconded by Mr. Pollakusky and unanimously approved.

Resolution #37 – Jury Duty

Resolution #38 – Employee Health Insurance

Resolution #39 – Cancer Screening

Resolution #40 – Appointment of Public Relations Firm

The motion to approve resolutions #37 through #40 was made by Mr. Pollakusky and seconded by Mr. Pally. All voted in favor.

Resolution #41 – Supplemental Benefits Insurance

Resolution #42 – Shared Services Agreement

Resolution #43 – Newspaper of Record

Resolution #44 – Acquisition of Real Property

The motion to approve resolutions #41 through #44 was made by Mr. Pollakusky, seconded by Mr. Pally and unanimously approved.

At 1:17 P.M., Mr. Pollakusky made a motion to enter executive session to discuss 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.

At 2:21 P.M., Mr. Pollakusky made a motion to exit executive session and resume the regular agenda. The motion was seconded by Mr. Pally, and all voted in favor. No voting took place in executive session.

Resolution #1 – Appointment of Lisa M. G. Mulligan as Chief Executive Officer

Resolution #2 – Appointment of Lori LaPonte as Chief Financial Officer

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Resolution #3 – Appointment of Jocelyn Linse as Executive Assistant

Resolution #4 – Appointment of Terri Alkon as Administrative Assistant

Resolution #5 – Appointment of Amy Illardo as Director of Marketing and Project Development

The motion to approve resolutions #1 through #5 was made by Mr. Callahan, seconded by Mr. Pally, and unanimously approved.

Resolution #36 – Approval of 2022 Incentive Compensation

The motion to approve resolution #36 was made by Mr. Callahan and seconded by Mr. Braun. All voted in favor.

Resolution #45 – Appointment of John LaMura as Deputy Director

The motion to approve resolution #45 was made by Mr. Pollakusky, seconded by Mr. Pally, and unanimously approved.

Mr. Braun made a motion to close the IDA meeting at 2:22 P.M. The motion was seconded by Mr. Pally, and all voted in favor.

The next IDA meeting is scheduled for Wednesday, February 8, 2023.

Town of Brookhaven

Industrial Development Agency

MEETING AGENDA

Wednesday, March 29, 2023 at 11:45 AM

1. ROLL CALL

2. MINUTES

December 7, 2022

January 11, 2023

3. CFO'S REPORT

Audit

PARIS

Banking

Timely Payments

4. RESOLUTIONS

Excel 6 Request

Applications & Authorizing Resolution Expiration

Authorizing CEO to Default

Changes to Intermunicipal Agreement

HSRE-EB Holtsville

HSRE-EB Mt. Sinai

IT Update

Macedo Construction, Inc.

5. CEO'S REPORT

Board Assessments

2023 Bond Allocation

Tate's Bake Shop Request

R Squared Patchogue, LLC

NYSEDC Sponsorship

LIBDC Request

Job Creation Numbers

6. EXECUTIVE SESSION

The next IDA meeting is scheduled for Wednesday, April 19, 2023 at 8:05 AM.

SUBJECT TO BOARD APPROVAL

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY
MEETING MINUTES
DECEMBER 7, 2022

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

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
John LaMura, Deputy Director
Amy Illardo, Director of Marketing
Jocelyn Linse, Executive Assistant
Terri Alkon, Administrative Assistant (via Zoom)
Annette Eaderesto, IDA Counsel (via Zoom)
William F. Weir, Esq., Nixon Peabody, LLP
Elizabeth Wood, Nixon Peabody, LLP
Howard Gross, Weinberg, Gross & Pergament (via Zoom)
Amy Ellis, Sunrise Wind
Andrew Komaromi, Harris Beach

Chairman Braun opened the Industrial Development Agency meeting at 2:25 P.M. on Wednesday, December 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.

CFO'S REPORT

Ms. LaPonte presented the Budget vs. Actual Report for the period ending October 31, 2022. Deposits and expenses were noted, all expenses were in line with the budget. All payroll taxes and related withholdings have been paid timely in accordance with Federal and State guidelines. All regulatory reports have been filed in a timely fashion.

The motion to accept the report was made by Mr. Trotta and seconded by Mr. Pollakusky. All voted in favor.

SUNRISE WIND, LLC – RESOLUTION

The cost benefit analysis, PILOT and public hearing minutes for the cable portion of this project were included in the meeting packets.

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

PORT JEFFERSON COMMONS, LLC – APPLICATION

This 53-unit 100% affordable housing development is a joint partnership between the Community Development Corporation (CDC) and Conifer Realty. There will be approximately 2,700 square feet of retail space which will be fully taxed by the Village of Port Jefferson. This project will be located on Main Street in Port Jefferson adjacent to the Port Jefferson Crossing development. Two existing buildings will be demolished to construct an approximately 79,000 square foot facility that will have 20 one-bedroom units and 33 two-bedroom units.

Approximately 15% of the units will be set aside for people with physical disabilities and people with traumatic brain injuries, as well as 5 units for mobility impaired residents and 3 units for the hearing and vision impaired. Exemptions from sales tax, mortgage recording tax and a PILOT have been requested for this \$31.6 million project that will create 1.5 full-time equivalent positions.

The motion to accept the application was made by Mr. Pollakusky, seconded by Mr. Callahan and unanimously approved with Mr. Braun and Ms. Scheidt abstaining due to their roles at the CDC.

GGV GROVE APARTMENTS, LLC – UPDATED APPLICATION

This application is similar to an application received in February; the principals involved have changed. The application calls for an approximately 64,000 square foot 100% affordable housing development consisting of 55 units on 2.8 acres at 400 East Main Street in Patchogue. Seventeen units will be set aside for victims of domestic violence. This \$33.7 million project

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will create seven full-time equivalent positions. Exemptions from mortgage recording tax, sales tax and a PILOT have been requested. There will be 1,000 square feet of retail space that will not receive benefits.

The motion to accept the application was made by Mr. Pollakusky and seconded by Mr. Trotta. All voted in favor.

10 DONALD'S WAY, LLC – FINAL AUTHORIZING RESOLUTION

The cost benefit analysis, PILOT and economic analysis for this approximately 140,000 square foot spec industrial warehouse project were included in the meeting packets. A public hearing was held this morning with no comments received.

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

CEO'S REPORT

American Organic Energy

American Organic Energy submitted an amendment to their application due to project costs increasing to \$120 million. This does not impact the sales tax exemption and no new benefit will be granted.

The motion to accept the amendment to the application was made by Mr. Callahan and seconded by Mr. Pollakusky. All voted in favor.

East Setauket Energy Storage, LLC / Savion Request

A letter was received requesting the PILOT for this project be considered for 25 years rather than 20 years which is permissible under the Agency's Uniform Tax Exemption Policy. This project will be presented as a 25-year PILOT when the public hearing is held.

The motion to accept this change was made by Mr. Pally, seconded by Mr. Grucci and unanimously approved.

Yaphank Energy Storage LLC / Savion Request

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The same request was made for this project as for the East Setauket Energy Storage, LLC project.

The motion to accept changing the PILOT to 25-years was made by Mr. Pally and seconded by Mr. Pollakusky. All voted in favor.

Bactolac Request

This 150,000 square foot pharmaceutical warehousing facility is under construction in the Shirley Industrial Park and is expected to be completed by late spring or early summer of 2023. They are requesting the Board consider allowing them to lease all or a portion of the facility as they have seen a decrease in business. There have not been any layoffs to date. Any subtenant would require IDA approval and the PILOT could potentially be adjusted. It was the consensus of the Board to allow Bactolac to seek out potential subtenants if Bactolac determines they want/need to lease the facility.

2023 Meeting Schedule

The motion to accept the 2023 meeting schedule was made by Ms. Scheidt, seconded by Mr. Callahan and unanimously approved.

Subtenant Application

The motion to accept the amended subtenant application in form and substance with such changes as the Chairman or CEO make upon advice of counsel was made by Mr. Callahan and seconded by Mr. Trotta. All voted in favor.

The motion to close the IDA meeting at 3:17 P.M. was made by Mr. Pollakusky, seconded by Mr. Pally and unanimously approved.

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

**Industrial Development Agency
2022 Board Assessment**

Rating Scale:
1 = Do Not Agree
2 = Somewhat Agree
3 = Agree
4 = Highly Agree
5 = No Opinion

Circle One:

Mission, Values, Vision and Strategic Direction:

1 2 3 4 5 The Board's policy and strategic decisions reflect and support the IDA's mission, values and vision.

Comments: 4

1 2 3 4 5 The Board is actively involved in strategic planning.

Comments: 4

Board Structure and Processes:

1 2 3 4 5 Board disagreement is seen as a search for solutions rather than a win/lose proposition.

Comments: 3.9

1 2 3 4 5 The Board contains a sufficient range of qualities (i.e. expertise, perspectives, external relationships and size) to ensure effectiveness.

Comments: 4

1 2 3 4 5 Board agendas provide adequate time for discussing significant issues impacting our IDA's progress, and requiring Board action.

Comments: 4

1 2 3 4 5 I receive meeting materials in advance and come prepared to engage in meaningful dialogue and critical decision-making.

Comments: 4

1 2 3 4 5 The timeliness, quality, quantity and presentation of information provided to the Board meets our needs in understanding issues and challenges and enables effective decision-making.

Comments: 4

1 2 3 4 5 The Board demonstrates good problem solving skills.

Comments: 3.9

1 2 3 4 5 The Board Chair leads fairly and effectively.

Comments: 4

1 2 3 4 5 The number of meetings, meeting length and attendance of directors is sufficient for our IDA's needs. Board agendas provide adequate time for discussing significant issues impacting our IDA's progress and requiring Board action.

Comments: 4

1 2 3 4 5 The time and day of IDA meetings is convenient and productive.

Comments: 4

Board / CEO Relationships:

1 2 3 4 5 A climate of trust, respect and support exist between the Board and the CEO.

Comments: 4

1 2 3 4 5 The Board supports the CEO in implementing Board policy; Board members understand their 'policy-making' vs. the CEO's 'management' role.

Comments: 4

1 2 3 4 5 The Board receives timely and helpful information from the CEO on how well the IDA is meeting its planned objectives.

Comments: 4

Servicing the Community:

1 2 3 4 5 The Board is effective in representing and promoting the IDA in the community.

Comments: 3.4

1 2 3 4 5 Board members receive appropriate continuing education and orientation to better understand their role in providing healthy community leadership.

Comments: 3.1

1 2 3 4 5 The Board develops a positive image for our IDA and has gained a high level of public confidence.

Comments: 4

1 2 3 4 5 The Board is well-informed about market, environmental and competitive factors that affect its services and programs.

Comments: 4

Finances:

1 2 3 4 5 The Board effectively carries out its responsibility for the oversight of fiscal resources.

Comments: 4

1 2 3 4 5 Financial reports are presented in a format that builds understanding and enables effective decision-making.

Comments: 4

1 2 3 4 5 The Board adopts operating and capital budgets (where applicable) annually and consistently monitors performance.

Comments: 4

1 2 3 4 5 The Board has committed the resources necessary to address community issues and challenges.

Comments: 3.6

1 2 3 4 5 The Board has a corporate compliance plan in effect, and ensures that compliance policies and procedures are fully functioning.

Comments: 4

1 2 3 4 5 This survey tool is an appropriate length to gather pertinent data.

Comments: 4

Additional Comments:

Signature

Date

Santos scandal will spread as he stays

And as his stain grows, GOP will find he continues to damage the 'brand'



Dan Janison

dan.janison@newsday.com

Right here at the start of the unique incumbency of Rep. George Devolder Santos, it becomes clear that the longer he stays in office, the likelier he is to keep generating politically hazardous stories about others in the GOP fold.

His bizarre behavior will keep unflattering attention on the House's new MAGA power circle — just when sensible New York Republicans see a practical need to distance themselves from insurrection and subversion. Even if new Speaker Kevin McCarthy can rely on Santos' votes in his erratic caucus, the freshman's very presence promises internal chaos.

Queens and Nassau County GOP officials said they didn't know Santos was a hard-core fraud when they backed him

last year — for a second time — for Congress. But his bizarre passion for making up stories about himself was illuminated on a right-wing media site's video two years ago. On Jan. 5, 2021, Santos echoed Donald Trump over his own election loss weeks earlier.

"They did to me what they did to Donald J. Trump. They stole my election," he told MAGA adherents at a rally. "When they were busy printing 280,000 ballots in my district and shipping them to Pennsylvania, they sneaked in a few for my opponent."

Was word of this public hallucination known to local party leadership? Or did it just blend in unnoticeably with the more powerful fictions of his president?

The MAGA movement is Santos' sole constituency. His operations director is Vish Burra, whose past credentials (apparently authentic) include positions with the far-right New York Young Republican



George Santos, right, with Matt Gaetz in the House Chamber on the second day of the election for speaker, on Jan. 4.

Club, the office of Trump-devoted Rep. Matt Gaetz (R-Fla.), and the failed congressional campaign of Trump "mini-me" Carl Paladino.

Last week, Gaetz softly interviewed Santos on Steve Bannon's "War Room" podcast. Bannon, the disheveled Trump apparatchik, has most recently promoted the reactionary cause of ex-Brazilian President Jair Bolsonaro, who like Trump claimed election fraud after losing a reelection bid and saw his supporters lay siege to government buildings. Santos also roots for Bolsonaro.

Ironically, Santos' extremism

remains far clearer than the fast-emerging facts of his personal life. On Jan. 5, while voting for McCarthy for speaker on a 10th roll-call, Santos was widely perceived to have flashed a white supremacist gesture with his fingers. In the GOP majority, he has visibly bonded with often-crazed Rep. Marjorie Taylor Greene of Georgia.

Money transactions are the likeliest way for the Santos stain to metastasize. The Federal Election Commission and other agencies have a chance to explore the role of one-time Trump supporter Andrew Intrater in funding both Santos'

campaign and his shadowy Florida-based Devolder Organization LLC. Intrater happens to be a cousin and associate of sanctioned Kremlin-tied billionaire oligarch Viktor Vekselberg. Intrater reportedly is telling people Santos conned him.

On Long Island, Santos clearly partnered with the Nassau County Republican Committee in the drive for campaign money. Details of exactly how that fundraising worked have yet to be fully revealed. Local GOP demands for his resignation are proving impotent.

Santos' visibility could make a public joke of the small business and science committees to which he's assigned. Will he raise funds off those posts and tout extreme policies?

For now his incumbency is like a hole in a windshield, with spider cracks spreading outward. The only solution is replacement. Until then, GOP leaders can only hope the sensation fades before Santos further damages the "brand."

■ **COLUMNIST DAN JANISON'S** opinions are his own.

LI's housing shortage is a problem for all

Our economy will continue to struggle if we can't provide affordable places to live

BY **NANCY RAUCH DOUZINAS AND SOL MARIE ALFONSO-JONES**

Guest essay

Long Island comprises a wealth of assets — plentiful natural resources, updated transportation infrastructure, growing industries, and academic, research and medical institutions offering excellent employment opportunities to rising generations of Long Islanders.

But such opportunities cannot be leveraged without affordable housing, and in the past two years, our region's housing prices and rents have increased, by more than 40% by some measures. Today, more than 300,000 Long Island homeowners and renters spend more than 30% of their income on housing costs and struggle to live in the towns in which they

grew up.

This issue has percolated for decades and was documented for 15 years by the Long Island Index. Its repercussions on our local economy continue to be dire: Businesses struggle to attract staff, and manufacturers to attract skilled workers. The only solution is to expand and diversify our housing supply.

But how to achieve this, given our political fragmentation and dysfunctional zoning laws? Over the last year, the Rauch Foundation and Long Island Community Foundation have sponsored conversations among housing advocates, developers, health and human services providers, business and civic groups, and philanthropy organizations to grow consensus on the way forward, including looking at how other regions are addressing the need

for affordable housing.

Gov. Kathy Hochul's recent State of the State address proposed rezoning a half-mile radius around train stations to accommodate transit-oriented development. Mineola, Westbury, Farmingdale, Wyandanch, Patchogue, and Port Jefferson, among others, have already completed key projects and revitalized their downtowns. Hicksville, Central Islip, Amityville, Baldwin, and Riverhead are leveraging \$10 million state Downtown Revitalization Initiative grants to bring residents — and foot traffic — to their downtowns with mixed-use development near their rail stations.

Still, the scale of production is not nearly enough to meet demand, which will only increase as completion of the Long Island Rail Road's Third Track and East Side Access projects improve mobility for New York City commuters traveling in both directions. We have a once-in-a-lifetime oppor-

tunity to leverage the MTA's \$14 billion investment in these projects by heeding Hochul's ideas around transit-oriented development.

With 8,300 acres available for development within a half-mile of Long Island's rail stations, transit-oriented development is a proven tool for centering new vitality in the heart of our villages. It translates into new people on the streets, new stores, new restaurants, and an opportunity to create housing that younger people, in particular, can afford. It opens a doorway to a somewhat different suburbia with its own social dynamic, offering young families an attractive and affordable place to live, work, and raise families.

Progress demands that governments at the local, state, and federal levels work together to provide legislative and economic incentives for the private sector to meet growing demand. Forging such an alliance calls for organized community

support. Happily, we have an excellent road map in the form of our region's successful, cross-sector campaign to build the Third Track, which included participation by business, organized labor, philanthropy, academic institutions, and civic organizations of all stripes.

We are at a critical moment. Long Island's housing sector — builders and advocates alike — have educated themselves about best practices that have successfully incentivized the development of such housing elsewhere. We need to bring all sectors of Long Island together to make our region home to those who have been shut out. If we don't, we will lose out as talent moves elsewhere.

■ **THIS GUEST ESSAY** reflects the views of Nancy Rauch Douzinas, president of the Rauch Foundation of Long Island, and Sol Marie Alfonso-Jones, senior program officer of the Long Island Community Foundation.

January 25, 2023

To BESS, or Not to BESS? The Emergence of Battery Storage Systems on Long Island

Philip Butler

Farrell Fritz, P.C.



Contact

For most people, the idea of “Green Energy” likely evokes images of solar panels and wind turbines. However, the movement toward renewable energy, and a more reliable and efficient power grid, involves many other forms of technology that may yet be unfamiliar to the average person. But as the push to expand Green Energy production grows, so too will the prevalence of the technologies needed to support the industry.

On Long Island, communities from Hempstead to Southold are witnessing the introduction of a previously unfamiliar form of Green-adjacent technology in the form of Battery Energy Storage Systems, or “BESS”. I refer to BESS facilities as “Green-adjacent” because, unlike wind and solar farms, they do not produce electricity of their own. Instead, they store it. So far, local reception of these uses is mixed.

What Are BESS?

BESS facilities generally consist of rows of rechargeable batteries housed in several units. BESS facilities typically operate by drawing surplus energy from the local grid during off-peak usage and storing it for later distribution back into the grid during peak demand. In some cases, BESS offer direct storage for electricity produced by renewable energy production facilities. In other cases, BESS stabilize the local power grid by ensuring reliability during periods when the grid experiences a partial or total deficit in voltage, commonly known as “brownouts”. BESS facilities of BESS offer that these facilities can reinforce the local power grid not only on a daily or routine basis, but also

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during emergencies when demand is especially high or when electrical transmission from outside the local grid is severed.

BESS and Zoning

From a land use perspective, BESS facilities are a low-impact uses. Once a facility is constructed and operational, it requires no regular staffing, only routine maintenance. This results in virtually no traffic, and almost no need for onsite parking. The facilities can also be monitored remotely, which further reduces traffic, and onsite staffing and parking. Site lighting at BESS facilities is also largely unnecessary, except for security purposes. The absence of employees also means there is virtually no water consumption at BESS facilities, and commensurately, little to no sewage.

The only potentially significant planning concern associated with BESS facilities is noise generated by cooling fans. However, noise is not always a problem depending on the size and configuration of a project. In instances where noise may be an issue, the industry has implemented methods of noise mitigation, including the use of sound barriers and landscaping.

Naturally, not everyone is sold on BESS. Opponents of these facilities have raised concerns over the presence of highly flammable substances, such as from lithium-ion batteries, and possible air and groundwater contamination.

Historically, concerns about such threats were resolved by zoning certain uses them to high-intensity industrial districts. However, that is not always feasible.

BESS facilities must connect to the local power grid through a substation with the transmission between the BESS facility and the grid. Additionally, the greater the distance between the facility and the substation, the less efficient the transmission will be. As a result, zoning may require that a BESS facility be located in or near a residential district in some situations, particularly in a situation in more urbanized areas of Long Island, like western Nassau County.

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and districts in close proximity to one another. Thus, planning for the future of BESS facilities on Long Island will not be without its challenges.

Status of Local Regulations

To date, the Towns of Brookhaven, Huntington, Islip and Southampton are the only four of Long Island's 13 towns to adopt zoning regulations for BESS facilities. Their respective regulations are summarized below. The Town of Riverhead Town Board very recently discussed a set of draft BESS regulations based on the model law published by the New York State Energy Research and Development Authority (NYSERDA) (available here: <https://www.lilanduseandzoning.com/wp-content/uploads/sites/128/2023/01/NYSERDA-model-1.pdf>). However, the future of that legislation is uncertain. Other towns, like the Town of Southold, are discussing possible moratoria on BESS facilities out of concern for potential environmental impacts and public safety.

1. Town of Brookhaven

The Town of Brookhaven—Long Island's largest town geographically, and second largest by population—enacted its BESS zoning regulations in February 2020. They are set forth in Sections 85-814 through 85-817 of the Town's Zoning Code, which may be accessed here: <https://www.lilanduseandzoning.com/wp-content/uploads/sites/128/2023/01/Brookhaven-4.pdf>

Like the NYSERDA model, Brookhaven's regulations separate BESS facilities capacity. Tier I projects are BESS facilities having capacity up to 599 kilowatt the Town's J-2 and J-5 Business Districts by special permit from the Brookha by right in the Town's L-1, L-2, and L-4 Industrial Districts. Tier II projects at 600 kWh or greater. Unlike Tier I projects, Tier II projects are restricted to th

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Other notable requirements in Brookhaven’s BESS regulations include the minimum lot size for all BESS projects (40,000 sq. ft.); moderate to substantial setback requirements; and various other design standards affecting clearing, site lighting, and noise mitigation. The code further requires the approval of a decommissioning plan and the posting of decommissioning bond.

2. Town of Huntington

The Town of Huntington enacted its BESS zoning regulations in October, 2020. They are set forth in Section 198-68.3 of the Town’s Zoning Code, which may be accessed here: <https://www.lilanduseandzoning.com/wp-content/uploads/sites/128/2023/01/Huntington-1.pdf>.

Unlike Brookhaven, the Town of Huntington does not separate BESS projects into tiers. Instead, facilities that are two (2) acres or larger and within 200 ft. of a residential district require a Planning Board special permit. The code is otherwise fairly generous toward BESS projects, allowing them as principal permitted uses in all Light Industrial Districts (I-1 through I-4) in addition to the General Industrial (I-5) and Generating Station (I-6) Districts. BESS projects are also permitted as accessory uses in these districts, and by special permit in the General Business (C-6) District, if they occupy 2% or less of the project site and serve another building or facility on the same premises.

Like Brookhaven, the Town of Huntington’s BESS regulations include several design requirements affecting setbacks, height, site lighting, and noise mitigation. The approval of a decomr

3. Town of Islip

The Town of Islip enacted its BESS zoning regulations in July 2022. They are Town’s Zoning Code, which may be accessed here: <https://www.lilanduseandcontent/uploads/sites/128/2023/01/Islip-1.pdf>

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The Town of Islip operates on a three-tier classification system, with Tier III being the largest (601 kWh or greater) followed by Tier II (81-600 kWh), and then Tier I (80 kWh or smaller). Tier I BESS are permitted in all zoning districts in the Town. Tier II BESS are permitted in the Town's B-1, B-2, and B-3 Business District in addition to its Industrial Districts (excluding Industrial Business [I-B]). Tier III BESS are restricted to the Industrial 1 and Industrial 2 Districts only.

In addition to imposing design standards and decommissioning requirements similar to Brookhaven and Huntington, the Town of Islip code includes specific provisions regarding commissioning plans, project operations, and safety during a project's lifetime.

4. Town of Southampton

The Town of Southampton enacted its BESS zoning regulations in January 2021. They are set forth in Section 330-162.21 of the Town's Zoning Code, which may be accessed here: <https://www.lilanduseandzoning.com/wp-content/uploads/sites/128/2023/01/Southampton-1.pdf>

In Southampton (outside the incorporated villages), BESS facilities are permitted in all zoning districts, including residential districts, subject to varying standards depending on the district in question. Additionally, the Town sets aside specific "avoidance areas" having special environmental, historical, cultural or recreational value where BESS facilities are prohibited.

Like the other towns discussed, Southampton imposes specific standards governing mitigation, among other things. It also requires a decommissioning plan, and fund".

Note: The attached regulations are presented as published on the General Code. Independent review of the current regulations of the governing town should be

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future project through the General Codes website (<https://www.generalcode.com/library/#>) or at the town's offices.

[View source.]

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Kylie R. Springs

Associate

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400 RXR Plaza

Uniondale, NY 11556

www.farrellfritz.com

Our File No.

31785-101

March 9, 2023

VIA E-MAIL

Town of Brookhaven IDA Board
Lisa M.G. Mulligan, CEO
1 Independence Hill
Farmingville, NY 11738

Re: HSRE-EB HOLTSVILLE, LLC

Dear Ms. Mulligan and Members of the Board:

I write regarding a proposed Consolidation, Amended and Restated Fee, Leasehold, and Subleasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Consolidated Mortgage") to be entered into between the above entity and Synovus Bank. A copy of the Consolidated Mortgage documents is attached. HSRE-EB Holtsville, LLC does not seek any additional economic assistance from the Brookhaven IDA.

Please allow this letter to serve as my client's request, in accordance with the existing Agency lease documents, that the Agency execute and deliver the requested Consolidated Mortgage, Agreement Regarding Company Lease and Estoppel Certificate, and Agreement Regarding Lease Agreement and Estoppel Certificate. The delivery of this document has been requested by Synovus Bank in connection with the closing of the loan consolidation.

Please feel free to contact me with any questions.

Very truly yours,

Kylie Springs

FARRELL FRITZ, P.C.

cc: William F. Weir, Esq.
Terance V. Walsh, Esq.
Eric J. Brenner, Esq.
Peter L. Curry, Esq.
Craig Masheb, Esq.
Mr. Steven Krieger
Nicholas J. Cappadora, Esq.

RAJAN LEGAL PC

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ISELIN OFFICE

1419 OAK TREE ROAD
ISELIN, NEW JERSEY 08830

PHONE: (732) 283-1955

FAX: (732) 283-1877

March 17, 2023

Via Overnight Mail and Email

[lmulligan@brookhavenny.gov]
Township of Brookhaven
Industrial Development Agency
1 Independence Hill, 3rd Floor
Farmingville, New York 11738
Attn: Lisa MG Mulligan, CEO

Via Overnight Mail and Email

[twalsh@nixonpeabody.com]
Nixon Peabody LLP
1300 Clinton Square
Rochester, NY 14604
Attn: Terance V. Walsh, Esq.

RE: Township of Brookhaven Industrial Development Agency – Excel Holdings 6 LLC
Property Address: 65 Union Avenue, Ronkonkoma, NY 11779
Our File No: 437-22
IDA Approval of New Mortgage

Dear Ms. Mulligan,

Please be advised that this office represents Excel Holdings 6 LLC (the “Owner”) in connection with the above referenced matter. The Owner is entering into a loan refinancing agreement (the “Loan”) with RGA Reinsurance Company (the “Lender”) in the amount of \$22,500,000.00 for the Homewood Suites located at the above referenced property (the “Hotel”), which such refinancing will require the Township of Brookhaven Industrial Development Agency’s (the “IDA”) signature.

We have a target closing date of Monday, April 3, 2023. Accordingly, the Lender requests that IDA prepare the following documents:

- IDA Agency Opinion Letter;
- IDA Resolution authorizing additional financing and execution of documents;
- Estoppel; and
- IDA Closing Certificate.

The Lender provided our office with a template of the Closing Certificate, which we will forward to Terance via email. We would like to have the execution of all the documents, including the Mortgage on the agenda for the IDA’s next meeting on Wednesday, March 29, 2023.

In 2019, the IDA approved the modification to existing loan for this property, which increased the principal balance to \$20,000,000. Excel Holding 6 LLC is seeking an additional \$2,500,000 in new money, bringing the total principal to \$22,500,00. Excel Holdings 6 LLC is obtaining this loan to complete additional renovations to the hotel and obtain new furniture, fixture,

and equipment. Accordingly, our office requests an exemption of the additional principal from recording taxes as this additional sum shall be used to improve the property.

As we are quickly approaching the target closing date, your prompt attention to this matter is greatly appreciated.

Should you have any questions, kindly contact this office. Thank you for your courtesies.

Very truly yours,
RAJAN LEGAL PC

s/ Navin H. Advani
Navin H. Advani, Esq.

NHA/bm

SANTOS MAY HAVE INFLATED COMPANY ROLE

SANTOS from A3

\$90,000 annually, he said.

At Market Groups, Oliveira would sometimes send out upward of 20,000 emails at once, he testified.

The goal, he said, was to get someone to agree to pay to attend or sponsor a conference.

Market Groups hosted events focused on Latin American real estate. Company officials did not respond to requests for comment.

People who replied received more personalized emails or calls. Successful sponsorships brought him commissions that could be 6.5% of the sponsorship fees, Oliveira testified.

"It was a mass email, talk to a lot of people, move on," he said.

Oliviera first envisioned LinkBridge as servicing "investor relations," he testified. That amounted to reaching "out to investors so they could be introduced [in] a specific amount of meetings to some managers," he testified.

Within six months, LinkBridge moved into running conferences, because "there wasn't enough revenue coming in through investor relations" alone, according to Oliveira's deposition transcript. According to company social media posts, LinkBridge has held and continues to hold events in New York, Dallas and Miami.

Oliviera testified in March 2019, a time when Santos said he was vice president, that the company then employed only just himself and his wife, Naira Oliveira.

LinkBridge's website lists its address as on the 8th floor of an office building on Avenue of the Americas in Manhattan. Oliveira testified that the space was "virtual."

Newsday visited the address on Wednesday, but a LinkBridge office could not be found.

According to LinkBridge's LinkedIn page, the company has four employees, including Oliveira and his wife.

Poll: LI must add

But experts see clear contradictions in what respondents actually favor

BY OLIVIA WINSLOW
olivia.winslow@newsday.com

ONLY IN NEWSDAY

A large majority of Long Islanders want more housing options, including affordable and environmentally sustainable choices, while at the same time many say they don't favor "dense" housing, according to a new poll.

Experts said the results of the poll, conducted last year by nextLI/Newsday in collaboration with Hofstra University and Productions Plus Research, pointed to fundamental contradictions that posed a dilemma for Long Island officials.

"There's a bit of a disconnect," said Daniel Lloyd, founder of Minority Millennials, a nonprofit seeking to connect young people of color with access to jobs and civic engagement.

He said many people in the poll expressed the need to "maintain the fabric of Long Island. That's fine. But at the same time, we're reluctant to change or evolve to ensure there is enough housing. It's a dilemma on Long Island, and that's the reason we're not able to get to any solutions on Long Island to the housing crisis."

Amy Emmatty, chief research officer for Productions Plus, a Detroit-based agency that conducted the poll and collaborated with Hofstra on its analysis, said "There is universal recognition that there are not enough housing options on Long Island."

"You've got seven in 10 [respondents] telling you not enough housing options is a problem," she added. "And a lot of that is driven by affordability."

'Cognitive dissonance'

The poll surveyed 2,910 residents of Nassau and Suffolk counties from Aug. 3 through Sept. 1.

It was an online survey in combination with what Emmatty called "intercept interviews" by "outreach teams" that went into communities "to capture more of the population on Long Island who would not readily be avail-

able online."

The poll has a margin of error of plus or minus 2 percentage points.

NextLI is a Newsday project that seeks to use research and data to engage the public on topics of concern to the region. The survey research was funded through the Google News Initiative Innovation Challenge grant.

According to the poll, 70% of the respondents said housing options on the Island were a problem. Of those, 45% said they constituted a "big problem," with the remaining 25% calling them a "small problem."

The poll noted "cognitive dissonance" on responses to the housing issue.

"Long Island residents have conflicting desires for housing options" on the Island, the poll said, with the differences explained by whether or not the respondent was a homeowner.

Among respondents, 68% said they wanted more affordable housing, 19% said what was currently available was fine and 13% wanted less. At the same time, 52% said they wanted fewer "dense housing options."

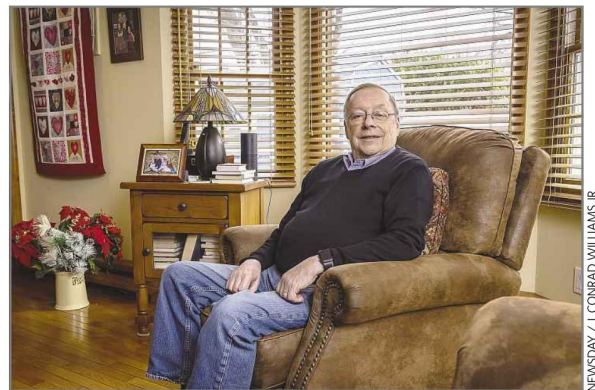
Still, a majority of respondents — 63% — supported more sustainably built and environmentally friendly housing options. And 44% supported more low-income housing, versus 27% who didn't.

High demand

A Hofstra analysis that linked responses to voting status and political affiliation said the "distinctions between affordable housing and low-income housing are significant. . . . Those who are not registered to vote are significantly more likely (64%) to support the development of low-income housing than those who are registered (43%). Democrats are more likely to support the creation of low-income housing (61%) than are Independents (39%) or Repub-



The poll said 70% see a lack of housing options as a problem.



Westbury resident Steven Schopp cited "a lack of forward thought" as stopping progress: "Nobody can do much of anything big."

licans (26%). Respondents who described themselves as very liberal support it (77%) at much higher rates than very conservative respondents (31%)."

And, the Hofstra analysis continued, "despite support for affordable and sustainably-built housing, only 20% of respondents favored adding denser housing to the region."

Gwen O'Shea, president and chief executive of the Community Development Corporation of Long Island, a nonprofit housing agency based in Centereach, said "when people hear the word 'density' [they] jump to thinking about 300 units or 500 units."

But she noted Long Island "doesn't have a lot of areas where you can have a 25-story building" in any case.

O'Shea said there is high demand for an affordable housing

complex like the 45-unit one her organization helped build, in conjunction with Conifer Realty, in Port Jefferson.

"We have a lottery [this] week for those units, and for 45 units we got 1,400 applications," she said.

O'Shea added that the rentals, mostly one-bedroom apartments, are for individuals earning from 30% to 95% of Long Island's median income, or those earning \$30,540 at the low end up to \$98,000 on the high end.

"If you're saying you want more housing, I would imagine you recognize that housing needs to look different from the single-family" home, O'Shea said.

"There's a need for all of it," she said of varying housing options.

A poll respondent, Kathryn Llewellyn, 67, said she has lived

to affordable housing

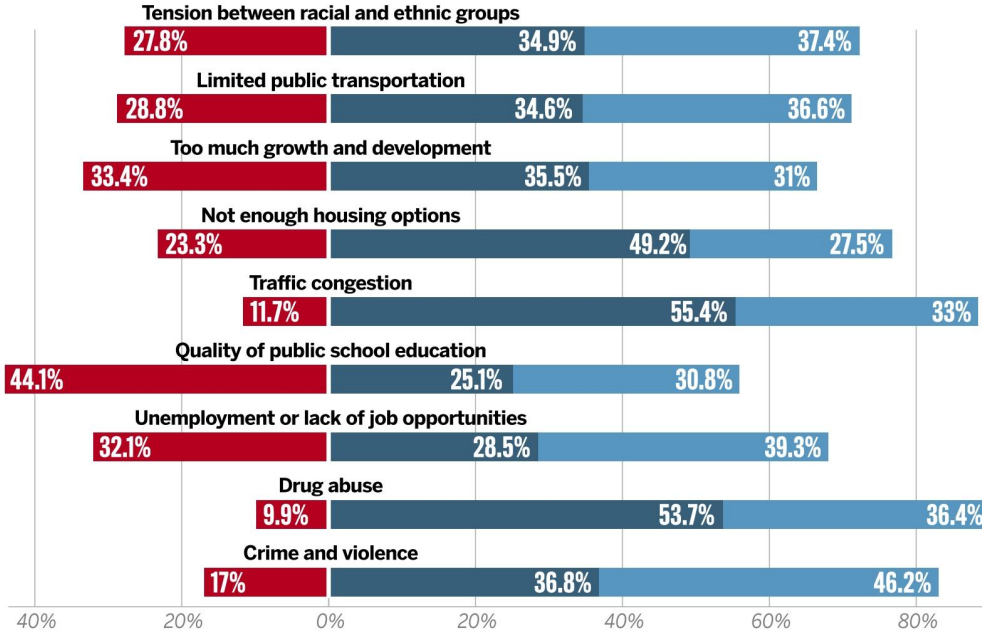
WHAT LONG ISLANDERS SAY

Results from nextLI/Newsday/Hofstra University poll of 2,910 residents:

LI'S PROBLEMS

Thinking about the area where you live, how big of a problem is...

■ Not a problem ■ Big problem ■ Small problem



LI'S NEEDS

Do you think it would be beneficial for Long Island to have more or less . . .

	More	Less	Current amount is fine
Low-income housing	43.8%	27.2%	29%
Affordable housing	68.4	12.7	18.9
Sustainable, environmentally friendly housing	63.2	11.3	25.5
Larger homes in suburbs	21.3	35.1	43.6
Housing near transit hubs	43.7	17.6	38.6
Condominiums	35.1	27.7	37.2
Tiny houses	36.5	26.9	36.7
Dense housing	20.2	52.3	27.5

ABOUT THE POLL

This nextLI/Newsday and Hofstra University poll was conducted Aug. 3 to Sept. 1. A total of 2,910 Nassau and Suffolk residents participated. Respondents were sourced from an online panel, face-to-face intercept interviews in both counties, and QR codes made available to the public. Margin of error is +/-2 percentage points. Data were weighted to represent the adult populations of these counties.

on Long Island her entire life, but now finds it much too crowded.

"It's too congested for me: Traffic, cars, stores, hospitals, beaches. You name it," Llewellyn, of Northport, said in an interview this week. "I rarely leave my house on weekends. It's too much of a hassle. There's too many people around. The traffic is terrible. I don't want to go to the beach and have someone sitting three feet next to me."

Not leaving

Llewellyn said she has no plans to leave, since her adult daughter and elderly parents live here. But she rejects any additional housing that would drive up the Island's 2.9 million population.

Llewellyn said she was not a rich person, but someone who was "barely scraping by" on Social Security and small savings after retiring from a major airline.

"No, I don't want more afford-

able housing. Let's work on [lowering] the taxes, not affordable housing," she said.

Steven Schopp, a 78-year-old retired music teacher living in Westbury, another poll respondent, said he got an eye-opening experience when his son was looking for a house.

"One of the things I was surprised about when my son was looking for a house about six years ago [was that] an awful lot of the houses he looked at had apartments in them. He didn't buy one of those," Schopp said. But he learned "that's how people are coping, I guess," citing high property taxes.

Schopp said he was concerned about what he termed Long Island's lack of progress. When he moved to the Island in 1967, he said there was a sense that the place was growing and moving. Today, he said, "I'm shocked that in the next 50 years nothing happened."

When housing is proposed or there's a redevelopment

put forth for the area of Nassau Coliseum, he feels the ideas are immediately criticized.

"No matter what you come up with, there's always some small group against it, and that's discouraging," Schopp said. "To me, the major problem on Long Island is the lack of moving forward. . . . I see nothing happening here."

"Politically, I see a lack of forward thought," he added. "Nobody can do much of anything big."

Lloyd, of Minority Millennials, offered a similar view.

"I think we need bold leadership with the issue of housing," he said. "There's a lot of people that live here that are really happy with the status quo. Unfortunately, that type of complacency hurts society."

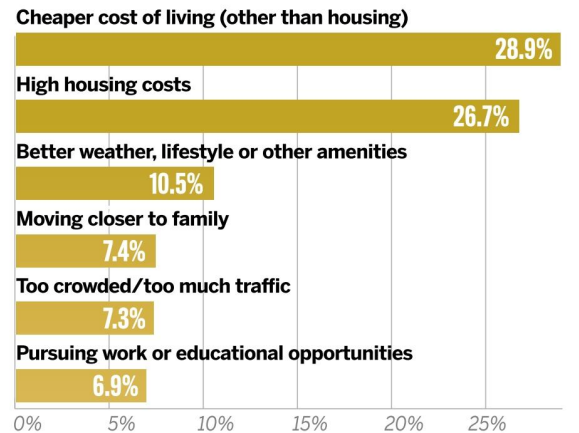
LI AFFORDABLE HOUSING IS KEY: ECONOMIST A27

STAY OR GO

How likely are you to leave Long Island in the next few years?

Very likely	23.3%	Very unlikely	27.1%
Somewhat likely	27%	Somewhat unlikely	22.7

Which of these is the primary reason why you are considering leaving Long Island?





Kylie R. Springs
Associate

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Our File No. 31785-101

February 14, 2023

VIA E-MAIL

Town of Brookhaven IDA Board
Lisa M.G. Mulligan, CEO
1 Independence Hill
Farmingville, NY 11738

Re: HSRE-EB MOUNT SINAI, LLC

Dear Ms. Mulligan and Members of the Board:

I write regarding a proposed First Amendment to Loan Documents (the "Amendment") to be entered into between the above entity and Wells Fargo Bank, National Association. A copy of the Amendment documents is attached. This Amendment primarily extends the maturity date of the loan to January 9, 2024. HSRE-EB Mount Sinai, LLC is not borrowing any additional funds, and does not seek any additional economic assistance from the Brookhaven IDA.

Please allow this letter to serve as my client's request, in accordance with the existing Agency lease documents, that the Agency execute and deliver the requested Consent and Reaffirmation of Agency. The delivery of this document has been requested by Wells Fargo in connection with the closing of the Amendment.

Please feel free to contact me with any questions.

Very truly yours,

A handwritten signature in blue ink that reads 'Kylie R. Springs'.

FARRELL FRITZ, P.C.

CC: William F. Weir, Esq.
Terance V. Walsh, Esq.
Eric J. Brenner, Esq.
Ms. Elizabeth Wood
Peter L. Curry, Esq.
Craig Masheb, Esq.
Mr. Steven Krieger
Mr. Andrew Levy
Nicholas J. Cappadora, Esq.



20 Pinehurst Drive Bellport / Courtesy of Douglas Elliman Commercial

Bellport industrial property trades for \$5.3M

By: David Winzelberg February 20, 2023

An industrial property in Bellport has sold for \$5.3 million.

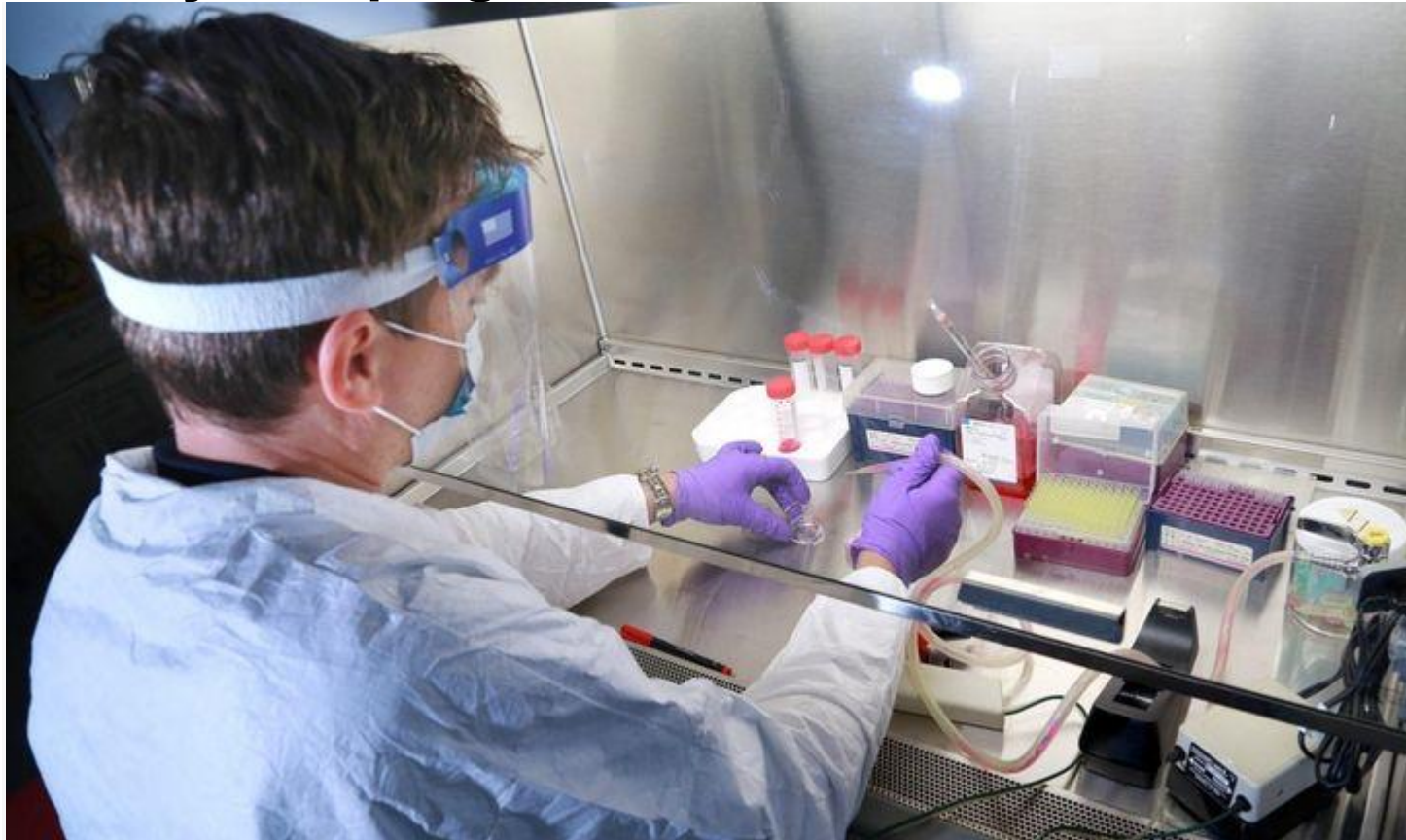
Hydro Metal Holdings, an affiliate of Boilermatic Welding Industries, purchased a 19,172-square-foot building on 1.76 acres at 20 Pinehurst Drive.

The seller, Coast2Coast Real Estate, had purchased the property in the fall of 2021 for \$4 million. Coast2Coast, which offers plumbing, HVAC and restoration services, received economic incentives from the Brookhaven Industrial Development Agency to assist in the acquisition and those benefits were transferred to Hydro Metal Holdings.

Hydro, which services HVAC systems and provides mechanical and engineering contracting, plans to invest an additional \$1.8 million on renovations and equipment for its new Bellport facility, where it will relocate from Medford.

Tom Guido of Signature Premier Properties represented Hydro Metal Holdings, while Michael Gronenthal and Michael Murphy of Douglas Elliman Commercial represented seller Coast2Coast Real Estate LLC in the sales transaction.

Hochul proposes remake of 'pay no taxes for 10 years' program



Codagenix Inc. in Farmingdale, a maker of vaccines from live viruses, left the Start-Up NY program in 2017. Credit: Newsday/John Paraskevas

By James T. Madorejames.madore@newsday.com[JamesTMadore](#) Updated January 24, 2023 5:54 am

A state program in which technology startups pay “no taxes for 10 years” if they locate on or near a college campus would be revamped under a proposal from Gov. Kathy Hochul.

The 10-year-old Start-Up NY program would be replaced by the Extended Prosperity and Innovation Campuses initiative. It would continue the offer of tax-free status to small tech firms with strong collegiate ties.

But the revamped program would be open to “a wider range of innovation businesses, be streamlined to remove barriers,” and provide them with more office and laboratory space, Hochul said in her 2023 State of the State policy book.

Hochul is the second governor to propose a remake of Start-Up NY since it launched in spring 2014. The program has struggled to attract and retain companies on Long Island and elsewhere despite the state spending \$53 million in advertising in its first two years.

WHAT TO KNOW

- **The Start-Up NY program**, which exempts tech firms from state and local taxes for 10 years if they locate on or near a college campus, would be revamped under a Hochul proposal.
- **The program has** struggled to attract and retain firms, with the dropout rate on Long Island reaching 54%.
- **Hochul would keep** the tax breaks but broaden eligibility and drop the Start-Up NY name.

On the Island, the number of Start-Up NY participants has gone from 28 in its first years to 11 in 2020, the most recent available data from Empire State Development, the state's primary business-aid agency.

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Most of the startups that have dropped out or been decertified are still operating. The Island's loss rate of 54% in 2017 was more than double the statewide rate of 24%, according to a Newsday data analysis at the time.

Hochul acknowledged Start-UP NY's challenges, saying it "was hamstrung by its design," in particular program requirements, tax benefits and eligibility criteria that differ between downstate and upstate.

Details about the replacement program won't be revealed until Hochul presents her 2023-24 state budget proposal this month, said spokesman Justin Henry.

Executives of former Start-Up NY participants said the program requires too much paperwork annually for a business to qualify for not paying state and local taxes and for their employees to be exempt from the state income tax. The tax savings is for up to 10 years.

"The program did not provide much of a benefit" for startups that don't yet have sales, said Marc Alessi, CEO and co-founder of SynchroPET Inc. in Ronkonkoma.

The startup, which left the program, has come out with a scanning device based on technology from Brookhaven National Laboratory. The device can be used to monitor the reaction of mice and rats to drugs under development and also in human imaging.

Alessi, who also serves as executive director of the 115-member Business Incubator Association of New York State, said, "All of the incubators that worked within the Start-Up NY framework appreciated the goals" of attracting businesses to campuses and commercializing research. "But we all felt that it was a clunky program," he said.

Three years after Start-Up NY was launched by then-Gov. Andrew M. Cuomo, he proposed to tighten the eligibility criteria, require fewer reports on the jobs created, and change the name to Excelsior Business Program. He also wanted to lower the number of jobs that a firm had to create to secure tax-free status, from at least one job for every year in the program to one job in the first five years.

The State Legislature only agreed to the fewer employment reports.

11 participants on LI

If Hochul's proposal is adopted, it would likely affect the 11 Start-Up NY participants on Long Island, most of them at Stony Brook University.

Together, the tech firms had 40 employees and invested \$262,954 in their operations in 2020. In return, the firms and their workers saved \$210,365 in taxes.

Statewide, Start-Up NY had 200 participants in 2020 that invested a total of \$28.2 million, employed 2,154 people and saved more than \$15 million in taxes, state records show.

Before adopting Hochul's proposal, lawmakers "should closely study the shortcomings in Start-Up NY, beginning with the inconsistent manner in which net new jobs are counted," said Ken Girardin, an economic development and labor policy analyst at the Empire Center for Public Policy, a conservative think tank in Albany.

He and others questioned whether tech firms would have invested in their operations and created jobs even if they didn't receive tax breaks.

Lawmakers "need to look carefully at what is a new investment and new growth as opposed to simply being cannibalized from other places in New York" to qualify for the tax-free status, Girardin said.



By James T. Madore

james.madore@newsday.com[JamesTMadore](#)

James T. Madore writes about Long Island business news including the economy, development, and the relationship between government and business. He previously served as Albany bureau chief.

To BESS, or Not to BESS? The Emergence of Battery Storage Systems on Long Island

[Philip Butler](#)
[Farrell Fritz, P.C.](#)

For most people, the idea of “Green Energy” likely evokes images of solar panels and wind turbines. However, the movement toward renewable energy, and a more reliable and efficient power grid, involves many other forms of technology that may yet be unfamiliar to the average person. But as the push to expand Green Energy production grows, so too will the prevalence of the technologies needed to support the industry.

On Long Island, communities from Hempstead to Southold are witnessing the introduction of a previously unfamiliar form of Green-adjacent technology in the form of Battery Energy Storage Systems, or “BESS”. I refer to BESS facilities as “Green-adjacent” because, unlike wind and solar farms, they do not produce electricity of their own. Instead, they store it. So far, local reception of these uses is mixed.

What Are BESS?

BESS facilities generally consist of rows of rechargeable batteries housed in self-contained, interconnected storage units. BESS facilities typically operate by drawing surplus energy from the local power grid during periods of low usage and storing it for later distribution back into the grid during peak demand. However, they can also be used as direct storage for electricity produced by renewable energy production facilities, like wind and solar farms. In either case, BESS stabilize the local power grid by ensuring reliability during periods when the grid might otherwise experience a partial or total deficit in voltage, commonly known as “brownouts” and “blackouts”. Thus, proponents of BESS offer that these facilities can reinforce the local power grid not only on a daily or routine basis, but also during emergencies

when demand is especially high or when electrical transmission from outside the local grid is severed.

BESS and Zoning

From a land use perspective, BESS facilities are a low-impact uses. Once a facility is constructed and operational, it requires no regular staffing, only routine maintenance. This results in virtually no traffic, and almost no need for onsite parking. The facilities can also be monitored remotely, which further reduces traffic, and onsite staffing and parking. Site lighting at BESS facilities is also largely unnecessary, except for security purposes. The absence of employees also means there is virtually no water consumption at BESS facilities, and commensurately, little to no sewage.

The only potentially significant planning concern associated with BESS facilities is noise generated by cooling fans. However, noise is not always a problem depending on the size and configuration of a project. In instances where noise may be an issue, the industry has implemented methods of noise mitigation, including the use of sound barriers and landscaping.

Naturally, not everyone is sold on BESS. Opponents of these facilities have raised concerns over the presence of highly flammable substances, such as from lithium-ion batteries, and possible air and groundwater contamination. Historically, concerns about such threats were resolved by zoning certain uses out of residential areas and restricting them to high-intensity industrial districts. However, that is not always feasible with BESS.

BESS facilities must connect to the local power grid through a substation with adequate capacity to accommodate the transmission between the BESS facility and the grid. Additionally, the greater the distance between a BESS facility and the substation, the less efficient the transmission will be. As a result, designing a viable BESS facility may require that a BESS facility be located in or near a residential district in some cases. This is certain to be the situation in more urbanized areas of Long Island, like western Nassau County, where there is high density of uses and districts in close proximity

to one another. Thus, planning for the future of BESS facilities on Long Island will not be without its challenges.

Status of Local Regulations

To date, the Towns of Brookhaven, Huntington, Islip and Southampton are the only four of Long Island's 13 towns to adopt zoning regulations for BESS facilities. Their respective regulations are summarized below. The Town of Riverhead Town Board very recently discussed a set of draft BESS regulations based on the model law published by the New York State Energy Research and Development Authority (NYSERDA) (available here: [https://www.lilanduseandzoning.com/wp-](https://www.lilanduseandzoning.com/wp-content/uploads/sites/128/2023/01/NYSERDA-model-1.pdf)

[content/uploads/sites/128/2023/01/NYSERDA-model-1.pdf](https://www.lilanduseandzoning.com/wp-content/uploads/sites/128/2023/01/NYSERDA-model-1.pdf)).

However, the future of that legislation is uncertain. Other towns, like the Town of Southold, are discussing possible moratoria on BESS facilities out of concern for potential environmental impacts and public safety.

1. Town of Brookhaven

The Town of Brookhaven—Long Island's largest town geographically, and second largest by population—enacted its BESS zoning regulations in February 2020. They are set forth in Sections 85-814 through 85-817 of the Town's Zoning Code, which may be accessed here: [https://www.lilanduseandzoning.com/wp-](https://www.lilanduseandzoning.com/wp-content/uploads/sites/128/2023/01/Brookhaven-4.pdf)

[content/uploads/sites/128/2023/01/Brookhaven-4.pdf](https://www.lilanduseandzoning.com/wp-content/uploads/sites/128/2023/01/Brookhaven-4.pdf)

Like the NYSERDA model, Brookhaven's regulations separate BESS facilities into two tiers based on system capacity. Tier I projects are BESS facilities having capacity up to 599 kilowatt hours (kWh). They are permitted in the Town's J-2 and J-5 Business Districts by special permit from the Brookhaven Planning Board, and are permitted by right in the Town's L-1, L-2, and L-4 Industrial Districts. Tier II projects are BESS facilities having capacity of 600 kWh or greater. Unlike Tier I projects, Tier II projects are restricted to the L-1, L-2, and L-4 Industrial Districts.

Other notable requirements in Brookhaven's BESS regulations include the minimum lot size for all BESS projects (40,000 sq. ft.); moderate to substantial setback requirements; and various other design standards affecting clearing, site lighting, and noise mitigation. The code further requires the approval of a decommissioning plan and the posting of decommissioning bond.

2. Town of Huntington

The Town of Huntington enacted its BESS zoning regulations in October, 2020. They are set forth in Section 198-68.3 of the Town's Zoning Code, which may be accessed here: <https://www.lilanduseandzoning.com/wp-content/uploads/sites/128/2023/01/Huntington-1.pdf>.

Unlike Brookhaven, the Town of Huntington does not separate BESS projects into tiers. Instead, facilities that are two (2) acres or larger and within 200 ft. of a residential district require a Planning Board special permit. The code is otherwise fairly generous toward BESS projects, allowing them as principal permitted uses in all Light Industrial Districts (I-1 through I-4) in addition to the General Industrial (I-5) and Generating Station (I-6) Districts. BESS projects are also permitted as accessory uses in these districts, and by special permit in the General Business (C-6) District, if they occupy 2% or less of the project site and serve another building or facility on the same premises.

Like Brookhaven, the Town of Huntington's BESS regulations include several design requirements affecting setbacks, height, site lighting, and noise mitigation. The approval of a decommissioning plan is also required.

3. Town of Islip

The Town of Islip enacted its BESS zoning regulations in July 2022. They are set forth in Section 68-456 of the Town's Zoning Code, which may be

accessed here: <https://www.lilanduseandzoning.com/wp-content/uploads/sites/128/2023/01/Islip-1.pdf>

The Town of Islip operates on a three-tier classification system, with Tier III being the largest (601 kWh or greater) followed by Tier II (81-600 kWh), and then Tier I (80 kWh or smaller). Tier I BESS are permitted in all zoning districts in the Town. Tier II BESS are permitted in the Town's B-1, B-2, and B-3 Business District in addition to its Industrial Districts (excluding Industrial Business [I-B]). Tier III BESS are restricted to the Industrial 1 and Industrial 2 Districts only.

In addition to imposing design standards and decommissioning requirements similar to Brookhaven and Huntington, the Town of Islip code includes specific provisions regarding commissioning plans, project operations, and safety during a project's lifetime.

4. Town of Southampton

The Town of Southampton enacted its BESS zoning regulations in January 2021. They are set forth in Section 330-162.21 of the Town's Zoning Code, which may be accessed here: <https://www.lilanduseandzoning.com/wp-content/uploads/sites/128/2023/01/Southampton-1.pdf>

In Southampton (outside the incorporated villages), BESS facilities are permitted in all zoning districts, including residential districts, subject to varying standards depending on the district in question. Additionally, the Town sets aside specific "avoidance areas" having special environmental, historical, cultural, or recreational value where BESS facilities are prohibited.

Like the other towns discussed, Southampton imposes specific standards governing setbacks, site lighting, and noise mitigation, among other things. It also requires a decommissioning plan, and payment into a "decommissioning fund".

Note: The attached regulations are presented as published on the General Codes website on the date of this post. Independent review of the current regulations of the governing town should be performed in connection with any future project through the General Codes website (<https://www.generalcode.com/library/#>) or at the town's offices.

Time to close the Brookhaven landfill

Town appears to be renegeing on its vow to close the facility by the end of 2024

BY ABENA ASARE AND MONIQUE FITZGERALD
Guest essay

After years of public promises by Town Supervisor Ed Romaine that the Brookhaven landfill would close in 2024, the recently-released 2023 preliminary budget tells a different story. The budget document states that “the Town’s Landfill in Yaphank remains on track to close its Construction & Debris operation at the end of fiscal year 2024.”

However, construction and demolition debris is not the only waste dumped in the landfill. Incinerator ash is also part of the landfill’s waste burden. Municipal solid waste collected by Brookhaven, Hempstead, Islip, and Huntington is incinerated by Covanta Energy at plants throughout Long Island, and then transported to the Brookhaven Landfill. In 2020, over 350,000 tons of ash was dumped at the landfill. When Brookhaven states in its budget document

that the landfill will close to construction and demolition debris by the end of fiscal year 2024, but mentions nothing about incinerator ash, the community must conclude that the long-awaited closure is still a matter of smoke and mirrors.

Supervisor Ed Romaine’s silence on the matter of incinerator ash is not surprising. Covanta is fighting a whistleblower lawsuit where the central claim is that the company illegally dumped potentially toxic ash residue in the Brookhaven landfill for the better part of a decade — defrauding Brookhaven taxpayers in the process. Although the lawsuit’s allegations have health and safety implications for residents living near the landfill, not to mention financial implications for all town residents, the town council has not altered its relationship with Covanta while the lawsuit proceeds.

The betrayal of the North Bellport community began in 1970, when a state committee suggested building a landfill in



JESSICA ROTHEWICZ

The Brookhaven Landfill is a dumping ground for construction and demolition debris as well as incinerator ash.

the “northern Bellport school district.” The landfill stands adjacent to Frank P. Long Elementary School in the South Country school district, and is the subject of the documentary “Sick School,” about the landfill’s impact on the health of the community. Over the decades, there were many false promises made by the town, including that the burden would be shared with Manorville, that the landfill would be turned into a park, and

that the landfill would close in the 1980s. We are now in 2023, and these promises have turned out to be lies. The North Bellport community has disproportionately borne the brunt of Long Island’s regional waste crisis, and we have paid for it with our health. We have the lowest life expectancy of any community on Long Island.

The surrounding community has been demanding the full closure of the landfill for

decades. Isn’t fifty years of toxic, racist, shortsighted waste infrastructure enough? But Brookhaven continues to incentivize waste and other industrial development (anaerobic digester, New York’s proposed largest waste transfer station, a glut of wasteful warehouses, dubious hydrogen fuel cell technology) that binds the community to a future of diesel truck fumes, industrial runoff, and extractive development.

The Brookhaven Landfill Action & Remediation Group has been advocating around the slogan “Closed Means Closed!” since June 2020 because we know that elected town officials and the state Department of Environmental Conservation have a habit of breaking their promises about the landfill’s future. We call on the Town of Brookhaven to consult with the local community, as well as state and federal partners, in making a plan to close and clean up the Brookhaven landfill. It is time to do what is right.

■ **THIS GUEST ESSAY** reflects the views of Abena Asare and Monique Fitzgerald, co-founders of the Brookhaven Landfill Action & Remediation Group.



LAS VEGAS SANDS

Detail of a rendering of the proposed privately funded \$4 billion Las Vegas Sands casino and hotel at the Nassau Hub.

UBS Arena meant, essentially, that chapter was over.

Now, developers want to build a casino near a middle school, high school, college, university, cancer treatment center, and children’s museum. I cannot think of a worse idea.

If Nassau County or town

governments need money, they should not create more traffic and possibly more crime. If we need to develop the property, maybe we should build something we need — like veterans housing, youth sports facilities and senior housing.

Let’s create things to serve

the community. Nassau deserves better.

— JOHN B. CHIARA, GARDEN CITY

The writer founded the Say No to the Casino Civic Association.

I thank Scott Rechler for informing us about the possible future of the Nassau Hub [“Finally, a chance to transform the Hub,” Opinion, Jan. 18]. I agree with him almost 100%, with the following reservations. First, there must be a direct connection to the Long Island Rail Road and a modern bus depot.

Second, this project must employ local people for temporary and permanent jobs, and they should be given preference over others. Low-cost, affordable housing should also be part of this development to help the local community.

The development must be encouraged to fund and support local schools in the Uniondale and Hempstead areas, including a partnership with Hofstra

University and preferential rates for students and faculty.

It should also fund a permanent chair of gaming and economics to train future casino and hotel workers.

As a former Nassau resident and lifelong Long Islander, I know we must get this right for future residents. It could be a fantastic destination for all Long Islanders and a force for positive change and prosperity.

— ALAN COHN, NESCONSET

Good luck to Las Vegas Sands as it pursues this casino project. Its proactive outreach and willingness to work with local leaders has demonstrated that it understands Long Island and, specifically, the needs of

our community in Uniondale.

Many of us who live near the Hub are eager to see it become more than a slab of concrete. For years, we’ve been told of the potential of this site, and yet for years, it has remained a symbol of failure. We know that the right development in that spot could have a significant impact on our lives — but we’ve been waiting and waiting for the right partner.

I hope Sands is that partner. It has the resources to make this a beautiful flagship development that can offer Uniondale — and the rest of Nassau County — jobs, entertainment and the tools we need and want to enjoy life here.

— GODWIN BORTEY, UNIONDALE

■ **WE ENCOURAGE YOU TO JOIN OUR DAILY CONVERSATION.** Email your opinion on the issues of the day to letters@newsday.com. Submissions should be no more than 200 words. Please provide your full name, hometown, phone number and any relevant expertise or affiliation. Include the headline and date of the article you are responding to. Letters become the property of Newsday and are edited for all media. Due to volume, readers are limited to one letter in print every 45 days. Published letters reflect the ratio received on each topic.

Retail space lands tenants

Mixed-use site in Yaphank closer to fully leased

BY TORY N. PARRISH
tory.parrish@newsday.com

The retail portion of a \$450 million mixed-use complex taking shape along William Floyd Parkway in Yaphank is getting closer to being fully leased as new tenants are set to come on board by this summer, according to the developer.

Bagel Boss, Monti's Barbershop, Ridgewood Savings Bank, Southpaw Brewing Co. and Yaphank Wine and Spirits will open locations in the retail side of the complex, called The Boulevard, by August, said Brian Ferruggiari, spokesman for Rose-Breslin Associates LLC, the Yonkers-based developer of the retail portion.

Located at the former Parr Meadows racetrack site, The Boulevard is a 322-acre retail and residential development previously called the Meadows at Yaphank. Also under construction in the complex are upscale rental apartments and for-sale condos and townhomes being developed by The Beechwood Organization in Jericho.

Construction of an assisted-living facility, called Chelsea Senior Living, and a Home2 Suites by Hilton hotel was completed on the property in 2020.

The development's retail portion, which will total 295,728 square feet when it's done, is called The Shoppes at The Boulevard. So far, it has only one store — a 197,668-square-foot Walmart Supercenter that



Bagel Boss and Southpaw Brewing Co. will be among the new tenants at the Yaphank retail location.

opened in 2021 and is the anchor of the shopping center.

Here is a rundown of the five tenants moving into three newly constructed buildings at The Shoppes at The Boulevard by this summer:

Bagel Boss: The Jericho-based chain has 15 shops, all but one of which are franchises in New York and New Jersey.

"Even though we've been around 48 years . . . we've opened all the stores ourselves, and it's only now literally a year and a half ago that we started franchising," said Andrew Hazen, CEO and co-owner of Bagel Boss. Though franchising is new for the business, Bagel Boss had sold a few shops to longtime store managers in "licensing deals,"

before that, he said.

Now Bagel Boss is undergoing a major expansion, with 12 stores under contract for new franchises, including the one planned for Yaphank, that will open in July or August, he said. Palak Patel will open the Yaphank franchise in a 1,522-square-foot space.

Bagel Boss is co-owned by Adam Rosner, a fifth-generation bagel and bialy maker whose family founded the business in 1975.

Monti's Barbershop: The new barbershop, which will occupy 1,529 square feet, won't be a typical place to get a haircut, co-owner Anthony Montanez said. "It's going to be a high-end barbershop offering hot-towel shaves . . . [and] facial ser-

vices," he said.

Monti's already has a location in Moriches.

A Manorville resident and master barber, Montanez opened a Monti's Barbershop in Mastic in 2011, and then consolidated that into a larger Moriches shop that opened in 2016.

He and a master barber at the Moriches shop, Middle Island resident Justin Raft, will co-own the new Yaphank location.

Ridgewood Savings Bank:

The bank will occupy a free-standing, 2,500-square-foot building, according to Ferruggiari. Founded in 1921 and headquartered in the Ridgewood neighborhood of Queens, the bank has 36 branches in the metropolitan area. The bank did not respond to Newsday's re-

WHAT TO KNOW

- Bagel Boss, Monti's Barbershop, Ridgewood Savings Bank, Southpaw Brewing Co. and Yaphank Wine and Spirits will open at **The Boulevard in Yaphank** by August, officials said.
- **The retail side of the \$450 million mixed-use development is getting closer to being fully leased.**
- The development's retail portion — a total of 295,728 square feet when done — is called **The Shoppes at The Boulevard.**

quest for comment.

Southpaw Brewing Co.: Set to occupy 3,000 square feet, the restaurant will serve its own craft beer, as well as brick-oven pizza, burgers and other food items, said James Economou, who will co-own the business with his uncle Thomas Neidhart, cousins T.J. and Mike Neidhart, and friend Matt Rappa. All five co-owners reside in Wading River.

The partners decided to open Southpaw Brewing in Yaphank because the area lacked a high-quality offering that combines a beer hall with tasty food, Economou said.

"We felt [Yaphank] was kind of up and coming. There's not too much that is out there," he said.

Yaphank Wine and Spirits:

The 2,840 square-foot store will sell more than 3,000 items and offer complimentary wine tastings, Ferruggiari said. The owner could not be reached for comment.

Weekly U.S. jobless claims fall; layoffs low

The Associated Press

Fewer Americans applied for jobless claims last week as the labor market continues to thrive despite the Federal Reserve's efforts to cool the economy and tamp down inflation.

Applications for jobless claims in the United States for the week ending March 11 fell by 20,000 to 192,000 from 212,000 the previous week, the Labor Department said Thursday.

The four-week moving average of claims, which flattens out some of week-to-week volatility, fell by 750 to 196,500, remaining below the 200,000 threshold for the eighth straight week.

Applications for unemployment benefits are seen as a barometer for layoffs in the United States.

In a note to clients, analysts at Oxford Economics said there are still few signs that the recent jump in layoff announce-

ments, particularly in the tech sector, is translating to a rise in unemployment.

"Many announced layoffs don't end up happening, and those that have been laid off are quickly finding work elsewhere, reflecting the ongoing imbalance between labor demand and supply," the analysts wrote.

Last month, the government reported that employers added a substantial 311,000 jobs in February, fewer than January's huge

gain but enough to keep pressure on the Federal Reserve to raise interest rates aggressively to fight inflation. The unemployment rate rose to 3.6%, from a 53-year low of 3.4%.

Fed policymakers have forecast that the unemployment rate would rise to 4.6% by the end of this year, a sizable increase historically associated with recessions.

Though the U.S. labor market remains strong, layoffs have

been mounting in the technology sector, where many companies overhired after a pandemic boom. IBM, Microsoft, Amazon, Salesforce, Twitter, DoorDash — and earlier this week — Facebook parent Meta have all announced layoffs.

About 1.68 million people were receiving jobless aid the week that ended March 4, a decrease of 29,000 from the week before. That number is close to pre-pandemic levels.

★ Putin copters into occupied Mariupol

The Associated Press

KYIV, Ukraine — Russian President Vladimir Putin visited the occupied port city of Mariupol, his first trip to Ukrainian territory that Moscow illegally annexed in September and a show of defiance after the International Criminal Court issued a warrant for his arrest on war crimes charges.

Putin arrived in Mariupol late Saturday after visiting Crimea, southwest of Mariupol, to mark the ninth anniversary of the Black Sea peninsula's annexation from Ukraine, Kremlin spokesman Dmitry Peskov said Sunday. He was shown chatting with Mariupol residents and visiting an art school and a children's center in Sevastopol, Crimea.

Mariupol became a worldwide symbol of resistance after outgunned and outmanned Ukrainian forces held out in a steel mill there for nearly three months before Moscow finally took control of it in May. Much of the city was pounded to rubble by Russian shelling.

Putin has not commented on the arrest warrant, which deepened his international isolation despite the unlikelihood of him facing trial anytime soon. The Kremlin, which does not recognize the authority of the ICC, has rejected its move as "legally null and void."

The surprise trip also came before a planned visit to Mos-



Russian President Vladimir Putin with Deputy Prime Minister Marat Khusnullin in Mariupol, Ukraine, during his surprise trip there Sunday.

cow by Chinese President Xi Jinping this week, expected to provide a major diplomatic boost to Putin in his confrontation with the West.

In an essay published Monday in the People's Daily, the newspaper of the Chinese Communist Party's Central Committee, Putin said: "We are grateful for the balanced line [of China] in connection with the events taking place in Ukraine, for understanding their background and true causes. We welcome China's willingness to play a constructive role in resolving the crisis."

China in February released a position paper calling for an end to fighting in Ukraine and for upholding all countries' sovereignty and territorial integrity. It did not address how to resolve Russia's illegal claim to have annexed four regions of Ukraine.

White House National Security Council spokesman John Kirby told "Fox News Sunday" that any call for a cease-fire in Ukraine coming out of the Putin-Xi meeting would be unacceptable to the United States because it would only "ratify Russian's conquest to date," and give Moscow "time to refit,

retrain, re-man and try to plan for a renewed offensive."

Putin arrived in Mariupol by helicopter and then drove himself around the city's "memorial sites," concert hall and coastline, Russian news reports said. The state Rossiya 24 channel on Sunday showed Putin chatting with locals outside what looked like a newly built residential complex, and being shown around one of the apartments.

Following his trip to Mariupol, Putin met with military leaders and troops at a command post in Rostov-on-Don, a southern Russian city about 110 miles farther east.

Peskov said the trip had been unannounced, and that Putin intended to "inspect the work of the [command] post in its ordinary mode of operation."

Mykhailo Podolyak, chief of staff for Ukrainian President Volodymyr Zelenskyy, heaped scorn on Putin's trip to Mariupol.

"The criminal is always drawn to the crime scene," he said. "While the countries of the civilized world are announcing the arrest of the 'war director' in the event of crossing the border, the organizer of the murders of thousands of Mariupol families came to admire the ruins of the city and mass graves."

\$130M

Developers to give town biggest share of benefits package

FIRST IN NEWSDAY

BY MARK HARRINGTON

mark.harrington@newsday.com

Brookhaven Town will receive the lion's share of a recently inked \$168.9 million benefit package from the developers of an offshore wind farm with a power cable that will make landfall at Smith Point and connect to the Long Island electric grid at Hollbrook.

Most of the payments, \$135.95 million, will be made in 25 "impact fees" of \$5 million to \$6 million a year once the project starts producing power, which is anticipated in 2025. The package also includes \$28 million in payments in lieu of taxes for "financial assistance" and another \$3 million in a "parks payment" for the improvement of town-owned parkland and open space. There also will be a "hamlet" payment totaling \$2 million to be used for ambulance and public health services.

Of the \$168.9 million, about \$130 million will go to the Town of Brookhaven, while Suffolk County and school districts will share in the balance, said Edward P. Romaine, the Brookhaven supervisor who has championed hosting the 17.5-mile cable project in the town since 2019.

"This is huge for us," Romaine said, noting the revenue will have a "stabilizing effect on our property taxes," while the Sunrise Wind project will "provide lasting employment for the county and put dollars into the local economy."

Suffolk County Executive Steve Bellone in a prepared statement called offshore wind "our nation's clean energy future" and pointed to the "considerable benefits of this project, including hundreds of union jobs."

He said he was "proud to have worked with Supervisor Romaine on a Host Community Agreement that will generate millions of dollars in funding for important community projects."

A Sunrise Wind spokeswoman didn't provide a comment.

NYCB to buy failed Signature Bank for \$2.7B

The Associated Press

New York Community Bank has agreed to buy a significant chunk of the failed Signature Bank in a \$2.7 billion deal, the Federal Deposit Insurance Corp. said late Sunday.

The 40 branches of Signature Bank will become Flagstar Bank, starting Monday. Flagstar is one of New York Community Bank's subsidiaries. The deal will include the purchase of \$38.4 billion in

Signature Bank's assets, a little more than a third of Signature's total when the bank failed a week ago.

The FDIC said \$60 billion in Signature Bank's loans will remain in receivership and are expected to be sold off in time.

Signature Bank was the second bank to fail in this banking crisis, roughly 48 hours after the collapse of Silicon Valley Bank. Signature, based in Manhattan, was a large commercial lender in the tristate area, but

had in recent years gotten into cryptocurrencies as a potential growth business.

After Silicon Valley Bank failed, depositors became nervous about Signature Bank's health due to its high amount of uninsured deposits as well as its exposure to crypto and other tech-focused lending. By the time it was closed by regulators, Signature was the third-largest bank failure in U.S. history.

The FDIC says it expects Sig-

nature Bank's failure to cost the deposit insurance fund \$2.5 billion, but that figure may change as the regulator sells off assets. The deposit insurance fund is paid for by assessments on banks and taxpayers do not bear the direct cost when a bank fails.

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A19

FOR BROOKHAVEN FOR WIND FARM

Earlier this month, Sunrise Wind and Brookhaven's Industrial Development Agency announced an agreement for the town to provide more than \$90 million in tax breaks for cable construction and an operations center in East Setauket. The package includes a tax break of up to \$24 million on the purchase of construction materials and equipment and \$63 million in property-tax savings during operation of the wind farm. Sunrise Wind in return plans to spend nearly \$500 million on the project and employ more than 2,200 construction workers.

924 megawatts of power

The Sunrise Wind project, a \$4.2 billion initiative being developed by Orsted of Denmark and Eversource, a New England utility, is expected to bring 924 megawatts of offshore wind power to Long Island as part of a state- and LIPA-managed plan to transition from mostly natural-gas burning plants to green energy by 2035. The project is expected to produce enough energy to power around 600,000 homes, the developers say, which amounts to around half of LIPA's 1.2 million customer base.

"I look at this and I know it's the future," said Romaine, a Republican who is running for Suffolk County executive and has long supported green energy. "This is the best alternative we have" to carbon-emitting fossil-fuel plants, he said.

Brookhaven's host-community benefits package would be among the largest of those negotiated thus far by wind-farm developers and other municipalities for the right to use town roads and other parcels to run power cables. In East Hampton, for instance, the same developers paid \$29 million to run a 4.1-mile underground cable for the South Fork Wind Farm from its landing in Wainscott to a substation in the town. That project, also being developed by Orsted and Eversource, is for a much smaller 130-watt wind farm.

Sunrise Wind's array of up to 100 turbines off the Massachusetts/Rhode Island coast will be more than 50 miles from the landfall at Smith Point. From the beach, the 17.5-mile route will run chiefly along William Floyd Parkway and the Long Island Expressway, before



A self-elevating barge off Smith Point conducts seafloor survey work for the Sunrise Wind farm in 2020.



Town of Brookhaven Supervisor Edward P. Romaine

reaching a LIPA substation in Holtsville. Some parkland at Smith Point was alienated to pave way for the project.

In return for the payments, Brookhaven will grant all needed license rights and easements to construct, operate and maintain the cable on town roads and rights of way. Brookhaven "will use its continuous best efforts to expedite, convey, grant and approve" any and all town and gov-

BREAKING DOWN THE \$168.9 MILLION

- **\$135.93 million:** Annual payments of \$5 million to \$6 million, starting in 2025 for "host community benefits."
- **\$28 million:** Annual payments of \$1.12 million in lieu of taxes.
- **\$3 million:** Three \$1 million payments starting this year for parkland and open space.
- **\$2 million:** \$80,000 a year for hamlet ambulance and public health programs over 25 years.

ernment approvals, including all permits for wetlands, tree removal, demolition and land use, the agreement states.

The agreement also calls for the town to acquire any privately held parcels through condemnation, if needed, required by the project.

Payments to begin in 2023

Payments are scheduled to start as soon as this year, with \$1 million in parks capital each year for three years, according to a schedule of payments. By 2025, an annual host community payment of \$6 million begins, along with \$1.12 million in payments in lieu of taxes, which stay the same over the 25

years. The host community package eventually reduces to \$5 million a year by 2049.

Romaine has eased the agreement through negotiation and public hearings with a minimum of the rancor that has characterized other projects. "We talked to people, we have good relationships" with those along the path of the project, he said. "They understand the benefit."

By contrast, some residents of Wainscott still oppose South Fork Wind's cable project along Beach Lane in East Hampton, where some as recently as last week sought to highlight their concerns about toxins in the soil along the cable route. Orsted has been working to bring the off-

shore cable onto land in recent days, but has been hampered by weather and the temporary loss of a messenger cable that was to bring the Long Island end to land. A new messenger cable was installed last week and the cable could be brought to the beach connection this week, Orsted officials said.

Separately this month, some residents of Long Beach expressed a range of concerns during a City Council meeting over a separate project by Equinor to land a cable in that city, according to a report in the Long Beach Herald. A Long Beach official didn't return a call seeking comment.

Equinor spokeswoman Lauren Shane, in a statement, said, "We appreciate hearing from supporters of offshore wind, as well as understanding concerns and sometimes misconceptions about an industry that's still relatively new to the U.S. We look forward to continuing this important dialogue as we bring this new, long-term source of renewable energy to fruition for New York.

But it's not just cables that are causing rancor. Many fishing groups remain opposed to offshore wind plans, some conservation groups have expressed concerns about recent whale deaths in the region, and native tribes are asking for equal footing in scrutinizing and approving the projects.

Native group seeks say

Earlier this year, the United South and Eastern Tribes Sovereignty Protection Fund, an intertribal Native American organization composed of 33 federally recognized tribal nations, called on the Biden administration to put a moratorium on offshore wind permitting until they can be assured the process protects tribal environmental, cultural and sovereign interests.

"The tribes have been left out," said Lance Gumbs, vice president of the National Congress of American Indians, where he also serves as tribal ambassador of the Shinnecock Indian Nation. He is calling for the federal agencies overseeing the process to include native tribes in "meaningful consultations" on wind-farm leasing and plans.

"We've been left out of the funding process," he added.

MARK HARRINGTON

RICK KOPSTEIN



Brookhaven IDA closes on pact for 59,525 s/f Sunrise Wind facility at 22 Research Way

January 17, 2023 - [Long Island](#)

East Setauket, NY Frederick Braun III, chairman of the town of Brookhaven Industrial Development Agency (IDA) said that [The Agency](#) has closed on an agreement that will provide economic development incentives for a facility that will house operations and maintenance for Ørsted North America Inc. and Eversource Investment LLC, joint venture partners.

The benefits, approved by the IDA at its November 16, 2022, meeting, will assist Sunrise Wind LLC in redeveloping a vacant 59,525 s/f building on 4.5 acres at 22 Research Way.

When complete, Sunrise Wind will provide 924 megawatts of offshore wind energy to the Empire State—enough to power nearly 600,000 homes. In addition, the facility will be used to help support the joint venture’s broader portfolio of wind farms in the Northeast including South Fork Wind and Revolution Wind. Together, the portfolio will provide more than 1.7 gigawatts of clean, renewable energy to the region including more than a gigawatt of renewable energy for New York specifically.

The \$37.8 million East Setauket project is expected to be completed in 2024.

The Research Way facility will be renovated to include custom office and warehouse space to handle marine coordination, contract and site management, as well as spare parts storage, among other activities. It also will house members of Sunrise Wind’s permanent staff. The developers anticipate employing 65 workers at the facility within two years of its completion. Sunrise Wind is a joint venture of Ørsted A/S, a global renewable energy leader, and Eversource Energy, New England’s largest energy delivery company .

“We’re extremely pleased that Sunrise Wind is locating its operations facility in the Town of Brookhaven, playing a key role in the Town’s clean energy leadership. This project will bring new investment to the town and many good-paying jobs,” said Braun. “We are proud to work with Ørsted and Eversource on their Sunrise Wind project and look forward to seeing this new operations and maintenance facility provide critical support for the regional development of offshore wind.

The closing took place on December 30, 2022.

PREPARED FOR:

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

Reasonableness Assessment for Financial Assistance

R SQUARED PATCHOGUE LLC

MARCH 2023

PREPARED BY:



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EXECUTIVE SUMMARY

Project Description

The Town of Brookhaven Industrial Development Agency (Agency) received an application from R Squared Patchogue LLC (Applicant) for financial assistance for the construction of a residential development (Project) at N/S/O East Main Street, Brookhaven, NY, featuring 73 market rate apartments and 8 Affordable/Workforce apartments.

The Project represents a nearly \$44 million investment and is anticipated by the Applicant to generate 2 full-time permanent job within two years. To support this project, the Applicant requests financial assistance in the form of a Payment In Lieu of Taxes agreement.

Purpose of this Analysis

An objective, third-party review of the assumptions and estimated operating and financial performance of a project helps Industrial Development Agencies perform a complete evaluation of a proposed Project. Camoin Associates was engaged to analyze the Project and deliver an analysis and opinion to answer three questions:

- ◆ Are the operating assumptions such as rent, vacancy, and expenses within norms for the region?
- ◆ Is the assistance necessary for the Project to be financially feasible, and therefore undertaken by the Applicant?
- ◆ If assistance is awarded, will the Applicant's rate of return on investment be similar to market expectations for similar projects in the region, and therefore reasonable?

Findings: This analysis concludes that the answer to each of these questions is as follows:

- ***Certain assumptions are within norms, such as rent and vacancy rate. However, operating expenses are lower than typical benchmarks. If operating expenses were to end up being higher, the assistance would be even more important.***
- ***Assistance in the form of a 13 year PILOT is necessary to Project feasibility.***
- ***The rate of return to the Applicant, with a 13 year PILOT, is similar to market expectations and therefore reasonable.***

1. OPERATING ASSUMPTIONS

The Applicant’s operating assumptions are compared to CoStar estimates for rent in 2022 in Suffolk County. The ability of households in Suffolk County to afford market rate, workforce, and affordable apartments is estimated by calculating the income necessary to pay no more than 30% of income on rent. The household income required to support the Applicant’s proposed rents falls below the maximum household income limits for the one bedroom affordable and workforce apartments, but slightly above for the two bedrooms. The affordable apartments must be made available to households earning 80% of Area Median Income (AMI) in the county, and the workforce apartments available to those earning 120% of AMI.

Apartment Unit Type, Rent, and Household Income

Type of Apartment (1)	Number of Units (1)	Rent per Month (1)	Rent per Year	Household Income Required (2)	Income Limit (3)	Max Household Income (4)	Benchmarks
Market Rate 1BR	37	\$3,000	\$36,000	\$120,000	n/a	n/a	Rent is 1.2 times higher than average rent (6); 39% of households earn more than \$125,000 (5)
Market Rate 2BR	36	\$3,500	\$42,000	\$140,000	n/a	n/a	Rent is 1.5 times higher than average rent (6); 30% of households earn more than \$150,000 (5)
Workforce 1BR	5	\$2,923	\$35,070	\$116,900	120%	\$133,992	Rent is 1.2 times higher than average rent (6); 24% of households earn between \$75,000 and \$124,999 (5)
Workforce 2BR	5	\$3,508	\$42,090	\$140,300	120%	\$133,992	Rent is 1.5 times higher than average rent (6); 24% of households earn between \$75,000 and \$124,999
Affordable 1BR	4	\$1,949	\$23,385	\$77,950	80%	\$89,328	34% of households earn less than \$74,999 (5)
Affordable 2BR	4	\$2,339	\$28,065	\$93,550	80%	\$89,328	34% of households earn less than \$74,999 (5)

(1) Source: Applicant

(2) Income needed to pay no more than 30% on rent

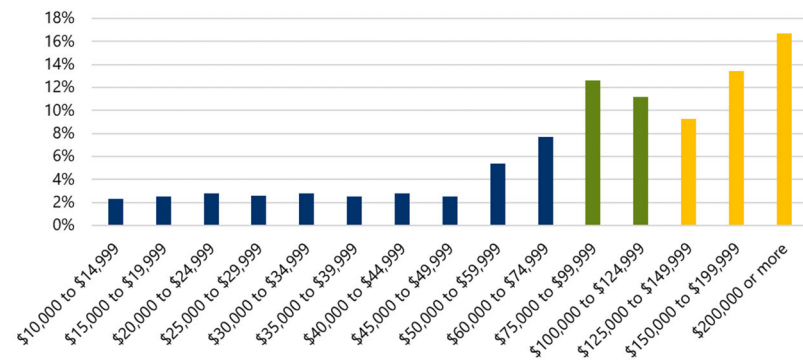
(3) Source: Applicant

(4) Using Suffolk County’s Area Median Income (AMI) of \$111,660; Source: US Census Bureau QuickFacts

(5) Source: U.S. Census Bureau, 2015-2019 American Community Survey

(6) Average monthly rent for 2022 in Suffolk County, NY is estimated at \$2,416; Source: CoStar

Household Income Distribution for Suffolk County, NY



2. PILOT ANALYSIS

Camoin Associates created a PILOT schedule in alignment with the Agency's Uniform Tax Exemption Policy (UTEP):

PILOT Schedule - 13 Year PILOT							
Year	Current AV (1)	Plus: Improvements			Taxable AV	Times: Tax Rate (3)	Estimated PILOT
		Improvement Value (1)	Proposed Exemption (2)				
1	\$15,910	\$149,090	90%	\$14,909	\$441.91	\$136,193	
2	15,910	149,090	90%	14,909	450.75	138,917	
3	15,910	149,090	90%	14,909	459.77	141,696	
4	15,910	149,090	80%	29,818	468.96	214,447	
5	15,910	149,090	80%	29,818	478.34	218,736	
6	15,910	149,090	70%	44,727	487.91	295,853	
7	15,910	149,090	70%	44,727	497.67	301,770	
8	15,910	149,090	60%	59,636	507.62	383,487	
9	15,910	149,090	50%	74,545	517.77	468,351	
10	15,910	149,090	40%	89,454	528.13	556,457	
11	15,910	149,090	30%	104,363	538.69	647,899	
12	15,910	149,090	20%	119,272	549.46	742,777	
13	15,910	149,090	10%	134,181	560.45	841,190	
					Total	\$5,087,772	

(1) Source: Nelson Pope Voorhis, validated with the Town of Brookhaven (total AV Of \$165,000 upon completion, including current AV \$15,910 plus improvement value of \$149,090)

(2) Per Agency policy total term of 13-15 years. Applicant states construction will be complete by 2024.

(3) Assumes tax rate for Fiscal Year 2022/2023, with an 2% annual increase.

This PILOT analysis uses an aggregated tax rate for the jurisdictions to calculate future taxes. Steps in this analysis for the affected and non-affected jurisdictions:

- ◆ Estimate taxes for the first fiscal year after construction is completed, anticipated to be 2024, using the most recent tax rates and escalating by 2% per year.
- ◆ Estimate future taxes on the parcels with the completed project. Tax rates are estimated to increase 2% annually.
- ◆ Assess a PILOT schedule that reduces taxes to improve Project financial performance and induce construction.

Basic Assumptions for PILOT and Estimated Taxes

Current Assessed Value (1)	\$15,910
Assessed Value of Improvements (1)	\$149,090
Total Assessed Value	\$165,000
Times: Tax Rate (2)	\$441.91
Estimated Taxes on Assessed Value Upon Completion	\$729,158

(1) Source: Agency.

(2) Assumes tax rate for Fiscal Year 2022/2023, with a 2% annual increase.

With the PILOT agreement, 52% of the Applicant’s taxes will be abated, resulting in over \$5.6 million in foregone tax revenue to municipalities. The table on the following page shows the timeline of PILOT and tax payments generated by the Project and calculates both the benefits to the municipalities and the benefits (or savings) to the Project.

Real Property Tax Comparison

13 Year PILOT

Comparison of Taxes on Full Value of Project and with PILOT

Taxes without PILOT	\$10,704,275
Less: PILOT/Tax Payments	(\$5,087,772)
Foregone Revenue (Benefits to Project)	\$5,616,503
Abatement Percent	52%

Net New Taxes Compared with No Project

PILOT	\$5,087,772
Less: Estimated Taxes without Project	(\$1,032,152)
Estimated New Tax Revenue (Benefits to Municipalities)	\$4,055,621

Proposed PILOT and Tax Comparison (13 year PILOT)

	Benefits to Municipalities			Benefit to Project			
	PILOT Payments	Less: Current Tax Revenues (1)	Net New Tax Revenues	Taxes Owed after Project Completion (2)	Less: PILOT Payments	Estimated Savings to Project	Share of Estimated Taxes Owed
1	\$136,193	\$70,308	\$65,885	\$729,158	\$136,193	\$592,964	19%
2	\$138,917	71,715	67,203	743,741	138,917	604,823	19%
3	\$141,696	73,149	68,547	758,616	141,696	616,920	19%
4	\$214,447	74,612	139,835	773,788	214,447	559,341	28%
5	\$218,736	76,104	142,632	789,264	218,736	570,528	28%
6	\$295,853	77,626	218,227	805,049	295,853	509,196	37%
7	\$301,770	79,179	222,591	821,150	301,770	519,380	37%
8	\$383,487	80,762	302,724	837,573	383,487	454,086	46%
9	\$468,351	82,378	385,973	854,324	468,351	385,973	55%
10	\$556,457	84,025	472,431	871,411	556,457	314,954	64%
11	\$647,899	85,706	562,193	888,839	647,899	240,940	73%
12	\$742,777	87,420	655,357	906,616	742,777	163,839	82%
13	\$841,190	89,168	752,022	924,748	841,190	83,558	91%
Totals	\$5,087,772	\$1,032,152	\$4,055,621	\$10,704,275	\$5,087,772	\$5,616,503	48%

(1) Assumes tax rate for Fiscal Year 2022/2023, with a 2% annual increase and current assessed value of \$15,910.

(2) Assumes a 2% annual increase in tax rate and a taxable value of \$165,000 upon project completion; Source: Town of Brookhaven

3. OPERATING PERFORMANCE

The operating performance of the Project is measured using Year 5 of the Applicant's Pro Forma. The Applicant assumes that gross revenue and expenses will escalate at 2% per year, and there will be a 3% vacancy rate once stabilized. Operating expenses are lower than the benchmarks. With the PILOT, real property taxes absorb 6% of project income while debt service absorbs 69% of income. Together, operating expenses, tax, and debt service absorb 89% of project income. The PILOT scenario delivers Net Operating Income as a percent of Gross Income that is above the range of benchmarks.

Operations Snapshot, Year 5, 13 Year PILOT				
		Share of Gross		
	Project Performance (1)	Operating Income	Benchmark Performance (2)	Evaluation
<u>Calculation of Net Operating Income Residential</u>				
Gross Operating Income	\$3,693,006	95%	n/a	n/a
Vacancy Rate and Concessions	3.0%	n/a	4.3%	Within range
<u>Calculation of Net Operating Income, Non-Residential</u>				
Gross Operating Income	\$194,597	5%	n/a	n/a
Vacancy Rate	0%	n/a	n/a	n/a
Effective Gross Income (EGI), All Uses (3)	\$3,770,975	97%	96%	Within range
Less: Operating Expenses and Reserve	(\$550,897)	14%	49%	More efficient
<u>Less: Real Property Taxes (with PILOT)</u>	<u>(\$218,736)</u>	<u>6%</u>	<u>n/a</u>	<u>n/a</u>
Net Operating Income	\$3,001,342	81%	49%	More efficient
Less: Debt Service	<u>(\$2,602,844)</u>	69%	n/a	n/a
Cashflow after Operating Costs, Taxes, Debt	\$398,498	10%	n/a	n/a

(1) Source: Applicant

(2) Source: RealtyRates Q1 2023 for Northeast Region

(3) Net of vacancy and concessions

4. FINANCING PLAN

- ◆ The Sources and Uses of Funds shows the total project costs and capital structure of debt and equity.
- ◆ The Terms of the Senior (Long Term) Debt are within range of benchmarks.

Sources and Uses of Funds		
<u>Sources of Funds</u>	<u>Amount (1)</u>	<u>Share</u>
Bank Financing	\$38,286,020	87%
Equity and Working Capital	\$5,720,900	13%
Total Sources	\$44,006,920	100%
<u>Uses of Funds</u>		
Acquisition and Transaction Costs	\$15,331,920	35%
Construction Costs	\$28,675,000	65%
Total Uses	\$44,006,920	100%

(1) Source: Applicant

Terms of the Senior (Long Term) Debt			
	<u>Terms (1)</u>	<u>Benchmark (2)</u>	<u>Evaluation</u>
Amount Borrowed	\$38,286,020	n/a	n/a
Loan to Total Project Cost	87%	55% to 90%	Within Range
Annual Interest Rate	SOFR (3.48%)+	4.59% to 8.77%	Within Range
Maturity in Years	30	15 to 40	Within Range

(1) Source: Applicant

(2) Source: RealtyRates Q1 2023

5. RATE OF RETURN

An estimated return on investment is calculated using the Applicant's operating pro forma and capital structure. This analysis measures whether the financial assistance is necessary and reasonable. Financial performance with and without a PILOT is estimated over the full PILOT period. Three metrics are used to evaluate outcomes:

- ◆ **The Equity Dividend Rate** is net cashflow for each year, divided by the initial equity investment. Equity Dividend Rates are benchmarked using current market information from RealtyRates.com for similar projects in the region. Equity Dividend Rates that are close to the benchmarks indicate a Project outcome in line with the current market, which means the Applicant is earning a reasonable return. Very low or negative rates indicate the Project is unlikely to be undertaken if compared to other possible investments. Equity Dividend Rates are based on an initial equity investment of \$5,720,900. For the No PILOT scenario the Project is below the benchmarks in years 1-13. With the PILOT, taxes are reduced sufficiently to improve performance and deliver returns that meet the benchmarks by year 2.
- ◆ **Cash Flow** shows net cashflow to the Applicant over time. Cashflow differences between a PILOT and No PILOT scenario indicate whether the Applicant is earning a return. There are currently no benchmarks for cash flow available. Cumulative Cash Flow and average cash flow is positive under the 13 year PILOT but the initial equity investment will not be fully recouped by year 13.
- ◆ **Debt Service Coverage** estimates how well the Project's net income, after taxes, supports repayment of debt. Debt Service Coverage exceeds the benchmark by year 2 with a PILOT and year 9 without. Debt comprises 87% of the capital structure.

Comparison of Return on Investment

	13 Year (1)		Bench- marks (2)
	PILOT	No PILOT	
Equity Dividend Rates			
Average	5.02%	-2.53%	4.78% to 12.72%
Minimum	-11.63%	-22.00%	
Maximum	7.66%	3.74%	
Year Benchmarks Met	Year 2	NA	
Cash Flow			
Average	\$287,017	(\$145,022)	n/a
Minimum	(\$665,400)	(\$1,258,364)	
Maximum	\$438,387	\$214,091	
Cumulative	\$3,731,219	(\$1,885,284)	
Year Investment Recouped	NA	NA	
Debt Service Coverage			
Average	1.11	0.94	1.00
Minimum	0.72	0.48	to
Maximum	1.17	1.08	1.86
Years Benchmarks Met	Year 2	Year 9	

(1) See Attachment 1

(2) Source: RealtyRates for Q1 2023 for Northeast Region

ATTACHMENT 1: PRO FORMAS

Annual Cashflows (Pro Forma) With a PILOT													
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
Operating Cash Flow													
<u>Residential Income</u>													
Gross Operating Income	\$ 2,220,111	\$ 3,480,002	\$ 3,549,602	\$ 3,620,594	\$ 3,693,006	\$ 3,766,866	\$ 3,842,204	\$ 3,919,048	\$ 3,997,429	\$ 4,077,377	\$ 4,158,925	\$ 4,242,103	\$ 4,326,945
Less: Vacancy Allowance	\$ (71,442)	\$ (110,238)	\$ (112,326)	\$ (114,456)	\$ (116,628)	\$ (118,844)	\$ (121,104)	\$ (123,409)	\$ (125,761)	\$ (128,159)	\$ (130,606)	\$ (133,101)	\$ (135,646)
Net Rental Income, Residential	\$ 2,148,670	\$ 3,369,764	\$ 3,437,276	\$ 3,506,139	\$ 3,576,378	\$ 3,648,022	\$ 3,721,100	\$ 3,795,638	\$ 3,871,668	\$ 3,949,218	\$ 4,028,319	\$ 4,109,002	\$ 4,191,299
Parking Income	\$ 22,000	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600
Storage	\$ 18,025	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300
Garbage	\$ 18,025	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300
Amenity Fee	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250
Pet Fees	\$ 19,040	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750
Water/Sewer/Fireline	\$ 15,940	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397
Net Income, Other	\$ 161,280	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597
Effective Gross Income (EGI)	\$2,309,950	\$3,564,361	\$3,631,873	\$3,700,736	\$3,770,975	\$3,842,619	\$3,915,697	\$3,990,235	\$4,066,265	\$4,143,815	\$4,222,916	\$4,303,599	\$4,385,896
<u>Operating Expenses (enter positive numbers)</u>													
Utilities	\$ 46,572	\$ 47,504	\$ 48,454	\$ 49,423	\$ 50,412	\$ 51,420	\$ 52,448	\$ 53,497	\$ 54,567	\$ 55,658	\$ 56,772	\$ 57,907	\$ 59,065
Maintenance	\$ 171,912	\$ 175,350	\$ 178,857	\$ 182,434	\$ 186,083	\$ 189,804	\$ 193,600	\$ 197,472	\$ 201,422	\$ 205,450	\$ 209,559	\$ 213,751	\$ 218,026
Management Fee	\$ 138,597	\$ 213,862	\$ 217,912	\$ 222,044	\$ 226,259	\$ 230,557	\$ 234,942	\$ 239,414	\$ 243,976	\$ 248,629	\$ 253,601	\$ 258,674	\$ 263,847
Insurance	\$ 81,432	\$ 83,061	\$ 84,722	\$ 86,416	\$ 88,144	\$ 89,907	\$ 91,706	\$ 93,540	\$ 95,410	\$ 97,319	\$ 99,265	\$ 101,250	\$ 103,275
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses	\$ 438,513	\$ 519,776	\$ 529,945	\$ 540,317	\$ 550,897	\$ 561,689	\$ 572,696	\$ 583,923	\$ 595,375	\$ 607,056	\$ 619,198	\$ 631,581	\$ 644,213
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$1,871,437	\$3,044,585	\$3,101,928	\$3,160,418	\$3,220,078	\$3,280,931	\$3,343,001	\$3,406,312	\$3,470,890	\$3,536,759	\$3,603,719	\$3,672,018	\$3,741,683
Real Property Taxes	\$ 136,193	\$ 138,917	\$ 141,696	\$ 214,447	\$ 218,736	\$ 295,853	\$ 301,770	\$ 383,487	\$ 468,351	\$ 556,457	\$ 647,899	\$ 742,777	\$ 841,190
Net Operating Income (NOI) after Taxes	\$1,735,243	\$2,905,668	\$2,960,233	\$2,945,971	\$3,001,342	\$2,985,078	\$3,041,231	\$3,022,825	\$3,002,539	\$2,980,302	\$2,955,820	\$2,929,241	\$2,900,493
<u>Loan or Mortgage (Debt Service)</u>													
Interest Payment	\$ 2,316,323	\$ 2,080,462	\$ 2,051,106	\$ 2,020,099	\$ 1,987,350	\$ 1,952,761	\$ 1,916,228	\$ 1,877,642	\$ 1,836,888	\$ 1,793,843	\$ 1,748,379	\$ 1,700,360	\$ 1,649,643
Principal Payment	\$ 84,320	\$ 522,381	\$ 551,738	\$ 582,744	\$ 615,493	\$ 650,082	\$ 686,615	\$ 725,201	\$ 765,956	\$ 809,001	\$ 854,465	\$ 902,484	\$ 953,201
Debt Service	\$ 2,400,643	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844
Cash Flow After Financing and Reserve	\$ (665,400)	\$ 302,824	\$ 357,389	\$ 343,127	\$ 398,498	\$ 382,234	\$ 438,387	\$ 419,982	\$ 399,695	\$ 377,459	\$ 352,976	\$ 326,398	\$ 297,649
Debt Service Coverage Ratio	0.72	1.12	1.14	1.13	1.15	1.15	1.17	1.16	1.15	1.15	1.14	1.13	1.11
Equity Dividend Rate	-11.63%	5.29%	6.25%	6.00%	6.97%	6.68%	7.66%	7.34%	6.99%	6.60%	6.17%	5.71%	5.20%

Reasonableness Assessment for R Squared Patchogue LLC, Town of Brookhaven Industrial Development Agency

Annual Cashflows (Pro Forma) With No PILOT													
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
Operating Cash Flow													
<u>Residential Income</u>													
Gross Operating Income	\$ 2,220,111	\$ 3,480,002	\$ 3,549,602	\$ 3,620,594	\$ 3,693,006	\$ 3,766,866	\$ 3,842,204	\$ 3,919,048	\$ 3,997,429	\$ 4,077,377	\$ 4,158,925	\$ 4,242,103	\$ 4,326,945
Less: Vacancy Allowance (enter as a negative)	\$ (71,442)	\$ (110,238)	\$ (112,326)	\$ (114,456)	\$ (116,628)	\$ (118,844)	\$ (121,104)	\$ (123,409)	\$ (125,761)	\$ (128,159)	\$ (130,606)	\$ (133,101)	\$ (135,646)
Net Rental Income, Residential	\$ 2,148,670	\$ 3,369,764	\$ 3,437,276	\$ 3,506,139	\$ 3,576,378	\$ 3,648,022	\$ 3,721,100	\$ 3,795,638	\$ 3,871,668	\$ 3,949,218	\$ 4,028,319	\$ 4,109,002	\$ 4,191,299
<u>Other Income</u>													
Parking Income	\$ 22,000	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600
Storage	\$ 18,025	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300
Garbage	\$ 18,025	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300	\$ 27,300
Amenity Fee	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250	\$ 68,250
Pet Fees	\$ 19,040	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750	\$ 22,750
Water/Sewer/Fireline	\$ 15,940	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397	\$ 24,397
Net Income, Other	\$ 161,280	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597	\$ 194,597
Effective Gross Income (EGI)	\$ 2,309,950	\$ 3,564,361	\$ 3,631,873	\$ 3,700,736	\$ 3,770,975	\$ 3,842,619	\$ 3,915,697	\$ 3,990,235	\$ 4,066,265	\$ 4,143,815	\$ 4,222,916	\$ 4,303,599	\$ 4,385,896
<u>Operating Expenses (enter positive numbers)</u>													
Utilities	\$ 46,572	\$ 47,504	\$ 48,454	\$ 49,423	\$ 50,412	\$ 51,420	\$ 52,448	\$ 53,497	\$ 54,567	\$ 55,658	\$ 56,772	\$ 57,907	\$ 59,065
Maintenance	\$ 171,912	\$ 175,350	\$ 178,857	\$ 182,434	\$ 186,083	\$ 189,804	\$ 193,600	\$ 197,472	\$ 201,422	\$ 205,450	\$ 209,559	\$ 213,751	\$ 218,026
Management Fee	\$ 138,597	\$ 213,862	\$ 217,912	\$ 222,044	\$ 226,259	\$ 230,557	\$ 234,942	\$ 239,414	\$ 243,976	\$ 248,629	\$ 253,601	\$ 258,674	\$ 263,847
Insurance	\$ 81,432	\$ 83,061	\$ 84,722	\$ 86,416	\$ 88,144	\$ 89,907	\$ 91,706	\$ 93,540	\$ 95,410	\$ 97,319	\$ 99,265	\$ 101,250	\$ 103,275
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses	\$ 438,513	\$ 519,776	\$ 529,945	\$ 540,317	\$ 550,897	\$ 561,689	\$ 572,696	\$ 583,923	\$ 595,375	\$ 607,056	\$ 619,198	\$ 631,581	\$ 644,213
Pre-Tax Operating Income (Revenue less Opera	\$ 1,871,437	\$ 3,044,585	\$ 3,101,928	\$ 3,160,418	\$ 3,220,078	\$ 3,280,931	\$ 3,343,001	\$ 3,406,312	\$ 3,470,890	\$ 3,536,759	\$ 3,603,719	\$ 3,672,018	\$ 3,741,683
Real Property Taxes	\$ 729,158	\$ 743,741	\$ 758,616	\$ 773,788	\$ 789,264	\$ 805,049	\$ 821,150	\$ 837,573	\$ 854,324	\$ 871,411	\$ 888,839	\$ 906,616	\$ 924,748
Net Operating Income (NOI) after Taxes	\$ 1,142,279	\$ 2,300,844	\$ 2,343,313	\$ 2,386,630	\$ 2,430,814	\$ 2,475,882	\$ 2,521,851	\$ 2,568,739	\$ 2,616,565	\$ 2,665,348	\$ 2,714,880	\$ 2,765,402	\$ 2,816,935
<u>Loan or Mortgage (Debt Service)</u>													
Interest Payment	\$ 2,316,323	\$ 2,080,462	\$ 2,051,106	\$ 2,020,099	\$ 1,987,350	\$ 1,952,761	\$ 1,916,228	\$ 1,877,642	\$ 1,836,888	\$ 1,793,843	\$ 1,748,379	\$ 1,700,360	\$ 1,649,643
Principal Payment	\$ 84,320	\$ 522,381	\$ 551,738	\$ 582,744	\$ 615,493	\$ 650,082	\$ 686,615	\$ 725,201	\$ 765,956	\$ 809,001	\$ 854,465	\$ 902,484	\$ 953,201
Debt Service	\$ 2,400,643	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844	\$ 2,602,844
Cash Flow After Financing and Reserve	\$ (1,258,364)	\$ (301,999)	\$ (259,531)	\$ (216,213)	\$ (172,029)	\$ (126,962)	\$ (80,993)	\$ (34,104)	\$ 13,722	\$ 62,504	\$ 112,036	\$ 162,558	\$ 214,091
Debt Service Coverage Ratio (DSCR)	0.48	0.88	0.90	0.92	0.93	0.95	0.97	0.99	1.01	1.02	1.04	1.06	1.08
Equity Dividend Rate	-22.00%	-5.28%	-4.54%	-3.78%	-3.01%	-2.22%	-1.42%	-0.60%	0.24%	1.09%	1.96%	2.84%	3.74%

APPENDIX A: SCOPE OF SERVICES

To assist with its evaluation the Applicant's request for financial assistance, Camoin was commissioned by the Town of Brookhaven Industrial Development Agency to conduct the above analyses. The analysis is comprised of four tasks:

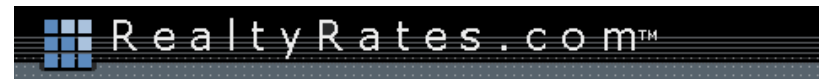
- ◆ *Test Assumptions* by comparing rents, operating costs, and vacancy rates to real estate benchmarks for similar projects and noting any significant differences. Operating performance and net income are also evaluated.
- ◆ *Review the Financing Plan* and perform an objective third-party evaluation of the estimated return on investment (ROI) to the Applicant with and without a PILOT agreement. We also analyze whether the capital structure and terms of the long-term debt are within market benchmarks for obtaining bank financing.
- ◆ *Evaluate the effects of one or more PILOTs* recommended by the Agency and determine whether the PILOT would result in a return that is within what would normally be anticipated in the current market for a similar project.
- ◆ *Provide an objective, third-party opinion* about the need for and reasonableness of the financial assistance.

Sources Consulted

- ◆ Application for Financial Assistance dated January 25, 2022.
- ◆ Project financing and annual cashflow workbook submitted by the Applicant in May 2022, with submitted revisions.
- ◆ Real estate tax information and estimates received from the Agency, including anticipated future assessed value of the Project.
- ◆ CoStar
- ◆ RealtyRates.com



CoStar is the leading source of commercial real estate intelligence in the U.S. It provides a full market inventory of properties and spaces—available as well as fully leased—by market and submarket. Details on vacancy, absorption, lease rates, inventory, and other real estate market data are provided, as well as property-specific information including photos and floor plans. More at www.costar.com.



RealtyRates.com™ is a comprehensive resource of real estate investment and development news, trends, analytics, and market research that support real estate professionals involved with more than 50 income producing and sell-out property types throughout the U.S. RealtyRates.com™ is the publisher of the award-winning Investor, Developer and Market Surveys, providing data essential to the appraisal, evaluation, disposition and marketing of investment and development real estate nationwide.

APPENDIX B: DEFINITIONS

Equity Dividend Rate: This is calculated as the rate of return on the equity component of a project. It is calculated as follows: (Source: RealtyRates.com)

Equity Dividend / Equity Investment = Equity Dividend Rate, where Equity Dividend = Net Operating Income – Debt Service.

Debt Service Coverage Ratio (DSCR): The ratio of annual debt repayment, including principal and interest, to total Net Operating Income (NOI). (Source: RealtyRates.com)

Net Operating Income (NOI): Income net of all operating costs including vacancy and collection loss but not including debt service. Appraisers also typically expense reserves for repairs and replacements. However, because reserves are not usually reported along with other transaction data, RealtyRates.com tracks lender requirements but does not include them in calculations. (Source: RealtyRates.com)

ABOUT CAMOIN ASSOCIATES

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 32 states and garnered attention from national media outlets including Marketplace (NPR), Crain's New York Business, Forbes magazine, The New York Times, and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; Richmond, VA and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](#) and [LinkedIn](#).

THE PROJECT TEAM

Rachel Selsky

Vice President, Project Principal

\$1B Ronkonkoma Hub

Gets new name and some retail space is delayed

ONLY IN NEWSDAY

BY CARL MACGOWAN
carl.macgowan@newsday.com

A \$1 billion Ronkonkoma development expected to help revitalize a stagnant business district near the hamlet's Long Island Rail Road station is getting a new name, as its East Setauket-based developer announced revised plans intended to make the complex more spacious for residents and shoppers.

Known as the Ronkonkoma Hub since planning for it began more than a decade ago, the rechristened Station Yards housing-retail-office project has been "reimagined" by developer Tritec Real Estate as consumers and workers alter their post-coronavirus lifestyles and work habits, company officials told Newsday.

Some retail space that had been planned for the project's \$265 million second phase, currently under construction at Hawkins and Railroad avenues,



will be shifted to later phases of the project, Tritec principal Jim Coughlan said.

Connecting elements

The project's new name, and the shift in strategy, is intended to signal that Station Yards is a different kind of Long Island neighborhood — one that connects homes with shopping and 21st century workplaces, Coughlan said.

"The rebranding represents an effort to sort of articulate the sense of place that is going to be created here, the community that is being built around the Ronkonkoma train station, the re-

WHAT TO KNOW

- Tritec Real Estate has renamed its Ronkonkoma Hub development Station Yards, a nod to the community's Long Island Rail Road terminal.
- The project has been "reimagined," with some retail that had been planned for the \$265 million second phase shifted to later phases of the project.
- Tritec is aiming to create "an authentic Long Island community," with an emphasis on local brands instead of national chains.

vitalization effort that is finally being realized after three decades of community input to demand change of what has been historically a fairly blighted area," Coughlan said Monday in an interview at Station Yards' Alston apartment complex.

"COVID changed retail across the globe, but it certainly had impact on our plans here at Station Yards," he added. "We addressed the sense of place around our village green, the outdoor experience, the spaces between the buildings, the public areas that invite people into

the sense of place in our downtown at Station Yards. All was reimagined."

Revised designs for the second phase show a courtyard, or village green, that will host outdoor events such as concerts, farmers markets and food tastings, company officials said. The courtyard is intended to encourage mingling among Station Yards tenants, shoppers and office workers, said Coughlan, who runs Tritec with his brother Robert Coughlan.

Reallocating space

Tritec plans to reallocate about 15,000 square feet of retail and office space, from three buildings now under construction, to later phases of the five-phase project, Tritec marketing director Chris Kelly said. That leaves about 90,000 square feet of office and retail under construction, a bit less than half of the 190,000 square feet expected at Station Yards when construction is completed in about a decade, he said.

Jim Coughlan said retail businesses at Station Yards could include banks, hair salons and pharmacies.

"We are not looking to create Disneyland with national brands," Jim Coughlan said. "We'd like to have local restaura-

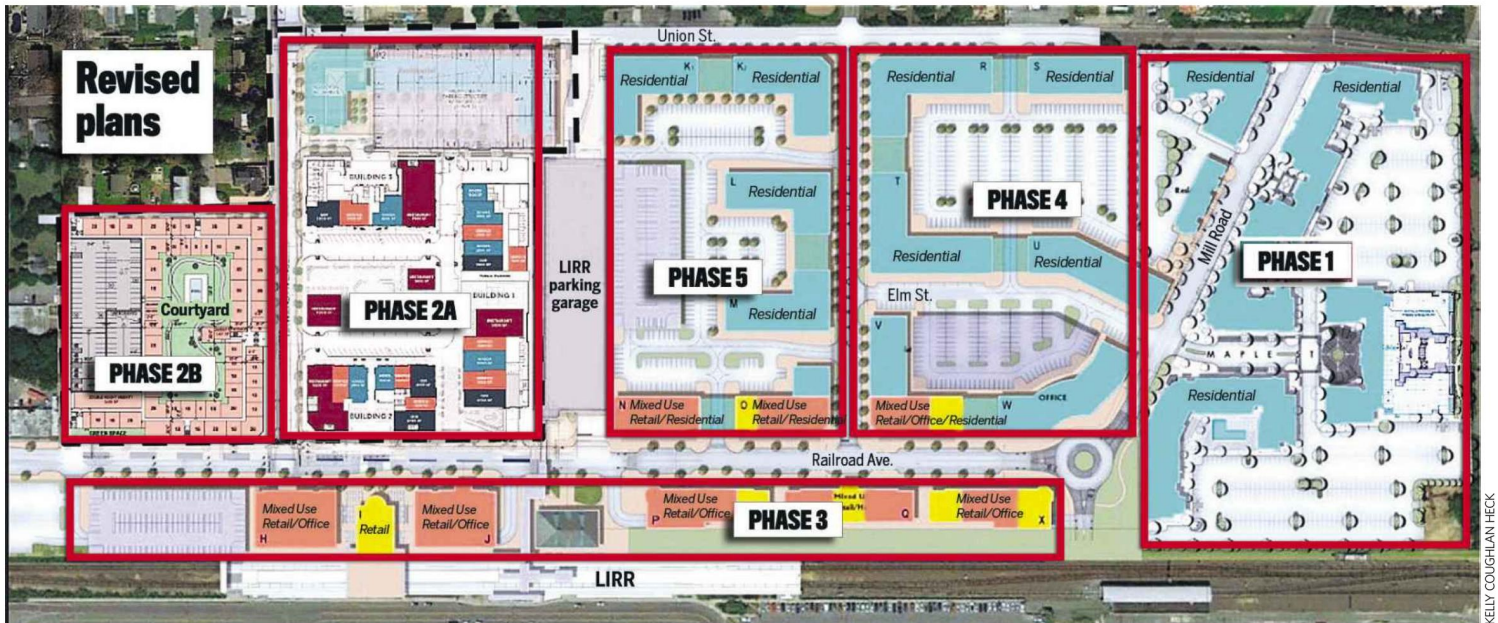
teurs, we'd like to have local providers of services and we'd like them to create, as many of them have across Long Island, truly authentic Long Island experiences for this new community."

Tritec's strategy shift was applauded by Thomas P. LaSalvia, a senior economist with Moody's Analytics in Manhattan. He said successful developments follow a "live-work-play" model similar to a traditional downtown that includes homes, grocery stores and entertainment.

"These things have shown true resilience from the pandemic and e-commerce, and they're going to be very useful in a live-work-play community," LaSalvia told Newsday. "It's almost as if the old is becoming new again. Neighborhoods were being built like this 100 years ago, and now it's being done in a master plan style, but the reason they're doing that is because they work."

Before Station Yards, Tritec helmed mixed-use residential and retail projects in Patchogue, Port Jefferson and Lindenhurst that were credited by officials in those communities with transforming underutilized areas.

'Some development is great'
Kevin L. Hymns, president of



plan 'reimagined'



A rendering of the Ronkonkoma Hub housing and retail project, now rebranded as Station Yards. ■ Video: newsday.com/ronkonkoma

the Ronkonkoma Chamber of Commerce, said Tritec so far appears to be striking the correct balance of sprucing up a previously downtrodden neighborhood while preserving the community's character.

"Some development is great. It's good for the economy and jobs, but we don't want overdevelopment. We want it to be controlled and appropriate for the area," Hymns told Newsday. "But we do want development because it's an improvement of what was there."

Tritec overcame Long Island's anti-development tide by working with Ronkonkoma civic and business groups when they first pitched their plans about 20 years ago, Hymns said, adding that company officials continue to speak regularly to community leaders.

"This is a welcome improvement," he said. "We want to save the old and have the new, and have a proper balance."

The section of Station Yards under construction also includes 388 luxury rental apartments and two parking garages with electric vehicle charging stations and more than 1,200 parking slots. Rental prices have not been established, Kelly said, adding that 20% of units will be reduced-price "workforce" apartments to comply with local and state affordable housing laws.

The first apartments should

be occupied late this year, and retail shops should start opening in April 2024, Jim Coughlan said.

The 489-unit Alston apartment building, opened in 2020 as part of the project's first phase, is 96% occupied, Kelly said.

Brookhaven Town officials in 2014 had approved a total of up to 1,450 residential units, 360,000 square feet of office space and 195,000 square feet of retail on 50 acres on the north side of the LIRR tracks.

The project has received tens of millions of dollars in aid from state and local agencies, such as \$50 million from Empire State Development, a \$26.4 million Suffolk County grant for sewer hookups and a separate \$2.3 million county grant for infrastructure upgrades. The Brookhaven Town Industrial Development Agency approved more than \$24.5 million in tax breaks for the first two phases.

The name Station Yards is a nod to the Ronkonkoma train station and the area's history as a regional transportation hub, Jim Coughlan said, adding that it was chosen from among hundreds of ideas considered by company staff.

Station Yards is one of two Ronkonkoma megaprojects expected to transform an area known mainly for its huge parking lot between the train sta-



Jim and Bob Coughlan, co-principals of Tritec Real Estate, by the construction site of Station Yards in Ronkonkoma on Monday.

tion and Long Island MacArthur Airport.

The other project, Midway Crossing, a \$2.8 billion development proposed by Suffolk County and Islip Town officials with Chicago developer JLL, is expected to include a convention center, life sciences facilities, a 300-room hotel and a new northern airport terminal connected by walkway to the Ronkonkoma train station.

The project awaits numerous local and state approvals. Planning and construction are expected to take 10 to 15 years.

Jim Coughlan said he thinks the two projects will complement one another when they are completed.

CHINA: 60,000 RECENT DEATHS FROM COVID-19

The Associated Press

BEIJING — China on Saturday reported nearly 60,000 deaths in people who had COVID-19 since early December, offering hard numbers for an unprecedented surge that was apparent in overcrowded hospitals and packed crematoriums, even as the government released little data about the status of the pandemic for weeks.

Those numbers may still underestimate the toll, though the government said the "emergency peak" of its latest surge appears to have passed.

The toll included 5,503 deaths due to respiratory failure caused by COVID-19 and 54,435 fatalities from other ailments combined with COVID-19 since Dec. 8, the National Health Commission announced. It said those "deaths related to COVID" occurred in hospitals, which means anyone who died at home would not be included in the numbers.

The report would more than double China's official COVID-19 death toll to 10,775 since the disease was first detected in Wuhan in late 2019. China has counted only deaths from pneumonia or respiratory failure in its COVID-19 death toll, a narrow definition that excludes many deaths that would be attributed to COVID-19 in much of the world.

China stopped reporting data on COVID-19 deaths and infections after abruptly lifting antivirus controls in early December despite a surge in infections that began in October and has filled hospitals with feverish, wheezing patients. Hospitals in Beijing across the country have been overwhelmed with patients, and funeral homes and crematoriums have struggled to handle the dead.

The World Health Organization and other governments appealed for information after reports suggested as many as hundreds of millions of people in China might have contracted the virus.

Sunrise Wind developer granted over \$90 million in tax breaks from the Town of Brookhaven

WSHU | By [Sabrina Garone](#)

Published March 9, 2023 at 1:32 PM EST



Don Emmert

/

Getty Images

The Sunrise Wind farm will be built 30 miles east off Montauk Point, and will begin operating in 2025.

Offshore wind farm developer Orsted has won over \$90 million in tax breaks from the Town of Brookhaven for onshore construction and more.

The Sunrise Wind farm will be built 30 miles east off Montauk Point, and will begin operating in 2025.

\$87.4 million in tax breaks over 25 years will support an electrical converter station, and an 18 mile-long cable connecting the wind farm to a Holbrook substation.

An additional \$2.6 million over 10 years will convert an East Setauket building into an operations center.

Officials from the Brookhaven Industrial Development Agency, which granted the tax breaks, said it's a win for the community in a variety of ways. Orsted plans to employ over 2,200 construction workers, and once operational, the farm will power close to 600,000 homes.

In lieu of taxes, it will also pay over \$1 million per year for 25 years, going to five school districts, the Town of Brookhaven, Suffolk County, and more.

A once-in-a-lifetime opportunity.

That's how business owners on Long Island described winning a share of the \$4 billion in offshore wind-farm contracts set aside for New York State firms.

Local companies are supplying concrete, rebar and ocean-floor coverings to protect the electrical cable that will connect one wind farm's turbines to a substation in East Hampton. Others are building an operations center in East Setauket and providing transportation for the scientists and engineers who are creating a cable pathway in Long Island Sound for another farm.

Five offshore wind farms are to be built off Montauk Point and Long Beach over the next few years. Four are required to award some of their contracts to businesses in the state, under agreements signed with a state authority.

"We're talking about work being generated for another decade; it's the opportunity of a lifetime," said Thomas Montalbino, president of Roman Stone Construction Co. in Bay Shore.

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Thomas Montalbine, president of Roman Stone, describes cement mattresses at Roman Stone in Bay Shore. Credit: Tom Lambui

The manufacturer of precast concrete won its second contract last month to produce concrete "mattresses," or protective coverings, for South Fork Wind's electrical cable. The wind farm is expected to start producing electricity late this year.

Roman Stone's mattresses are nine feet by 20 feet and weigh 22,000 pounds each. They are deployed to hold the electrical cable on the seabed in places where it cannot be buried because other cables such as telecommunications lines are already there. Those cables are also protected by the mattresses.



Cement mattresses are loaded onto a flatbed tractor-trailer at Roman Stone in Bay Shore. Credit: Tom Lambui

The two contracts won by Roman Stone, together totaling about \$500,000, represent a small percentage of the company's annual sales of between \$15 million and \$16 million. But if additional orders come in, Montalbine said he may need to add a couple of people to his unionized production staff of 50.

Roman Stone, founded in 1903, gained entry to the offshore wind industry by establishing a partnership with Subsea Protection Systems Ltd., a British company that sells concrete mattresses to wind farms around the globe. Subsea agreed to provide its

design and engineering expertise to Roman Stone in return for a percentage of the contracts' value.

“Offshore wind is over 30 years old in Europe and there are companies with a lot of experience in supplying the industry,” Montalbine said. “You have to find the right contact in Europe and establish a relationship with them to be their partner in the United States.”

He continued, “It took me awhile to figure that out. I was talking to the wrong people and got nowhere” for months.

One of the individuals who helped Montalbine find his way is Marjaneh Issapour, an engineering professor at Farmingdale State College who recently opened National Wind Services Corp., a consulting firm in Woodbury.

Every business has a niche and shouldn't reshape itself for offshore wind. Stick to what's your expertise and see if there is a role that you can play.

-Marjaneh Issapour, an engineering professor at Farmingdale State College

“Every business has a niche and shouldn't reshape itself for offshore wind,” she said. “Stick to what's your expertise and see if there is a role that you can play.”

Issapour and others said business owners in Nassau and Suffolk counties shouldn't be discouraged that the major components of wind farms – blades, turbines, towers and foundations – will be assembled in New York City and upstate from imported parts.

“So, you cannot build the turbine but maybe you can supply the grease that it takes to maintain the turbine,” Issapour said. “There are opportunities for local businesses because New York State is requiring the [offshore wind farm] developers and their major contractors to have local content, even if it costs them a little bit more.”

The developers have signed contracts stipulating that they spend nearly \$4 billion, among four of the wind farms, with businesses in the state. No such requirement exists for South Fork Wind but the developer expects to spend \$100 million with companies in the state, officials said.



Long Island companies are helping aid in the building of offshore wind farms. The CEO of the Haugland Group LLC, Billy Haugland II, explains how the company does the land-based work for interconnected wiring to offshore wind farms. Credit: Newsday/Howard Schnapp; Randee Daddona; Kevin Coughlin

For four of the offshore wind farms, their in-state expenditures must be made during the construction phase through the third year of operation, according to the New York State Energy Research and Development Authority, which regulates the industry.

The state will provide incentive payments to support the construction and operation of the wind farms. The payments will result in an average increase of less than \$2 per month on residential electric bills, NYSERDA projections show.

The developers are Orsted, the Danish company that operates the first offshore wind farm in the United States near Block Island in Rhode Island, and Equinor of Norway.

Orsted, the world's largest offshore wind developer, is partnering with Eversource, a New England-based utility company, on two projects east of Montauk Point: South Fork Wind and Sunrise Wind.



A barge conducting horizontal drilling for the sea-to-land cable for the South Fork Wind Farm cable off the coast of Wainscott. Credit: Bloomberg/Johnny Milano

Equinor, in partnership with bp, formerly the British Petroleum Co., is building two projects south of Long Beach: Empire Wind I and Empire Wind II. The partnership's third project is Beacon Wind I, located 60 miles east of Montauk and 20 miles south of Nantucket.

Equinor and Orsted are among the developers that submitted proposals to the state last month for additional wind farms to be located south and east of Long Island. NYSERDA is expected to announce the winning proposals this spring.

Among the five wind farms that have been approved, South Fork Wind is the smallest, with 12 turbines, and the furthest along in construction. The electricity will be purchased by the Long Island Power Authority.



Five offshore wind farms have been approved so far and their developers have committed to spending nearly \$4 billion with New York State businesses. Credit: NEWSDAY GRAPHIC / GUSTAVO PABÓN

Much of South Fork Wind's onshore construction is being performed by Haugland Group LLC.

The Melville-based firm is building a 100,000-square-foot substation in East Hampton and last fall dug a four-mile trench and installed a conduit system for the electrical cable in Wainscott, from the water's edge to the substation.







The Haugland Group LLC dug a four-mile trench in Wainscott and installed a conduit system for the electrical cable for South Fork Wind farm last fall. Billy Haugland II, CEO, is shown at their offices in Melville. Credits: Bloomberg/Johnny Milano; Haugland Group, LLC; Howard Schnapp

“We’re going to pursue every contract because something like offshore wind only happens once in a lifetime,” said CEO Billy Haugland II, adding his company worked on the Block Island Wind Farm in 2016 and 2021.

He said the South Fork Wind contracts represent about 10% of Haugland Group’s annual sales of more than \$500 million. But the other wind farms are larger – and so will bring larger contracts and more jobs.

Haugland Group has already won a contract to help with the installation of the electrical cable for Sunrise Wind. The company employs more than 1,000 people nationwide and in the U.S. Virgin Islands.

For wind-farm construction, New York State requires the prevailing wage to be paid, which means construction workers earn the union rate and benefits. Together, Orsted

and Equinor estimate they will create about 2,000 construction jobs and more than 550 permanent jobs among the five wind farms.

Haugland Group is a Tier I or prime contractor for South Fork Wind, which means it relies on subcontractors to supply some of the goods and services needed to complete the project.

A&S Rebar in Yaphank produced the steel bars or rebar that Haugland Group used to strengthen concrete in the Wainscott trench where the electrical cable was laid. The rebar was installed by A&S' sister company, Yonkers-based Lashay's Construction & Development Co.



Andrew Simmons, founder of A&S Rebar, at the company's manufacturing plant in Yaphank. Credit: Newsday/Alejandra Villa Loarca

Andrew Simmons, founder and president of both companies, said, “Billy [Haugland II] introduced me to the offshore wind industry and I see a lot of potential. We started out small but there’s billions [of dollars of work] between New York and New Jersey.”

Simmons, anticipating more orders, spent \$300,000 recently to add equipment on the 1.5-acre lot that A&S rents in the Brookhaven Rail Terminal, a freight facility. A&S has supplied large building projects in the metropolitan area, such as the Long Island Expressway repaving and Long Island Rail Road’s East Side Access.

Five employees take the 60-foot steel bars from steel mills and use machines to cut the bars to the desired lengths and bend them into shapes. The workers turned out about 5,000 tons of rebar last year, which generated sales of between \$4 million and \$5 million, Simmons said.

“I want to get sales up to \$20 million in the next few years, and offshore wind can help with that,” he said. “I’m focused on offshore wind because there’s a lot of work coming down.”

Simmons’ enthusiasm for wind farms is by no means universal among Long Island manufacturers, according to the projects’ advocates.

“It’s stunning to me how many people have no clue what these offshore wind projects are all about, or the potential for Long Island companies to make spare parts, for Long Islanders to get jobs operating and maintaining these wind farms,” said Phil Rugile, who has spent years guiding technology startups and workforce development programs. “There’s very little real excitement and a lot of skepticism.”

Two years ago, Rugile started the OSW Supply Chain website and newsletter to inform manufacturers and others about an industry that he predicts will be as important to the Long Island economy as space exploration with Grumman Corp.’s Lunar Module was in the 1960s and 1970s.

Offshore wind is the biggest thing to come along in 30 to 40 years and it will need a domestic supply chain, which Long Island’s aerospace and defense manufacturers are well positioned to be part of.

-Phil Rugile, who guides technology startups and workforce development programs

“Offshore wind is the biggest thing to come along in 30 to 40 years and it will need a domestic supply chain, which Long Island’s aerospace and defense manufacturers are well positioned to be part of,” he said.

Orsted and Equinor representatives agreed, saying the cost of importing replacement parts from Europe is prohibitive and time-consuming.

“A worst-case scenario is buying parts from Denmark,” said Mike McMahon, senior supply-chain development manager for Denmark-based Orsted. “The replacement parts, the support services have to be local.”

Amanda Schoen, industry relations director in the United States for Norway-based Equinor, added that European manufacturers are already flush with orders as additional wind farms are planned for Europe and Asia. “It’s not true that we will source everything in Europe,” she said.

An Equinor contractor hired Miller Marine Services in Port Jefferson to provide the vessel that scientists and engineers used last fall to chart a cable pathway in the Sound for the Beacon Wind I project.



James Miller, president of Miller Marine Services, near his company's 145-foot wind-farm work vessel, the Danielle Miller, docked in Port Jefferson Harbor. Credit: Newsday/John Paraskevas

Citing Miller Marine's decades of experience in local waters, Schoen said, "Why pay for a vessel from elsewhere? It definitely makes sense to go local."

Company president Jimmy Miller said he began exploring opportunities in offshore wind about a dozen years ago after the number of oil tankers traversing Long Island Sound fell off. He transports crew, pilots, inspectors, food and water from the shore to the tankers and back.

Miller said he bought a 145-foot vessel specifically to serve the offshore wind farms and installed a hydraulic lift and other equipment. The boat, named "Danielle Miller" for the wife of his eldest son, has been used to examine the seabed for locations to place wind-farm foundations and electrical cable.

Besides Beacon Wind I, Miller Marine has worked on the Block Island wind farm and Skipjack Wind, an Orsted project off the Maryland/Delaware coast. Miller Marine has between 10 and 25 employees, depending on the amount of work.

“It’s very exciting, but it’s also very scary,” Miller said, of pursuing contracts in offshore wind. “We’re competing against foreign-flagged vessels and large companies that service the oil industry in the Gulf of Mexico.”

He said that New York State’s requirement that offshore wind developers work with companies in the state “helps us tremendously. It gives us a fighting chance.”

Jocelyn Linse

From: Lisa Mulligan
Sent: Monday, January 30, 2023 2:31 PM
To: Jocelyn Linse
Subject: FW: Updated Insurance Certificates Needed

Importance: High

For the packets...

Lisa M.G. Mulligan
CEO Brookhaven Industrial Development Agency
CEO Brookhaven Local Development Corporation



Phone: (631) 451-6563 | Cell (631) 987-8364 | Fax: (631) 451-6925

Email: LMulligan@BrookhavenNY.gov

One Independence Hill
Farmingville, NY 11738

From: Lester Wagner <Lester@tatesbakeshop.com>
Sent: Monday, January 30, 2023 1:25 PM
To: Amy Illardo <aillardo@brookhavenny.gov>; Lisa Mulligan <lmulligan@brookhavenny.gov>
Cc: Brian Lambert <brian.lambert@tatesbakeshop.com>; Kathy Yaccarino <Kathy@tatesbakeshop.com>
Subject: RE: Updated Insurance Certificates Needed
Importance: High

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Lisa,

First, thank you for walking me through the relationship that Tate's has with the Brookhaven IDA and what notification is required for Tate's capital projects. I will certainly keep this in mind for future projects.

Please be advised that we are in the process of installing a new Stormwater System and Parking Lot at our location at 62 Pine Street. Please grant consent for us to continue and complete the project.

Please contact me directly with any questions or comments about the project. Thank you for your help and ongoing support of Tate's!

Les Wagner
lester@tatesbakeshop.com
732-216-8704

From: Amy Illardo <ailardo@brookhavenny.gov>

Sent: Tuesday, January 17, 2023 9:20 AM

To: Kathy Yaccarino <Kathy@tatesbakeshop.com>; Brian Lambert <brian.lambert@tatesbakeshop.com>

Cc: Lisa Mulligan <lmulligan@brookhavenny.gov>

Subject: Updated Insurance Certificates Needed

Hi Kathy-

We have recently been informed of the construction project at 62 Pinehurst in East Moriches. Please provide us with the following insurance-

General Contractor

1. General Liability/ Automobile/ Umbrella
2. Workers Compensation
3. Disability

Mondelez/ Tate's –

1. Property including Builder's Risk

Feel free to reach out with any questions.

Thank you,
Amy

TAX BREAKS FOR WIND FARM DEVELOPER



Orsted plans to oversee many of its offshore wind farms from this operations and maintenance center in East Setauket. The Brookhaven IDA has granted \$2.6 million in tax breaks for the \$37.8 million project. Credit: Orsted

By James T. Madore

james.madore@newsday.com [JamesTMadore](#)

March 8, 2023 5:00 am

SHARE

A developer of offshore wind farms has won more than \$90 million in tax breaks from Brookhaven Town for an operations center in East Setauket and onshore construction for one of its farms, officials said.

The largest savings, \$87.4 million over 25 years, will support the construction of an electrical converter station and 18-mile underground cable-transmission line connecting the Sunrise Wind farm to a substation in Holbrook. The offshore wind farm will be located 30 miles east of Montauk Point.

The other \$2.6 million in tax breaks are over 10 years and support the renovation of an existing building into an operations hub for Sunrise Wind and at least two other farms.

Sunrise Wind is being constructed by Orsted, the world's largest developer of offshore wind farms, based in Denmark, and Eversource, a New England-based utility company.

The farm will have up to 100 turbines that can produce electricity for nearly 600,000 homes. It will begin operating in late 2025, an Orsted representative told Newsday.

The tax-break package for the converter station and transmission line consists of a sales-tax exemption of up to \$24 million on the purchase of construction materials and equipment, plus \$63 million in property-tax savings over more than two decades.

In return, Orsted plans to spend nearly \$500 million on the project and employ more than 2,200 construction workers, according to a cost-benefit analysis from the Brookhaven Industrial Development Agency, which granted the tax breaks.

"This is going to do so much for our community, in terms of electricity, job creation and contracts for local businesses," said Lisa M.G. Mulligan, the IDA's CEO. "There's going to be an infusion of work and opportunity to Brookhaven."

She and others noted that Orsted has committed to spending \$408.5 million with businesses in the state on Sunrise Wind, from construction through the third year of operations, based on a signed contract with the New York State Energy Research and Development Authority.

One local company, Haugland Group LLC in Melville, has won a contract to help with the installation of Sunrise Wind's cable-transmission line, company CEO Billy Haugland II told Newsday.

Even with the property-tax savings, Orsted will pay \$1.1 million per year in payments-in-lieu-of-taxes for a quarter of a century. The payments will go to five school districts, Brookhaven, Suffolk County and other taxing jurisdictions.

"A lot of the land [that will be used for the underground electrical cable] is municipally owned, so it isn't taxed," said the IDA's Mulligan. "The project will bring additional revenue ... This is going to be a windfall for all of them," she said on Tuesday, referring to local governments.

Orsted spokeswoman Meaghan Wims said the developer will pay \$28 million in payments-in-lieu-of-taxes in the next 25 years. "These payments represent revenue to the Brookhaven taxing districts that without this project wouldn't be realized," she told Newsday.

The operations center in East Setauket will oversee Sunrise Wind and Orsted's other farms in the region, including South Fork Wind, which also is off Montauk Point. South Fork is expected to begin operating at year-end.

Orsted purchased the 59,500-square-foot building at 22 Research Way in 2021 for \$7.3 million. It's now undergoing renovations for an office and warehouse. The total project cost is nearly \$38 million.

The IDA tax breaks consist of a sales-tax exemption of up to \$1.85 million on the purchase of construction materials and equipment, and property-tax savings of \$731,100 over a decade. The developer had requested that the property-tax breaks last for 25 years, according to the IDA application.

In return for the tax aid, Orsted has promised to create 65 jobs with annual salaries ranging from \$75,000 to \$290,000, the application states.

Previously, the IDA awarded tax breaks to the Cross-Sound Cable project, which brings electricity from Connecticut to Shoreham, and Caithness energy plant in Yaphank, among others.

WHAT TO KNOW

- **More than \$90** million in tax breaks have been awarded to Orsted, the world's largest developer of offshore wind farms.
- **The tax aid** from the Brookhaven Town IDA will support an operations center in East Setauket and a converter station and 18-mile underground cable-transmission line for the Sunrise Wind farm.

- **The projects, together** costing about \$530 million, will create 65 permanent jobs and employ more than 2,200 construction workers.