

Town of Brookhaven

**Industrial Development Agency**

MEETING AGENDA

**Wednesday, January 11, 2023 at 12:05 PM**

1. ROLL CALL

2. MINUTES

October 26, 2022  
November 16, 2022

3. CFO'S REPORT

Actual vs. Budget Report – November 30, 2022  
Timely Payments

4. APPLICATION

EB at East Patchogue, LLC

5. RESOLUTIONS

Organizational Resolutions  
HSRE-EB Holtsville  
CD Ramsay, LLC  
MS Packaging  
WF Industrial XII, LLC

6. CEO'S REPORT

Board Assessments

7. EXECUTIVE SESSION

*The next IDA meeting is scheduled for Wednesday, February 15, 2023.*

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# SUPPLEMENTAL MARKET ANALYSIS SUPPORTING DEMAND AND NEED

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## Expressway Drive North Warehouse Buildings Yaphank, NY

NPV No.02045

**Prepared for:**

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**Prepared by:**



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**July 27, 2022**

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- A Cushman & Wakefield, Long Island Marketbeat, Q1 2022
- B Colliers, Long Island Industrial Market Overview Q1 2022
- C Nassau-Suffolk Counties, Long Island Lease Comparables
- D Proposed Industrial Developments in Suffolk County

## 1.0 INTRODUCTION AND PURPOSE

Nelson Pope Voorhis (NPV) has been requested to prepare additional supplemental information concerning the need for the proposed industrial warehouse buildings on Expressway Drive North in Yaphank. This report addresses that need in order to support Brookhaven Industrial Development Agency (IDA) tax deferral incentives to facilitate this proposed project. This information supplements the Economic & Fiscal Impact Analyses for this project as contained in the NPV report referenced as follows:

- Economic & Fiscal Impact Analysis, Expressway Drive North Industrial Buildings, NPV, May 16, 2022

This economic/fiscal report document the construction/operational employment benefits of the project and further quantify the tax revenue benefits at full taxation. Job creation and tax base support are important to the economic stability of the Town, County and region as documented in this prior report.

The pandemic has increased the pre-existing demand for trucking, storage and delivery of goods and services to commercial and domestic consumers. This has spurred a need for local and regional warehouse and distribution centers and support facilities. The Wildflower project in Yaphank is designed to meet this demand.

The IDA notes that there are many projects for industrial use approved and/or pending in the Town of Brookhaven and general locale of the proposed Wildflower projects. The IDA has expressed concern that the application is currently speculative with no defined user at this time. As the IDA is being asked to support the project financially, the IDA seeks information to ensure that the project will be successful and that an excess of industrial space is not being created.

This report describes local and regional conditions that drive the market for industrial warehouse space. Understanding the dynamics of this unique market is critical to determining the significant demand for such facilities. There are unique aspects to the construction and leasing of industrial warehouse space that drive the market demand for existing and proposed projects. This document provides additional supporting information to demonstrate that there remains a need for such facilities.

It is noted that Wildflower has another application pending before the IDA for a proposed industrial warehouse building on National Boulevard in Medford. That project involves construction and annual operations of one building, which is proposed to be 129,237 sf of warehouse space. Wildflower finds there is demand for the proposed project in Yaphank that is addressed in this report, as well as the Medford project. The data and information contained herein support the need for both of these projects and that even with completion of both projects, there remains a demand for industrial warehouse space locally and regionally.

## 2.0 PROPOSED PROJECT AND LOCATION

The proposed development consists of three single-story warehouse buildings, known as Expressway Drive North Warehouse Buildings, located in the hamlet of Yaphank, Town of Brookhaven, Suffolk County. This project involves the construction and annual operations of the three buildings, which are proposed to be 203,548 square feet (sf), 176,670 sf, and 169,724 sf, resulting in a total of 549,942 sf of warehouse space.

The site location is more specifically described as the north side of Long Island Expressway (I-495) North Service Road, approximately 100 feet west of Sills Road. The Suffolk County Tax Map (SCTM) number of the subject site is: 200-662-2-5.16.

### 3.0 APPLICANT INFORMATION SUPPORTING NEED

Wildflower LTD specializes in creating and leasing industrial warehouse space in the New York metropolitan area. The Yaphank and Medford project locations were screened by Wildflower for suitability to serve the market and provide successful, occupied space to support the demand for such space.

Wildflower has a reputation and a track record of successfully constructing and leasing industrial warehouse space. It is important to understand that all Wildflower projects are built without a tenant lease already signed and in-hand. Wildflower's business model for industrial warehouse space requires Wildflower to develop sites that tenants seek to occupy as explained further herein. Over the past eight (8) years, all Wildflower projects have been built on a speculative basis, and all are currently 100% leased. Wildflower's approach is not unique. This is industry-wide in the industrial market. Industrial builders either build on speculation, or the potential tenants go elsewhere where there is already space available to meet their needs.

Interestingly, the tenants that require and occupy warehouse space, do not typically embark on the cumbersome process of locating and acquiring land, followed by completion of the site plan land use review process and procurement of building permits to entitle that land to be developed for their use. This process can easily take 12 and potentially up to 24 months to complete. Due to the variability of market conditions, tenants are not making commitments for over 12 months into the future. These tenants require approved space that is ready to occupy and seek locations that meet their business needs. Tenants are averse to zoning and construction financing risk and typically seek an approved loan with lending institutions that require completion guarantees assured by the developer, in this case, Wildflower. As a result, though buildings are built without a tenant lease already signed and in-hand, this process allows high quality, versatile industrial space to enter the market by having the developer (Wildflower) carry the up-front risk. In short, Wildflower bridges the demand for the space with production of the space for tenants to occupy.

Wildflower is also unique in that the company does not sell approved projects. Instead, Wildflower builds the projects and retains the space. This business model has proven to be extremely successful in serving the market need for flexible space that serves the warehouse, self-storage space and film studio industries.

Wildflower fulfills a critical role to deliver space to tenants requiring flexible warehouse buildings for occupancy and operations with modern specifications that are not found in the overwhelming majority of the total industrial warehouse market on Long Island. Having a long-term outlook and being able to deliver needed space allows Wildflower to work with many different types of users to serve their warehouse space needs.

If a developer such as Wildflower were not used to bridge the market and deliver space, very few projects would be built. Tenants would be forced to use compromised space and the innovation and progress that is facilitated by quality space would be significantly hindered.

As a for-profit company, Wildflower is most interested in the success of their projects. The company understands the markets they serve and focuses on project success. Wildflower only serves the New York metropolitan area and has developed a specialty in the industrial warehouse market. A number of successful projects have been completed on Long Island including the JFK Logistics Center and public storage facilities in Middle Island and Holbrook, and all of these projects were built without a tenant lease already signed and in-hand.

The proposed location in Yaphank was selected as a prime location in the Long Island Expressway (LIE) Exit 66 area. This location serves a significant market need. The current conditions indicate historically low-vacancy rates with space being readily occupied when delivered to the market. The model for this market is based on availability of space to occupy immediately when the need is determined. As a result, Wildflower has had inquiries from multiple users and brokers that represent tenants. Wildflower is known for delivering quality space and can offer space to existing tenants in other areas that require space in central Brookhaven Town as well as new tenants in this market.

Wildflower works with all major brokerages and also handles most leasing in-house with a focus on the highest credit tenants to match tenants with desired space. As of the summer of 2022, Wildflower and their brokers maintained a proprietary list of 30 companies seeking a total of 3,405,000 SF of industrial warehouse space. This demand for space is not met by existing inventory, and will not be met by proposed projects that are currently being pursued in Suffolk County.

## 4.0 MARKET RESEARCH AND ANALYSIS

### 4.1 Long Island Market Conditions

Long Island specific industrial market research is available from Cushman & Wakefield, a reputable source of real estate information. Available research for the first quarter of 2022 supports a finding that the industrial market on Long Island is strong and will remain strong, and that there is unfilled surplus demand for industrial warehouse space.

Cushman & Wakefield publishes Marketbeat, Long Island. The most recent available Cushman & Wakefield report for the first quarter of 2022 (Industrial Q1 2022) is included as **Attachment A**. This document indicates the following:

- Unemployment Rate Declines as Industrial Job Sector Expands
- Vacancy Hits Historic Low as Tenant Demand Eclipses Supply
- Construction Delays Put Pressure on Supply as Older Buildings Attract Tenants

With low vacancy rates (2.3%) and high demand (record activity exceeding 1.3 million square feet), the lease rates go up and tenants seek other inferior space for their operations. The year-to-date net absorption rate 320,000 SF is 7.4% higher than the first quarter of 2021 even though first quarter transaction volume is traditionally lower than the rest of the year. Other data supports the increased rental rates which clearly show a need for space to serve the current and future market. This activity demonstrates a continuing demand for industrial space in Suffolk County and for Long Island as a region.

**Attachment B** provides additional supporting information as contained in the Colliers Long Island Industrial Market Overview (Q1 2022). This market report supports the findings of Cushman & Wakefield that availability of space is low, rents are increasing, and the absorption rate is high.

### 4.2 Long Island Industrial Lease/Land Comparables

Recent industrial lease comparables were researched based on data collected by Cushman & Wakefield. The recent leases involve some new space, but mostly covers leasing of existing and older industrial space. **Attachment C** provides the most recent listing of these uses for Suffolk and Nassau County.

Of the Suffolk County comparables, only 158 Candlewood in Bay Shore, 120 Wilshire Boulevard in Brentwood and 215/230 Roger's Way, Westhampton are more recent construction; all others are approximately 20 or more years old (prior to 2000). None of the more recently constructed leased spaces are near the Long Island Expressway. It is noted that there is a high volume of leased space listed in **Attachment C**, further expressing the demand for industrial space. These types of spaces are filling the current demand in Suffolk County. In Nassau County, there is 1

million less square feet that was leased for industrial use; however, population density is higher and there remains a demand for space in Nassau County. This supports a finding that Suffolk County is fulfilling some of the industrial space demand for industrial square footage in Nassau County. In review of the age of the industrial comparables in Nassau County, all of the listed comparables are 20 or more years old, many are smaller spaces and most are not proximate to the LIE. Only the Plainview, and Syosset listings have convenient access to the LIE. The age, location and volume of sales of recent comparables supports the need for in new industrial space.

Review of **Attachment C** provides information regarding the types of tenants that are seeking and leasing space and land. A sampling of the types of companies and uses marks a shift toward eCommerce as well as some more traditional warehouse/distribution uses and other uses. The majority of uses are for warehouse/distribution, with limited uses representing manufacturing or research & development. There is only one use of 122,000 SF in Hauppauge which is listed as manufacturing/R&D, and that is a lease renewal, except for Tate’s Cookies who leased 60,000 SF of space in Westhampton for manufacture/distribution. All the rest involve warehouse and distribution tenants. The list includes the following industries, companies and uses:

<u>Suffolk County</u>	<u>Nassau County</u>	<u>Land Comps (Suffolk-Nassau)</u>
Snapple	Brinks	Veolia
Duro Dyne	Food Distributor	Car Dealer Parking
Lindemeyer Monroe	Power Home Remodeling	Stone Masonry
Elecnor Hawkey LLC	Office Solutions Group	Jupiter Electric
Tekweld	Peleton	Reliant School Buses
Amazon	Amazon	American Pavers
The Oil & Lubricant Depot LLC	Cobham	Amazon
G-Fuel	Gate Gourmet	Performance Food Group
Unilever	Lazer Ship	Viola Construction
Sterling Digital Print		Waste Handler User
Cookies United		DHS Fraco
Tate’s Cookies		
Supply One		
Speedcast		
Estee Lauder		

The list of use types shows a wide variety of specific warehouse/distribution occupancies. Amazon, an eCommerce distributor, is listed in each grouping. As noted, these uses are occupying smaller and older spaces that are not generally proximate to major distribution routes of travel such as the LIE. Review of lease and land comps demonstrates an underserved market for newer, more flexible and modern industrial warehouse/distribution space that is conveniently located near the Long Island Expressway.

### 4.3 Long Island Industrial Market Projects

This lack of existing newer quality space located proximate to transportation corridors and distribution hubs has given rise to additional construction of new space to meet market demands. A list of expected projects coming to the market over the next 2-3 years has been compiled. This list identifies 21 projects that are in various stages of approvals, other than the Wildflower projects. Of these projects, 6 are located in Nassau County totaling 867,330 SF; and, 15 are located in Suffolk County totaling 3,183,258 SF. Of the 15 projects in Suffolk County, 12 are centrally located with relative proximity to the LIE, totaling 1,887,553 SF. There are 4 projects in Brookhaven Town, totaling 1,061,900 SF. Three (3) of these projects are located in proximity to the LIE (538,000 SF), and one is located in the more southerly portion of the Town (523,100 SF). With the Wildflower projects, representing 679,179 SF, the total proposed industrial space in Brookhaven Town is 1,741,079 SF, of which 1,217,979 SF is located centrally with access to the LIE. **Attachment D** includes the compiled list of projects based on multiple sources.

**The pending projects in Nassau County are sorely needed and will easily be absorbed into the market to fulfill the need for new industrial warehouse space in this critical high population area which is proximate to the boroughs of New York City.**

The pending projects in Suffolk County include about 1.3 million SF that has compromised access but will serve more local and subregional needs including last mile delivery. The balance of space will service the current and emerging markets for eCommerce and other industrial warehouse/distribution needs.

Projects in Brookhaven include 1,061,000 SF of which 523,100 is not centrally located for convenient access to the LIE. Brookhaven is centrally located in Suffolk County and can serve markets to the east and west.

Wildflower proposes two (2) projects in Yaphank and Medford totaling 679,179 SF. Combined with other projects in Brookhaven, this totals 1,741,079 SF of pending new industrial space. Of this space, approximately 1,217,979 is centrally located with LIE access and 523,100 SF is located in south-central Brookhaven Town. The Medford/Yaphank area is central within Brookhaven Town and is ideally positioned geographically to meet existing and future demand.

The current demand for industrial user space in Brookhaven, Suffolk County and Long Island is strong. At the current absorption rate of 320,000 SF per quarter, this space will be occupied in approximately 3 years. Market delivery dates for this space range from 2022 through 2024. It is noted that extended land use review periods often occur and may delay some space getting to market. Historically, some percentage (at least 25%) of proposed space never gets built or is significantly delayed.

There is a long list of potential users for this space and only a limited amount of space can be constructed based on zoning, land ownership and other constraints. Not all of the available space is proximate to Suffolk County and regional transportation corridors. It is expected that there will be delays in having all of the pending projects approved and available for occupancy within the next 3 years. During this period, it is expected that demand will increase as indicated in real estate market reports from Cushman & Wakefield. Given the industrial space currently being proposed and the current and expected increase in demand for this space, there is a high potential for successful occupancy of the space that is currently in review, including the Wildflower projects.

## 5.0 WILDFLOWER COMPETITIVE EDGE AND SURPLUS DEMAND

The three (3) buildings proposed by Wildflower in Yaphank have a high probability for successful occupancy as a result of the business model and track record of Wildflower. The proposed buildings enjoy a competitive edge as a result of the following factors:

- Flexible warehouse/distribution building space is in demand
- Wildflower builds space that can accommodate many different types of users
- Proposed space will have high ceilings and less interior columns through new construction, that makes the space very versatile
- Buildings are able to be subdivided to meet the space needs of tenants
- Wildflower provides single and multiple tenant industrial warehouse space
- Mechanical, Electrical & Plumbing (MEP) systems are designed so that buildings can be divided and metered for smaller tenants

The Yaphank location to be offered by Wildflower features safe, convenient access to the Long Island Expressway. As noted in other sections, this is an important factor in offering tenant space to new users.

As noted in **Section 3.0**, Wildflower is known for offering high-quality industrial space for warehouse/distribution tenant needs. The reputation of Wildflower for offering and filling such space is a key factor in attracting tenants.

Also as noted in **Section 3.0**, the current tenants-in-market (TIM) for space totals 30 potential tenants with a demand for 3,405,000 SF of industrial warehouse space. The total of the proposed projects in Suffolk County of 3,183,258 SF will not fulfill this need. More locally, the total of 1,061,900 SF of pending industrial warehouse space in Brookhaven Town, will also fall far short of the demand for space based on the C&W/Wildflower proprietary list of potential tenants.

The 549,942 SF of space proposed in Yaphank is very much in demand. Further, the 679,179 SF of combined space (Medford and Yaphank) proposed by Wildflower will help to meet this demand, but only partially fulfills the significant need for space. Even if 10% of the TIM identified in the fall of 2021 settle for inferior space before the Wildflower projects are available for occupancy, there is still a net demand for 2,385,321 SF of space when factoring in the Wildflower projects. In other words, the Wildflower projects in Yaphank and Medford will only meet 22.2% of the demand for space based on TIM, even considering a lower demand should 10% of the space needs be met before approval of the Wildflower projects.

Based on the edge that Wildflower has in offering quality space at an ideal location, and the demand for such space, there is a significant surplus demand for industrial warehouse facilities.

## 5.0 SUMMARY OF MARKET ANALYSIS, DEMAND AND NEED

This report outlines current market conditions, existing leases and comparables, anticipated demand for industrial space and highlights Wildflower's market strategy and anticipated ability to lease space for multiple industrial users. Key market conditions supporting a strong demand and need for industrial warehouse space as presented in this report are as follows:

- Low vacancy rates
- High industrial space absorption rates
- Increasing rents
- Market predictions by leading market analysts
- Lack of newer (less than 20 years old) industrial space
- Lack of industrial space near LIE
- High occupancy of older compromised space in non-ideal locations
- Lack of vacant industrial land for construction, particularly in Nassau County
- Lack of industrial space in Nassau County being served by Suffolk County
- Increase in eCommerce and other users competing for industrial space
- Limited industrial space in the approval pipeline
- Demand for industrial warehouse is expected to exceed supply over next 3 years based on conservative absorption rates
- The net excess demand for industrial warehouse space after factoring in the Wildflower projects is 2,385,321 SF. Wildflower will only meet 22.2% of the demand for space based on 90% of the tenants-in-market identified by C&W/Wildflower in the fall of 2021.

In summary, this report addresses the demand and need for industrial warehouse space in connection with the project site proposed in the Town of Brookhaven by Wildflower, LTD. The site in Yaphank will feature three (3) buildings totaling 549,942 SF. Documentation provided includes information on Wildflower and the industry trend for leasing of industrial space as well as an assessment of Long Island industrial market information. Market information addresses current market conditions, a lease comparables assessment and projects that are currently proposed and pending. Consideration is given to TIM for space as documented by C&W/Wildflower. The strength of Wildflower to lease the proposed space is summarized in review of the type of space, location and potential tenants. Overall, the factors above support the finding that there is a strong demand and need for additional new, quality, properly located industrial warehouse space in central Brookhaven Town.

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ATTACHMENT A  
Cushman & Wakefield  
Long Island Marketbeat Q1 2022

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

Overall, Net Asking Rent

### ECONOMIC INDICATORS Q1 2022

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

Source: BLS

### ECONOMY: Unemployment Rate Declines as Industrial Job Sector Expands

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

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

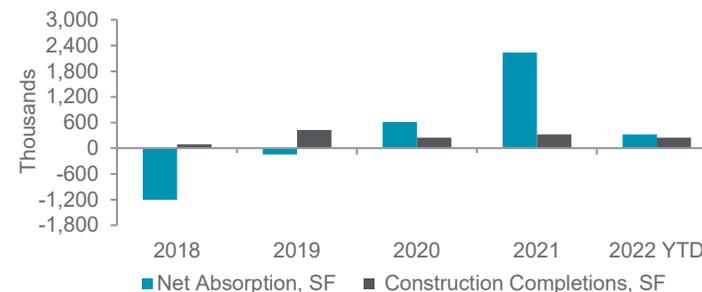
The industrial vacancy rate for Long Island closed the quarter at a new historic low, posting a year-over-year (YOY) decrease of 150 bps to 2.3%. At quarter-end, the Central Nassau submarket boasted a 1.1% rate, the lowest in the region. Surging demand continued to outpace supply, resulting in a year-to-date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

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

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

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

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## MARKET STATISTICS

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

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

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

## KEY LEASE TRANSACTIONS Q1 2022

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

## KEY SALES TRANSACTIONS Q1 2022

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

## NOTABLE PROJECTS UNDER CONSTRUCTION

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

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A CUSHMAN & WAKEFIELD  
RESEARCH PUBLICATION

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ATTACHMENT B  
Colliers  
Long Island Industrial Market Overview Q1 2022

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Long Island | Industrial

# Market Overview

Q1 2022



## Inventory

	Q1 2022	Q4 2021	Q1 2021
Nassau County	44,387,498	44,714,498	44,856,667
Suffolk County	98,771,801	98,933,739	98,865,609
<b>Long Island Overall</b>	<b>143,159,299</b>	<b>143,648,237</b>	<b>143,722,276</b>



## Leasing Activity

Nassau County	171,419	266,287	315,625
Suffolk County	882,413	251,122	582,126
<b>Long Island Overall</b>	<b>1,053,832</b>	<b>517,409</b>	<b>897,751</b>



## Availability Rate

Nassau County	3.8%	4.1%	6.2%
Suffolk County	2.9%	3.0%	3.4%
<b>Long Island Overall</b>	<b>3.1%</b>	<b>3.4%</b>	<b>4.2%</b>



## Average Asking Rent (\$PSF/Yr.)

Nassau County	\$17.26	\$16.60	\$15.84
Suffolk County	\$12.76	\$12.59	\$12.55
<b>Long Island Overall</b>	<b>\$14.27</b>	<b>\$13.88</b>	<b>\$13.62</b>



## Quarterly Net Absorption

Nassau County	178,716	55,515	84,546
Suffolk County	160,665	(102,362)	46,102
<b>Long Island Overall</b>	<b>339,381</b>	<b>(46,847)</b>	<b>130,648</b>

## Long Island Overall

Long Island’s industrial market continues to be extremely strong and directly benefitting from the sustained growth of e-commerce sales. This has led to increased occupier demand for industrial space which caused pricing to increase and the availability rate to consequently decrease. During the first quarter, there was over 1.0 MSF of leasing activity and the availability rate decreased 30-basis points quarter-to-quarter to 3.1%. As the industrial supply in the Long Island market becomes constrained, the quarter exhibited 339,381 SF of positive net absorption.

Long Island’s average asking rent continued to increase as demand persists, and is now 2.8% higher than the previous quarter, with an average asking rate of \$14.27/SF.

In order to meet ongoing demand, developers have accelerated their construction pipeline in the market. At the end of the first quarter, two properties were delivered totaling 481,734 SF, there were five properties under construction totaling 1.3 MSF, and twenty-two properties totaling 3.8 MSF are proposed in the market.

Long Island industrial has continued to be an investor favorite. At the end of the first quarter investment sales volume reached \$106,074,100. As it continues to be the case, investors are pursuing fully leased industrial buildings with 89% of the buildings sold being 100% leased.

With widespread inflation, the U.S. Federal Reserve raised its benchmark interest rate by 25 basis points this quarter to 0.50%. As interest rates rise, look for a tightening in the capital markets sector directly influencing free capital and purchase prices.

Metropolitan Realty Associates, LLC’s \$22.5 million acquisition of 81 Spence Street in Bay Shore represented the most significant sale of the quarter. The 129,500 SF warehouse sold for \$171.81/SF. Also significant were Brookfield’s acquisitions of 72,000 SF at 100 Commercial street, Plainview for \$15,475,000

or \$214.93 PSF and 114,939 SF at 485 South Broadway, Hicksville for \$16,810,645 or \$146.26 SF.

## Nassau County

The availability rate in Nassau County dropped 30-basis points quarter-to-quarter to 3.8%. During the quarter, the submarket experienced 178,716 SF of positive net absorption.

Coinciding with the availability rate going down and net absorption exhibiting positive movement, the average asking rent improved 3.97% quarter-to-quarter and is now asking \$17.26/SF for industrial space.

Amazon maintained its growth in Nassau County. 303 Robbins Lane in Syosset continued construction and it’s expected to be completed in the third quarter of 2022. 253-51 Rockaway Boulevard in Woodmere completed construction and added 235,234 SF to Amazon’s Long Island portfolio.

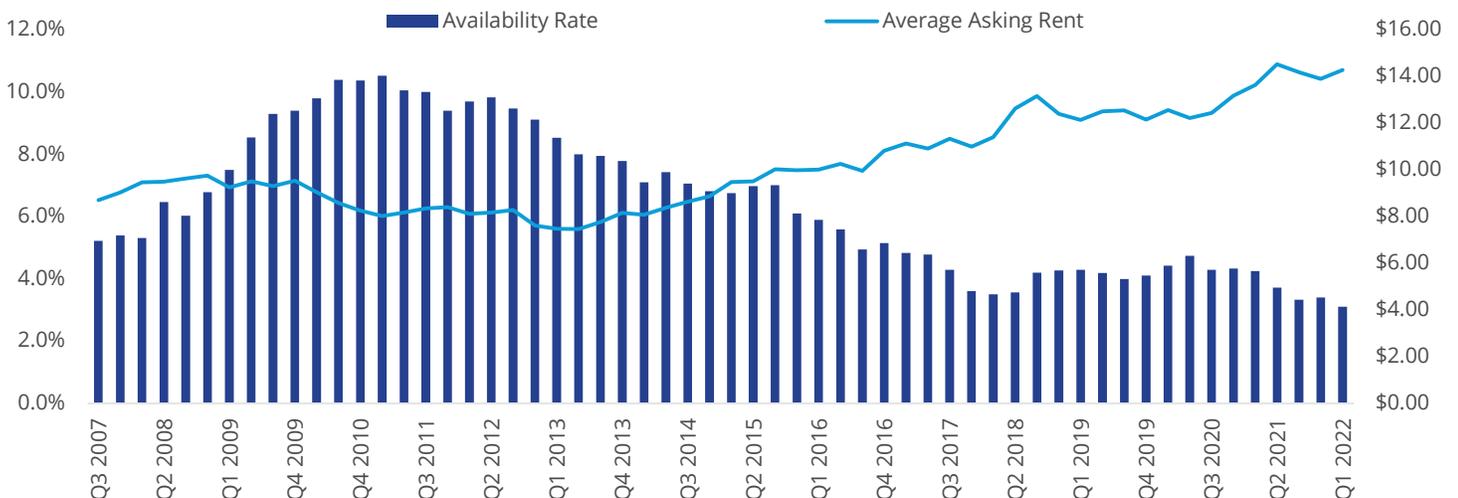
Krystal Fruits and Vegetables signed the largest new lease in the submarket and took 150,145 SF at 300 Michael Drive in Syosset.

## Suffolk County

Suffolk County once again posted the lowest availability rate on record, the availability rate decreased from last quarter to 2.9%. The County experienced 160,665 SF of positive net absorption this quarter. The industrial average asking rate for the submarket increased slightly by \$0.17 this quarter to \$12.76/SF.

Amazon signed the largest new lease in the submarket and took 246,500 SF at 90 Ruland Road in Melville.

There are four ongoing projects under construction totaling 1.3 MSF, with the largest being developed by Hartz Mountain Industries, Inc. at 235 Pinelawn Road in Melville, totaling 599,983 SF. Bristol Group, Inc. also broke ground on their 178,134 SF speculative project at 49 Mall Drive in Commack.



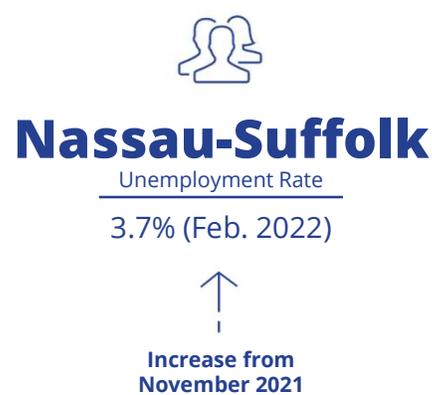
Source: Colliers

# Long Island Industrial Submarket Overview

Submarket	Stock	Total Inventory	Availability Rate (%)	Average Asking Rent (\$)	Net Absorption (QTR.)	Under Construction
<b>Nassau County</b>						
Western Nassau	154	5,836,161	1.8%	\$20.10	38,303	0
Northern Nassau	45	1,759,587	1.9%	\$15.00	(19,750)	0
Central Nassau	234	6,824,036	3.9%	\$14.55	(330,483)	0
Eastern Nassau	495	20,251,004	4.4%	\$17.99	105,375	204,000
Southern Nassau	377	9,716,710	4.3%	\$16.67	40,871	0
<b>Total Nassau County</b>	<b>1,305</b>	<b>44,387,498</b>	<b>3.8%</b>	<b>\$17.26</b>	<b>(165,684)</b>	<b>204,000</b>
<b>Suffolk County</b>						
Western Suffolk	1,471	57,963,505	3.5%	\$12.69	(34,047)	1,177,813
Southwest Suffolk	337	8,595,264	0.9%	\$13.77	38,208	0
Central Suffolk	806	27,754,745	2.2%	\$12.35	47,240	138,059
Eastern Suffolk	143	4,458,287	3.0%	\$14.25	(30,674)	0
<b>Total Suffolk County</b>	<b>2,757</b>	<b>98,771,801</b>	<b>2.9%</b>	<b>\$12.76</b>	<b>20,727</b>	<b>1,315,872</b>
<b>Market Total</b>	<b>4,062</b>	<b>143,159,299</b>	<b>3.1%</b>	<b>\$14.27</b>	<b>(144,957)</b>	<b>1,519,872</b>

Source: Colliers

## Economic Indicators



Source: U.S. Department of Commerce, The Conference Board, Bureau of Labor Statistics

# 494 offices in 62 countries on 6 continents

United States: 158

Canada: 44

Latin America: 19

Asia Pacific: 39

Australia & New Zealand: 58

EMEA: 108



\$4.1 B

In revenue



2B

Square feet under management



17,000 +

Professionals

## About Colliers

Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 62 countries, our 17,000 enterprising professionals work collaboratively to provide expert real estate and investment advice to clients. For more than 27 years, our experienced leadership with significant inside ownership has delivered compound annual investment returns of 20% for shareholders. With annual revenues of \$4.1 billion and more than \$50 billion of assets under management, Colliers maximizes the potential of property and real assets to accelerate the success of our clients, our investors and our people. Learn more at [corporate.colliers.com](http://corporate.colliers.com), Twitter @Colliers or LinkedIn.

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ATTACHMENT C  
Nassau-Suffolk Counties  
Industrial Lease Comparables  
(Cushman & Wakefield)

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# Attachment C

Suffolk and Nassau County  
Industrial Lease Comparables  
(Cushman & Wakefield, June 2022)

## SUFFOLK INDUSTRIAL LEASE COMPS

Date Leased	Address Line 1	City	Leased SF	Lease Term	Net Leased Price P	Clear Height (Ft.)	Tenant Name	Price Per Cubic Foot	Building Type	Status
Pending	125 Baylis Rd	Melville	103,500	10	\$19.50	36	Snapple	\$0.54	Pending WH/Distribution	Pending
2nd Q22'	158 Candlewood Rd	Bay Shore	82,000	10	\$15.85	40	Duro Dyne	\$0.40	Warehouse / Distribution	New Lease
2nd Q22'	158 Candlewood Rd	Bay Shore	115,000	5	\$14.50	40	Lindenmeyer Munroe	\$0.36	Warehouse / Distribution	New LEase
1st Q 22'	100 Marcus Blvd	Hauppauge	69,000	7	\$13.50	22	Elecnor Hawkeye LLC	\$0.61	Warehouse / Distribution	Renewal
1st Q 22'	85 Nicon Court	Hauppauge	113,440	5	\$12.00	43	Tekweld	\$0.28	Warehouse / Distribution	New Lease
1st Q22'	90 Ruland Road	Melville	246,500	10	\$18.75	40	Amazon	\$0.47	Warehouse / Distribution	New Lease
1st Q 22'	64 Court St.	Copiague	64,184	10	\$13.50	16	The Oil and Lubricant Depot LLC	\$0.84	Warehouse / Distribution	New Lease
4th Q 21'	100 Wireless Blvd	Hauppauge	73,000	5	\$14.25	43	G-Fuel	\$0.33	Warehouse / Distribution	New Lease
3rd Q 21'	1 Adams Ave	Farmingdale	93,000	5	\$13.75	22	Unilever	\$0.63	Warehouse / Distribution	Renewal
2nd Q 21'	70 Corporate Drive	Hauppauge	75,000	10	\$13.50	16	Sterling Digital Print	\$0.84	Flex / Warehouse	new Lease
2nd Q 21'	4 Henry Street	Commack	50,000	5	\$13.50	24	Cookies United	\$0.56	Warehouse	New Lease
1st Q 21'	1770 Walt Whittman Rd	Melville	213,914	10	\$14.00	29	Amazon	\$0.48	Distribution	New Lease
1st Q 21'	540 Broad Hollow Rd	Melville	96,000	10	\$14.00	36.5	Amazon	\$0.38	Distribution	New Lease
4th Q 20'	215 Rogers Way **	West Hampton	60,000	3	\$13.50	22	Tate's Cookies	\$0.61	Manufacturing/Distribution	New Lease
4th Q 20'	230 Rogers Way	West Hampton	90,000	10	\$15.00	26	Amazon	\$0.58	Distribution	New Lease
3rd Q 20'	120 Wilshire Boulevard*	Brentwood	75,000	7	\$13.00	24.5	Supply One	\$0.53	Warehouse/Distribution	Sublease
4th Q 19'	45 Oser Avenue	Hauppauge	122,000	15	\$13.50	14	Speedcast	\$0.96	Manufacturing/ R&D	renewal
3rd Q 19'	65 Maxess Road	Melville	51,780	10	\$15.00	24	Estee Lauder	\$0.63	Warehouse/Distribution	New Lease
			<b>1,793,318</b>							

Note: Although the information provided is deemed accurate and from reliable sources, the data remains subject to change and/ or confirmation  
Amazon Leases are transacted on a highly confidential basis, psf rental rates, terms and building specs are quoted as approximate terms/ estimated pricing.

## NASSAU INDUSTRIAL LEASE COMPS

Date Leased	Address Line 1	City	Leased SF	Lease Term	Net Leased Price PSF	Clear Height	Tenant Name	Building Type	Status	
2nd Q22'	1 Brooklyn Road	Hempstead	76,028	TBD	\$13.50	22	Brinks			
1st Q 22'	300 Michael Dr	Syosset	150,000	10	\$13.00	24'	Food Distributor	Warehouse / Distribution		
1st Q 22'	121 Express Street	Plainview	25,596	7	\$14.95	20'	Power Home Remodeling	Flex / Warehouse	New Lease	
2nd Q 21'	250 Duffy Ave	Hicksville	50,000	5	\$13.00	14'	Office Solutions Group	Warehouse		
2nd Q 21'	85 Harbor Road	Port Washington	130,000	5	\$12.70	20.5'	Peleton	Warehouse		
3rd Q 20'	2 Westbury Ave	Carle Place	56,000	10	\$18.00	20'	Amazon	Converted Retail		
2nd Q 20'	35 S Service Rd	Plainview	72,312	8	\$16.00	14'	Cobham	Flex		
2nd Q 20'	30 Inip Dr	Inwood	92,000	8	\$16.67	32'	Gate Gourmet	Warehouse / Distribution		
1st Q 20'	255 E Second St	Mineola	85,000	7	\$14.00	16'-18'	Lazer Ship	Warehouse/ Distribution		
			<b>736,936.00</b>							

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## ATTACHMENT D

# Proposed Industrial Developments in Suffolk County (Compilation By WF, CBAH, NPV and Market Information)

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**Attachment D – Proposed Industrial Developments in Suffolk County**

#	Address	Total SF	Available SF	Office SF	Lease Rate PSF NNN	Clear Ht (Ft)	Dock Doors	Drive Ins	Status (Existing, U/C, Proposed)	Delivery/Availability Year	Delivery/Availability Quarter	Car Parking	Trailer Parking	# of Access Points	Truck Yard Depth (Ft)	Shared Truck Yard?	Owner
1	1700 Walt Whitman Road, Melville	77,000	77,000	BTS	\$19.00	40	10	1	Proposed	2023	Q4	154	TBD	2	135	No	Rubie's Costume Company
2	60 Vanderbilt Motor Parkway, Hauppauge	96,982	96,982	BTS	\$22.00 - \$23.00	42	24	BTS	Proposed	2023	Q1	TBD	TBD	1	130	No	LINK Logistics
3	107 Charles Lindbergh Boulevard, Garden City	101,930	101,930	6,272	\$23.00	32	42	2	U/C	2023	Q4	175	TBD	3	135	No	Brookfield
4	125 Baylis Road, Melville	103,500	103,500	BTS	\$23.00	32	20	2	Proposed	2023	Q4	216	TBD	2	120	No	Creation RE
5	88 Parkway Drive South, Hauppauge	111,980	111,980	4,800	\$22.00 - \$23.00	42	29	TBD	Proposed	2023	Q1	264	TBD	3	145	No	LINK Logistics
6	2950 Veterans Memorial Highway, Islip	121,846	121,846	6,092	\$20.00 - \$21.00	36	22	2	Proposed	2023	Q1	195	119 Vans/Trucks	4	130	No	Venture One Realty
7	45 Oser Avenue, Hauppauge	135,645	135,645	BTS	\$22.00 - \$23.00	42	19	BTS	Proposed	2023	Q3	147	TBD	2	135	No	LINK Logistics
8	10 Donald's Way, Medford, NY	138,800	138,800	BTS	\$18.00	28	15	4	Proposed	2023	Q2	220	TBD	3	110	No	Rechler Equity Partners
9	200 Crossways Park Drive, Woodbury	150,000	150,000	BTS	\$24.00	36	45	BTS	Proposed	2024	Q1	170	22	3	135-170	No	Rockerfeller Group
10	1085 Old Country Road Westbury, NY	153,000	153,000	BTS	\$16.00	32	12	5	Existing	2022	Q3	375	Available (Total site with additional parking is approx. 9 acres)	4	78-115	No	Sanders Equities
11	90 Wilshire Boulevard, Edgewood	160,000	160,000	BTS up to 16,000	\$16.00	32-35	20	2	U/C	2022	Q3	300	41	1	140	No	Heartland Buisness Center
12	55 Paradise Lane, Bay Shore	172,622	172,622	BTS	\$23.00	40	40	2	U/C	2023	Q1	270	TBD	2	135	No	Rockerfeller Group
13	49 Mall Drive Commack, NY	178,134	178,134	BTS	\$18.00	36	31	2	U/C	2022	Q4	205	16	1	130	No	Bristol Group
14	125 New South Road Hicksville, NY (Building 1)	204,800	204,800	10,800	\$24.00	36	37	2	U/C	2023	Q4	289	None	3	205	Yes	Brookfield
15	125 New South Road Hicksville, NY (Building 2)	97,600	97,600	7,200	\$24.00	36	16	2	U/C	2023	Q4	87	None	3	205	Yes	Brookfield
16	Precision Innovation Park   Precision Drive, Shirley (Bldg. 1)	150,000	150,000	BTS	TBD	36	28	2	Proposed	2023	Q1	250	28	3	205	No	Scannell Properties
17	Precision Innovation Park   Precision Drive, Shirley (Bldg.. 2)	250,000	250,000	BTS	TBD	40	42	2	Proposed	2023	Q1	417	52	3	205	No	Scannell Properties
18	195 Spagnoli Road Melville, NY	399,696	399,696	BTS	\$20.00 - \$25.00	40	66	2	Proposed	2023	Q3	699 Stalls + 142 Land Banked Stalls	51	2	TBD	TBD	Hartz Mountain
19	235 Pinelawn Road, Melville, NY	599,983	599,983	30,758	\$20.00	40	120	2	U/C	2022	Q3	479	171	2	TBD	TBD	Hartz Mountain
20	49 Wireless Boulevard, Hauppauge, NY	123,970	123,970	3,610	\$22.00 - \$23.00	36	27	2	Proposed	2023	Q4	123	40	2	180	No	Venture One Realty
21	Station Road, Bellport	523,100	523,100	26,470	\$20.00 - \$21.00	36	28	2	Proposed	2023	Q4	1058	140	3	TBD	TBD	Black Creek

1                   T O W N   O F   B R O O K H A V E N  
2           BROOKHAVEN LDC/IDA FINANCE COMMITTEE AND REGULAR  
3                                    BOARD MEETING  
4           ONE INDEPENDENCE HILL, FARMINGVILLE - AUDITORIUM  
5                                    October 26, 2022  
6                                    12:43 P.M.

7  
8    BOARD MEMBERS PRESENT:

9    FREDERICK C. BRAUN       -       Chairman  
10   FELIX J. GRUCCI           -       Vice Chairman  
11   ANN-MARIE SCHEIDT       -       Board Member  
12   FRANK TROTTA             -       Board Member  
13   GARY POLLAKUSKY         -       Board Member  
14   MARTIN G. CALLAHAN       -       Board Member

15  
16   ALSO PRESENT:

17   LISA M.G. MULLIGAN       -       Chief Executive Officer  
18   LORI J. LAPONTE           -       Chief Financial Officer  
19   ANNETTE EADERESTO, ESQ.   -       Counsel  
20   JOCELYN LINSE             -       Executive Assistant  
21   AMY ILLARDO               -       Director of Marketing  
22   JOHN LaMURA               -       Deputy Director  
23   HOWARD GROSS, ESQ.       -       Weinberg Gross &  
24                                   Pergament, LLP  
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CHAIRMAN BRAUN: It is now 12:43, and we will open the regularly scheduled meeting of the Industrial Development Agency. The following board members are present;  
Mr. Trotta --

MR. TROTTA: Yes.

CHAIRMAN BRAUN: We didn't vote yet. Mr. Callahan is here, Ms. Scheidt, Mr. Braun, we do have a quorum. In addition, Mr. Grucci and Mr. Pollakusky are joining via Zoom due to extraordinary circumstances. The minutes of our meeting of September 27th have been sent to everyone, I need a motion to accept those.

MS. SCHEIDT: So moved.

CHAIRMAN BRAUN: Is there second?  
I'll second it. Are there any questions?

(No response.)

CHAIRMAN BRAUN: Hearing none, Mr. Trotta?

MR. TROTTA: Yes.

CHAIRMAN BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

CHAIRMAN BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

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CHAIRMAN BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

CHAIRMAN BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

CHAIRMAN BRAUN: Braun votes yes, the minutes are accepted. Lori, back to you.

MS. LAPONTE: Included in your package is the IDA operating results year-to-date and for the month of August. I want to mention in the month of August, we did have two closings, we also had two application fees that are included in revenue, and also in the other revenue we had some mortgage modifications and some subtenant income. So net for the month, we almost broke even, a few thousand dollars ahead for the month, but year-to-date we're behind \$22,000 as compared to our budget. Any questions?

(No response.)

MS. LAPONTE: The next item I want to go through is I just want to read you something about our payments, that they're done in accordance with the laws and regulations.

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"All payroll taxes and related withholdings have been paid timely and afforded to federal and state guidelines. All regulatory reports have been filed in a timely fashion."

Lastly, I want to mention we had a meeting prior to this with the finance committee to present the budget for 2023. As presented, it's due to be filed by the end of the month by October 31st, so it's included in your package also in this meeting for your review and approval.

CHAIRMAN BRAUN: I need a motion to accept the recommendations of the finance committee and give Lori and Lisa authority to file.

MR. TROTTA: I would make that motion, Frank Trotta.

CHAIRMAN BRAUN: Thank you, is there a second?

MS. MULLIGAN: I heard Ann-Marie second that, no offense to whoever else seconded that.

CHAIRMAN BRAUN: On the vote;

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Mr. Trotta?

MR. TROTTA: Yes.

CHAIRMAN BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

CHAIRMAN BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

CHAIRMAN BRAUN: Braun votes yes.

Mr. Grucci?

MR. GRUCCI: Yes.

CHAIRMAN BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

CHAIRMAN BRAUN: Motion carries.

MS. MULLIGAN: So the next -- I know that we have some guests in the waiting room, so I'm going to try to go through all of this and get everybody in and out as quickly as possible. The first application we have on the agenda is for Holtsville Energy Storage, and I think I see -- Rob, if you want -- and Camille, I can't totally see from here but I think I can see. While they're joining, Holtsville Energy Storage, LLC, this is a proposed 110 megawatt BESS system, a battery energy storage system proposed for 5276

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Expressway Drive South, so it's Expressway Drive South and Morris Avenue in Holtsville, it's west of the Island 16 Cinemas just for reference.

It's a partially vacant 60-acre parcel. This applicant has two other BESS project applications in front of this board, Savion and the Yaphank energy storage project, and this is a \$160 million project. They're requesting mortgage reporting tax, sales and use tax exemptions and a 25-year pilot, and Howard is representing the project along with Rob and Camille. Do you guys have any questions for them?

MR. TROTTA: I wanted to just review the -- Frank Trotta, I just wanted to just review the number of jobs and --

MS. MULLIGAN: This will not have any jobs because we've been doing energy production projects, not for the job creation, although that's not really fair to say because there will be construction jobs, but there won't be --

MR. TROTTA: A number in relation, I

1  
2 understand.

3 MS. MULLIGAN: -- a full time person  
4 on site there, so our -- I can't think of what  
5 the name of the policy is, but we have a  
6 policy that gives us sort of parameters on  
7 what to look at and we did a whole section on  
8 energy production, recognizing that they  
9 wouldn't really create continuing jobs, but  
10 that it's an important part of --

11 MR. TROTTA: I fully understand, but  
12 I wanted to see if there were jobs that were  
13 going to be created. That's the real  
14 question. I know it's not totally germane to  
15 the application, but it is a question.

16 CHAIRMAN BRAUN: Howard, anything  
17 from your end?

18 MR. GROSS: I'm a little confused,  
19 Frank, you're asking --

20 MR. TROTTA: Are there any jobs --

21 MR. GROSS: I'm sorry?

22 MR. TROTTA: Are there any jobs that  
23 will be created out of this project even  
24 though it's not, you know, our usual --

25 MR. GROSS: During the course of

1  
2 construction there will be jobs created and  
3 then intermittently, there will be visits to  
4 the site, they have to replace battery  
5 components and things like that, every three  
6 or four years as I understand it, so there's  
7 temporary jobs that's created for construction  
8 but not on an ongoing basis, or a daily basis  
9 that you would expect like in a warehouse or  
10 something like that. As Lisa was saying,  
11 that's really not the purpose behind these  
12 kinds of projects, it's to support the  
13 industries in general, the economics in  
14 general.

15 MR. TROTTA: And like I said, I do  
16 understand that, I was just curious if there  
17 would be any. Thank you.

18 CHAIRMAN BRAUN: Ann-Marie?

19 MS. SCHEIDT: Just a question,  
20 Howard, am I correct that this is near where  
21 the -- one of the offshore wind sources of  
22 energy will be coming ashore?

23 MS. MULLIGAN: No.

24 MR. GROSS: I'm not familiar with it  
25 so I can't say.

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MR. CALLAHAN: This is the Stone Center, is that the old -- the guy who used to sell stone off the side of the expressway?

MS. MULLIGAN: Yes.

MR. CALLAHAN: And that's been empty for --

MR. TROTTA: A long period of time.

MR. CALLAHAN: Yeah.

MS. MULLIGAN: Yes.

MR. TROTTA: Okay.

MR. GRUCCI: Howard, I have a question for you; 25-year pilot, is that something that we've done in the past?

MR. GROSS: Your UTAP provides for up to 25 years, and bearing in mind that these projects are novel in that it's not as if they were done 10 or 15 years ago, these are all brand new projects, and in order to make them viable financially, they require long-term pilots. Also, in some instances, and not necessarily in every instance, there may be a PPA with LIPA that will be for the term of 25 years or less or more, but in order to make these projects viable, they require long-term

1  
2 pilots.

3 MR. GRUCCI: Does the pilots step up  
4 as the years go by or does it get lost to  
5 inflation as the years go by?

6 MS. MULLIGAN: Felix, what we talk  
7 about maybe four five meetings ago, was a  
8 system, and I apologize, I don't have my notes  
9 with me, but off the top of my head it's  
10 something along the lines of \$2,000 per  
11 megawatt, someplace between 2,000 or 3  
12 thousand, per ming watt per year, and it's  
13 someplace between \$2,000 and I think \$3,000,  
14 roughly, per megawatt per year.

15 So this project, let's just say a 110  
16 megawatt system, and it's someplace between, I  
17 think, \$2,000 and \$3,000 per megawatt, so just  
18 for quick math I'm thinking that this is going  
19 to be \$220,000 per year for their pilot for  
20 25 years, and to the applicant, if I have my  
21 numbers wrong, I have my notes in my office,  
22 I'll get them -- they'll be right when we get  
23 the pilot together, but that's the basic  
24 concept that we went over, and there was a  
25 range depending on the number of years that

1  
2 were requested, so a range from, like, let's  
3 say \$2,000 to \$2,500 for a 20-year pilot or  
4 15-year pilot, \$2,500 to \$3,000 for a 20-year  
5 pilot and \$2,500 to 3 -- \$3,000 to \$3,500,  
6 which I think might actually be right now that  
7 I'm saying it out loud, for a -- up to 25-year  
8 pilot.

9 MR. GRUCCI: Under that formula,  
10 Lisa, if they decrease their megawatts for  
11 whatever reason, does the pilot diminish?

12 CHAIRMAN BRAUN: You mean during the  
13 construction?

14 MR. GRUCCI: No, during the 25-year  
15 period where this formula is determining the  
16 pilot payment to the emergency services and  
17 schools and whoever else gets the pilot  
18 payments. If their megawatts, which they came  
19 in at I think you said 100 megawatts, for  
20 whatever reason drops down to 80 megawatts in  
21 the tenth year, does pilot payment decrease?

22 MS. MULLIGAN: No, no, we set our  
23 pilot to the beginning of they projects.  
24 They're set and this particular -- these  
25 battery energy storage projects, although the

1  
2 megawatts I guess could -- they will adjust --  
3 they'll fluctuate naturally because energy  
4 will be pulled out, it will pull in, I assume  
5 that a little bit of energy will decrease.

6           It's the capacity, it's what it can  
7 hold and what its intention is to hold, but  
8 that's going to fluctuate depending on the  
9 needs of the grid, which is kind of the point  
10 of it, but the pilot is going to be set, it's  
11 going to be outlined for the project so they  
12 can see in eight years we're paying this,  
13 they'll have it outlined for them, just like  
14 we do with all our other projects.

15           MR. GRUCCI: Okay, thank you.

16           CHAIRMAN BRAUN: All right, are there  
17 any other questions?

18           MR. TROTTA: The structure that is  
19 set up here is similar to others?

20           MS. MULLIGAN: As far as our  
21 agreements?

22           MR. TROTTA: Yeah.

23           MS. MULLIGAN: Yes. Did you guys  
24 have anything you wanted to add; Camille, Rob,  
25 Howard?

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MS. KAYNOR: No, I was just going to mention the 110 megawatts refers to the installed capacities, so any energy fluctuations that you would see produced by that not change, like Lisa confirmed, would not change the pilot terms.

MS. MULLIGAN: Okay.

MS. KAYNOR: That's it from me.

MS. MULLIGAN: Thank you, Camille.

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

MR. TROTTA: Frank Trotta, I would ask for a motion.

MR. POLLAKUSKY: I'll second it, Gary Pollakusky.

CHAIRMAN BRAUN: On the vote; Mr. Trotta?

MR. TROTTA: Yes.

CHAIRMAN BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

CHAIRMAN BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

CHAIRMAN BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

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CHAIRMAN BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

CHAIRMAN BRAUN: Braun votes yes, the application is accepted. Thank you very much.

MR. PANASCI: Thank you for your time.

MS. KAYNOR: Thank you, everyone.

MR. GROSS: Thank you.

MS. KAYNOR: Thank you.

MS. MULLIGAN: So the next item on the agenda is Hydro Metal Holdings, LLC, Boilermatic Welding Industries, I think Marty has to --

MR. CALLAHAN: I need to recuse myself.

MS. ILLARDO: I've asked Mr. Pole to come over. I do not see Dan.

MS. MULLIGAN: So the next item on the agenda is a request for consent to assign the benefits from the Coast-to-Coast project, which is 20 Pinehurst Drive. Just to remind the Board, this is a project that we did last year, I would say, and Boilermatic is

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requesting consent to assign the benefits,  
like I said. They are a mechanical  
construction company. They're currently  
leasing a facility in Medford.

They are going to retain 56 jobs and  
create 14 FT's. They are requesting the pilot  
that's already been established for  
Coast-to-Coast and they are requesting the  
sales and use taxes that remain from what  
Coast-to-Coast did not use, and just -- it's  
roughly \$65,000 in exemption that the Board  
approved, and Coast to Coast has used about  
\$1,100, just over \$1,100 worth of exemptions,  
so they're asking for what was already  
approved for them just to be passed on,  
they're not asking for a mortgage recording  
tax and the pilot is set to start this  
December. So Coast-to-Coast came in, never  
really used the benefits that we offered --

MR. TROTTA: The transfer.

MS. MULLIGAN: Yes, the transfer.

CHAIRMAN BRAUN: Amy, who is on the  
call for the company?

MS. ILLARDO: Mr. Pole.

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MR. POLE: Yes, ma'am.

CHAIRMAN BRAUN: Is it Pole of Polé?

MR. POLE: Pole, P-O-L-E.

MS. MULLIGAN: Does anyone have any questions for the applicant?

CHAIRMAN BRAUN: My only question is a very simple one, it really has nothing to do with the project. I reviewed the financials this morning which are very strong; was the PPP, the second PPP loan forgiven, if you're --

MR. POLE: As of today, no, it's in with M&T Bank for review right now.

CHAIRMAN BRAUN: Okay, thank you.

MS. MULLIGAN: So this is -- we're going to have to hold a public hearing for this, so this is just accepting the application and having me set the public hearing.

MR. GRUCCI: I'll make the motion.

MS. MULLIGAN: Thank you, Felix.

CHAIRMAN BRAUN: Is there a second?

MR. POLLAKUSKY: Second, Gary Pollakusky.

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CHAIRMAN BRAUN: On the vote;  
Mr. Trotta?

MR. TROTTA: Yes.

CHAIRMAN BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

CHAIRMAN BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

CHAIRMAN BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

CHAIRMAN BRAUN: Braun votes yes.

The application has been accepted and the record should show that Mr. Callahan recused himself from the discussion.

MS. MULLIGAN: Thank you.

MS. POLE: Thank you.

CHAIRMAN BRAUN: Thank you.

MS. MULLIGAN: The next item on the agenda is 10 Donald's Way, LLC, and I heard that --

MS. ILLARDO: I do not see Guy Germano or Mr. Mitchell Rechler.

MS. MULLIGAN: I heard that Guy was in the building, so, you know what, let's just

1  
2 skip over that. The next item on the agenda  
3 is Sunrise Wind, we have an application for 22  
4 Research Way. I see that Amy -- Amy pulled  
5 Amy in already, so we have --

6 MS. ILLARDO: I'm pulling in Andrew.

7 MR. TROTTA: This is 10 Donald's Way?

8 MS. MULLIGAN: No, I'm skipping that  
9 because -- I heard the attorney is in the --

10 MR. TROTTA: I saw him, he must be in  
11 the other room because I saw them when I was  
12 coming in.

13 MR. CALLAHAN: There's two people in  
14 the auditorium, I don't know what they're  
15 doing in there. The lights are off and  
16 everything.

17 MR. TROTTA: So which one are we  
18 going to, I'm sorry?

19 CHAIRMAN BRAUN: Sunrise Wind.

20 MS. MULLIGAN: Sunrise Wind, 22  
21 Research Way. Okay, so, 22 Research Way, this  
22 is a renovation and equipping of approximately  
23 a 55,000-square foot facility, it's located on  
24 four-and-a-half acres at 22 Research Way in  
25 East Setauket. It's for an operations and

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maintenance hub for the Sunrise Wind project, so this is an offshoot of that project. This \$37.8 million project, they're requesting sales and use taxes and a pilot. It will create 140 jobs, and I see that we have some representatives, if anybody has questions about this project.

MR. KOMAROMI: I just wanted to -- before the questions, I need to make one correction; we had actually scrivener's error on the application, on the job count, so the total job count is 65 that starts right away in year one after completion, and then that is the static number, so we'll just have to submit a slip page to correct that, and I think that number that we previously referenced, I think it happened as we transcribed the application from the agency's older form to the new form, as we have been working on it for quite a while.

I also just wanted to add, as you know, this application is a separate and distinct application from Sunrise Wind's pending application in front of the agency for

1  
2 the export cable project, with respect to  
3 which we actually participated in a public  
4 hearing that the agency put on yesterday, and  
5 this project, even though it is related, it's  
6 a separate and distinct one, and as Lisa  
7 described, it is for the O and M facility that  
8 will be a state of the art facility that will  
9 have various uses including warehouse space,  
10 office space and the control room for the  
11 actual offshore wind facility, and I'll stop  
12 right there.

13 CHAIRMAN BRAUN: So it's not just  
14 training, it's a control room as well.

15 MR. KOMAROMI: That is correct.

16 MS. MULLIGAN: Felix, did you have a  
17 question?

18 MR. GRUCCI: Yeah, I did, part of it  
19 has been answered; from the name I assume that  
20 this is a wind farm, that's what we're  
21 discussing?

22 MR. KOMAROMI: That is correct, this  
23 is the Sunrise LLC offshore wind farm in  
24 connection with which the onshore cable export  
25 project is a pending project in front of the

1  
2 IDA that, you know, we have been discussing  
3 for quite some time now. The original  
4 application on that came in on April of 2015  
5 -- I'm sorry, April 15, 2021, and the agency  
6 actually just did accept an update on that  
7 application at its board meeting in September.

8 So this is a related but separate  
9 project, the applicant is the same, and this  
10 project really it's just to the O and M  
11 operation and maintenance facility that will  
12 serve the overall wind farm and export cable  
13 project.

14 CHAIRMAN BRAUN: Andrew, I think the  
15 board would be interested in knowing the  
16 timetable as to when construction might start,  
17 the offshore facility.

18 MR. KOMAROMI: On that, I will defer  
19 to, I believe, Amy Ellis is on the line with  
20 -- representing Sunrise, but before Amy  
21 answers that question, I can say that with  
22 respect to the O and M facility and the  
23 renovations, that work is expected to start  
24 very soon, if even possible by the end of the  
25 year, assuming, you know, we would be able to

1  
2 get a public hearing on this project and  
3 ultimately final approval. But on the overall  
4 wind project, Amy, I'm not sure if you're on  
5 the line, whether you can answer that.

6 MS. ELLIS: Sure, so for Sunrise, as  
7 of right now the projected schedule for  
8 construction is the end of 2023, and we're  
9 anticipating production as well as at the end  
10 of 2025, so as of right now, that's our  
11 anticipated schedule.

12 CHAIRMAN BRAUN: Thank you. Any  
13 other questions from the Board?

14 MR. TROTTA: Yeah, just with regard  
15 to the employment data that's in the  
16 application, it says, full-time, 50; is that  
17 what you were referring to as 65?

18 MR. KOMAROMI: So that I think is the  
19 number of the residents within the area,  
20 that's the 50 out of the 65, that the  
21 commitment is being made to, and the overall  
22 number at this time, the commitment is  
23 expected to be 65, and the 50 is our area  
24 residents. And again, these are commitments  
25 based on expectations.

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MS. MULLIGAN: If you would just send the correction on that page, that would be good.

MR. KOMAROMI: Absolutely, we will do that.

MR. CALLAHAN: I have one question, is this at the old Holtsville -- not Holtsville, I'm trying to think at the end of Research Way, there used to be, like, a gas terminal? Is that right?

MS. MULLIGAN: No, no, this is a free-standing building -- this is just -- I'm going to call it an office building, I know that's not right, but it's like an office building for them to have their operations and is maintenance in. From the exterior it just looks like a regular building.

MR. CALLAHAN: Oh, okay, because you have to go down Research Way at the end -- you know what I'm talking about; right? On the end on the right hand side, there was something years ago where there were, you know, the oil tankers.

MS. SCHEIDT: This is inside the

1  
2 Stony Brook Technology Center.

3 MS. MULLIGAN: Yes, yes.

4 MR. GRUCCI: Where is the actual  
5 turbines?

6 MS. MULLIGAN: In the ocean, off of  
7 Montauk Point.

8 MR. KOMAROMI: They are 30 miles  
9 offshore.

10 MS. ELLIS: Off of Montauk, so  
11 30 miles off Montauk. So again, we are  
12 expecting production in 2025 of this offshore  
13 wind farm.

14 MS. MULLIGAN: Just for everybody's  
15 clarity, we have two applications: One is for  
16 the offshore wind project, but the piece that  
17 has to do with us is just, again, this isn't a  
18 technical term, but the extension cord, when  
19 it comes on to land and goes to the Holtsville  
20 substation, down William Floyd --

21 MR. TROTTA: We had that description.

22 MS. MULLIGAN: Exactly, that's the  
23 portion that we're involved with for the  
24 Sunrise Wind project, and then separate and  
25 apart from that, we have an application right

1  
2 now for 22 Research Way for their operations  
3 and maintenance facility, so it's two separate  
4 -- I'm going to ask you to look at each  
5 project as standalone separate projects, and  
6 right now the piece that we're looking at is  
7 22 Research Way.

8 CHAIRMAN BRAUN: And if there are no  
9 further questions --

10 MR. GRUCCI: Does the other project  
11 rely upon this project moving forward.

12 MR. KOMAROMI: It doesn't necessarily  
13 rely upon, but this is an important component  
14 and certainly related to the other project,  
15 but, yes, in a sense that the applicant is  
16 hoping to commence construction, renovation  
17 and equipping of this component that in a  
18 sense is necessary to be in place for the  
19 other piece.

20 MR. GRUCCI: Thank you.

21 CHAIRMAN BRAUN: Is there a motion  
22 from the Board to accept the application and  
23 give Lisa the authority to set up a public  
24 hearing?

25 MR. TROTTA: Frank Trotta.

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MS. SCHEIDT: Second, Ann-Marie.

CHAIRMAN BRAUN: Thank you, on the  
vote; Mr. Trotta?

MR. TROTTA: Yes.

CHAIRMAN BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

CHAIRMAN BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

CHAIRMAN BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

CHAIRMAN BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

CHAIRMAN BRAUN: Braun votes yes, the  
motion is carried. Back to 10 Donald's Way.

MR. KOMAROMI: Thank you, and we just  
wanted to thank staff and the Board again.

MS. ELLIS: Thank you.

MS. MULLIGAN: Thank you, everyone.  
The next item on the agenda is 10 Donald's  
Way, LLC. We have representatives here, I'm  
just going to give a quick overview. This is  
a project, it's planned for -- it's located  
off Horse Block Road in Medford. This was the

1  
2 -- for a long time you've seen those gates and  
3 entry way, the beginning of a road, planned  
4 industrial park that never came to fruition,  
5 and so the idea behind this first building is  
6 to develop an approximately 141,000-square  
7 foot multitenant space. Rechler Equity  
8 Partners is in contract to purchase the full  
9 73 acres, this is just for approximately 11  
10 acres of those 73 acres.

11 Just so everybody knows, Rechler has  
12 R2 Squared Patchogue, an apartment complex  
13 before this board, also. This is a roughly  
14 \$36.8 million project, they are requesting  
15 mortgage recording tax exemption, sales and  
16 use tax exemption and a 15-year pilot. The  
17 estimate is to create 35 full-time equivalent  
18 positions, but they do not yet have, unless  
19 it's changed, end users, and like I said, we  
20 have representatives here, so if you guys have  
21 any questions for our reps or if you guys have  
22 anything you wanted to add.

23 CHAIRMAN BRAUN: Guy, you want to  
24 introduce yourself?

25 MR. GERMANO: I'm Guy Germano,

1  
2 representing the Rechler Group and 10 Donald's  
3 Way, LLC. I have with me Mr. Mitchell  
4 Rechler, who is co-manager of Rechler Equity  
5 Partners. I just was going to -- I have a  
6 handout, which is a little bit more --

7 MS. MULLIGAN: We sent the drawings  
8 in the packet, so --

9 MR. GERMANO: Well, some of them,  
10 there's two more in here which I'll just refer  
11 you to. Now you covered it, Lisa, this is --  
12 if you'll flip to the last page, the fourth  
13 page, the aerial photograph which shows the  
14 existing conditions, and highlighted in blue  
15 is the 11-acre area that we received  
16 subdivision approval from the Planning Board  
17 for already. And all the area that you see in  
18 green, even the trees, that is the old  
19 industrial park and there's a road running  
20 through it, National Boulevard, that's what  
21 they previously called it, it's called 10  
22 Donald's Way now and it has to be repaired.

23 This is only a portion of it, this  
24 goes back another 30, 40 acres, and you can  
25 see that it's adjacent to Munsell Road on one

1  
2 side and then you have some industrial and  
3 housing on the other side. There's a hundred  
4 foot buffer that is covered along opposite the  
5 houses, so that is already there. So this is  
6 the area that we're going to redo, the entire  
7 area.

8 We note that Munsell Road has a town  
9 provided for an overlay district for Munsell  
10 Road in order to try and renovate that area  
11 and the town has actually gone in and they're  
12 making improvements and they're doing code  
13 enforcement to try to improve the area along  
14 Munsell Road.

15 The other -- so you have a picture of  
16 the building, then you have the site plan.  
17 The next page is the site plan, and that shows  
18 you the building and the buffers around the  
19 building that are required and we've got some  
20 relief from the ZBA with regard to setbacks, a  
21 few setback relaxations and replace the signs.  
22 We are schedule to go to the Planning Board  
23 for site plan approval in the middle of  
24 November.

25 The third page shows renderings and

1  
2 photos of project that Rechler has done --  
3 just completed out at Gabreski Airport,  
4 377,000 square feet. You can see the caliber  
5 of the buildings and the development and this  
6 is what Rechler intends to do with this  
7 development as well.

8           This is the first and we think it  
9 will be an important addition, this is small  
10 warehouses, not big warehouses, it's not meant  
11 for that, this is for the bread and butter of  
12 the Rechler operation, which is renting  
13 buildings to tenants of all different sizes  
14 and different buildings, they own over 100  
15 different buildings, commercial buildings, and  
16 they lease all of those to various size  
17 tenants, and they can move tenants who outgrow  
18 a building into another building. So they  
19 manage this very well, this is part of what  
20 they want to do, create another industrial  
21 park and manage it the same way they manage  
22 other all the other buildings. Any questions?

23           CHAIRMAN BRAUN: I actually know this  
24 and I don't, is that hooked up to a sewer  
25 district?

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MR. GERMANO: Yes, this is hooked to a sewer district. It was originally hooked up in 1990 because that's when the road was put in. It was approved in 1990 and then the road was put in after that and we have the allocation, it's all there.

MS. MULLIGAN: Does anyone have any questions?

CHAIRMAN BRAUN: I must admit, I have not been out to Gabreski, I have been through Graybarn, which is a residential complex in Amityville, which is pretty spectacular for those that remember what that area looked like beforehand, and I think the Patchogue budget are also going to be referred to as Graybarn; correct?

MR. GERMANO: Yes.

MR. RECHLER: Yes.

CHAIRMAN BRAUN: Questions?

MR. GERMANO: If you're out in the Hamptons --

MS. MULLIGAN: I've been many times.

MR. GERMANO: So you've seen it --

CHAIRMAN BRAUN: I've been by it but

1  
2 I've never gone through it, so to speak. Do  
3 we need a public hearing authorization on  
4 this?

5 MS. MULLIGAN: Yeah.

6 CHAIRMAN BRAUN: Okay, we need a  
7 motion for the Board to accept the application  
8 and give Lisa the authority to structure or  
9 set up a public hearing.

10 MR. TROTTA: Motion.

11 MR. POLLAKUSKY: Seconded, Gary  
12 Pollakusky.

13 CHAIRMAN BRAUN: Thank you, on the  
14 vote; Mr. Trotta?

15 MR. TROTTA: Yes.

16 CHAIRMAN BRAUN: Mr. Callahan?

17 MR. CALLAHAN: Yes.

18 CHAIRMAN BRAUN: Ms. Scheidt?

19 MS. SCHEIDT: Yes.

20 CHAIRMAN BRAUN: Mr. Grucci?

21 MR. GRUCCI: Yes.

22 CHAIRMAN BRAUN: Mr. Pollakusky?

23 MR. POLLAKUSKY: Yes.

24 CHAIRMAN BRAUN: Braun votes yes, the  
25 application and meeting authorization for the

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public meeting motion is accepted.

MR. CALLAHAN: Good luck, guys.

MR. GERMANO: Thank you.

MR. RECHLER: Thank you.

MS. MULLIGAN: Thank you so much,  
have a nice day.

MS. MULLIGAN: The next item on the  
agenda is a resolution for WF Industrial 13,  
LLC, and just to -- this is a final  
authorizing resolution. In your packet you  
were provided the cost benefit analysis, the  
proposed pilot, a feasibility study, we did  
have a public hearing Monday, I think.  
Comments from that public hearing were  
included in the packet, and just to remind  
everybody, this is approximately  
130,000-square foot spec industrial facility.  
This is a final authorizing resolution. Does  
anybody have any questions?

(No response.)

MS. MULLIGAN: Terance, speak up if  
you have anything you want to add.

MR. WALSH: I have nothing, I think

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you covered it. Is there anything specific you want me to talk on, I'm happy to talk on it, but.

MS. MULLIGAN: We have counsel, Dan Baker, is here and I think his client if anybody has any questions of the project. Oh, and just to let you know, we were having some technical issues before, Dan Dornfeld, who is counsel for the Hyrdo Metals Holding was on and could hear us but for some reason we couldn't see him, so we had him leave and come back in, so Dan was here if we had questions.

CHAIRMAN BRAUN: If will are no questions, a motion for the Board. This is a final authorizing resolution for WF Industrial.

(No response.)

CHAIRMAN BRAUN: I will make the -- resolution? I will make it; do I hear a second? Is there a second?

MR. GRUCCI: Second.

CHAIRMAN BRAUN: Thank you, on the vote; Mr. Trotta?

MR. TROTTA: Yes.

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CHAIRMAN BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

CHAIRMAN BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

CHAIRMAN BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

CHAIRMAN BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

CHAIRMAN BRAUN: Braun votes yes,  
resolution is approved.

MS. MULLIGAN: Okay, thank you.

MR. BAKER: Thank you, all.

MS. MULLIGAN: The next item on the  
agenda is MDS Building Ventures. We received  
a request to increase their sales tax.  
Included in your packet is the CBA, there was  
a public hearing -- maybe that was Monday, I'm  
a little confused when I'm doing these public  
hearings -- no, no, like a week ago we did the  
public hearing. There were no --

MR. GROSS: 18th.

MS. MULLIGAN: I'm sorry?

MR. GROSS: Lisa, I think it was on

1  
2 the 18th.

3 MS. MULLIGAN: On the 18th, okay.  
4 There were no comments, and just to remind  
5 everybody, this is a warehouse distribution  
6 facility that is being built to support  
7 another one of our projects, the MS Packaging  
8 facility on Zorn Boulevard, this is actually  
9 in the Shirley Industrial Park, and as the  
10 letter explains, their costs for doing the  
11 project increased, so they have asked us to  
12 increase the tale sales tax.

13 MR. GRUCCI: How much of an increase  
14 are they asking for?

15 MS. MULLIGAN: Felix, I knew you were  
16 going to ask that when I didn't write it down.

17 MR. GROSS: Lisa, if I may, I have  
18 the information handy, if you want it.

19 MS. MULLIGAN: Thank you, Howard.

20 MR. GROSS: We gave sales tax  
21 exemptions to both the real company and the  
22 operating company, and the real estate company  
23 needs an additional \$127,000, and the  
24 operating company needs another \$172,000, so  
25 that the total for the two will be -- for each

1  
2 of them, I should say, because they're  
3 separate, will be \$517,000 for the real estate  
4 company, for construction, et cetera, and for  
5 the operating company, \$207,000.

6 MR. GRUCCI: How big is the warehouse  
7 that they're building?

8 MR. GROSS: 140,000.

9 MR. GRUCCI: Square feet.

10 MR. GROSS: Yep.

11 MR. GRUCCI: That's a lot of sales  
12 tax exemption.

13 MR. GROSS: It's big building.

14 MR. GRUCCI: I guess. Lisa, would  
15 you know if this project was part of the study  
16 that we recently had done as part of the five  
17 that was in the pipeline?

18 MS. MULLIGAN: This would not be  
19 because they -- this isn't a spec building,  
20 the end user is going to be in the building.  
21 They came to us and said they needed warehouse  
22 space to support their operations, so this is  
23 a different animal, in my opinion.

24 MR. GRUCCI: Okay, thank you.

25 MS. SCHEIDT: Move for resolution.

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CHAIRMAN BRAUN: Thank you, is there a second?

MR. CALLAHAN: Second, Marty Callahan.

CHAIRMAN BRAUN: Thank you, on the vote; Mr. Trotta?

MR. TROTTA: Yes.

CHAIRMAN BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

CHAIRMAN BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

CHAIRMAN BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

CHAIRMAN BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

CHAIRMAN BRAUN: Braun votes yes.

MS. MULLIGAN: Thank you. The next identity on the agenda is AEES Castle, LLC. This is a battery energy storage system project that is proposed on the town's -- on a town facility. You actually closed on this project a while ago, but they wrote to us and said they need more time to complete their

1  
2 project. They asked us to extend their  
3 completion date to 12/31/24, and they are  
4 requesting an increase in sales and use tax  
5 exemption and an extension of the use of that  
6 sales and use tax exemption, also to 12/31/24,  
7 so that's the resolution.

8 MR. TROTTA: Why the extension?

9 MS. MULLIGAN: They needed more time  
10 to build it, they --

11 MR. TROTTA: Any particular -- COVID,  
12 couldn't get supplies?

13 MR. POLLAKUSKY: I don't know if  
14 anybody saw in the Q&A that there's somebody  
15 who's just made a comment.

16 MS. MULLIGAN: We don't take the  
17 comments -- there's no comments in the Q&A, so  
18 that's not -- we don't allow public comment  
19 during our board meetings, so that's a public  
20 hearing if they'd like to comment. Thank you.

21 MR. POLLAKUSKY: Okay.

22 MS. MULLIGAN: Thank you.

23 MR. POLLAKUSKY: No problem.

24 CHAIRMAN BRAUN: Is there a motion  
25 for AEES Castle, LLC?

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MS. SCHEIDT: So moved.

CHAIRMAN BRAUN: Thank you; second?

MR. TROTTA: Second.

CHAIRMAN BRAUN: Thank you, on the  
vote; Mr. Trotta?

MR. TROTTA: Yes.

CHAIRMAN BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

CHAIRMAN BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

CHAIRMAN BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

CHAIRMAN BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

CHAIRMAN BRAUN: Braun votes yes, the  
motion is carried.

MS. MULLIGAN: The next item on the  
agenda is Holtsville Industrial, this is 1  
Corporate Drive in Holtsville, and they are --  
one of their subtenants, Winfield United, put  
in a letter that was included in your packets.  
Winfield Solutions is being purchased by  
heritage Landscape Supply Group, and they are

1  
2 basically asking your approval for Heritage  
3 Landscape Supply Group to be the new tenant.  
4 They certified us that they would maintain the  
5 ten jobs that Winfield Solutions has in the  
6 facility.

7 MR. TROTTA: There's no change in  
8 anything other than the ownership?

9 MS. MULLIGAN: Yes.

10 MR. TROTTA: I would make that motion  
11 --

12 MS. ILLARDO: Jillian is on.

13 MS. MULLIGAN: We have a  
14 representative -- oh, there, hi, Jillian. We  
15 have a representative if anyone has any  
16 questions.

17 CHAIRMAN BRAUN: Jillian, anything  
18 you'd like to add?

19 MS. BUCKVAR: I'm representative from  
20 ownership and Winfield for a number of years  
21 and they are being acquired by another  
22 company.

23 MR. TROTTA: Frank Trotta, motion.

24 CHAIRMAN BRAUN: Second?

25 MR. CALLAHAN: Second.

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CHAIRMAN BRAUN: On the vote;  
Mr. Trotta?

MR. TROTTA: Yes.

CHAIRMAN BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

CHAIRMAN BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

CHAIRMAN BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

CHAIRMAN BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

CHAIRMAN BRAUN: Braun votes yes,  
that motion carries.

MS. MULLIGAN: Okay, thank you very  
much. The next item on the agenda is  
Integrated Structures. Again, this is a  
request for an extension of their sales tax,  
the use of their sales tax exemption and also  
an extension of their completion date, so  
their letter was included in the packet.

Integrated Structures fabricates  
steel parts for public projects and they asked  
us to extend their completion date and their

1  
2 sales tax to 12/31 of 24. They planned to add  
3 on to the facility, they still plan to add on  
4 to the facility, but due to -- I think they  
5 explained in the letter, it may not say COVID  
6 exactly, but COVID employment issues, supply  
7 chain issues, they weren't able to complete  
8 the addition and so they've asked for  
9 additional time.

10 And they also have mentioned to us  
11 that they are not yet meeting their job  
12 creation numbers, but I think that's -- it's  
13 good to be aware of but I don't think there's  
14 anything this Board has to do right now  
15 because their job creation numbers don't  
16 actually start until they hit their completion  
17 date, so they have similar time, and I think  
18 -- is Dan up there?

19 MS. ILLARDO: He's up.

20 MS. MULLIGAN: So Dan is -- he was  
21 with us for the last applicant and now he's --  
22 although we couldn't see him and now he's with  
23 us for this application, so if you guys have  
24 any questions for Dan, please let him no.

25 MR. TROTTA: So the thing being asked

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2 of us is to change the completion date from  
3 '22 to '24 -- to December 31, '24 from  
4 December 31, '22; is that correct?

5 MS. MULLIGAN: Extend the completion  
6 -- and the sales tax exemption.

7 MR. TROTTA: And everything else  
8 remains the same.

9 MS. MULLIGAN: Yes.

10 CHAIRMAN BRAUN: Motion?

11 MR. GRUCCI: Make the motion, Felix  
12 Grucci.

13 CHAIRMAN BRAUN: Thank you. Second?

14 MR. POLLAKUSKY: I'll second, Gary  
15 Pollakusky.

16 CHAIRMAN BRAUN: Mr. Trotta?

17 MR. TROTTA: Yes.

18 CHAIRMAN BRAUN: Mr. Callahan?

19 MR. CALLAHAN: Yes.

20 CHAIRMAN BRAUN: Ms. Scheidt?

21 MS. SCHEIDT: Yes.

22 CHAIRMAN BRAUN: Mr. Grucci?

23 MR. GRUCCI: Yes.

24 CHAIRMAN BRAUN: Mr. Pollakusky?

25 MR. POLLAKUSKY: Yes.

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CHAIRMAN BRAUN: Braun votes yes, the motion carries.

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

MR. DORNFELD: No, just to assure the IDA that the plans are going as they planned, you know, they're creating jobs, they're doing business, it's just with COVID and supply chain issues it has upset their time -- according to plan, and they've even reached out to the IDA, there's plenty of jobs, they're looking to hire people, so whatever --

MS. MULLIGAN: And that reminds me, we actually -- we're working with them with both Suffolk Community College and Department of Labor and Amy and I are meeting with Cynthia Colon next week to see if she has any programs that can help, not only them, but a bunch of our other projects, as well.

CHAIRMAN BRAUN: From where?

MS. MULLIGAN: She's from the MR --

MS. SCHEIDT: The Manufacturing, Technology and Resource Center.

MS. MULLIGAN: We did the resolution,

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so we're good.

MR. DORNFELD: Thank you.

MR. TROTTA: I'm happy to hear that you're working closely with the community college and the university.

MS. MULLIGAN: We always do.

MR. TROTTA: I know you do, but they don't necessarily know that, so I'm happy to hear that at a public meeting.

MS. MULLIGAN: I'm trying to do a better job of saying this to you guys, I take it for granted.

MR. TROTTA: But sometimes, you know -- yeah. It's nice to hear it out in the public so they're aware of the networking that this Board does in relation to the community and trying to attach jobs to people that are and looking for individuals, and some of these are technical areas that need some help in, so it's a help to both the employer and to the institutions. Thank you.

MS. MULLIGAN: Yes, it's our pleasure.

MS. SCHEIDT: It is a win-win.

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3 MS. MULLIGAN: The next item on the  
4 agenda is Global Food Solutions, so this is a  
5 little bit outside our norm in that I am  
6 asking I'm asking Global Food Solutions to  
7 come in and do a brief presentation because we  
8 are expecting an application from them for  
9 them to purchase an existing building, we're  
10 expecting it hopefully by the end of this  
11 week, that's what we talked about, but time is  
12 an issue for them, so what we are -- we've  
13 done this in the past and what we are  
14 proposing to do is that you guys give me the  
15 authority to schedule a public hearing, and  
16 then at our November meeting, you will accept  
17 the application, hear the public hearing  
18 comments and do the final authorizing  
19 resolution which condenses our timeline and  
20 allows them to move ahead quicker.

21 We had done this in the past but I  
22 figured since you're going to get everything  
23 and look at it kind of quickly next month, we  
24 have the opportunity, the timing was right for  
25 them to come in and do a brief presentation

1  
2 about they're proposing. So I want to turn it  
3 over to the applicant and counsel.

4 MR. STEIN: Good afternoon, Howie  
5 Stein, I'm a partner at Certilman Balin, I'm  
6 representing Global Foods. Recently, Friday,  
7 we signed a contract to buy 905 Waverly Avenue  
8 in Holtsville, a 50,000-square foot warehouse.  
9 Client will tell you, Michael Levine, who is  
10 the CEO of Global Foods will tell you a little  
11 bit about his company, but we would like to,  
12 as Lisa said, we would like to move forward in  
13 setting up a public hearing.

14 We're on a tight time schedule with  
15 the sellers and our contingency for getting  
16 IDA approval and I would like Michael to give  
17 you a little background about their company  
18 and what they plan to do in the Holtsville  
19 facility.

20 MR. TROTTA: The location of it is  
21 where?

22 CHAIRMAN BRAUN: Waverly.

23 MR. STEIN: 905 Waverly.

24 MR. TROTTA: Was it previously  
25 anything else at that location?

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MS. MULLIGAN: That was Weiss Instruments and that was a project many, many years ago.

MR. STEIN: It's now a vacant building.

MR. TROTTA: Okay, thank you.

MR. LEVINE: Thank you, thank you to the Board for making a few minutes for me this afternoon. My name is Michael Levine, I'm a Long Island native, I was born and raised in Commack, New York, and I'm one of the founders and current CEO of Global Food Solutions. Our company is devoted to developing, manufacturing and we do distribution of affordable, wholesome and sustainable food products, primarily for the K-12 school food service industry.

We're privately-held family-owned business, comprised of just myself and my dad, Mitchell Levine, as the two only owners and operators of the business. Global Food Solutions primary market is servicing the K-12 food service industry with our seven different trademarks and over 200 different products.

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2           The company today offers a variety of  
3 products ranging from shelf stable grab-and-go  
4 meals, which may be handed to the students as  
5 they come off the bus in the morning, all the  
6 way to frozen, preassembled grilled cheese  
7 sandwiches which are packaged in bulk and  
8 baked off at school locations prior to serving  
9 to the students. Our products range from  
10 shelf-stable, refrigerated and frozen goods,  
11 and additionally we offer both individually  
12 packaged servings and bulk offerings for  
13 schools.

14           Today the company primarily operates  
15 in the northeast, some of our customers range  
16 from New York City public schools, we service  
17 the Long Island co-op which comprises of over  
18 70 districts here, and we also service many  
19 schools up and down the eastern seaboard, such  
20 as Raleigh, North Carolina, Newark, New  
21 Jersey, Boston public schools, Philadelphia,  
22 and many others. Currently for us our  
23 projects reach approximately 7,500 schools  
24 across the United States, which is primarily  
25 focused in the northeast on a weekly basis.

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2           In 2021, we opened our first  
3 manufacturing space in Hauppauge, New York,  
4 and over the last 12 to 13 months we've hired  
5 over 25 people as we continue to grow that  
6 expansion in our K-12 space. In 2022, we find  
7 ourselves continuing on this growth  
8 trajectory, or being asked by the current  
9 schools and customer base to continue to  
10 expand our products and offering for use in  
11 their programs.

12           Currently, the space that we rented  
13 in 2021 allowed our programs to get started  
14 and launched, but it is simply not enough  
15 space for our company to grow and meet the  
16 current demand potential and provide millions  
17 of more servings to the students and schools  
18 across the Metro New York market, and this is  
19 how we stumbled across 905 Waverly Avenue in  
20 Holtsville.

21           We wish to work with all parties  
22 involved and we're working actively with USDA  
23 and school food programs to be able to expand  
24 our manufacturing capabilities here at home  
25 for us in Long Island, New York. I'm happy to

1  
2 answer any additional questions and provide  
3 some context. I just wanted to provide a  
4 high-level overview of who we are and what we  
5 do.

6 MS. MULLIGAN: Thank you. I just  
7 wanted to add, sorry, just for the Board, this  
8 falls into our adaptive reuse policy.

9 MR. TROTTA: Thank you for the  
10 presentation. How old is your business?

11 MR. LEVINE: We're over 15 years old  
12 from incorporation.

13 MR. TROTTA: You're in Hauppauge  
14 right now, is that what you're --

15 MR. LEVINE: Yes, we have our -- our  
16 corporate headquarters is in the Hauppauge  
17 Industrial Park on 159 Adams Avenue, and we  
18 also have a production facility on the other  
19 side of the industrial park at 50 Constance  
20 Court.

21 MR. TROTTA: Are you going to  
22 maintain that addition?

23 MR. LEVINE: We're going to move both  
24 facilities in Hauppauge to the new facility at  
25 905 Waverly Avenue.

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MR. TROTTA: And you said you have about 25 employees presently?

MR. LEVINE: I have about 40 employees presently in my core business, of which 25 of those were hired in our production facility over the last 13 months, and we intend to hire at a similar pace to what we have done over the last 12 months through the next 24-36 months as we continue to expand.

MR. TROTTA: So your growth in Brookhaven would be to -- go from 40 to another 25; is that what I understood?

MR. LEVINE: Yes, on the low side we're projecting anywhere from 25 to 30 jobs in the first two years creation, but very honestly we think we can achieve much more due to the high level demand for the products and the continued growth in school food programs, specifically due to changes that have gone on from COVID and are implemented for long term forward looking use.

MR. TROTTA: What are the type of jobs that would be created and the range of salary that would be paid?

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MR. LEVINE: Certainly, we're going to be creating a variety of jobs, everything from office in terms of, you know, corporate management-type jobs, all the way to production line, warehouse work, like we have done with our current facility, we're going to train all our employees on food safety and compliance and growing them into new positions in the company, as well as warehouse staff, forklift operators and skilled technicians such as specialists to support the variety of different production lines that we will have in the facility.

MR. TROTTA: Thank you.

CHAIRMAN BRAUN: Michael, I know you have --

MR. GRUCCI: Can you describe the activity that will take place in the building?

MR. LEVINE: Certainly. So some of the activities, especially in the early days that will take place, there's going to be very similar to what we're doing here in Hauppauge at our facility today. A large amount of the things that we're producing here in Hauppauge

1  
2 are shelf-stable meals, bowls of cereal, juice  
3 box, graham cracker, napkin and spoon kit that  
4 gets wrapped in a branded printed film, and  
5 those get handed to the kids, some of them are  
6 used for lunch, some are used for breakfast,  
7 after school snacks, weekend feeding programs  
8 and things of that nature.

9 We also manufacture sandwiches today  
10 at our facility; we're under contract to  
11 produce 4 million sandwiches for New York City  
12 public schools, and next year we anticipate an  
13 allocation of commodities that should put that  
14 number at 10 million sandwiches, so for us, a  
15 lot of what we're doing is going to be rolling  
16 our current approximately 15,000-square feet  
17 of warehouse and production facility into this  
18 new one, which is 50,000-square feet so we can  
19 continue to grow a lot of the things that  
20 we're currently doing today, and then expand  
21 the company's opportunity and capabilities  
22 with new resources and space that I don't have  
23 available to me today.

24 MR. GRUCCI: As you describe your  
25 operation, and correct me if I'm wrong, what

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2 I'm envisioning is some kind of an assembly  
3 line with people are putting together food  
4 products, packaging it, putting it in boxes,  
5 putting it into trucks and shipping it out; do  
6 you do any cooking on site?

7 MR. LEVINE: We do not currently do  
8 any cooking on site.

9 MR. GRUCCI: Do you have hot meals  
10 that you distribute as well?

11 MR. LEVINE: We distribute frozen. A  
12 lot of the products and some of the meals are  
13 frozen but designed to be heated by the  
14 customer or our end user operator, so while we  
15 ship frozen and maintain frozen through the  
16 supply chain, many of our products are  
17 designed to be cooked and heated, examples of  
18 that might breakfast sandwiches that we  
19 assemble or grilled cheese sandwiches and  
20 things of that nature. We assemble them all  
21 in temperature control, we store them frozen,  
22 ship them frozen through the supply chain and  
23 then our end user heats those prior to  
24 serving.

25 MR. GRUCCI: Gotcha, thank you.

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MR. TROTTA: Are you licensed through the Health Department, the Department of Agriculture? Who oversees your operations?

MR. LEVINE: Yeah, so because we have such a large variety of products we fall under a variety of different compliance levels. We meet with the USDA and the FDA regularly for school nutrition, we meet with food nutrition services, part of the Department of Health and Homeland Services, FNS, and then we also work with the USDA for the process commodity programs. I myself am a food safety auditor for the top two independent food safety agencies, AIB, American Institute of Baking, and SQF, Safe Quality Food.

We initially validate all of our supply chain externally with third parties and we meet with those guidelines, as well. So for us we fall under a lot of different layers of regulatory compliance and guidelines, but typically it's a little more state and USDA and FDA focused, rather than on the local town, for example, like, we don't have -- we're not required to have, like, a restaurant

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2 where the local comes in and you get a letter  
3 grade, for example. We have a similar process  
4 but it's done by either the FDA or the USDA,  
5 depending on which product they're reviewing.

6 MR. TROTTA: Right, so you're not  
7 licensed through -- you have no requirements  
8 through the Suffolk County Department of  
9 Health, you're regulated at a higher level.

10 MR. LEVINE: Correct. In the past  
11 when we went Suffolk County, they've changed  
12 over the last ten years, the food landscape as  
13 a whole, not the Long Island landscape, and  
14 they basically put people like me up on the  
15 higher side so that it limits the kind of  
16 burden, if you will, on the local agencies.

17 MR. TROTTA: Thank you.

18 CHAIRMAN BRAUN: I know you're  
19 privately held and we'll see some information  
20 when we see the application, but can you give  
21 us an idea of the volume of your company  
22 overall?

23 MR. LEVINE: In regards to cases,  
24 sales?

25 CHAIRMAN BRAUN: Sales volume.

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MR. LEVINE: Last year we did over \$20 million in sales.

CHAIRMAN BRAUN: Okay, thank you.

MS. MULLIGAN: I think Ann-Marie has a question, she's been trying patiently.

MS. SCHEIDT: Are you in a position to buy from any of the local growers out in the East End?

MR. LEVINE: Yes, we do. We buy a tremendous amount of product here locally in New York, and actually, the building at 905 Waverly is located five buildings down from one of our manufacturing partners here on Long Island that we've worked with for over ten years, Harvest Bakery. They produce some of our products and bake muffins for us and other goods.

About 30 to 40 percent of their production actually is purchased by our company, and additionally through COVID, we've worked with them because our business does a tremendous job in meal kits, and they're more a commercial bakery, so as we know with COVID, companies like theirs received a little more

1  
2 of the blunt end of the stick, quite honestly,  
3 and we actually work with them to onboard them  
4 during COVID to keep their employees working  
5 and keep us having additional meal kits, which  
6 were very needed during the height of the  
7 pandemic.

8 So for us, we work with a ton of  
9 local businesses, we have a whole host of  
10 local vendors from packaging to film to  
11 trucking to certain finished goods for us, so,  
12 yes, we buy a ton from the local community and  
13 work with over a dozen local suppliers and  
14 businesses.

15 CHAIRMAN BRAUN: Terance, any  
16 questions on your end?

17 MR. WALSH: Nothing from me, only, I  
18 guess, the only thing that jumped out at me  
19 was the, you know, moving facilities from  
20 Hauppauge, we'll just have to make sure we  
21 send the abandonment letter before this goes  
22 to the Board for authorization, and Michael  
23 and Howie, in your application, please make  
24 sure you kind of clearly identify why this  
25 move from Hauppauge is an important move to

1  
2 sustain your business and grow it moving  
3 forward.

4 MS. MULLIGAN: Terance, when we met  
5 with them the other day we asked that they  
6 just qualify whether they're in Islip or  
7 Smithtown, because they're, like, right on the  
8 border.

9 MR. WALSH: Okay.

10 MS. MULLIGAN: So we know who to send  
11 a letter to.

12 MR. WALSH: Just send letters to  
13 everyone.

14 MR. TROTTA: What is the completion  
15 date if the process went as you've outlined  
16 earlier?

17 MS. MULLIGAN: That means at our  
18 November 16th Board meeting, I think is the  
19 date, you'll do the final -- assuming  
20 everything moves ahead, you'll do the final  
21 authorizing resolution and then that gives --  
22 basically gives me the authority to sign the  
23 documents at the closing, and so we would be  
24 poised, ready to close when they're ready to.

25 MR. TROTTA: Okay. And then my part

1  
2 two is, when would you be coming into  
3 Brookhaven and leaving Hauppauge?

4 MR. LEVINE: Within 30 days of  
5 transaction closing, our team has a plan in  
6 place that because of the warehouse and office  
7 is vacant currently, we can initially move  
8 within the first 30 days, all of our dry  
9 storage and dry meal kit assembly and things,  
10 so we anticipate moving that practically  
11 immediately, beginning production out there  
12 and over the initial one to two years that  
13 we're in the facility, continuing to invest  
14 and scale up.

15 We do plan to invest in building a  
16 freezer off the back of the facility. It does  
17 not currently have a freezer, though it does  
18 have temperature controlled rooms in the  
19 facility, so I'm halfway there, but we will  
20 have to add a couple of things in terms of  
21 some of that additional capacity, but we do  
22 intend to be in and operating within 30 days  
23 of closing.

24 MR. GRUCCI: Do you need Planning  
25 Board approval?

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2 MR. STEIN: We're going to need  
3 Planning Board approval for the outside  
4 freezer and the closing is scheduled for  
5 sometime early in the year, January or  
6 February is what we're shooting for depending  
7 a little bit on some timing issues, the  
8 financing, they're getting financing from the  
9 USDA. There's a USDA program that's  
10 supporting the acquisition cost, so the timing  
11 is probably I would guess in February or early  
12 March.

13 MR. GRUCCI: Or to be in and  
14 operating?

15 MR. STEIN: To close, and then  
16 Michael said -- the goal is February and the  
17 operation, as Michael said, would be within 30  
18 days, 35, 45 days after that.

19 MR. LEVINE: If everything stayed on  
20 schedule that date would probably be about  
21 April 1st that we would be in and operating.

22 MR. GRUCCI: I'm I little shaky on  
23 the Planning Board piece. Do you need the  
24 Planning Board's approval for the work being  
25 done internally to move the operations over

1  
2 and get up and running?

3 MR. STEIN: We do not believe so.

4 MR. LEVINE: No.

5 MS. MULLIGAN: Felix, they're going  
6 to need the Planning Board approval to add on  
7 the freezers, but from, and correct me -- you  
8 will need a Change of Use application so that  
9 is something you guys should be working on,  
10 but correct me if I'm mistaken, they can move  
11 into the facility, operate and then add the  
12 freezers on, so they want to get in, get  
13 going, even if they're there for a few months  
14 while they go through the Planning Board  
15 process and then start the construction, so  
16 that's sort of the way it's going to run.

17 MR. STEIN: That's correct.

18 MR. GRUCCI: I wasn't clear if you  
19 needed Planning Board approval to do the  
20 internal construction work in order to meet,  
21 you know, fire and building codes.

22 MR. LEVINE: No, for us, the facility  
23 is incredibly well structured with the  
24 business that was there prior. For about  
25 40,000-plus-square-feet in the warehouse

1  
2 space, we don't need to move a wall, rerun any  
3 power, electric or anything, and then there's  
4 only small cosmetic updates, even in the  
5 office I don't need to move a single wall or  
6 anything like that, it needs a little love and  
7 we're prepared to give it that.

8 MR. GRUCCI: My last question,  
9 Michael, and you might have said this earlier,  
10 and I apologize if I didn't touch on it, you  
11 have -- currently there are employees in your  
12 operation. In addition to the current number,  
13 and if you can just identify that for me  
14 again, how many more full-time employees will  
15 you be adding?

16 MR. LEVINE: Yes, so currently today  
17 Global Food Solutions has just over 40  
18 employees. We intend in the first year to add  
19 a minimum of 12, we think we will exceed that,  
20 in the second year we plan to add another 12  
21 to 15 and we think we'll exceed that as well.  
22 And that's due primarily for us about 12 to 15  
23 people operate one line and one production  
24 shift, and with the increase in space having  
25 3-400 percent more space, we feel very

1  
2 confident that we can achieve much more than  
3 those numbers, but we very much know that we  
4 need to keep adding at least one production  
5 line plus a year.

6 MR. STEIN: Michael, if I can just  
7 add, does that include the employees from  
8 Advantage Marketing?

9 MR. LEVINE: That does not, I'm  
10 sorry, Howie, no.

11 MR. STEIN: They're an additional  
12 company that's operated by the Levine family,  
13 it's somewhat related; could you just explain  
14 that a little bit?

15 MR. LEVINE: Yes, so out of our two  
16 facilities, one is the production facility,  
17 I'm going to stick that one on the side. Our  
18 other facility, our corporate headquarters is  
19 shared between my business, Global Food  
20 Solutions, and a partner company, but there's  
21 no equity partner, it's just a friendly family  
22 relationship, my dad has equity in both  
23 companies. Advantage Food Marketing is a food  
24 service brokerage here in Metro New York, it's  
25 existed for 35 years and they have

1  
2 approximately 30 employees as well.

3 We have shared our corporate  
4 headquarters between the two companies for  
5 over ten years now and we will be sharing the  
6 new corporate headquarters at 905 Waverly, so  
7 there are approximately 35 jobs in Advantage  
8 Food Marketing that would additionally be  
9 moving to the facility.

10 So 30 jobs from Advantage, about 40  
11 jobs from Global, all current, and then we  
12 would be adding 12 to 15 in year one and 12 to  
13 15 again in year two.

14 MR. GRUCCI: But the 30 you're  
15 referring to already exist and they will be  
16 moving over from your facility -- sorry, I  
17 don't remember where you said it was, but from  
18 the current facility to Brookhaven.

19 MR. LEVINE: Yes.

20 MR. GRUCCI: And then on top of that,  
21 you'll add an additional 12 per year to the  
22 office staff?

23 MR. LEVINE: To the office and  
24 production.

25 MS. MULLIGAN: And Felix, this will

1  
2 all be outlined in the application when we get  
3 it.

4 MR. GRUCCI: All right, just trying  
5 to get a handle.

6 MS. MULLIGAN: Does anybody have any  
7 other questions?

8 MR. TROTTA: No, I think that was a  
9 great overview to prepare us for.

10 CHAIRMAN BRAUN: We need a motion for  
11 Lisa to be able to schedule a public hearing,  
12 and you'll look at the application at the  
13 November meeting. If we need to ahead of  
14 time, Lisa and I will look at that application  
15 as well.

16 MS. MULLIGAN: And Terance will be  
17 involved to review the application, of Bill.  
18 It's yours, Terance.

19 CHAIRMAN BRAUN: So may I have a  
20 motion?

21 MR. POLLAKUSKY: I'll make a motion,  
22 Gary Pollakusky.

23 CHAIRMAN BRAUN: Thank you, Gary. Is  
24 there a second?

25 MR. TROTTA: Second.

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CHAIRMAN BRAUN: Thank you, on the  
vote; Mr. Trotta?

MR. TROTTA: Yes.

CHAIRMAN BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

CHAIRMAN BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

CHAIRMAN BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

CHAIRMAN BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

CHAIRMAN BRAUN: Braun votes yes, the  
motion is carried. Good luck, sounds like a  
great project.

MR. GRUCCI: Yes, good luck.

MR. STEIN: Thank you for your  
assistance.

MR. LEVINE: Thank you, everybody, we  
genuinely appreciate it.

MS. MULLIGAN: Okay, so, we have the  
next item on the agenda is the small business  
committee that we talked about forming and I  
think -- did you want to --

1  
2           CHAIRMAN BRAUN: Yes, I do. This  
3 kind of evolved from the Board assessment  
4 forms that have come through the last several  
5 years. We've kicked it around a number of  
6 different times, beginning in the middle of  
7 COVID, we talked about loan programs. Gary,  
8 you may want to say something because I think  
9 you're the one who kind of spearheaded this  
10 whole -- and Frank, initiative.

11           MR. POLLAKUSKY: I think both Frank  
12 and I had recommended that, you know, I think  
13 it's important that we avail our agency in a  
14 way to smaller businesses that we haven't yet  
15 done so from a marketing standpoint, as well  
16 as, you know, just to be able to share the  
17 features of what, you know, the IDA can offer.  
18 The more we can extend ourselves to the  
19 community and educate them as to some of the  
20 different programs available to them through  
21 us, perhaps even creating programs that may be  
22 more targeted towards our, you know, small  
23 businesses, I think that would be very  
24 helpful, so. Committee doing that would be,  
25 you know, would be great.

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CHAIRMAN BRAUN: Are you volunteering for this committee?

MR. POLLAKUSKY: Absolutely, I'd be happy to chair it as well.

CHAIRMAN BRAUN: Mr. Trotta?

MR. TROTTA: I think it's important that, you know, I think it's helpful for us to be a helpful hand to small business, and that may be just directing them in a way that makes it a little bit more friendly for them to do business or to find things that are already out there. We're not in many cases trying to replicate the, you know, what's being done, but sometimes guiding people and as much as, you know, Lisa and staff do outreach before Chamber of Commerce's, and those kinds of things, I think this will kind of be extremely helpful, needed and I think people will appreciate anything that we can do to help to guide them. It may just be that they need something from the town and they're not sure how to access that, and knowing that they have a friendly face that's, you know, trying to help them and guide them, I think that would

1  
2 just be important also.

3 MS. MULLIGAN: I can tell you, my  
4 name and contact information is still listed  
5 under economic development on the town's  
6 website, so if they get to that they will get  
7 to us.

8 MR. CALLAHAN: What could we do as an  
9 IDA for small businesses? There's other IDA's  
10 on Long Island, do they do anything that we're  
11 allowed to do?

12 CHAIRMAN BRAUN: Programs that we  
13 typically do for that line of small  
14 businesses. There are some IDA's, Babylon in  
15 particular, that has a number of programs that  
16 apply to small business. I think what we  
17 ought to do is, for Gay, Frank, Lisa and I get  
18 together, you know, for half an hour, hour, in  
19 between meetings, and then so we have an idea,  
20 or I have an idea, of which direction we may  
21 be headed in and we could structure something  
22 that makes sense.

23 MR. TROTTA: That'd be great.

24 CHAIRMAN BRAUN: Does that sound all  
25 right, Gary?

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MR. POLLAKUSKY: That's fine.

MR. TROTTA: And maybe we can get some information from Babylon or some other IDA's that are doing things for us to --

CHAIRMAN BRAUN: As far as I know, they're the only one that really --

MR. TROTTA: Anywhere else in the state?

MR. POLLAKUSKY: I think we can define a scope to a committee ourselves, you know, it would be great to be able to, you know, benchmark and best practice what a small business committee would add to an IDA, but we can also perhaps, you know, pioneer and pave the way for this because our small businesses, you know, are, you know, are the life blood of the community in addition to obviously all the projects that we are involved in.

So to be able to, you know, help them especially in lieu of not having an economic development department, right, anything that we can do to, you know, for outreach I think might be helpful, so we can define that.

CHAIRMAN BRAUN: Let me suggest this:

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You, Frank and Felix, you want to join the --

MS. MULLIGAN: Anybody else who wants to.

MR. GRUCCI: I'd love to but I know I wouldn't be able to commit myself to it.

CHAIRMAN BRAUN: Understood. Maybe Gary, you and Frank can put your heads together, some kind of a rough outline so that we'll -- the four of us sit down, we're not starting from scratch and then we'll go from there.

MR. TROTTA: If you can get us anything that is out there from anybody else, Babylon, for example, or any of the other IDA's, we can come up with those other stuff for review, but it's always good to -- we may even look and say, that's not for us, but at least it's a place to look.

CHAIRMAN BRAUN: One thing we're not going to do is go into a loan program or revolving loan fund.

MS. MULLIGAN: I don't even know --

MR. POLLAKUSKY: We know you didn't like that, Fred.

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MR. TROTTA: How do you feel about that, tell me again?

CHAIRMAN BRAUN: They are upstate IDA's that have revolving loan funds, but they got money from a different source, many, many years ago, it has grown, but some of those loans don't get paid back. It's almost impossible to recommend replicate that now. We're not lenders, some of us may have been in our former life, but we're not set up administratively to do that, but happy to meet with the two of you and we'll go from there.

MR. TROTTA: Anybody has any ideas, if you float them to us we'd be happy to explore them or talk further.

MS. MULLIGAN: So I'll reach out --

MR. GRUCCI: Frank, my only suggestion would be, be careful that the committee doesn't get perceived by this small businesses as being an expeditor for them, and then, you know, you find yourselves running around doing advanced work with the Planning Department, et cetera, et cetera. Just be careful.

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MR. TROTTA: I guess what I -- yeah, I hear you, and no, we don't want to be an expeditor, they need to hire an expeditor if that's what they want. I'm sure Lisa would make that clear to them.

MS. MULLIGAN: We're economic development, we don't want to take away other people's jobs, we're supposed to be creating jobs.

MR. GRUCCI: I know that that wouldn't be the intent, I'm just concerned about the perception from those who would be seeking help from us as to what they're thoughts might be of us.

MR. TROTTA: Good point, and certainly it's something that we wouldn't want to get into, I agree.

MS. MULLIGAN: Okay, so we have two other items on the agenda. Just quickly, I think we have to officially move the November 16th meeting to 12:30, we did it in LDC, I think we should officially do it here.

CHAIRMAN BRAUN: I need a motion.

MR. CALLAHAN: So moved.

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MS. MULLIGAN: Do we have a second?

MR. TROTTA: Frank Trotta, yes.

CHAIRMAN BRAUN: Thank you, on the  
vote; Frank?

MR. TROTTA: Yes.

CHAIRMAN BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

CHAIRMAN BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

CHAIRMAN BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

CHAIRMAN BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

CHAIRMAN BRAUN: Braun votes yes. We  
have moved the meeting time.

MS. MULLIGAN: And we have one item  
that we need to discuss in executive session,  
so I don't know what the best way to do that  
is.

MS. EADERSTO: When you make a motion  
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CHAIRMAN BRAUN: We need a motion to  
go to executive session.

MS. EADERSTO: -- when you come out,

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you're gonna conduct no further business and then you can just --

MS. MULLIGAN: Okay, awesome.

CHAIRMAN BRAUN: Motion to go into an executive session.

MS. EADERSTO: And when you come out, you will conduct no further business.

MS. MULLIGAN: And when we come out, we will conduct no further business and we're going into executive session to discuss potential lawsuits.

MR. TROTTA: I would be happy to make that motion, going into executive session.

CHAIRMAN BRAUN: On the vote, then; Mr. Trotta?

MR. TROTTA: Yes.

CHAIRMAN BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

CHAIRMAN BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

CHAIRMAN BRAUN: Mr. Grucci?

MR. GRUCCI: Yes. For those of us on Zoom, are we going to get a new link?

MS. MULLIGAN: We'll send around the

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call-in number, it might just be easiest.

MS. MULLIGAN: We're not coming back, so we're adjourning the meeting after this, so we can close down the meeting and we will send around the conference call-in number. Sorry, I didn't even think to do it earlier.

MR. GROSS: Lisa, I'm no expert at this, but I think you have to come out of executive session and then close the meeting.

MS. EADERSTO: Right, but we're conducting no further business other than closing the meeting.

MS. MULLIGAN: Right, so we don't have to come back.

(Whereupon, at 2:06 p.m., the meeting of the Industrial Development Agency concluded.)

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C E R T I F I C A T I O N

STATE OF NEW YORK )

SS.

COUNTY OF NASSAU )

I, DAVID GORDON, a Shorthand (Stenotype) Reporter and Notary Public within and for the State of New York, do hereby certify that the foregoing pages 1 through 79, taken at the time and place aforesaid, is a true and correct transcription of my shorthand notes.

IN WITNESS WHEREOF, I have hereunto set my name this 26th day of October, 2022.



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DAVID GORDON

TOWN OF BROOKHAVEN  
INDUSTRIAL DEVELOPMENT AGENCY  
MEETING MINUTES  
NOVEMBER 16, 2022

MEMBERS PRESENT: Frederick C. Braun, III  
Felix J. Grucci, Jr.  
Martin Callahan  
Ann-Marie Scheidt  
Frank C. Trotta

EXCUSED MEMBERS: Gary Pollakusky  
Frank C. Trotta

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer  
John LaMura, Deputy Director  
Jocelyn Linse, Executive Assistant  
Terri Alkon, Administrative Assistant  
Annette Eaderesto, Counsel  
William F. Weir, Nixon Peabody, LLP  
Howard Gross, Weinberg, Gross & Pergament (via Zoom)

Chairman Braun opened the IDA meeting at 12:46 P.M. on Wednesday, November 16, 2022, 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. Mulligan presented the Budget vs. Actual Report for the period ending September 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 motion to accept the report was made by Mr. Pally and seconded by Mr. Callahan. All voted in favor.

**CD RAMSAY REALTY, LLC / CREATIVE BIOLABS, INC. – APPLICATION**

This current IDA project that manufactures and distributes biologic proteins has an approximately 12,000 square foot facility at 17 Ramsay Road in Shirley. CD Ramsay has now applied for assistance to construct an additional 18,500 square foot building at a cost of \$4.935 million on the same property. They have 30 full-time equivalent positions and plan to add 8 more. They are requesting a sales tax exemption and a PILOT. CD Ramsay's current project has already surpassed their expected employee numbers.

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

**GLOBAL FOOD SOLUTIONS, INC. – APPLICATION & RESOLUTION**

Global Food Solutions, Inc. presented this project at the last meeting. Global Food Solutions develops, manufactures and distributes food for the school food service industry. They propose to purchase an approximately 50,000 square foot existing building located at 905 Waverly Avenue in Holtsville. They currently operate out of 2 facilities in Islip and Smithtown. They have 38 employees and plan to hire 25 full-time equivalent employees. Project costs are estimated to be \$14 million, and a 10,000 square foot expansion is planned after they move into the facility. A sales tax exemption and PILOT have been requested.

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

A public hearing for Global Food Solutions, Inc. was held with no comment received. The cost benefit analysis and proposed PILOT were included in the meeting packets.

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

**44 RAMSEY OWNER / FRANK LOWE – GALAXY GROUP, LLC SUBTENANT**

**APPLICATION & RESOLUTION**

Galaxy Group, LLC is seeking to sublease approximately 10,000 square feet in the 44 Ramsey Owner / Frank Lowe facility. Galaxy Group is a facility maintenance company with 3 full-time equivalent positions and plan to hire 8 to 10 more.

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

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

**BLSF, LLC / BROOKHAVEN LANDFILL SOLAR FARM, LLC – RESOLUTION**

There was a change in the ownership structure for this solar farm to be located on the capped portion of the Town's landfill. A public hearing was held with comments received; these comments as well as the cost benefit analysis and proposed PILOT were included in the meeting packets.

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

**HYDRO METAL HOLDINGS, LLC / BOILERMATIC WELDING INDUSTRIES, INC. – RESOLUTION**

This is an assignment and assumption of the PILOT and sales tax exemption from the Coast 2 Coast Real Estate, LLC facility located at 20 Pinehurst Drive in Bellport to Hydro Metal Holdings, LLC / Boilermatic Welding Industries, Inc. Mr. Callahan recused himself from discussion on this project due to a potential conflict of interest. There were comments received at the public hearing which were included in the meeting packets. Hydro Metal Holdings, LLC / Boilermatic Welding Industries, Inc. will retain 56 full-time equivalent positions and plans to hire an additional 14.

The motion to approve this resolution was made by Mr. Grucci, seconded by Mr. Pally, and unanimously approved with Mr. Callahan abstaining.

**PECONIC RIVER ENERGY STORAGE, LLC DBA NORTH STREET ENERGY STORAGE – RESOLUTION**

The cost benefit analysis and proposed PILOT were included in the meeting packet for this 150-megawatt battery energy storage system to be constructed in Manorville. There were no comments made at the public hearing.

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

**SUNRISE WIND – 22 RESEARCH WAY – RESOLUTION**

The cost benefit analysis and proposed PILOT were included in the packets for this operations and maintenance facility for the Sunrise Wind Farm project. No comments were received at the public hearing. This facility is expected to create 60 full-time equivalent jobs.

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

**BIOCOAGENT – COMPLETION DATE & SALES TAX EXTENSION RESOLUTION**

Biocogent has requested an extension on their sales tax exemption and completion date until December 31, 2024.

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

**UNITED MEAT PRODUCTS – COMPLETION DATE EXTENSION RESOLUTION**

United Meat Products has requested an extension of their completion date until October 31, 2023.

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

## **CEO'S REPORT**

### **Middle Country Meadows**

A termination letter was sent to Middle Country Meadows for failing to provide the required insurance. The matter has since been corrected.

### **Port Jefferson Commons**

An application was received for this potential housing project to be located adjacent to Port Jefferson Crossing. They have requested a letter to submit to New York State that confirms this project is within the guidelines of the Agency's Uniform Tax Exemption Policy. This application will be on the agenda for the December meeting. The consensus of the Members was to submit the letter to New York State.

Mr. Callahan made a motion at 1:22 P.M. to enter executive session to discuss proposed, pending or current litigation. The motion was seconded by Mr. Grucci and unanimously approved.

At 1:34 P.M., Mr. Grucci made a motion to exit executive session and close the meeting. The motion was seconded by Ms. Scheidt, and all voted in favor.

***The next IDA meeting is scheduled for Wednesday, December 7, 2022.***

## 2023 IDA RESOLUTIONS

- 1 Appointment of CEO/Executive Director
- 2 Appointment of Chief Financial Officer
- 3 Appointment of Executive Assistant
- 4 Appointment of Administrative Assistant
- 5 Appointment of Director Marketing and Project Development
- 6 Appointing of Legal Counsel
- 7 Appointment of Insurance Broker of Record
- 8 Slate of IDA Board Officers
- 9 Adoption of Committee Charters and Establishment and Appointing of  
Governance, Finance and Audit Committee
- 10 Adoption of Fee Schedule
- 11 Office Rental at Town of Brookhaven
- 12 Hourly Requirement
- 13 2023 Meeting Schedule
- 14 Appointment of Website Design and Maintenance
- 15 Banking and Investing
- 16 Adopting a Mission Statement and Measurement Report
- 17 Adopting the Town of Brookhaven Ethics Policy, Procurement Policy and  
Property Acquisition & Disposal Policy.
- 18 Adopting a Uniform Tax Exemption Policy
- 19 Adopting Compensation Policy
- 20 Adopting a Policy Concerning Board Member and Employee Loans
- 21 Adopting a Prevailing Wage Policy

- 22 Adopting an Adaptive Reuse Policy
- 23 Delegating and Authorizing Execution of IDA Documents
- 24 Adopting an Incentive Compensation Policy
- 25 Longevity
- 26 Adoption of Deferred Compensation Program Policy
- 27 Holiday Schedule
- 28 Adopting a Travel & Discretionary Funds Policy
- 29 Adopting an Accrual Policy for Full Time Management Employees
- 30 Adopting an Accrual Policy for Full Time Non-Management Employees
- 31 Audit and Accounting Services
- 32 Adopting a Bereavement Policy
- 33 Conflict of Interest Policy
- 34 Appointment of Insurance Risk Manager
- 35 Approval of unlawful harassment and unlawful sexual harassment prohibition policy
- 36 Approval of 2022 Incentive Compensation
- 37 Jury Duty
- 38 Employee Health Insurance
- 39 Cancer Screening
- 40 Appointment of Public Relations Firm
- 41 Supplemental Benefits Insurance
- 42 Shared Services Agreement
- 43 Newspaper of Record
- 44 Acquisition of Real Property



**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:

---

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

Comments:

---

**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:

---

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:

---

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

Comments:

---

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

Comments:

---

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:

---

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

Comments:

---

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

Comments:

---

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:

---

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

Comments:

---

**Board / CEO Relationships:**

---

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

Comments:

---

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:

---

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:

---

**Servicing the Community:**

---

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

Comments:

---

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

Comments:

---

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

Comments:

---

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

Comments:

---

**Finances:**

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

Comments:

---

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

Comments:

---

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

Comments:

---

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

Comments:

---

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:

---

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

Comments:

---

Additional Comments:

---

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---

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



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Islandia, NY 11749

(631) 232-4444  
FACSIMILE:  
(631) 232-2803

December 2, 2022

Via: Email: lmulligan@brookhavenny.gov

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

Attn: Lisa Mulligan, CEO

Re: Thanx M.S. Zorn Blvd., LLC  
Premises:

Dear Ms. Mulligan:

As you are aware, this firm represents Thanx M.S. Zorn Blvd., LLC in connection with its Project presently existing at 53 Zorn Blvd., Yaphank, New York. As disclosed in its original application, MS Packaging & Supply Corp. is the Lessee; however, as noted on said application, the Lessee has two affiliated entities, specifically, Great White Packaging Corp. and MS Packaging & Supply Distribution Corp.

Although these entities do not have any employees, nor do they have any specific designated space at the Facility for its activities, they nevertheless, operate its business from the same address. Both entities utilize the existing personnel of MS Packaging & Supply Corp. for all of their associated activities.

Great White Packaging Corp. is simply a freight broker which, for a particular customer, engages an independent freight company to deliver goods from one location in the country to another (but not to or from the Facility). It merely collects a fee for brokering a particular shipment.

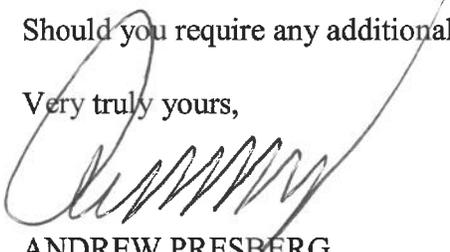
MS Packaging & Supply Distribution Corp., likewise, does not have any employees nor any specifically allocated space within the Facility; however, it does arrange for corrugated and similar goods to be delivered to the Facility for a specific customer and held at the Facility until the customer asks for its delivery over a specified period of time.

As a result of the foregoing relationships, we would be deemed to license an unallocated portion of the Facility to these two entities and create a Tenant Agency Compliance Agreement for same and provide the usual indemnities and insurance for these entities in favor of the Agency.

Accordingly, we would respectfully request that the Board consider and approve the oral licensing by Thanx M.S. Zorn Blvd., LLC of an undisclosed/unallocated portion of the Facility for use by Great White Packaging Corp. and MS Packaging & Supply Distribution Corp., and authorize the execution and delivery of the TACA in form acceptable to the Agency.

Should you require any additional information, please feel free to contact the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Andrew Presberg', written in a cursive style. The signature is positioned above the printed name.

ANDREW PRESBERG

ADP:ea

cc: Howard Gross, Esq.

# Town of Brookhaven Industrial Development Agency

## MRB Cost Benefit Calculator



Date: December 12, 2022  
 Project Title: CD Ramsay Realty, LLC  
 Project Location: 17 Ramsey Road Shirley

### Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment  
 \$4,935,000

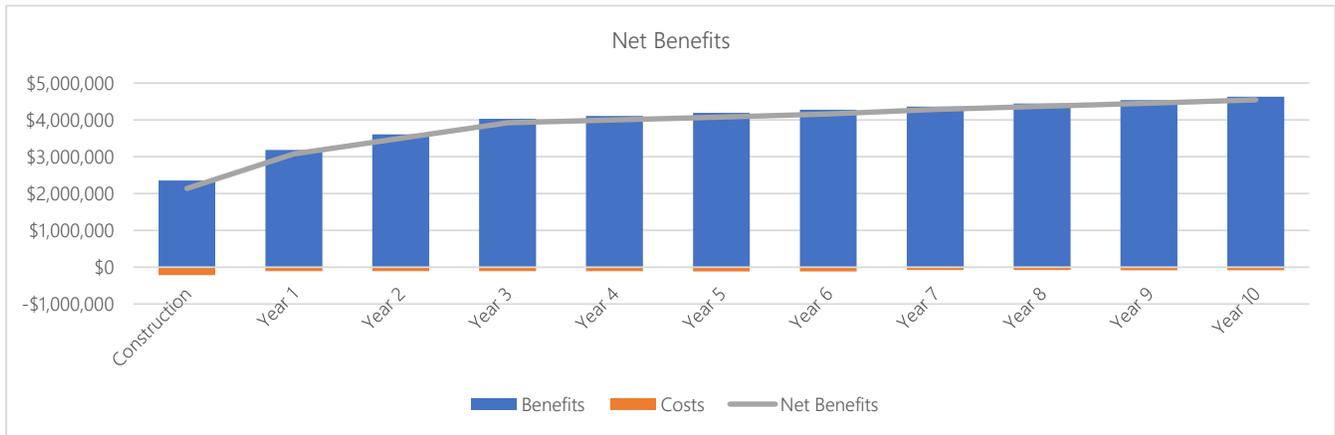
		Temporary (Construction)		
		Direct	Indirect	Total
Jobs		22	6	28
Earnings		\$1,819,562	\$398,688	\$2,218,250
Local Spend		\$4,400,000	\$1,390,874	\$5,790,873

		Ongoing (Operations)		
		Direct	Indirect	Total
Jobs		38	0	38
Earnings		\$39,015,282	\$0	\$39,015,282

Aggregate over life of the PILOT

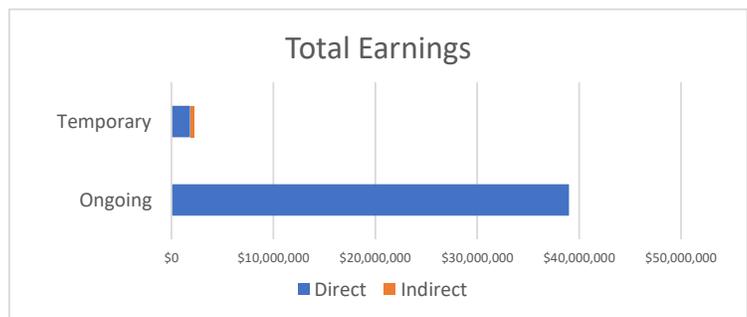
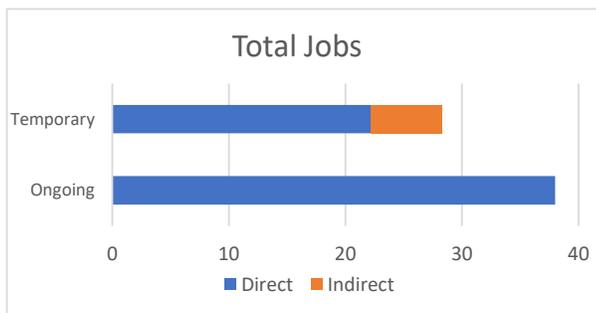
Figure 1



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

Figure 2

Figure 3



## Fiscal Impacts

### Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$976,748	\$882,721
Sales Tax Exemption	\$215,625	\$215,625
Local Sales Tax Exemption	\$115,625	\$115,625
State Sales Tax Exemption	\$100,000	\$100,000
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
<b>Total Costs</b>	<b>\$1,192,373</b>	<b>\$1,098,346</b>

### State and Local Benefits

	Nominal Value	Discounted Value*
<b>Local Benefits</b>	<b>\$41,567,266</b>	<b>\$37,374,067</b>
<b>To Private Individuals</b>	<b>\$41,233,532</b>	<b>\$37,073,999</b>
Temporary Payroll	\$2,218,250	\$2,218,250
Ongoing Payroll	\$39,015,282	\$34,855,749
Other Payments to Private Individuals	\$0	\$0
<b>To the Public</b>	<b>\$333,734</b>	<b>\$300,068</b>
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$17,954	\$17,954
Ongoing Jobs - Sales Tax Revenue	\$315,780	\$282,114
Other Local Municipal Revenue	\$0	\$0
<b>State Benefits</b>	<b>\$2,144,144</b>	<b>\$1,927,848</b>
<b>To the Public</b>	<b>\$2,144,144</b>	<b>\$1,927,848</b>
Temporary Income Tax Revenue	\$99,821	\$99,821
Ongoing Income Tax Revenue	\$1,755,688	\$1,568,509
Temporary Jobs - Sales Tax Revenue	\$15,528	\$15,528
Ongoing Jobs - Sales Tax Revenue	\$273,107	\$243,990
<b>Total Benefits to State &amp; Region</b>	<b>\$43,711,410</b>	<b>\$39,301,915</b>

### Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$37,374,067	\$998,346	37:1
State	\$1,927,848	\$100,000	19:1
<b>Grand Total</b>	<b>\$39,301,915</b>	<b>\$1,098,346</b>	<b>36:1</b>

\*Discounted at 2%

### Additional Comments from IDA

Propose to construct an approx 18,500 sf industrial building on approx 4.5 acres. This building will be in addition to the 12,000 sf facility already on the property. This company manufactures and distributes laboratory, biologic projects. As per our Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to jobs created/retained and capital investment by the applicant.

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

# Town of Brookhaven Industrial Development Agency

## MRB Cost Benefit Calculator



Date: January 3, 2023  
 Project Title: WF XII, LLC  
 Project Location: North Service Rd LIE Yaphank, NY

### Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

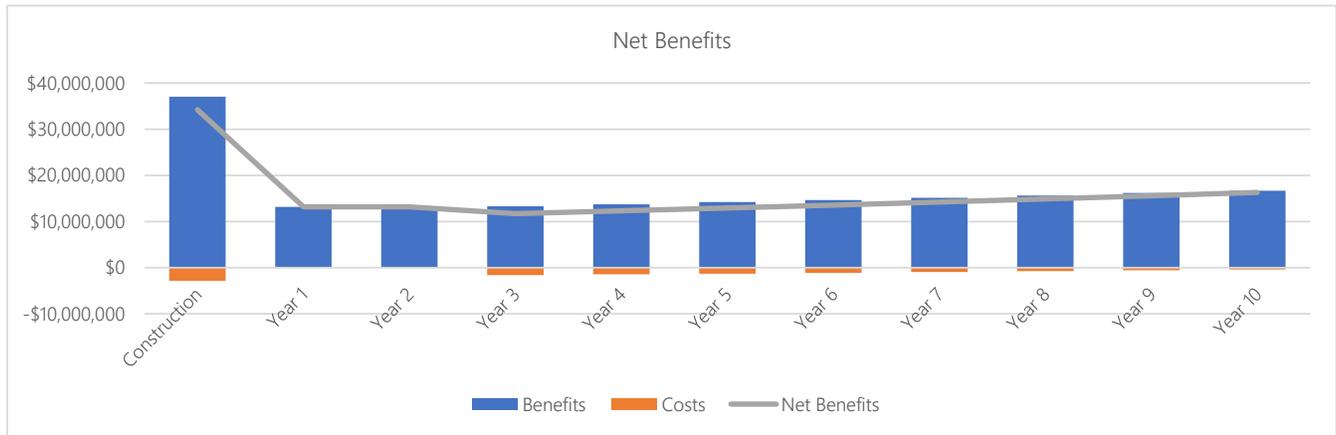
Project Total Investment  
 \$161,960,000

		Temporary (Construction)		
		Direct	Indirect	Total
Jobs		350	96	446
Earnings		\$28,671,331	\$6,282,236	\$34,953,567
Local Spend		\$69,331,999	\$21,916,379	\$91,248,378

		Ongoing (Operations)		
		Direct	Indirect	Total
Jobs		191	0	191
Earnings		\$160,770,786	\$0	\$160,770,786

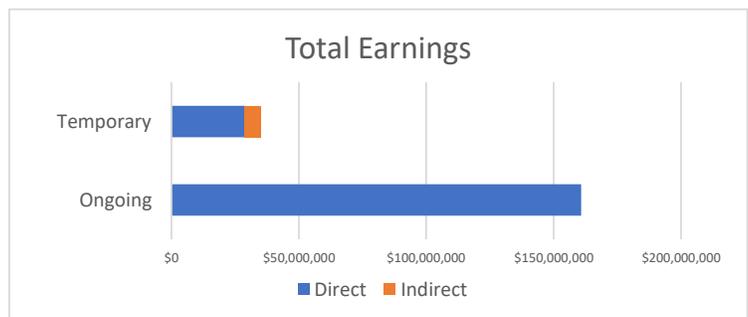
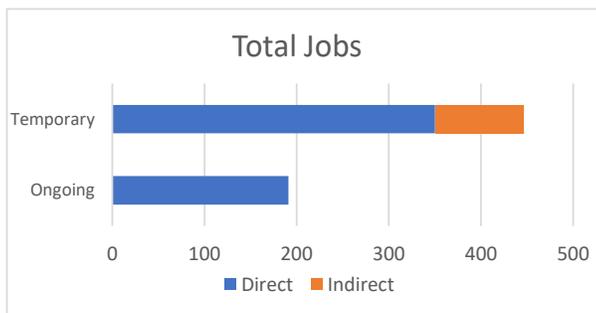
Figure 1



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

Figure 2

Figure 3



# Fiscal Impacts

## Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$8,413,947	\$7,513,559
Sales Tax Exemption	\$2,092,960	\$2,092,960
Local Sales Tax Exemption	\$1,122,312	\$1,122,312
State Sales Tax Exemption	\$970,648	\$970,648
Mortgage Recording Tax Exemption	\$747,450	\$747,450
Local Mortgage Recording Tax Exemption	\$249,150	\$249,150
State Mortgage Recording Tax Exemption	\$498,300	\$498,300
<b>Total Costs</b>	<b>\$11,254,357</b>	<b>\$10,353,969</b>

## State and Local Benefits

	Nominal Value	Discounted Value*
<b>Local Benefits</b>	<b>\$207,835,330</b>	<b>\$186,258,938</b>
<b>To Private Individuals</b>	<b>\$195,724,353</b>	<b>\$176,047,364</b>
Temporary Payroll	\$34,953,567	\$34,953,567
Ongoing Payroll	\$160,770,786	\$141,093,797
Other Payments to Private Individuals	\$0	\$0
<b>To the Public</b>	<b>\$12,110,977</b>	<b>\$10,211,575</b>
Increase in Property Tax Revenue	\$10,526,833	\$8,786,691
Temporary Jobs - Sales Tax Revenue	\$282,905	\$282,905
Ongoing Jobs - Sales Tax Revenue	\$1,301,239	\$1,141,978
Other Local Municipal Revenue	\$0	\$0
<b>State Benefits</b>	<b>\$10,177,666</b>	<b>\$9,154,463</b>
<b>To the Public</b>	<b>\$10,177,666</b>	<b>\$9,154,463</b>
Temporary Income Tax Revenue	\$1,572,911	\$1,572,911
Ongoing Income Tax Revenue	\$7,234,685	\$6,349,221
Temporary Jobs - Sales Tax Revenue	\$244,675	\$244,675
Ongoing Jobs - Sales Tax Revenue	\$1,125,396	\$987,657
<b>Total Benefits to State &amp; Region</b>	<b>\$218,012,996</b>	<b>\$195,413,401</b>

## Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$186,258,938	\$8,885,021	21:1
State	\$9,154,463	\$1,468,948	6:1
<b>Grand Total</b>	<b>\$195,413,401</b>	<b>\$10,353,969</b>	<b>19:1</b>

\*Discounted at 2%

### Additional Comments from IDA

Applicant intends to construct three (3) one story warehouse totaling 549,924 sf for use as a warehouse distribution facility on 71.45 acres of vacant land. End users have not yet been secured. As per the Brookhaven IDA Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to, jobs created and capital investment by the applicant.

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



Peter L. Curry  
Partner

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

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

Our File No.  
18700/239

December 28, 2022

Ms. Lisa M.G. Mulligan  
Town of Brookhaven Director of Economic Development  
CEO of Brookhaven IDA & LDC  
1 Independence Hill, 2<sup>nd</sup> Floor  
Farmingville, NY 11738

**Re: Engel Burman at East Patchogue, LLC/Brookhaven IDA**

Dear Ms. Mulligan:

I am writing in connection with the application of Engel Burman at East Patchogue, LLC for the grant of economic benefits from the Brookhaven Industrial Development Agency. As more extensively discussed in the application, the Applicant contemplates the construction and operation of an approximately 139-unit independent senior rental complex, including a clubhouse and associated amenities. Twenty-eight of the units will be reserved as affordable or workforce apartments. The facility will be built on the west side of Sipp Avenue in East Patchogue, on a site comprising almost 14 acres of currently-vacant land. The site is convenient to the retail corridor of East Patchogue, the Village of Patchogue and Brookhaven Memorial Hospital. Of course, it is also located near the many recreational opportunities the southern part of the Town of Brookhaven has to offer.

According to the East Patchogue Project Economic and Fiscal Impact analysis prepared by the MRB Group and submitted with the application, the construction of this community will create 224 direct and indirect jobs, with a fiscal impact exceeding \$14.5 million. The operation of this project will result in an annual direct and indirect employment of 53 individuals, The ongoing annual wages resulting from this employment will approximate \$2.9 million. Thus, the construction and operation of this complex will provide a significant economic boost to the Town of Brookhaven.

The applicant is affiliated with B2K Development, the successor entity to The Engel Burman Group, a well-known real estate developer on Long Island and throughout the metropolitan region. The Group has developed and B2K Development is currently constructing numerous multi-family residences in Nassau and Suffolk Counties, as well as other regions of the country. It has also received economic inducements from the Brookhaven IDA in connection with the construction

Lisa M.G. Mulligan  
December 28, 2022  
Page 2

and operation of assisted living facilities, in Mount Sinai, Holtsville and Lake Grove, as well as another senior community in Mount Sinai. Each of these communities has enabled seniors to remain near their families in state-of-the-art facilities, and provided significant employment in the Town of Brookhaven.

As the Board is aware, there is a significant local need for rental properties for Long Island seniors. As of July, 2018, approximately 17% of East Patchogue residents and 15% of residents of the Town of Brookhaven were over the age of 65. An additional significant number are between the ages of 55 and 64. Many of these residents are choosing to downsize from home ownership. However, they are looking to retain the sense of community by remaining in the locale in which they grew up and raised families. B2K Development understands this, and develops communities near cultural, recreational and retail opportunities and with the range of amenities sought by renters. Engel Burman communities are welcomed by local residents, who understand the social and economic benefits of having seniors continue to live in the Town of Brookhaven and contribute to the diverse social fabric that the Town enjoys. We believe that the Engel Burman at East Patchogue development, like so many The Engel Burman Group has done before with the assistance of the Brookhaven IDA, will be a credit to the Town and the Agency.

Please feel free to contact me with any other questions you may have regarding this application.

Very truly yours,

*Peter L. Curry*

Peter L. Curry

PLC/an

cc: Steven Krieger  
David Burman  
Michael L. Webb, Esq.



**Peter L. Curry**  
Partner

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

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

Our File No.  
31785-101

December 20, 2022

**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 Short Term Extension Letter (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 from December 8, 2022 to March 31, 2023. It also amends the definition of spread to three and four-tenths of one percent (3.40%). HSRE-EB Holtsville, 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 loan extension.

Please feel free to contact me with any questions.

Very truly yours,

  
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.

# East Patchogue Project Economic and Fiscal Impact Analysis

Prepared by:

**MRB** | *group*

Prepared for:  
Engel Burman at East Patchogue, LLC

Date:  
December 28, 2022

## Executive Summary

Engel Burman at East Patchogue, LLC (the "Developer") is proposing a real estate development project consisting of a 139-unit independent senior living rental apartment complex (the "Project") in the Town of Brookhaven (the "Town") on approximately 13.89 acres of land on the west side of Sipp Avenue in East Patchogue, NY (the "Site"). The Project includes a total of 139 units, with 14 units reserved for households earning up to 120% of the area median income (AMI), 14 units reserved for households earning up to 80% of AMI, and 111 market-rate units.

The following analysis included an examination of the local market's ability to support the Project and the expected economic and fiscal impacts associated with the Project on Suffolk County (the "County") and the Town. MRB Group modeled the economic impacts of the construction of the Project in terms of direct and indirect jobs and earnings in the region. We also modeled the annual economic impacts post-construction based on our estimates of "net new" household spending from future occupants of the Site. In terms of fiscal impacts, we modeled the fiscal benefit of the increase in tax revenue generated by the Project and the fiscal costs associated with the Developer's requested tax abatements. Below are the results of our analysis.

### Market Review Conclusions

From a real estate market point of view, the Project appears to be well-positioned in a market characterized by strong fundamentals. Over the last ten years, vacancy rates have typically remained below 5% in the multifamily rental market, despite a steady stream of new unit deliveries.

**Economic Impacts**

MRB Group estimates that during the project’s construction phase, 150 on-site jobs will be created, plus 74 indirect jobs, for a total of 224 new jobs collectively earning \$14.6 million in wages.

Upon completion of the Project, we estimate a total of 53 ongoing (permanent) jobs will be created in the Town due to the spending of the new households and the operations of the Project, with total annual earnings of \$2.9 million (figures may not sum due to rounding).<sup>1</sup>

**Fiscal Impacts**

In terms of fiscal benefits, the Project will increase tax revenues from the County, Town, and School District. We estimate that the County will earn sales tax revenue of approximately \$117,871 during the construction period, resulting from a portion of the construction phase earnings being spent locally. The Developer has proposed two options for a PILOT abatement schedule for the Agency’s consideration: a 15-year PILOT, and a 20-year PILOT. Under the 15-year PILOT, during the operation phase of the Project, we estimate the County will receive \$68,173 in sales tax from the operation phase earnings being spent locally and \$923,671 in sales tax from new household spending. Over the life of the proposed 15-year PILOT, the Project will generate \$6.2 million more in tax revenue than the vacant land would without the Project. This additional revenue will be allocated proportionally to the applicable taxing jurisdictions.

**Summary of Economic Impacts**

	Direct	Indirect	Total
Construction Jobs	150	74	224
Construction Wages	\$9,268,010	\$5,295,216	\$14,563,226
Ongoing Jobs	40	13	53
Ongoing Wages	\$2,044,460	\$836,979	\$2,881,438

**Summary of Fiscal Benefits, Local Government**

Source	Total
Sales Tax, Construction, One-time	\$117,871
Sales Tax, Operations, 15 Years	\$68,173
Sales Tax, Households, 15 Years	\$923,671
Increase in Property Tax Revenue, 15 Years	\$6,240,060
<b>Total Fiscal Benefits Over 15 Years</b>	<b>\$7,349,775</b>
Sales Tax, Construction, One-time	\$117,871
Sales Tax, Operations, 20 Years	\$95,289
Sales Tax, Households, 20 Years	\$1,291,069
Increase in Property Tax Revenue, 20 Years	\$8,690,911
<b>Total Fiscal Benefits Over 20 Years</b>	<b>\$10,195,140</b>

<sup>1</sup> Note that the direct and indirect “Construction Jobs” and “Construction Wages” shown are with respect to the County, as such jobs tend to be pulled from a larger labor shed. The direct and indirect “Ongoing Jobs” and “Ongoing Wages” shown are with respect to the Town of Brookhaven.

Therefore, we estimate that the fiscal benefits of the Project, over the 15-year PILOT, including construction and operation phases, would be \$7.3 million. Under the 20-year PILOT schedule, the Project will generate \$95,289 in sales tax revenue from operations and \$1.3 million in sales tax from new household spending. Over 20 years, the Project will generate \$8.7 million more in revenue than the vacant land would generate, yielding a total fiscal impact of \$10.2 million.

In terms of the fiscal costs, the Applicant has requested a sales tax exemption and a mortgage recording tax exemption of \$1.1 million and \$218,436, respectively (County portion only). We estimate the cost of the PILOT exemption to be \$5.7 million over 15 years. The "cost" of the PILOT exemption is the difference between the anticipated PILOT payments and the estimated taxes on the full assessment. This cost is theoretical by nature, as the Applicant has stated that the Project cannot move forward absent a PILOT inducement.

Summary of Exemptions

	Total
Cost of Sales Tax Exemption, One-Time	\$1,067,606
Mortgage Recording Tax Exemption	\$218,436
PILOT Exemption, 15 Years	(\$5,739,145)
PILOT Exemption, 20 Years	(\$7,336,130)

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## Introduction

The Developer is proposing a real estate development project consisting of a 139-unit independent senior living rental apartment complex in the Town, on approximately 13.89 acres of land on the west side of Sipp Avenue in East Patchogue, NY. The Project includes a total of 139 units, with 14 units reserved for households earning up to 120% of the AMI, 14 units reserved for households earning up to 80% of the AMI, and 111 market-rate units.

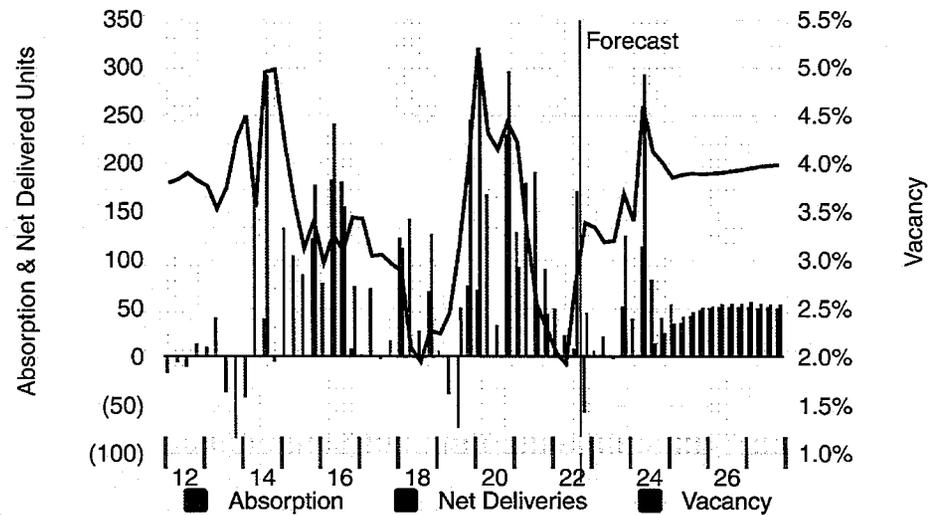
The following analysis included an examination of the local market's ability to support the Project and the expected economic and fiscal impacts associated with the Project on the County and the Town. MRB Group modeled the economic impacts of the construction of the Project in terms of direct and indirect jobs and earnings in the region. We also modeled the annual economic impacts post-construction based on our estimates of "net new" household spending from future occupants of the Site. In terms of fiscal impacts, we modeled the fiscal benefit of the increase in tax revenue generated by the Project and the fiscal costs associated with the Developer's requested tax abatements. Below are the results of our analysis.

# Multifamily Real Estate Market Review

## Local Real Estate Market

The Town of Brookhaven’s multifamily real estate market is characterized by strong fundamentals of high demand and low vacancy. Over the last ten years, multifamily (for-rent and for-sale) vacancy rates have mostly remained below 5%. New deliveries contributed to temporary spikes in vacancy of slightly above 5% in 2014, and 4.5% in 2020. Since Q1 2020, nearly 1,000 rental units have been brought to market through several residential development projects, and those units are currently being absorbed. Vacancy rates are currently estimated at 3%. Historical data from 2010 shows that newly delivered units are quickly absorbed in the area’s tight housing market.

Absorption, Net Deliveries & Vacancy



Source: CoStar

As of Q4 2022, there were an estimated 179,371 housing units in the Town of Brookhaven. These housing units are primarily owner-occupied, with only 19.1% of Brookhaven’s housing units estimated to be renter-occupied. This composition of housing types is similar to Suffolk County as a whole, where 17.1% of the housing units are renter-occupied.

Rental Units

	Total Housing Units	% of all Occupied Units	Renter-Occupied Units
Brookhaven	179,371	19.1%	34,260
Suffolk County	580,043	17.1%	99,187

Source: ESRI

### Affordability

Housing affordability in the Town of Brookhaven also indicates demand for additional multi-family residential units. "House and Home Expenditures," shown in the table, encompasses the average annual spending of households on mortgage payments (or rent), insurance, tax, and property maintenance for owned dwellings. The Spending Potential Index (SPI) is a composite measure of household expenditures for the specified region compared to national averages. A high SPI means expenditures are relatively high compared to national averages. An SPI of 100 means expenditures are the same as the national average. Owned dwellings in the Town have significantly higher home expenditures than the national average for owned dwellings. The Town's SPI of 150 indicates owner-occupied housing may be in short supply/high demand in the Town. In this case, the tight housing market drives up the price of owner-occupied housing, indicating that new market-rate rental units would attract "net new" households to the area that would otherwise be priced out of the market. Housing costs associated with rental properties are also higher than the national average, with an SPI of 107.

Brookhaven House and Home Expenditures

	Average Amount Spent	SPI
Owned Dwelling	\$24,265	150
Rented Dwelling	\$6,289	107

Source: Consumer Spending data are derived from the 2020 and 2021 Consumer Expenditure Surveys, Bureau of Labor Statistics.

### Conclusions from Market Review

We used market statistics to make conclusions regarding a.) the level of support in the market for the Project and b.) the extent to which any of the units of the Project can be considered "net new" to the Town of Brookhaven. The consideration of "net new" units is a factor in the economic impact analysis that follows.

### Determination of Market Support

The Town's real estate market is characterized by strong fundamentals, as discussed earlier. Based on these trends, we conclude that the Project is well-positioned to be supported by the market.

### Determination of "Net New"

Before calculating the Project's economic impacts, we must determine how many of the future households from the Project can be considered "net new" to the Town. There are several circumstances under which households would be regarded as "net new":

- Out-of-area residents choosing to relocate to the Town because of the Project
- Current Town residents that would otherwise relocate outside of the Town if the option to live in the Project were unavailable

- Current Town residents that will move into the Project, freeing up their current Brookhaven residential space that will then be occupied by households relocating to the Town

As per our review of the market, we consider all units of the Project as “net new” households for the Town.

## Economic Impact Analysis

The Project would have economic impacts on the County and Town in several ways. These impacts include one-time impacts on jobs, earnings, and sales during the construction phase of the Project, which we estimate for the entire County. It also includes ongoing impacts related to household spending and the operations of the Project, which we estimate for the Town.<sup>2</sup>

### Methodology

Both one-time, construction-phase impacts and ongoing, operation-phase impacts have “Direct” and “Indirect” components. For the construction phase:

- Direct jobs, wages, and sales are those that occur on-site related to labor and materials used in the construction of the Project.
- Indirect jobs, wages, and sales are those caused by the Direct impacts and result from business-to-business purchases (e.g., a contractor buying a piece of equipment from a dealer), and from employees spending a portion of their wages locally.

For the operations phase:

- Direct jobs, wages, and sales are those jobs created from the operations of the Project (e.g., onsite employment of a maintenance person) and from new household spending occurring as a result of the Project.
- Indirect jobs, wages, and sales are those caused by the Direct impact, such as business-to-business purchases (e.g., a grocery store serving the new households buying goods from a distributor), and from employees of such businesses spending a portion of their wages locally.

To estimate the Direct and Indirect impacts, MRB Group employed the Lightcast<sup>3</sup> economic modeling system. We used data from the Developer and publicly available and proprietary data sources as inputs to the Lightcast modeling system. We adjusted the Lightcast model where needed to best match the Project specifics.

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<sup>2</sup> By their nature, construction-related impacts tend to be somewhat more diffuse, which is why we report them as County-level impacts. Town-level impacts are measured based on the 36 ZIP codes that closely approximate the Town. See appendix.

<sup>3</sup> Lightcast formerly “Emsi,” uses data from the U.S. Bureau of Labor Statistics, the U.S. Bureau of Economic Analysis, the U.S. Census, and other public data sources to model out economic impacts.

### Construction Phase

The Developer has provided estimates of the total cost of construction of the Project and the percentage of labor and materials to be sourced within the County. As shown in the table to the right, the Developer estimates that 50% of its \$49.1 million of materials and labor costs<sup>4</sup> would be spent locally, for a total of \$24.5 million of in-region construction spending.

In-region construction spending of \$24.5 million (direct "Sales" in the table) was then inputted into the Lightcast economic modeling system, assigning the County as the geography of study. This spending creates 150 direct jobs and direct earnings of \$9.3 million. The model estimates that this will cause Indirect impacts of 74 new jobs, \$5.3 million in new earnings, and \$15.3 million in new sales. Therefore, the total, one-time, construction-phase impacts would be 224 jobs, \$14.6 million in wages, and \$39.8 million in sales.

### Operation Phase

Construction phase impacts were measured at the County level to account for their dispersed nature. Conversely, the impacts of the operation phase are estimated at the Town level. We used 36 ZIP Codes that approximate the Town of Brookhaven to model operational impacts.<sup>5</sup>

Operation phase impacts come from two sources. The largest source is the effect of "net new" household spending from the new units brought onto the market by the Project. The second source of operation phase impacts is the employment on Site that results from the operations of the Project, including maintenance and management personnel.

### Construction Spending In Region

	\$ Total	% County	\$ County
Materials & Labor	\$49,059,000	50%	\$24,529,500

Source: Developer, MRB

### Economic Impact of Construction Phase, One-Time

	Direct	Indirect	Total
Jobs	150	74	224
Earnings	\$9,268,010	\$5,295,216	\$14,563,226
Sales	\$24,529,500	\$15,290,246	\$39,819,746

Source: Emsi, MRB

<sup>4</sup> Project budget from the Agency application, minus land, legal, and financing costs.

<sup>5</sup> A full list of ZIP Codes included in the economic impact analysis are listed in Appendix A, where they are compared to the Town's boundaries.

Households with differing incomes have different spending habits. As such, we have utilized different average annual household expenditures based on two relevant income brackets<sup>6</sup>. The first income bracket reflects the spending habits of households earning over \$100,000 annually. We assume that the 125 households in this bracket will occupy all of the Project’s market-rate units and those workforce units reserved for households earning up to 120% of the area median income. The second income bracket displays the spending habits of households earning between \$70,000-\$99,000 annually, which we apply to the 14 units reserved for households earning no more than 80% of the area median income.

The large expanse of the Town’s geographical boundaries and the high concentration of nearby retailers suggests that most of the households’ needs will be served by local businesses. To be conservative, we have estimated that 80% of this spending would occur in the Town of Brookhaven. Therefore, given 139 total units and the spending profiles and percentages shown, we estimate a total of \$4.7 million of new household spending would occur annually in the Town.

**Total New Household Spending**

	Annual per HH Spend	% Spent in Town	Units	Total New Spending
<b>Units with Household Incomes of \$100,000+</b>				
Food	\$10,984	80%	125	\$1,098,400
Household Furnishings and Equipment	\$2,796	80%	125	\$279,600
Apparel and Services	\$2,186	80%	125	\$218,600
Transportation	\$12,641	80%	125	\$1,264,100
Healthcare	\$6,277	80%	125	\$627,700
Entertainment	\$3,608	80%	125	\$360,800
Education	\$1,839	80%	125	\$183,900
Personal Care Products and Services	\$946	80%	125	\$94,600
Miscellaneous	\$1,259	80%	125	\$125,900
Other	\$513	80%	125	\$51,300
<b>Total, Market Rate Units</b>	<b>\$43,049</b>	<b>80%</b>	<b>125</b>	<b>\$4,304,900</b>
<b>Units with Household Incomes of \$70,000 - \$99,999</b>				
Food	\$8,118	80%	14	\$90,922
Household Furnishings and Equipment	\$2,925	80%	14	\$32,760
Apparel and Services	\$1,493	80%	14	\$16,722
Transportation	\$9,449	80%	14	\$105,829
Healthcare	\$5,144	80%	14	\$57,613
Entertainment	\$2,821	80%	14	\$31,595
Education	\$1,544	80%	14	\$17,293
Personal Care Products and Services	\$736	80%	14	\$8,243
Miscellaneous	\$1,103	80%	14	\$12,354
Other	\$439	80%	14	\$4,917
<b>Total, Affordable Units</b>	<b>\$33,772</b>	<b>80%</b>	<b>14</b>	<b>\$378,246</b>
<b>Grand Total</b>			<b>139</b>	<b>\$4,683,146</b>

Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, 2020 - 2021 \*Table 3104. Northeastern region by income before taxes: Average annual expenditures and characteristics\*

<sup>6</sup> We used data from the Consumer Expenditure Survey (CEX) of the Bureau of Labor Statistics as of December 2022, specific to both the Northeast and the respective income level.

MRB Group then took each of the above line items and applied that new household spending to one or more industry codes in Lightcast.<sup>7</sup> This resulted in an estimate of 35 direct jobs and \$1.7 million in direct earnings that will be generated by the spending of the new households. Taken together with an estimate of indirect impacts, total impacts from household spending include 45 jobs, \$2.4 million in earnings, and \$6.5 million in sales.

The Developer stated that it would hire five employees at the Site for operations and maintenance, with an average salary of \$60,000. Combined, these five positions account for \$300,000 in annual earnings. Together with indirect impacts, the total impacts of operations and maintenance would be 8 jobs, \$493,779 in earnings, and \$1.6 million in sales.

The combined impacts of household spending and impacts from operations and maintenance are displayed in the table to the right. As summarized in the last column, we anticipate that the Town will benefit from 53 jobs, \$2.9 million in earnings, and \$8.1 million in sales on an annual basis.

**Economic Impact of New Household Spending**

	Direct	Indirect	Total
Jobs	35	10	45
Earnings	\$1,744,460	\$643,199	\$2,387,659
Sales	\$4,683,146	\$1,805,937	\$6,489,083

Source: Emsi, MRB

**Economic Impact, Operations of Project**

	Direct	Indirect	Total
Jobs	5	3	8
Earnings	\$300,000	\$193,779	\$493,779
Sales	\$1,055,785	\$550,234	\$1,606,018

Source: Emsi, MRB

**Combined Economic Impact**

	Direct	Indirect	Total
Jobs	40	13	53
Earnings	\$2,044,460	\$836,979	\$2,881,438
Sales	\$5,738,931	\$2,356,170	\$8,095,101

Source: Emsi, MRB

<sup>7</sup> For example, for the "Food" line item, we applied half of the spending to the "supermarkets and other grocery" stores NAICS code (North American Industrial Classification System) and half to the "full service restaurants" NAICS code.

## Fiscal Impact Analysis – 15 Years

The Project would also have fiscal impacts in terms of new tax revenues. The Applicant provided two potential PILOT schedules for consideration; one under a 15-year term and one under a 20-year term. The analysis below considers the fiscal impact of both.

### PILOT Schedule – 15 Years

The table to the right displays the Applicant’s proposed PILOT schedule. The Applicant has requested a 15-year PILOT term that would abate a portion of the improvement value associated with the Project. In Year 1, PILOT payments would include the Base Land Tax and 6.25% of the improvement value. Each year the percentage of the improvement value included in the PILOT payment will increase by 6.25% until the Project is fully taxable in Year 16.

PILOT Schedule

Tax Year	Base Land Tax	Projected Improvement Tax	Improvement Phase-In	Total Improvement	Total PILOT
Year 1	\$6,524	\$702,256	6.25%	\$43,891	\$50,415
Year 2	\$6,642	\$714,967	12.50%	\$89,371	\$96,013
Year 3	\$6,762	\$727,908	18.75%	\$136,483	\$143,245
Year 4	\$6,884	\$741,083	25.00%	\$185,271	\$192,155
Year 5	\$7,009	\$754,496	31.25%	\$235,780	\$242,789
Year 6	\$7,136	\$768,153	37.50%	\$288,057	\$295,193
Year 7	\$7,265	\$782,056	43.75%	\$342,150	\$349,415
Year 8	\$7,397	\$796,212	50.00%	\$398,106	\$405,502
Year 9	\$7,530	\$810,623	56.25%	\$455,975	\$463,506
Year 10	\$7,667	\$825,295	62.50%	\$515,810	\$523,476
Year 11	\$7,806	\$840,233	68.75%	\$577,660	\$585,466
Year 12	\$7,947	\$855,441	75.00%	\$641,581	\$649,528
Year 13	\$8,091	\$870,925	81.25%	\$707,626	\$715,717
Year 14	\$8,237	\$886,689	87.50%	\$775,853	\$784,090
Year 15	\$8,386	\$902,738	93.75%	\$846,317	\$854,703
Year 16*	\$8,538	\$919,077	100.00%	\$919,077	\$927,615

\*First Year of Full Taxes

Source: Applicant; MRB Group

PILOT Revenue – 15 Years

Absent the Project moving forward, the parcels will generate an estimated \$111,153 over 15 years. According to the proposed PILOT schedule, the Project will generate \$6.4 million over 15 years. As shown in the table to the right, the proposed PILOT payments would generate \$6.2 million more in revenue for the local taxing jurisdictions than the Site without the Project. (Figures may not sum due to rounding.)

PILOT Revenue

Tax Year	Base Land Tax	Total PILOT	Increase in Revenue
Year 1	\$6,524	\$50,415	\$43,891
Year 2	\$6,642	\$96,013	\$89,371
Year 3	\$6,762	\$143,245	\$136,483
Year 4	\$6,884	\$192,155	\$185,271
Year 5	\$7,009	\$242,789	\$235,780
Year 6	\$7,136	\$295,193	\$288,057
Year 7	\$7,265	\$349,415	\$342,150
Year 8	\$7,397	\$405,502	\$398,106
Year 9	\$7,530	\$463,506	\$455,975
Year 10	\$7,667	\$523,476	\$515,810
Year 11	\$7,799	\$585,466	\$577,666
Year 12	\$7,933	\$649,528	\$641,595
Year 13	\$8,067	\$715,717	\$707,650
Year 14	\$8,201	\$784,090	\$775,889
Year 15	\$8,335	\$854,703	\$846,368
	\$111,153	\$6,351,213	\$6,240,060

Source: Applicant; MRB Group

## Fiscal Impact Analysis – 20 Years

Under a 20-Year PILOT term, the Project would have fiscal impacts in terms of new tax revenues, as described below.

### 20-Year PILOT Schedule

The table to the right displays the proposed PILOT schedule under a 20-Year scenario. In Year 1, PILOT payments would include the Base Land Tax and 4.76% of the improvement value. Each year the percentage of the improvement value included in the PILOT payment will increase by 4.76% until the Project is fully taxable in Year 21.

PILOT Schedule - 20 Years

Tax Year	Base Land Tax	Projected Improvement Tax	Improvement Phase-In	Total Improvement PILOT	Total PILOT
Year 1	\$6,524	\$702,256	4.76%	\$33,441	\$39,965
Year 2	\$6,642	\$714,967	9.52%	\$68,092	\$74,734
Year 3	\$6,762	\$727,908	14.29%	\$103,987	\$110,749
Year 4	\$6,884	\$741,083	19.05%	\$141,158	\$148,043
Year 5	\$7,009	\$754,496	23.81%	\$179,642	\$186,651
Year 6	\$7,136	\$768,153	28.57%	\$219,472	\$226,608
Year 7	\$7,265	\$782,056	33.33%	\$260,685	\$267,950
Year 8	\$7,397	\$796,212	38.10%	\$303,318	\$310,715
Year 9	\$7,530	\$810,623	42.86%	\$347,410	\$354,940
Year 10	\$7,667	\$825,295	47.62%	\$392,997	\$400,664
Year 11	\$7,806	\$840,233	52.38%	\$440,122	\$447,927
Year 12	\$7,947	\$855,441	57.14%	\$488,823	\$496,770
Year 13	\$8,091	\$870,925	61.90%	\$539,143	\$547,234
Year 14	\$8,237	\$886,689	66.67%	\$591,125	\$599,362
Year 15	\$8,386	\$902,738	71.43%	\$644,812	\$653,198
Year 16	\$8,538	\$919,077	76.19%	\$700,249	\$708,787
Year 17	\$8,693	\$935,713	80.95%	\$757,481	\$766,173
Year 18	\$8,850	\$952,649	85.71%	\$816,555	\$825,405
Year 19	\$9,010	\$969,892	90.48%	\$877,520	\$886,530
Year 20	\$9,173	\$987,447	95.24%	\$940,425	\$949,598
Year 21*	-\$9,339	\$1,005,320	100.00%	\$1,005,320	\$1,014,659

\*First Year of Full Taxes

Source: Applicant; MRB Group

PILOT Revenue – 20 Years

Under the 20-Year PILOT scenario, the Project will generate \$8.8 million over 20 years. As shown in the table to the right, the proposed PILOT payments would generate \$8.7 million more in revenue for the local taxing jurisdictions than the Site without the Project.

PILOT Revenue - 20 Years

Tax Year	Base Land Tax	Total PILOT	Increase in Revenue
Year 1	\$6,524	\$33,441	\$26,917
Year 2	\$6,642	\$68,092	\$61,450
Year 3	\$6,762	\$103,987	\$97,225
Year 4	\$6,884	\$141,158	\$134,274
Year 5	\$7,009	\$179,642	\$172,633
Year 6	\$7,136	\$219,472	\$212,336
Year 7	\$7,265	\$260,685	\$253,420
Year 8	\$7,397	\$303,318	\$295,922
Year 9	\$7,530	\$347,410	\$339,879
Year 10	\$7,667	\$392,997	\$385,331
Year 11	\$7,806	\$440,122	\$432,316
Year 12	\$7,947	\$488,823	\$480,876
Year 13	\$8,091	\$539,143	\$531,053
Year 14	\$8,237	\$591,125	\$582,888
Year 15	\$8,386	\$644,812	\$636,426
Year 16	\$8,538	\$700,249	\$691,711
Year 17	\$8,693	\$757,481	\$748,788
Year 18	\$8,850	\$816,555	\$807,706
Year 19	\$9,010	\$877,520	\$868,510
Year 20	\$9,173	\$940,425	\$931,252
	\$155,547	\$8,846,458	\$8,690,911

Source: Applicant; MRB Group

**Sales Tax Revenue, Construction Phase**

As stated in the economic impact analysis on page 11, we anticipate approximately \$14.6 million in direct and indirect earnings in the County will be generated during the Project's construction phase. We assume 70% of the newly generated earnings will be spent in Suffolk County. We estimate that 25% of that spending amount will be subject to the sales tax. Applying the County's sales tax rate of 4.625%, we conclude that the construction phase earnings will lead to approximately \$117,871 in County sales tax revenue throughout construction.

**Sales Tax Revenue, Operation Phase**

We estimate \$493,779 in total new earnings occurring annually within the County during the operation phase associated with new direct and indirect job creation (see page 13). Using the same methodology for estimating sales tax revenue for the construction phase, we estimate the Project will result in \$3,997 in annual sales tax revenue to the County. Escalated at 1.81% per year for 15 years and 20 years, this totals \$68,173 and \$95,289, respectively.

**Sales Tax Revenue - Construction Phase**

Line	Value
Total New Earnings	\$14,563,226
% Spent in County	70%
\$ Spent in County	\$10,194,258
% Taxable	25%
\$ Taxable	\$2,548,565
County Sales Tax Rate	4.625%
\$ County Sales Tax Revenue	\$117,871
<b>Revenue, one-time</b>	<b>\$117,871</b>

Source: MRB

**Sales Tax Revenue - Operation Phase**

Line	Annual Value
Total New Earnings	\$493,779
% Spent in County	70%
\$ Spent in County	\$345,646
% Taxable	25%
\$ Taxable	\$86,411
County Sales Tax Rate	4.625%
\$ County Sales Tax Revenue	\$3,997
<b>Revenue Over 15 Years</b>	<b>\$68,173</b>
<b>Revenue Over 20 Years</b>	<b>\$95,289</b>

Source: MRB

### Sales Tax Revenue, Operation Phase

As identified on page 12, we estimate approximately \$4.7 million of annual direct and indirect sales in the Town associated with the new household spending by residents of the Project. Assuming 25% of those sales are subject to sales tax, we estimate the Project will result in \$54,149 in annual sales tax revenue. Over a 15-Year PILOT term, escalated at 1.81%, we estimate a total impact of \$923,671. Over a 20-Year PILOT term, this impact is approximately \$1.3 million.

### Sales Tax Revenue - Household Spending

Line	Annual Value
New Household Spending	\$4,683,146
% Taxable	25%
\$ Taxable	\$1,170,787
County Sales Tax Rate	4.625%
\$ County Sales Tax Revenue	\$54,149
Revenue Over 15 Years	\$923,671
Revenue Over 20 Years	\$1,291,069

Source: MRB

Fiscal Costs – 15 Years

Shown below is the difference in PILOT payments under the proposed terms and the estimated full property taxes of the project post-construction. Over 15 years, the project will have a fiscal “cost” of \$5.7 million. However, the Developer has indicated that the Project cannot move forward without an inducement, so this “cost” is theoretical by nature.

Cost of Abatement

Tax Year	Base Land Tax	Projected Improvement Tax	Full Taxes	Total PILOT	Cost of Abatement
Year 1	\$6,524	\$702,256	\$708,780	\$50,415	(\$658,365)
Year 2	\$6,642	\$714,967	\$721,609	\$96,013	(\$625,596)
Year 3	\$6,762	\$727,908	\$734,670	\$143,245	(\$591,425)
Year 4	\$6,884	\$741,083	\$747,967	\$192,155	(\$555,812)
Year 5	\$7,009	\$754,496	\$761,506	\$242,789	(\$518,716)
Year 6	\$7,136	\$768,153	\$775,289	\$295,193	(\$480,096)
Year 7	\$7,265	\$782,056	\$789,322	\$349,415	(\$439,907)
Year 8	\$7,397	\$796,212	\$803,608	\$405,502	(\$398,106)
Year 9	\$7,530	\$810,623	\$818,154	\$463,506	(\$354,648)
Year 10	\$7,667	\$825,295	\$832,962	\$523,476	(\$309,486)
Year 11	\$7,806	\$840,233	\$848,039	\$585,466	(\$262,573)
Year 12	\$7,947	\$855,441	\$863,388	\$649,528	(\$213,860)
Year 13	\$8,091	\$870,925	\$879,016	\$715,717	(\$163,298)
Year 14	\$8,237	\$886,689	\$894,926	\$784,090	(\$110,836)
Year 15	\$8,386	\$902,738	\$911,124	\$854,703	(\$56,421)
			\$12,090,358	\$6,351,213	(\$5,739,145)

Source: Applicant; MRB Group

Fiscal Costs – 20 Years

Shown to the right is the difference in PILOT payments under the proposed terms and the estimated full property taxes of the project post-construction. Over 20 years, the project will have a fiscal “cost” of \$7.3 million. However, the Developer has indicated that the Project cannot move forward without an inducement, so this “cost” is theoretical by nature.

Cost of Abatement - 20 Years

Tax Year	Base Land Tax	Projected Improvement Tax	Full Taxes	Total PILOT	Cost of Abatement
Year 1	\$6,524	\$702,256	\$708,780	\$33,441	(\$675,339)
Year 2	\$6,642	\$714,967	\$721,609	\$68,092	(\$653,517)
Year 3	\$6,762	\$727,908	\$734,670	\$103,987	(\$630,683)
Year 4	\$6,884	\$741,083	\$747,967	\$141,158	(\$606,809)
Year 5	\$7,009	\$754,496	\$761,506	\$179,642	(\$581,864)
Year 6	\$7,136	\$768,153	\$775,289	\$219,472	(\$555,817)
Year 7	\$7,265	\$782,056	\$789,322	\$260,685	(\$528,636)
Year 8	\$7,397	\$796,212	\$803,608	\$303,318	(\$500,290)
Year 9	\$7,530	\$810,623	\$818,154	\$347,410	(\$470,744)
Year 10	\$7,667	\$825,295	\$832,962	\$392,997	(\$439,965)
Year 11	\$7,806	\$840,233	\$848,039	\$440,122	(\$407,917)
Year 12	\$7,947	\$855,441	\$863,388	\$488,823	(\$374,565)
Year 13	\$8,091	\$870,925	\$879,016	\$539,143	(\$339,872)
Year 14	\$8,237	\$886,689	\$894,926	\$591,125	(\$303,801)
Year 15	\$8,386	\$902,738	\$911,124	\$644,812	(\$266,312)
Year 16	\$8,538	\$919,077	\$927,615	\$700,249	(\$227,367)
Year 17	\$8,693	\$935,713	\$944,405	\$757,481	(\$186,924)
Year 18	\$8,850	\$952,649	\$961,499	\$816,555	(\$144,943)
Year 19	\$9,010	\$969,892	\$978,902	\$877,520	(\$101,382)
Year 20	\$9,173	\$987,447	\$996,620	\$940,425	(\$56,195)
Year 21	\$9,339	\$1,005,320	\$1,014,659	\$1,005,320	(\$7,336,130)

Source: Applicant; MRB Group

### Other Fiscal Costs

Per the Agency application, the Developer is seeking a sales tax exemption of \$2.2 million and a mortgage recording tax exemption of \$327,654. The tables below show the local share of these costs.

Cost of Sales Tax Exemption, County

Type	Value
Sales Tax Exemption	\$2,166,612
Local	4.250%
State	4.000%
MCTD	0.375%
Local Exemption	\$1,067,606

Source: Applicant

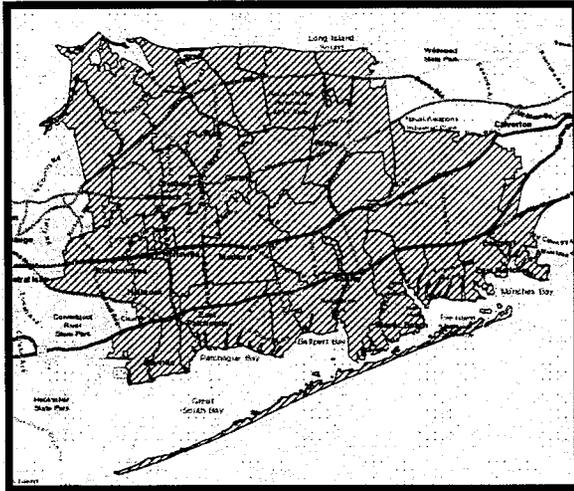
Cost of MRTE Exemption, County

Type	Value
MRTE	\$327,654
Local	0.50%
State	0.25%
Local Exemption	\$218,436

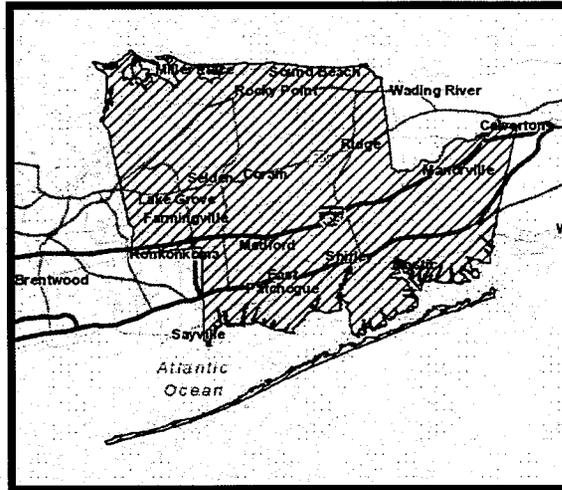
Source: Applicant

## Appendix A: Zip Codes Used

36 ZIP Codes of the Town of Brookhaven



Town of Brookhaven



ZIP	Description
11705	Bayport, NY (in Suffolk county)
11713	Bellport, NY (in Suffolk county)
11715	Blue Point, NY (in Suffolk county)
11719	Brookhaven, NY (in Suffolk county)
11727	Coram, NY (in Suffolk county)
11733	East Setauket, NY (in Suffolk county)
11738	Farmingville, NY (in Suffolk county)
11741	Holbrook, NY (in Suffolk county)
11742	Holtsville, NY (in Suffolk county)
11755	Lake Grove, NY (in Suffolk county)
11763	Medford, NY (in Suffolk county)
11764	Miller Place, NY (in Suffolk county)
11766	Mount Sinai, NY (in Suffolk county)
11772	Patchogue, NY (in Suffolk county)
11776	Port Jefferson Station, NY (in Suffolk county)
11777	Port Jefferson, NY (in Suffolk county)
11778	Rocky Point, NY (in Suffolk county)
11779	Ronkonkoma, NY (in Suffolk county)
11782	Sayville, NY (in Suffolk county)
11784	Selden, NY (in Suffolk county)
11786	Shoreham, NY (in Suffolk county)
11789	Sound Beach, NY (in Suffolk county)
11790	Stony Brook, NY (in Suffolk county)
11934	Center Moriches, NY (in Suffolk county)
11940	East Moriches, NY (in Suffolk county)
11941	Eastport, NY (in Suffolk county)
11949	Manorville, NY (in Suffolk county)
11950	Mastic, NY (in Suffolk county)
11951	Mastic Beach, NY (in Suffolk county)
11953	Middle Island, NY (in Suffolk county)
11955	Moriches, NY (in Suffolk county)
11960	Remsenburg, NY (in Suffolk county)
11961	Ridge, NY (in Suffolk county)
11967	Shirley, NY (in Suffolk county)
11973	Upton, NY (in Suffolk county)
11980	Yaphank, NY (in Suffolk county)

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# FISCAL & ECONOMIC IMPACT ANALYSIS

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## Expressway Drive North Warehouse Buildings Yaphank, NY

NPV No.02045

**Prepared for:**

WF Industrial XII, LLC  
80 8<sup>th</sup> Avenue, Suite 1602  
New York, NY 10011

**Prepared by:**



## NELSON POPE VOORHIS

*environmental • land use • planning*

70 Maxess Road  
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**May 16, 2022**

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### ATTACHMENTS

A NPV Qualifications

## EXECUTIVE SUMMARY

This analysis examines the economic and fiscal impacts that are anticipated to occur through the construction and annual operations of three single-story warehouse buildings, known as Expressway Drive North Warehouse Buildings. The analysis is submitted in support of Brookhaven Industrial Development Agency (IDA) tax deferral which supports the financial viability of the project and serves Town goals in terms of project need as well as construction/operation employment, and projected tax revenue. The report includes demographic information, land use plan review, need for the project, economic (job creation) and fiscal (tax revenue) impact analysis. The report serves as a "feasibility study" for IDA review and reliance in considering tax assistance to facilitate the construction and operation of the project as described herein, and to summarize the resulting economic/fiscal benefits.

The subject site is approximately 71 acres in size and is located on the North Service Road (Express Drive North) of the Long Island Expressway (LIE), approximately 100 feet west of Sills Road in the **hamlet of Yaphank, Town of Brookhaven**, Suffolk County, New York. The property is bounded by privately-owned vacant land to the west, town-owned vacant land to the north and east, and the Long Island Expressway to the south. Beyond the town-owned property to the east and fronting on Sills Road are residential homes, a gas station, and a farm stand. The subject property is currently vacant land.

The proposed project involves the construction of three single-story distribution warehouses, consisting of a total of 549,942 square-feet (sf) of space. The three buildings are proposed to be 203,548 sf, 176,670 sf, and 169,724 sf.

As economic stability returns following the coronavirus pandemic of 2020-22, the proposed project is expected to contribute to the long-term economic health of the community. The proposed project will create strong economic activity by providing jobs and a solid tax base as quantified in this report. The new warehouse development proposed will support local businesses in Yaphank and the surrounding areas, bringing increased patronage and spending power to the community. Consumer activity will ripple through the local community, creating beneficial economic and fiscal impacts throughout Yaphank, the Town of Brookhaven, Suffolk County, and the region as a whole. The proposed project will also create a short- and long-term economic benefit by providing increased revenue to taxing jurisdictions.

Economic impacts include direct impacts, as well as those indirect and induced impacts that are projected to occur – on output, employment and labor income – during both the 24-month construction period, and annually upon stabilized operations of the Expressway Drive North Warehouse Buildings. During **construction**, direct, indirect, and induced impacts of the proposed project is anticipated to result in **\$104,638,803 in total output, 362.4 jobs** (total FTE jobs), and **\$40,605,006 in labor income** (total wages). During **annual operations** following the proposed construction, direct, indirect, and induced impacts of the proposed project are projected to be

**\$18,896,600** in output (total revenue), **235.9 jobs** (total FTE jobs), and **\$16,993,856** in labor income (total wages).

The Applicant will be applying to the Town of Brookhaven to participate in its PILOT program. Since the exact terms of the PILOT have not yet been negotiated, this study analyzes the projected fiscal impacts based on a stabilized year of operations and full taxation based on current assessments and projected revenues. This projection of tax revenues is useful in assisting with an understanding of existing and future taxes to help structure a PILOT agreement. Any tax deferral programs will delay and phase-in full taxation.

At full build-out and during annual operations, the proposed project is projected to generate significantly more tax revenue than the current conditions of the property. It is estimated that the proposed project will generate **\$1,907,714** in annual taxes under full taxation of the property, of which **\$1,349,293** is allocated to the **Longwood Central School District** with no increase in school-aged children or additional expenditures incurred by the district. The current taxes generated by the property are \$39,585 in annual taxes, of which \$27,998 is allocated to the school district.

In summary, the proposed project is beneficial to economic conditions in the hamlet of Yaphank, the Town of Brookhaven, Suffolk County, and the region, as a result of job creation (construction and operations), and increasing revenue to local taxing jurisdictions. Overall, the project is economically and socially beneficial as discussed in more detail in the full report.

## 1.0 INTRODUCTION AND PURPOSE

Nelson Pope Voorhis (NPV) has been requested to prepare a fiscal and economic impact summary for the proposed development of three single-story warehouse buildings, known as Expressway Drive North Warehouse Buildings, located in the hamlet of Yaphank, Town of Brookhaven, Suffolk County. This analysis examines the fiscal and economic impacts that are anticipated to occur through the construction and annual operations of the three buildings, which are proposed to be 203,548 square feet (sf), 176,670 sf, and 169,724 sf, resulting in a total of 549,942 sf of warehouse space. The site location is more specifically described as the north side of Long Island Expressway (I-495) North Service Road, approximately 100 feet west of Sills Road. The Suffolk County Tax Map (SCTM) number of the subject site is: 200-662-2-5.16.

NPV is a professional environmental and planning firm with qualifications and expertise to prepare fiscal and economic impact analyses, and has a track record of similar completed projects, as well as residential and commercial market analysis and related economic development services to private and municipal clients. The economic qualifications of the firm and personnel are provided in **Attachment A**.

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

The following analysis examines and quantifies the fiscal and economic impacts that are anticipated to result from the proposed development. **Section 2.0** outlines the methodology and the sources of data used to project the fiscal and economic impacts generated in this analysis. **Section 3.0** examines and summarizes demographics and trends specific to the hamlet of Yaphank, the Town of Brookhaven and Suffolk County. **Section 4.0** analyzes relevant town and local planning documents specific to the Yaphank community and summarizes the proposed project's consistency with such reports.

**Section 5.0** summarizes the existing fiscal conditions – including enrollment, budget, and current tax rates and levies for the Longwood Central School District. This section also summarizes the land use and tax base composition, detailed budgets and the current tax rates and levies for the Town of Brookhaven and Suffolk County. Moreover, this section summarizes the fiscal impacts that are anticipated to result from the proposed project. These include tax revenues that would

be allocated to each of the local taxing jurisdictions. This information is useful in understanding the future tax benefit and structuring a PILOT agreement.

In addition, Section 5.0 outlines the direct economic impacts, as well as those indirect and induced impacts that are estimated to occur – on output, employment and labor income – during both the 24-month construction period, and annually upon stabilized operations . These projections anticipate stabilization of the economy in post-pandemic conditions. A summary of these key economic findings is provided in **Table 1**.

**TABLE 1**  
**SUMMARY OF KEY ECONOMIC FINDINGS**

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
<b><i>Economic Impacts during Construction</i></b>			
Direct Impact	\$69,903,240	183.1	\$27,961,296
Indirect Impact	\$15,530,442	68.8	\$5,718,079
Induced Impact	\$19,205,121	110.5	\$6,925,630
<b>Total Impact</b>	<b>\$104,638,803</b>	<b>362.4</b>	<b>\$40,605,006</b>
<b><i>Projected Economic Impacts during Operations</i></b>			
Direct Impact	\$8,249,130	180.5	\$13,284,262
Indirect Impact	\$2,728,039	12.6	\$842,878
Induced Impact	\$7,919,431	42.8	\$2,866,716
<b>Total Impact</b>	<b>\$18,896,600</b>	<b>235.9</b>	<b>\$16,993,856</b>

Source: Data provided by Wildflower Industrial XII, LLC.; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

The Applicant will be applying to the Town of Brookhaven to participate in its PILOT program. Since the exact terms of the PILOT have not yet been negotiated, this study analyzes the projected fiscal impacts based on a stabilized year of operations and full taxation based on current assessments and projected revenues. This projection of tax revenues is useful in assisting with an understanding of existing and future taxes to help structure a PILOT agreement. Any tax deferral programs will delay and phase-in full taxation.

At full build-out and during annual operations, the proposed project is projected to generate significantly more tax revenue than the current conditions of the property. It is estimated that the proposed project will generate \$1,907,714 in annual taxes under full taxation of the property, of which \$1,349,293 would be allocated to the Longwood Central School District with no increase in school-aged children or increased expenditures incurred by the district. The current taxes generated by the property are \$39,585 in annual taxes, of which \$27,998 is allocated to the school district. The distribution of anticipated tax revenues is shown in **Table 2**.

**TABLE 2**  
**TAX REVENUE COMPARISON**

Taxing Jurisdiction	Current Tax Revenue	Projected Tax Revenue	Tax Revenue Percent Distribution
<b>Total School Taxes</b>	<b>\$29,433</b>	<b>\$1,418,420</b>	<b>74.4%</b>
School District- Longwood CSD	\$27,998	\$1,349,293	70.7%
Library District- Longwood CSD	\$1,434	\$69,127	3.6%
<b>Total County Taxes</b>	<b>\$4,361</b>	<b>\$210,175</b>	<b>11.0%</b>
County of Suffolk	\$290	\$13,977	0.7%
County of Suffolk - Police	\$4,071	\$196,197	10.3%
<b>Total Town Taxes</b>	<b>\$2,376</b>	<b>\$114,512</b>	<b>6.0%</b>
Town - Town Wide Fund	\$566	\$27,268	1.4%
Highway - Town Wide Fund	\$154	\$7,403	0.4%
Town- Part Town Fund	\$183	\$8,831	0.5%
Highway- Part Town Fund/Snow Removal	\$1,473	\$71,009	3.7%
<b>Other Taxes</b>	<b>\$3,416</b>	<b>\$164,607</b>	<b>8.6%</b>
New York State MTA Tax	\$14	\$673	0.0%
Open Space Preservation	\$216	\$10,402	0.5%
Fire Districts - Yaphank	\$2,693	\$129,776	6.8%
Lighting Districts- Brookhaven	\$114	\$5,494	0.3%
Real Property Tax Law	\$293	\$14,106	0.7%
Out of County Tuition	\$66	\$3,177	0.2%
Suffolk County Community College Tax	\$20	\$980	0.1%
<b>TOTAL: ALL TAXING JURISDICTIONS</b>	<b>\$39,585</b>	<b>\$1,907,714</b>	<b>100.0%</b>

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

Lastly, **Section 6.0** outlines the references and sources of information utilized in this analysis.

## 2.0 METHODOLOGY

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

WF Industrial XII, LLC supplied information regarding the project, construction costs and construction schedule, estimated rental rates, and employment and employee salaries during annual operations of the proposed project.

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

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

The Office of the New York State Comptroller provided data pertaining to the annual district budget for the Longwood Central School District.

New York State Education Department provides District Report Cards and the Fiscal Accountability Summary reports specific to the Longwood CSD.

New York State Office of Real Property Services provides data pertaining to the existing tax base and tax revenues for the Town of Brookhaven. This information was used to better understand how local budgets and taxing jurisdictions will be affected by the proposed project.

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

United States Census Bureau provides pertinent demographic data for the hamlet of Yaphank, Town of Brookhaven, Suffolk County.

Environmental Systems Research Institute, Inc. (ESRI) generated on-demand demographic reports specific to hamlet of Yaphank, the Town of Brookhaven and Suffolk County through their *Business Analyst Online* program. Specifically, data was collected for 2000 Census, 2010 Census

and 2021 estimates for population and housing characteristics, as well as five-year population projections and housing (2026) for the Yaphank hamlet, Town of Brookhaven and Suffolk County. All estimates and projections provided by ESRI draw upon data from sources including the Current Population Survey, American Community Survey, Census of Retail Trade (all via the United States Census Bureau), Consumer Expenditure Survey (via the United States Bureau of Labor Statistics), United States Postal Service, Internal Revenue Service, National Bureau of Economic Research, and other commercial and federal data sources.

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

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

The IMPLAN model is a method for estimating local economic multipliers, including those pertaining to production, value-added, employment, wage and supplier data. IMPLAN differentiates in its software and data sets between 546 sectors that are recognized by the United States Department of Commerce. Multipliers are available for all states, counties and zip codes, and are derived from production, employment and trade data from sources including the United States Census Bureau, County Business Patterns, Annual Survey of Government Employment, Annual Survey of Retail Trade; United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Consumer Expenditure Survey; United States Department of Labor; Office of Management and Budget; United States Department of Commerce; Internal Revenue Service; United States Department of Agriculture, National Agricultural Statistical Service; Federal Procurement Data Center; and United States Bureau of Economic Analysis, Regional Economic Information System, Survey of Current Business, among other national, regional, state and local data sources.

IMPLAN is widely accepted as the industry standard for estimating how much a one-time or sustained increase in economic activity in a particular region will be supplied by industries located in the region. Federal government agencies such as the Army Corps of Engineers, Bureau of Economic Analysis, Bureau of Land Management, Environmental Protection Agency, Federal Reserve Bank, Fish and Wildlife Service, and National Park Service have used the multipliers to

study the local impact of government regulation on specific industries and to assess the local economic impacts of Federal actions. State and local governments including New York State Department of Labor, New York State Division of the Budget, New York State Office of the State Comptroller, New York State Assembly and New York City Economic Development Corporation, have used the multipliers to estimate the regional economic impacts of government policies and projects and of events, such as the location of new businesses within their state, or to assess the impacts of tourism. Likewise, businesses, universities and private consultants have used the multipliers to estimate the economic impacts of a wide range of projects, such as building a new sports facility or expanding an airport; of natural disasters; of student spending; or of special events, such as national political conventions.

NPV personnel have received formal IMPLAN training through IMPLAN, and possess the qualifications to project economic impacts for a multitude of project types using this software. For the purpose of this analysis, multipliers specific to socio-economic data in Suffolk County's "Construction of new commercial structures" industry were analyzed to determine the direct, indirect and induced economic impacts during the construction period of the proposed project. Moreover, multipliers specific to socio-economic data in Suffolk County's "Warehousing and storage," industry was analyzed to determine the direct, indirect and induced economic impacts during the annual operations. A summary of these economic impacts can be found in **Section 5.0** of this analysis.

### 3.0 DEMOGRAPHICS AND LOCAL TRENDS

As noted in **Section 1.0**, this section examines demographics and socioeconomic characteristics, as well as trends specific to the Yaphank community, the Town of Brookhaven and Suffolk County. In addition, this section summarizes national and local trends among the warehousing market.

#### 3.1 Demographics

##### *Population*

Trends in the residential population and in the number of households were examined for the hamlet of Yaphank, the Town of Brookhaven and Suffolk County. An analysis of past data, coupled with current estimates and projections, illustrate the changing needs of the community.

According to ESRI Community Profile Reports, and as seen in **Table 3** and **Chart 1**, the population within Yaphank increased significantly between 2000 and 2010, by over 23% to 5,945 residents.<sup>1</sup> The population within Yaphank has continued to grow, but at a slower rate, through 2021 and is projected to continue growing through 2026. The Town of Brookhaven also witnessed population growth between 2000 to 2010, although at slower rates than Yaphank. The population of Brookhaven is estimated to have experienced a slight increase of 0.23% according to 2021 estimates, and is projected experience a slight decline by 2026 to approximately 482,958 residents. Suffolk County population was the greatest in 2010 and projections indicate a small decline will occur through 2026 (from 1,492,708 to 1,479,167 persons as compared to 2021 estimates).

It is important to note that population projection does not account for specific developments currently in the planning or approval process. Moreover, while such factors are examined at the local level, projections are not based solely upon specific build-out scenarios or land use analyses. Rather, the projections are based upon historical trends and current estimates at the county level, a time series of county-to-county migration data, a historical analysis of residential building permit data and residential postal delivery counts. Such data is supplemented with available information generated by nationwide databases, statistics providers and demographic and spatial analysis tools.

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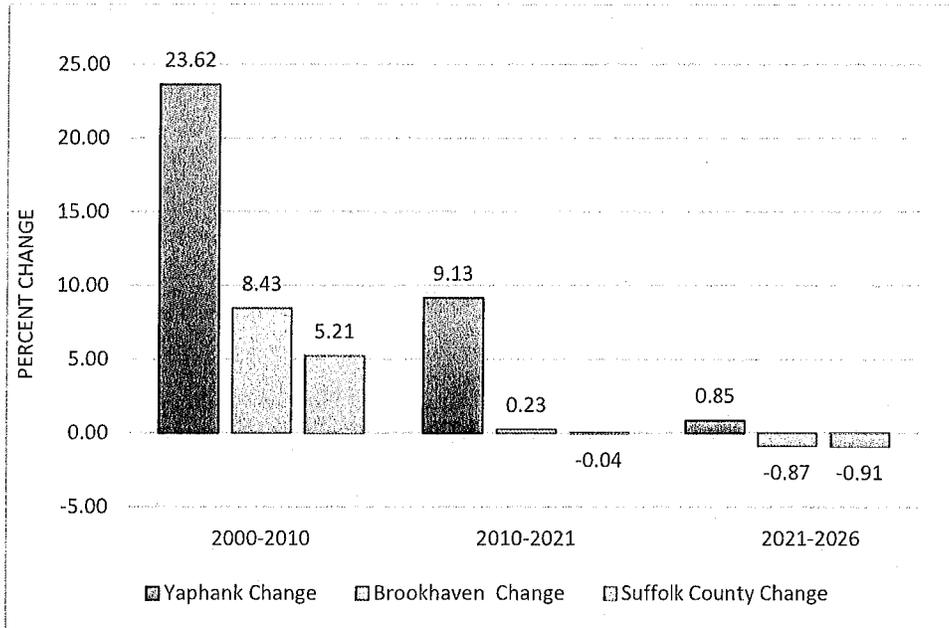
<sup>1</sup> ESRI, Community Profile Report. All reports accessed via ESRI Business Analyst Online, April 2022.

**TABLE 3  
 POPULATION TRENDS**

Year	Yaphank	Town of Brookhaven	Suffolk County
2000	4,809	448,245	1,419,369
2010	5,945	486,040	1,493,250
2021 (Estimate)	6,488	487,182	1,492,708
2026 (Projection)	6,543	482,958	1,479,167

Source: United States Bureau of the Census; ESRI Business Analyst; Analysis by Nelson, Pope & Voorhis, LLC.

**CHART 1  
 PERCENT CHANGE IN POPULATION**



Source: United States Bureau of the Census; ESRI Business Analyst; Analysis by Nelson, Pope & Voorhis, LLC.

**Housing Units**

The number of housing units within each geographic area has witnessed an increase in each of the time periods analyzed since 2000 as seen in **Table 4** and **Chart 2**. The increase in housing units was greatest between 2000 and 2010 when the increases in population were also the greatest. The 2026 projections for number of housing units are 2,293 units, 181,430 units, and 590,806 units in Yaphank, Brookhaven, and Suffolk County, respectively.<sup>2</sup>

<sup>2</sup> ESRI, Community Profile Report. All reports accessed via ESRI Business Analyst Online, April 2022.

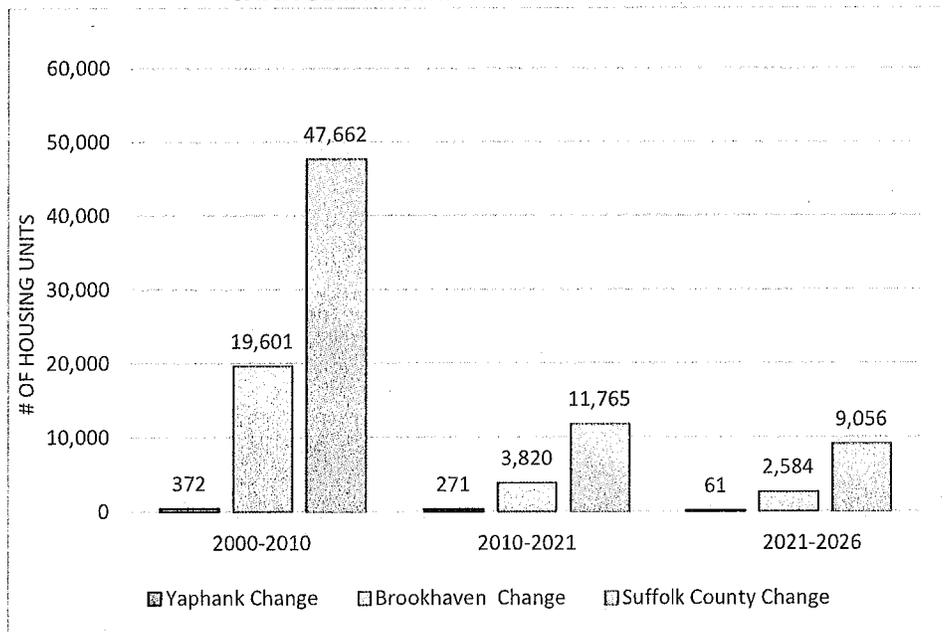
Housing unit projection does not account for specific developments currently in the planning or approval process. Moreover, while such factors are examined at the local level, projections are not based solely upon specific build-out scenarios or land use analyses. Rather, the projections are based upon historical trends and current estimates at the county level, a time series of county-to-county migration data, and historical analysis of residential building permit data.

**TABLE 4**  
**HOUSING UNIT TRENDS**

Year	Yaphank	Town of Brookhaven	Suffolk County
2000	1,589	155,425	522,323
2010	1,961	175,026	569,985
2021 (Estimate)	2,232	178,846	581,750
2026 (Projection)	2,293	181,430	590,806

Source: United States Bureau of the Census; ESRI Business Analyst; Analysis by Nelson, Pope & Voorhis, LLC.

**CHART 2**  
**CHANGE IN NUMBER OF HOUSING UNITS**



Source: United States Bureau of the Census; ESRI Business Analyst; Analysis by Nelson, Pope & Voorhis, LLC.

As seen in **Table 5**, the average household size in 2021 in Yaphank was 2.64 persons.<sup>3</sup> This is slightly lower than the average household size of that in the Town of Brookhaven at 2.88 persons

<sup>3</sup> ESRI, Community Profile Report. All reports accessed via ESRI Business Analyst Online, April 2022.

per household and Suffolk County at 2.92 persons per household.

**TABLE 5**  
**AVERAGE HOUSEHOLD SIZE: 2021**

Geographic Area	Household Size
Yaphank	2.64
Town of Brookhaven	2.88
Suffolk County	2.92

Source: United States Bureau of the Census; Analysis by Nelson, Pope & Voorhis, LLC.

**Tenure**

As seen in **Table 6**, the majority of the housing units in each geographic location are owner-occupied. The percentage of renter-occupied housing units in each geographic area are fairly similar (16.5% in Suffolk, 17.97% in Brookhaven and 18.6% in Yaphank). Yaphank has lower vacancy rates (5.5%) compared to the Town (8.2%) and County (13.8%).

**TABLE 6**  
**HOUSING TENURE: 2021 (ESTIMATE)**

Housing Type	Yaphank	Town of Brookhaven	Suffolk County
Total Housing Units	2,232	178,846	581,750
Owner-Occupied	75.9%	73.9%	69.7%
Renter-Occupied	18.6%	17.9%	16.5%
Vacant Housing Units	5.5%	8.2%	13.8%

Source: United States Bureau of the Census; ESRI Business Analyst; Analysis by Nelson, Pope & Voorhis, LLC.

**Income**

Household income serves as a primary measure in determining affordability among various housing options within a given community. As seen in **Table 7**, the median household incomes in Yaphank, the Town of Brookhaven, and Suffolk County are fairly similar and all slightly over \$100,000.<sup>4</sup>

**TABLE 7**  
**MEDIAN HOUSEHOLD INCOME: 2021**

Geographic Area	Household Income
Yaphank	\$106,314
Town of Brookhaven	\$102,497
Suffolk County	\$106,692

Source: ESRI Business Analyst; Analysis by Nelson, Pope & Voorhis, LLC.

<sup>4</sup> ESRI, Community Profile Report. All reports accessed via ESRI Business Analyst Online, April 2022.

### 3.2 Warehousing Trends

Current and projected local, regional and national warehousing space conditions are an important component to understanding the market for new distribution warehouse space in the Town of Brookhaven. Many external economic forces are shaping the local conditions in the community, the Long Island region, and even nationally.

Warehousing space is becoming increasingly scarce throughout the country. It is estimated that the United States may need an additional one billion square feet of warehouse space by 2025, resulting from the recent increases in e-commerce sales.<sup>5</sup> The trends observed nationally are also applicable to Long Island.

Demand for industrial space on Long Island is increasing and outpacing the existing supply. The inventory of available industrial space on Long Island has shrunk to a historic low, with an overall vacancy rate of only 3.5% in 2021, compared to a vacancy rate of 4.8% in 2020.<sup>6</sup> The need for additional warehousing space was exacerbated by the success of e-commerce businesses and the need for delivery services during and continuing throughout the coronavirus pandemic. While the pandemic contributed to the increased need, these trends are anticipated to continue after the pandemic subsides, resulting in a long term need for additional warehousing space.<sup>7</sup>

Warehousing space is necessary for the operations businesses of all sizes in order to track inventory, centralize products, ensure safe storage of items, and fulfill orders. The proposed project will provide additional warehousing space, which is beneficial to local businesses in the hamlet of Yaphank, Town of Brookhaven, as well as to the community in general as these businesses are able to operate successfully and provide job opportunities both during construction and operations.

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<sup>5</sup> CNBC. "U.S. may need another 1 billion square feet of warehouse space by 2025 as e-commerce booms" July 9, 2020. <https://www.cnbc.com/2020/07/09/us-may-need-another-1-billion-square-feet-of-warehouse-space-by-2025.html>

<sup>6</sup> Business Insider. "Spaced Out" August 13, 2021. <https://libn.com/2021/08/13/spaced-out-2/>

<sup>7</sup> CNBC. "U.S. may need another 1 billion square feet of warehouse space by 2025 as e-commerce booms" July 9, 2020. <https://www.cnbc.com/2020/07/09/us-may-need-another-1-billion-square-feet-of-warehouse-space-by-2025.html>

#### **4.0 CONSISTENCY WITH EXISTING COMPREHENSIVE PLANNING DOCUMENTS**

As noted in **Section 1.0**, this section analyzes relevant town and local planning documents specific to the community and summarizes the proposed project's consistency with such reports. This includes the Town of Brookhaven Zoning Code and Town of Brookhaven Comprehensive Land Use Plan (1996).

##### ***Town of Brookhaven Zoning Code***

According to the Town of Brookhaven adopted zoning map, the property of the proposed Expressway Drive North Warehouse Buildings is located within the Light Industry (L1) zoning district. Warehouses are defined as buildings used primarily for the storage of goods and materials, with limited trucking activity, and may include an office. Warehouses are a permitted use within the L1 zoning district.

The property is located within a hydrogeologic sensitive zone, which results in stricter dimensional requirements, such as a required minimum lot size of 120,000 square feet when typically, only 40,000 square feet is required in the L1. In addition, a greater roadway frontage (200') is required for parcels within a hydrogeologic sensitive zone (otherwise 100') and the maximum permitted FAR is 30%, compared to 35% for parcels outside of the hydrogeologic sensitive zone.

The property is located within the Pine Barrens Compatible Growth Area (CGA). Per the Town of Brookhaven Incentive Zoning Overlay District, the L1 zoning district is designated as a receiving district, where Pine Barrens credits can be redeemed, indicating that this is a location suitable for development.

The proposed project complies with the intent of the Town of Brookhaven Zoning Code since warehousing is a permitted use within the L1 district and complies with dimensional regulations. The proposed distribution warehouse facility is compatible with the environmental considerations of the property since the proposed use has relatively low water demand and sanitary flow.

##### ***Town of Brookhaven Comprehensive Land Use Plan (1996)***

The *Town of Brookhaven Comprehensive Land Use Plan (1996 Comprehensive Plan)* sets several general goals, identifies environmental resources, discusses existing land uses, provides broad policies and recommendations, and includes a land use map. The land use map recommends future land uses and development patterns for the Town and depicts the subject property as an industrial use. Industrial uses, as defined by the Plan, include manufacturing, warehouses, concrete producers, corporate offices, and related uses.

Many of the industrial zoned properties within the Town are also located with the Pine Barrens Compatible Growth Area (CGA), including the subject property. As stated in the Land Use Plan, "the Central Pine Barrens is a valuable ecosystem located in the eastern half of Brookhaven Town which lies over a predominantly pristine portion of a deep-recharge aquifer known as Hydrogeologic Zone III. The area also has one of the highest concentrations of rare, endangered and threatened wildlife and plant species to be found anywhere in the State of New York and perhaps the northeast." The implementation of the Central Pine Barrens Comprehensive Land Use Plan resulted in the creation of a transfer of development rights program where credits are transferred out of the Pine Barrens Core Preservation Area into the Compatible Growth Area.

Many types of land uses are permitted in the Compatible Growth Area as determined by the underlying zoning district. However, the Land Use Plan emphasizes the importance of maintaining industrial zoning in the Compatible Growth Area as a source of tax revenue, especially since it will not increase the expenditures of the local school districts.

Overall, the proposed project complies with the intent and advances the recommendations provided in the *Town of Brookhaven Comprehensive Land Use Plan* as the Expressway Drive North Warehouse Buildings are consistent with the recommended future land use of the property and Pine Barrens Compatible Growth Area, while providing beneficial tax revenues.

## 5.0 SUMMARY OF FISCAL & ECONOMIC IMPACTS

As noted in **Section 1.0**, this analysis summarizes the existing fiscal conditions and the projected economic and fiscal impacts that are associated with the the construction and annual operations of the proposed three single-story warehouse buildings, totaling 549,942 sf of warehouse space. Fiscal impacts include the generation of tax revenues and their anticipated distribution among local taxing jurisdictions. Economic impacts include direct, indirect and induced benefits on output, employment and associated labor income during the 24-month construction phase and annually upon stabilized operations of the proposed project.

As economic stability returns following the coronavirus pandemic of 2020-22, the proposed project is expected to contribute to the long-term economic health of the community. The proposed project will also create a short- and long-term economic benefit by providing revenue to taxing jurisdictions. Moreover, the proposed project will generate immediate construction jobs. Such fiscal and economic benefits are most crucial for the economic well-being throughout the town of Brookhaven, the greater Long Island region and New York State.

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

## 5.1 Definition of Economic Impacts

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

## 5.2 Key Findings

### 5.2.1 Existing Conditions

- According to the U.S. Census Bureau American Community Survey Five-Year Estimates and as noted in **Section 3.0**, in 2021 there were estimated to be approximately 6,488 persons residing within 2,232 housing units in the hamlet of Yaphank. Additionally, in 2021, there were approximately 487,182 persons residing within 178,846 housing units in the Town of Brookhaven and approximately 1,492,708 persons residing in 581,750 housing units in Suffolk County in 2021.<sup>8</sup>
- The proposed project is located within the boundaries of the Longwood CSD.
- Most assessed parcels in the Town of Brookhaven are residential properties, comprising 74% of the total number of parcels and 46.9% of the Town's tax base.
- The Town of Brookhaven adopted a balanced operating budget for the 2021-22 fiscal year of \$135.1 million, compared to an operating budget of \$130.3 million for the 2020-21 fiscal year.<sup>9</sup>
- Suffolk County adopted a 2022 operating budget of over \$4.738 billion in revenues and \$4.018 in expenditures.<sup>10</sup>
- Prior to the coronavirus pandemic of 2020-22, unemployment had been decreasing substantially since its peak in 2010-2012. Unemployment in the Town, County, Long Island and New York State increased significantly in 2020; but started to decline in 2021 and has continued to decline into 2022. As of February 2022, approximately 9,400 persons – 3.7% of the Town's labor force – were unemployed. While it is important to note that this data has not been seasonally adjusted, the February 2022 unemployment rate for the Town was equal to Long Island's unemployment rate (3.7% of the labor force)

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<sup>8</sup> ESRI, *Community Profile Report*. All reports accessed via ESRI Business Analyst Online, April 2022.

<sup>9</sup> Town of Brookhaven, "2022 Adopted Operating Budget."

<sup>10</sup> Suffolk County, "2022 Operating Budget, Volume 1."

and marginally lower than Suffolk County's unemployment rate (approximately 30,000 person or 3.9% of Long Island's labor force). However, the Town, County, and Long Island unemployment rates are all lower than New York State's overall unemployment rate of 5.1% (477,100 persons).

- The project site is currently taxed at a total rate of 416.689 per \$100 of assessed valuation. This translates into a current generation of \$39,585 in property tax revenues.<sup>11</sup> The existing distribution of tax revenues is shown in **Table 8**.

**TABLE 8  
 EXISTING TAX REVENUES**

<b>Taxing Jurisdiction</b>	<b>Current Tax Rate (per \$100 Assessed Valuation)</b>	<b>Current Tax Revenue</b>	<b>Percent of Total Tax Revenue</b>
<b>Total School Taxes</b>	<b>309.816</b>	<b>\$29,433</b>	<b>74.4%</b>
School District- Longwood CSD	294.717	\$27,998	70.7%
Library District- Longwood CSD	15.099	\$1,434	3.6%
<b>Total County Taxes</b>	<b>45.907</b>	<b>\$4,361</b>	<b>11.0%</b>
County of Suffolk	3.053	\$290	0.7%
County of Suffolk - Police	42.854	\$4,071	10.3%
<b>Total Town Taxes</b>	<b>25.012</b>	<b>\$2,376</b>	<b>6.0%</b>
Town - Town Wide Fund	5.956	\$566	1.4%
Highway - Town Wide Fund	1.617	\$154	0.4%
Town- Part Town Fund	1.929	\$183	0.5%
Highway- Part Town Fund/Snow Removal	15.51	\$1,473	3.7%
<b>Other Taxes</b>	<b>35.954</b>	<b>\$3,416</b>	<b>8.6%</b>
New York State MTA Tax	0.147	\$14	0.0%
Open Space Preservation	2.272	\$216	0.5%
Fire Districts - Yaphank	28.346	\$2,693	6.8%
Lighting Districts- Brookhaven	1.2	\$114	0.3%
Real Property Tax Law	3.081	\$293	0.7%
Out of County Tuition	0.694	\$66	0.2%
Suffolk County Community College Tax	0.214	\$20	0.1%
<b>TOTAL: ALL TAXING JURISDICTIONS</b>	<b>416.689</b>	<b>\$39,585</b>	<b>100.0%</b>

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

<sup>11</sup> Town of Brookhaven Assessor's Office.

### 5.2.2 Economic Impacts of Construction

A detailed analysis of direct, indirect and induced impacts generated during the 24-month construction period is outlined below. It is important to note that each of these impacts are temporary and are projected to occur only while the proposed project is being constructed. As previously noted, these projections anticipate stabilization of the economy in post-pandemic conditions.

- For the purpose of this analysis, it is anticipated that construction of the proposed project will commence in December 2022, with the construction period anticipated to occur over a period of approximately 24 months.<sup>12</sup>
- The proposed project is projected to represent approximately \$69.9 million<sup>13</sup> in construction costs over the 24-month construction period.<sup>14</sup> This \$69.9 million in direct annual output is projected to generate an indirect impact of over \$15.5 million, and an induced impact of an additional \$19.2 million, bringing the total economic impact on output to over \$104.6 million during the 24-month construction period.<sup>15</sup>
- During the construction period, direct employment refers to the number of short-term jobs necessary to complete the construction of the proposed project. The construction period is anticipated to generate 183.1 FTE jobs, which are anticipated to last the entire duration of the 24-month construction period for the purpose of this analysis.
- Construction will also result in indirect impact of 68.8 FTE employees and an induced impact of 110.5 FTE employees in other industry sectors, bringing the total impact of the 24-month construction period to 362.4 FTE jobs.<sup>16</sup> This job creation – direct, as well as indirect and induced – is most crucial during Long Island’s present economic state, and presents opportunities for persons who remain unemployed throughout the region. During the construction period, direct labor income refers to the annual earnings, wages, or salary paid to each of the workers responsible for the construction of the proposed project. Labor income typically comprises approximately 40% of the cost of industrial construction; the remaining portion represents the cost of materials.<sup>17</sup>

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<sup>12</sup> Construction schedule provided by WF Industrial XII, LLC in March 2022.

<sup>13</sup> For the purpose of this analysis, this figure and all other figures in the construction portion of this analysis reflect 2022 dollars, the year in which construction is assumed to commence.

<sup>14</sup> Construction costs provided by WF Industrial XII, LLC in March 2022. It is important to note that all costs are estimates based upon market conditions as of the date of preparation of this analysis.

<sup>15</sup> According to IMPLAN, a multiplier of 1.579270 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand through the “Construction of new commercial structures” (IMPLAN Sector 55) in Suffolk County, New York.

<sup>16</sup> According to IMPLAN, a multiplier of 9.690000 represents the total change in the number of jobs that occurs in all industries for each additional one million dollars of output delivered to final demand through the “Construction of new commercial structures” (IMPLAN Sector 55) in Suffolk County, New York.

<sup>17</sup> Construction/renovations labor and materials estimates per architectural design group Nelson and Pope.

- Labor income is projected to total \$73,779 per year, per employee.<sup>18</sup> When applied to the 24-month construction period, this represents approximately \$147,558 per employee, and over \$27.9 million in collective earnings among the 183.1 FTE employees. This labor income is projected to have an indirect impact of \$5.7 million and an induced impact of \$6.9 million, bringing the total economic impact of the 24-month construction period to over \$40.6 million in labor income.<sup>19</sup>

A summary of key economic findings projected to occur during the 24-month construction period is provided in **Table 9**.

**TABLE 9**  
**SUMMARY OF KEY ECONOMIC FINDINGS**  
**DURING 24-MONTH CONSTRUCTION PERIOD**

<b>Impact Type</b>	<b>Output (Total Revenue)</b>	<b>Employment (Total Number of FTE Jobs)</b>	<b>Labor Income (Total Wages)</b>
Direct Impact	\$69,903,240	183.1	\$27,961,296
Indirect Impact	\$15,530,442	68.8	\$5,718,079
Induced Impact	\$19,205,121	110.5	\$6,925,630
<b>Total Impact</b>	<b>\$104,638,803</b>	<b>362.4</b>	<b>\$40,605,006</b>

Source: Data provided by Wildflower Industrial XII, LLC.; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

<sup>18</sup> New York State Department of Labor's Occupational Employment Statistics survey reports a mean wage of \$71,630 among those employed within construction and extraction occupations in the Long Island labor market. Data was collected between November 2017 and May 2020, and then updated to the first quarter of 2021 by making cost-of-living adjustments. An additional annual inflation factor of three percent (3%) was applied to the average wage, to reflect wages at the commencement of the construction period – estimated to occur in 2022 for the purpose of this analysis.

<sup>19</sup>According to IMPLAN, a multiplier of 0.731501 represents the total dollar change in labor income of households employed by all industries for each additional dollar of output delivered to final demand through the "Construction of new commercial structures" (IMPLAN Sector 55) in Suffolk County, New York.

### 5.2.3 Economic Impacts of Annual Operations

A detailed analysis of direct, indirect and induced impacts generated annually during operations is outlined below. It is important to note that each of these benefits will be permanent and on-going and they are projected on an annual basis, assuming continued stabilized operations. These projections anticipate stabilization of the economy in post-pandemic conditions and fully utilized warehouses following construction.

- The analysis assumes that the operational phase of development will begin upon the completion of the 24-month construction period. For the purpose of this analysis, the first year of stabilized operations is assumed to occur in 2026 in the second full year of operations.
- Annual output will be generated in the form of monthly rental income from the warehouses, which is based on a rental rate of \$15 per square foot per year,<sup>20</sup> which totals approximately \$8.2 million per year.
- The annual operational revenues are projected to generate an indirect impact of over \$2.7 million and an induced impact of over \$7.9 million per year. This additional output is generated through round-by-round sales made at various merchants in other sectors of the regional economy. These include local retailers, insurance companies, banks, grocers, restaurants, financial institutions, health and legal services providers, and other establishments in the region.
- The sum of the direct, indirect and induced impacts results in a total economic impact on output of over \$18.8 million during annual operations.<sup>21</sup>
- The proposed project is anticipated to generate a total of 180.5 FTE jobs during future annual operations, consisting of 170 full-time jobs and 21 part-time jobs.
- Operations will have an indirect impact of 12.6 FTE employees and an induced impact of 42.8 FTE employees in other industry sectors, bringing the total economic impact of employment to 235.9 FTE jobs during annual operations.<sup>22</sup>
- The 180.5 FTE jobs will generate a total of \$13.2 million in employee salaries and benefits.<sup>23</sup> This represents the collective employee labor income during annual operations.

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<sup>20</sup> Assumptions pertaining to monthly rental rates provided by WF Industrial XII, LLC in March 2022. It is important to note that all costs are estimates based upon market conditions as of the date of preparation of this analysis.

<sup>21</sup> According to IMPLAN, a multiplier of 1.734651 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by "Warehousing and storage" (IMPLAN Sector 422), in Suffolk County, New York.

<sup>22</sup> According to IMPLAN, a multiplier of 12.730000 represents the total change in the number of jobs that occurs in all industries for each additional one million dollars of output delivered to final demand by "Warehousing and storage" (IMPLAN Sector 422), in Suffolk County, New York.

<sup>23</sup> Assumptions pertaining to the number of operations employees and salaries provided by WF Industrial XII, LLC, in May 2022. An additional multiplier of 1.145590036 was applied to the salaries to reflect the average fringe benefits among those employed within the "Warehousing and storage" (IMPLAN Sector 422), in Suffolk County, New York. It

- The \$13.2 million in labor income will have an indirect impact of \$842,878 and an induced impact of \$2.8 million, bringing the total economic impact of labor income to \$16.9 million during a stabilized year of annual operations.<sup>24</sup>

A summary of key economic findings projected to occur during annual operations is provided in **Table 10**.

**TABLE 10**  
**SUMMARY OF KEY ECONOMIC FINDINGS DURING ANNUAL OPERATIONS**

<b>Impact Type</b>	<b>Output (Total Revenue)</b>	<b>Employment (Total Number of FTE Jobs)</b>	<b>Labor Income (Total Wages)</b>
Direct Impact	\$8,249,130	180.5	\$13,284,262
Indirect Impact	\$2,728,039	12.6	\$842,878
Induced Impact	\$7,919,431	42.8	\$2,866,716
<b>Total Impact</b>	<b>\$18,896,600</b>	<b>235.9</b>	<b>\$16,993,856</b>

Source: Data provided by Wildflower Industrial XII, LLC.; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

is important to note that all assumptions are estimates based upon market conditions as of the date of preparation of this analysis.

<sup>24</sup> According to IMPLAN, a multiplier 0.842701 represents the total dollar change in labor income of households employed by all industries for each additional dollar of output delivered to final demand by the "Warehousing and storage" (IMPLAN Sector 422), in Suffolk County, New York.

#### 5.2.4 Anticipated Fiscal Impacts

- For taxing purposes, the total estimated market valuation of the proposed project is based upon an annual rental rate of \$15<sup>25</sup> per square foot, resulting in total rental revenues of \$8,249,130.
- After applying estimated loss from vacancies of 5%, as well as an estimated expense ratio of 20% for industrial uses, a capitalization rate of 0.1 and an equalization rate of 0.74%, the estimated assessed valuation of the industrial development upon full build-out and occupancy is approximately \$457,827. This is shown in **Table 11**.

**TABLE 11  
PROJECTED ASSESSED VALUATION**

Parameter	Value
Gross Annual Rents	\$8,249,130
Estimated Loss from Vacancies	5%
Expense Ratio	20%
Net Income	\$6,186,848
Capitalization Rate	0.1
Estimated Market Value	\$61,868,475
Equalization Rate	0.74%
Projected Assessed Value	<b>\$457,827</b>

Source: Data provided by Wildflower Industrial XII, LLC.; Analysis by Nelson, Pope & Voorhis, LLC.

- Fiscal impacts are projected based on a stabilized year of operations and full taxation based on current assessments and projected revenues. It is noted that any tax deferral programs will delay and phase-in full taxation. The projection of tax revenues is useful in determining future taxation and in assisting with an understanding of existing and future taxes to help structure a PILOT agreement.
- It is important to note that the projected tax information provided in **Table 12** was derived from the current assessment factors and tax rates provided by the Town of Brookhaven. It is also important to note that all analyses are based on current tax dollars, and the revenue allotted among taxing jurisdictions will vary from year to year, depending on the annual tax rates, assessed valuation and equalization rates. Further, the final assessment and levy will be determined by the sole assessor at the time of occupancy. Projections included herein are as accurate as possible using fiscal impact methodologies, for the purpose of the planning and land use approval process.

<sup>25</sup> Annual rental rate per square foot provided by WF Industrial XII, LLC in March, 2022.

**TABLE 12  
 ANTICIPATED TAX REVENUE GENERATION**

<b>Taxing Jurisdiction</b>	<b>Current Tax Revenue</b>	<b>Projected Tax Revenue</b>	<b>Change in Tax Revenue</b>
<b>Total School Taxes</b>	<b>\$29,433</b>	<b>\$1,418,420</b>	<b>\$1,388,988</b>
School Districts- Longwood CSD	\$27,998	\$1,349,293	\$1,321,295
Library Districts- Longwood CSD	\$1,434	\$69,127	\$67,693
<b>Total County Taxes</b>	<b>\$4,361</b>	<b>\$210,175</b>	<b>\$205,813</b>
County of Suffolk	\$290	\$13,977	\$13,687
County of Suffolk - Police	\$4,071	\$196,197	\$192,126
<b>Total Town Taxes</b>	<b>\$2,376</b>	<b>\$114,512</b>	<b>\$112,135</b>
Town - Town Wide Fund	\$566	\$27,268	\$26,702
Highway - Town Wide Fund	\$154	\$7,403	\$7,249
Town- Part Town Fund	\$183	\$8,831	\$8,648
Highway- Part Town Fund/Snow Removal	\$1,473	\$71,009	\$69,535
<b>Other Taxes</b>	<b>\$3,416</b>	<b>\$164,607</b>	<b>\$161,191</b>
New York State MTA Tax	\$14	\$673	\$659
Open Space Preservation	\$216	\$10,402	\$10,186
Fire Districts - Yaphank	\$2,693	\$129,776	\$127,083
Lighting Districts- Brookhaven	\$114	\$5,494	\$5,380
Real Property Tax Law	\$293	\$14,106	\$13,813
Out of County Tuition	\$66	\$3,177	\$3,111
Suffolk County Community College Tax	\$20	\$980	\$959
<b>TOTAL: ALL TAXING JURISDICTIONS</b>	<b>\$39,585</b>	<b>\$1,907,714</b>	<b>\$1,868,128</b>

The proposed project includes the development of a warehouse facility and therefore, will not generate additional students to the Longwood Central School District. The proposed project is anticipated to levy approximately \$1,418,420 in property tax revenues for the school district, without generating additional costs stemming from an increased student enrollment. This net revenue could ease the district's need to tap into additional fund balances and could also help alleviate an increased burden on other taxpayers throughout the district.

## 6.0 REFERENCES

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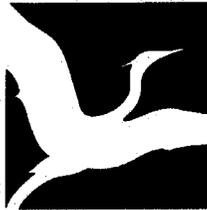
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ATTACHMENT A  
Nelson, Pope & Voorhis, LLC  
Economic Analysis Qualifications

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**STATEMENT OF QUALIFICATIONS  
ECONOMIC AND FISCAL IMPACT ANALYSIS**



**NELSON POPE VOORHIS**  
*environmental • land use • planning*

**70 Maxess Road  
Melville, NY 11747**  
**Contact: Charles J. Voorhis, CEP, AICP, Principal**  
**o: 631.427.5665 | [cvoorhis@nelsonpopevoorhis.com](mailto:cvoorhis@nelsonpopevoorhis.com)**

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## INTRODUCTION

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

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

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

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

NPV has the capabilities to provide the following services:

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

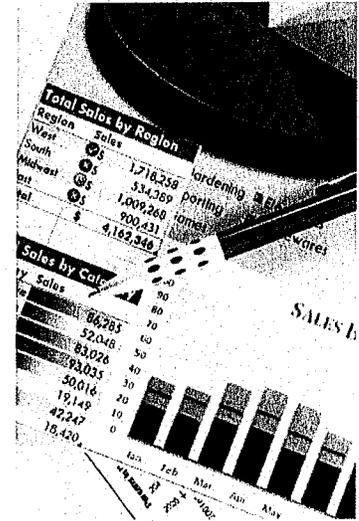
***Economic and Fiscal Impact Analyses & Market Studies***

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

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

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

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



**KEY PERSONNEL**

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

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

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

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

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

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

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

Detailed resumes can be provided upon request.

## **RELEVANT EXPERIENCE**

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

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

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

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

### ***Greybarn Sayville (Sayville, NY)***

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

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

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***Concern for Independent Living (Southampton, NY)***

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

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

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***Superblock Long Beach (Long Beach, NY)***

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

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

consumer buying power will be generated by the project.

### ***Storage Deluxe (Valley Stream, NY)***

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

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

### ***RD Industrial Site (Yaphank, NY)***

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

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

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

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

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

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

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

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

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

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

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

### ***TopGolf Market Feasibility Analysis (Holtsville, New York)***

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

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

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

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

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

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

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

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

<u>Year</u>	<u>Proposed CD</u> <u>Ramsey 2022 PILOT</u>
1	\$ 8,261
2	\$ 8,426
3	\$ 8,595
4	\$ 8,767
5	\$ 8,942
6	\$ 9,121
7	\$ 48,627.00
8	\$ 49,600.00
9	\$ 50,592.00
10	\$ 51,603.00

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

WF XII Industrial LLC PILOT

YEAR		PILOT
1	\$	40,448
2	\$	41,257
3	\$	177,188
4	\$	361,463
5	\$	553,039
6	\$	752,132
7	\$	958,969
8	\$	1,173,778
9	\$	1,396,795
10	\$	1,628,265
11	\$	1,868,433
12	\$	2,117,558

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

Updated 7/18/22

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

DATE: **DECEMBER 28, 2022**

APPLICATION OF: **ENGEL BURMAN AT EAST PATCHOGUE, LLC**  
Name of Owner and/or User of Proposed Project

ADDRESS: **300 JERICHO TURNPIKE, SUITE 100**  
**JERICHO, NEW YORK 11753**

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

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

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

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

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

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

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

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**Part I: Owner & User Data**

1. **Owner Data:**

A. Owner (Applicant for assistance): **ENGEL BURMAN AT EAST PATCHOGUE, LLC**

Address: **300 JERICHO TURNPIKE, SUITE 100**  
**JERICHO, NEW YORK 11753**

Federal Employer ID # [REDACTED]

Website: **WWW.ENGELBURMAN.COM**

NAICS Code: **53190**

Owner Officer Certifying Application: **STEVEN KRIEGER**

Title of Officer: **AUTHORIZED SIGNATORY**

Phone Number [REDACTED]

E-mail: [REDACTED]

B. Business Type:

Sole Proprietorship  Partnership  Limited Liability Company

Privately Held  Public Corporation  Listed on \_\_\_\_\_

State of Incorporation/Formation: **NEW YORK**

C. Nature of Business:

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

**MULTI-FAMILY RENTAL HOUSING**

D. Owner Counsel:

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

Address: **400 RXR PLAZA**  
**UNIONDALE, NEW YORK 11556**

Individual Attorney: **PETER L. CURRY, ESQ.**

Phone Number: **(516) 227-0772** E-mail: **PCURRY@FARRELLFRITZ.COM**

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

<u>Name</u>	<u>Percent Owned</u>
<u>JAN BURMAN</u>	<u>20.5%</u>
<u>STEVEN KREIGER</u>	<u>29.3%</u>
<u>SCOTT BURMAN</u>	<u>19.1%</u>
<u>DAVID BURMAN</u>	<u>19.1%</u>
<u>JON WEISS</u>	<u>10.0%</u>
<u>MICHAEL WEISS</u>	<u>2.00%</u>

**PRIOR TO THE CLOSING, THE APPLICANT MAY DETERMINE TO ENTER INTO A JOINT VENTURE WITH HARRISON STREET REAL ESTATE, ITS FREQUENT DEVELOPMENT PARTNER.**

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

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

**IN THE EARLY 1990'S ENTITIES IN WHICH JAN BURMAN HAD AN OWNERSHIP INTEREST DECLARED BANKRUPTCY. PROCEEDINGS FOR EACH BANKRUPTCY HAVE LONG SINCE BEEN COMPLETED.**

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

**NO**

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

**MEMBERS OF THE APPLICANT OWN NUMEROUS OTHER REAL ESTATE ENTITIES TOGETHER. AMONG THEIR PROJECTS IN THE TOWN OF BROOKHAVEN ARE HSRE-EB HOLTSVILLE, LLC; ENGEL BURMAN AT MOUNT SINAI, LLC, HSRE-EB MOUNT SINAI, LLC; AND HSRE-EB LAKE GROVE LLC.**

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

**PLEASE SEE G.**

I. List parent corporation, sister corporations and subsidiaries:

**N/A**

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

**PLEASE SEE G.**

- K. List major bank references of the Owner:

**WELLS FARGO BANK, 1750 H STREET NW, WASHINGTON D.C. 20006; ATTN: MELISSA RUSSELL;**  
**M&T BANK, 401 BROADHOLLOW ROAD, MELVILLE, NEW YORK 11747, ATTN: MICHAEL W. MCCARTHY**

2. User Data

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

- A. User (together with the Owner, the "Applicant"): \_\_\_\_\_

Address: \_\_\_\_\_

Federal Employer ID #: \_\_\_\_\_ Website: \_\_\_\_\_

NAICS Code: \_\_\_\_\_

User Officer Certifying Application: \_\_\_\_\_

Title of Officer: \_\_\_\_\_

Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

- B. Business Type:

Sole Proprietorship  Partnership  Privately Held

Public Corporation  Listed on \_\_\_\_\_

State of Incorporation/Formation: \_\_\_\_\_

- C. Nature of Business:

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

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

- i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.
- ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Individual Attorney: \_\_\_\_\_

Phone Number: \_\_\_\_\_

E-mail: \_\_\_\_\_

F. Principal Stockholders or Partners, if any:

Name	Percent Owned
_____	_____
_____	_____
_____	_____

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

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

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

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

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

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J. List parent corporation, sister corporations and subsidiaries:

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

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L. List major bank references of the User:

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**Part II – Operation at Current Location**

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

1. Current Location Address: N/A
2. Owned or Leased: N/A
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):  
N/A

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

N/A

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

Yes

No

A. If yes, list the Address: SEE ATTACHED LIST

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

A. If no, explain how current facilities will be utilized: ALL CURRENT FACILITIES WILL REMAIN OPERATIONAL, AND THERE WILL BE NO REMOVAL OF ANY FACILITY FROM ONE AREA OF NEW YORK STATE TO ANOTHER.

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

N/A

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

A. If yes, please list states considered and explain: AFFILIATES OF THE APPLICANT HAVE AND ARE DEVELOPING PROJECTS IN NEW JERSEY AND FLORIDA, AND CONTINUE TO SEEK OPPORTUNITIES IN OTHER SOUTHERN STATES.

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

A. Please explain: AS STATED ABOVE, THE PRINCIPALS OF THE APPLICANT SEEK DEVELOPMENT OPPORTUNITIES IN MANY AREAS OF THE UNITED STATES. A POSSIBLE DEVELOPMENT PARTNER OF APPLICANT IS LOCATED IN CHICAGO, ILLINOIS. GIVEN THE HIGH DEVELOPMENT COSTS ON LONG ISLAND, THE APPLICANT WILL DEPLOY ITS ASSETS IN OTHER LOCATIONS WITHOUT THE FINANCIAL ASSISTANCE NECESSARY TO MAKE THE PROJECT A SUCCESS.

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

N/A

**PART II.5.A:**

**SUTTON LANDING AT DEER PARK: L500 SUTTON COURT, DEER PARK, NY**

**SUTTON LANDING AT UNIONDALE: 2000 SUTTON COURT, UNIONDALE, NY**

**SUTTON LANDING AT MT. SINAI: 300 SUTTON COURT, MT. SINAI, NY**

**THE BRIX AT UNIONDALE: 1000 BRIX PLACE, UNIONDALE, NY**

**THE BRISTAL AT BETHPAGE: 1075 STEWART AVENUE, BETHPAGE, NY**

**THE BRISTAL AT EAST MEADOW: 40 MERRICK AVENUE, EAST MEADOW, NY**

**THE BRISTAL AT EAST NORTHPORT: 760 LARKFIELD ROAD, EAST NORTHPORT, NY**

**THE BRISTAL AT GARDEN CITY: 1001 AXINN AVENUE, GARDEN CITY, NY**

**THE BRISTAL AT HOLTSVILLE: 5535 EXPRESSWAY DRIVE NORTH, HOLTSVILLE, NY**

**THE BRISTAL AT JERICHO: 310 JERICHO TURNPIKE, JERICHO, NY**

**THE BRISTAL AT LAKE GROVE: 2995 MIDDLE COUNTRY ROAD, LAKE GROVE, NY**

**THE BRISTAL AT LAKE SUCCESS: 69 NORTH SERVICE ROAD, LAKE SUCCESS, NY**

**THE BRISTAL AT LYNBROOK: 8 FREER STREET, LYNBROOK, NY**

**THE BRISTAL AT MASSAPEQUA: 400 COUNTY LINE ROAD, MASSAPEQUA, NY**

**THE BRISTAL AT MOUNT SINAI: 400 SUTTON COURT, MOUNT SINAI, NY**

**THE BRISTAL AT NORTH HILLS: 99 SOUTH SERVICE ROAD, NORTH HILLS, NY**

**THE BRISTAL AT NORTH WOODMERE: 477 HUNGRY HARBOR ROAD, N. WOODMERE, NY**

**THE BRISTAL AT SAYVILLE: 129 LAKELAND AVENUE, SAYVILLE, NY**

**THE BRISTAL AT WEST BABYLON: 520 MONTAUK HIGHWAY, WEST BABYLON, NY**

**THE BRISTAL AT WESTBURY: 117 POST AVENUE, WESTBURY, NY**

**THE BRISTAL AT ARMONK: 90 BUSINESS PARK DRIVE, ARMONK, NY**

**THE BRISTAL AT WHITE PLAINS: 305 NORTH STREET, WHITE PLAINS, NY**

**THE BRISTAL AT MANHATTAN: 1622 YORK AVENUE, NEW YORK, NY**

**305 WEST END RESIDENCES, 305 WEST END AVENUE, NEW YORK, NY**

**Part III – Project Data**

1. Project Type:

A. What type of transaction are you seeking? (Check one)

Straight Lease  Taxable Bonds  Tax-Exempt Bonds   
Equipment Lease Only

B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

Sales Tax Exemption  Mortgage Recording Tax Exemption   
PILOT Agreement:

2. Location of project:

A. Street Address: **WEST SIDE OF SIPP AVENUE, EAST PATCHOGUE**

B. Tax Map: District **0200** Section **897.00** Block **03.00** Lot(s) **13.001, 14.001, 15.001, 16.001, 17.001, 18.001**

C. Municipal Jurisdiction:

- i. Town: **BROOKHAVEN**
- ii. Village: **N/A**
- iii. School District: **SOUTH COUNTRY CSD**

D. Acreage: **+/-13.89 ACRES**

3. Project Components (check all appropriate categories):

A. Construction of a new building  Yes  No  
i. Square footage: **176,889 SQ. FT.**

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

C. Demolition of an existing building  Yes  No  
i. Square footage: \_\_\_\_\_

D. Land to be cleared or disturbed  Yes  No  
i. Square footage/acreage: **+/- 13.89 ACRES**

E. Construction of addition to an existing building  Yes  No  
i. Square footage of addition: \_\_\_\_\_  
ii. Total square footage upon completion: \_\_\_\_\_

F. Acquisition of an existing building  Yes  No  
i. Square footage of existing building: \_\_\_\_\_

- G. Installation of machinery and/or equipment  Yes  No  
i. List principal items or categories of equipment to be acquired: **APPLIANCES FOR INDIVIDUAL RESIDENTIAL UNITS, AND FURNITURE, FIXTURES AND EQUIPMENT FOR CLUBHOUSE**

4. Current Use at Proposed Location:

- A. Does the Applicant currently hold fee title to the proposed location?  
i. If no, please list the present owner of the site: **AW REALTY ASSOCIATES LLC**
- B. Present use of the proposed location: **VACANT LAND**
- C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?)  Yes  No  
i. If yes, explain: \_\_\_\_\_
- D. Is there a purchase contract for the site? (If yes, explain):  Yes  No  
**THE PARTIES HAVE ENTERED INTO A CONTRACT, DATED MAY 21, 2021, THAT IS CONTINGENT UPON RECEIVING AN APPROVAL OF THE GRANT OF ECONOMIC INCENTIVES FROM THE IDA.**
- E. Is there an existing or proposed lease for the site? (if yes, explain):  Yes  No

5. Proposed Use:

- A. Describe the specific operations of the Applicant or other users to be conducted at the project site: **APPROXIMATELY 139 UNITS OF INDEPENDENT SENIOR LIVING RENTAL HOUSING, TOGETHER WITH A CLUBHOUSE. 7 UNITS WILL BE RESERVED FOR RESIDENTS WHOSE INCOMES ARE 50% OR LESS OF AMI, 7 UNITS WILL BE RESERVED FOR RESIDENTS WHOSE INCOMES ARE 65% OR LESS OF AMI, AND 14 UNITS WILL SIMILARLY BE RESERVED FOR RESIDENTS WHOSE INCOMES ARE 120% OR LESS OF AMI.**
- B. Proposed product lines and market demands: **THE APPLICANT BELIEVES THAT THERE IS A SIGNIFICANT MARKET FOR ACTIVE SENIOR ADULTS WHO WISH TO DOWNSIZE FROM THEIR SINGLE-FAMILY HOMES AND EMBRACE A MAINTENANCE-FREE LIFESTYLE, WHILE REMAINING ON LONG ISLAND, AND OFTEN WITHIN THE TOWN OF BROOKHAVEN. A REPORT PREPARED FOR THE LONG ISLAND INDEX IN 2016 BY HR&A AND THE REGIONAL PLAN ASSOCIATION CONFIRMED THAT THERE IS AN ENORMOUS GAP BETWEEN WHAT MULTI-FAMILY RENTAL HOUSING LONG ISLAND NEEDS OVER THE NEXT DECADES AND WHAT IS BEING CONSTRUCTED.**

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

**THE ENTIRE PREMISES WILL BE LEASED TO RESIDENTIAL TENANTS OR WILL BE COMMON AREAS FOR THE BENEFIT OF THE RESIDENTS.**

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

**THE APPLICANT, A SEASONED LONG ISLAND DEVELOPER OF MULTI-FAMILY RENTAL AND FOR-SALE HOUSING, BELIEVES THAT THE TOWN OF BROOKHAVEN IS UNDERSERVED IN THE NUMBER OF EXISTING HOUSING UNITS FOR SENIORS WHO WISH TO REMAIN IN THEIR CURRENT LOCALES ON LONG ISLAND. THERE IS A SPECIAL NEED FOR THE AFFORDABLE AND WORKFORCE UNITS THAT THE PROJECT WILL PROVIDE. THIS BELIEF IS BORNE OUT BY NUMEROUS STUDIES, AND WILL BE CONFIRMED BY THE AGENCY'S FEASIBILITY STUDY.**

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

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

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

**THE APPLICANT WILL UTILIZE SO-CALLED "GREEN" OPTIONS WHERE POSSIBLE IN CONNECTION WITH THE DESIGN, CONSTRUCTION AND OPERATION OF THE PROPOSED PROJECT, INCLUDING, BUT NOT LIMITED TO, THE INSTALLATION OF ELECTRIC VEHICLE CHARGING STATION(S).**

6. Project Work:

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

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

- B. What is the current zoning? **PRC**

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

Yes  No

Updated 7/18/22

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

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

7. Project Completion Schedule:

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

i. Acquisition: FIRST QUARTER 2023

ii. Construction/Renovation/Equipping: SECOND QUARTER 2023

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: APPROXIMATELY 27 MONTHS

**Part IV – Project Costs and Financing**

1. Project Costs:

A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ <u>2,850,000.00</u>
Building(s) demolition/construction	\$ <u>38,059,000.00</u>
Building renovation	\$ <u>0.00</u>
Site Work	\$ <u>5,000,000.00</u>
Machinery and Equipment	\$ <u>1,500,000.00</u>
Legal Fees	\$ <u>200,000.00</u>
Architectural/Engineering Fees	\$ <u>2,000,000.00</u>
Financial Charges	\$ <u>2,500,000.00</u>
Other (Specify)	\$ <u>2,500,000.00</u>
Total	\$ <u>54,609,000.00</u>

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

2. Method of Financing:

	<u>Amount</u>	<u>Term</u>
A. Tax-exempt bond financing:	\$ _____	_____ years
B. Taxable bond financing:	\$ _____	_____ years
C. Conventional Mortgage:	\$ <u>43,687,200.00</u>	<u>TBD</u> years
D. SBA (504) or other governmental financing:	\$ _____	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ _____	_____ years
F. Other loans:	\$ _____	_____ years
G. Owner/User equity contribution:	\$ <u>10,921,800.00</u>	_____ years
Total Project Costs	\$ <u>54,609,000.00</u>	

- i. What percentage of the project costs will be financed from public sector sources?  
**0%**

3. **Project Financing:**

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

- i. If yes, provide detail on a separate sheet. **SEE FOLLOWING PAGE**

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

**NO**

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

**NO**

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

**N/A**

Engel Burma at East Patchogue  
 Cost to Date as of 12/20/2022

	<u>Costs to Date</u>
6010001 · Land Deposit	150,000
6010005 · Legal - Acquisition	87,010
7010001 · ESA Phase 1 & 2	2,800
7010002 · Geotech	18,689
7010004 · Test Fits	16,823
7010005 · Market Study	7,300
7010100 · Other Due Diligence	7,615
7020005 · Environmental Consultant	6,588
7020013 · Municipal Eng / Consult Rev F	65,943
7020100 · Other Approvals	15,000
7021002 · Zoning Related Legal	98,565
7030001 · Architect	117,577
7030005 · Site Civil	223,724
7030008 · Interior Design	34,875
7030100 · Other Design Professionals	7,500
7040001 · Appraisal	9,650
7050001 · Town of Brookhaven IDA	4,000
7060005 · Accounting	5,700
7060007 · Public Relations	6,666
7060015 · Permits	72,819
7060100 · Other General	11,482
<b>Total</b>	<b>970,325</b>

**Part V – Project Benefits**

1. **Mortgage Recording Tax Benefit:**

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

**\$43,687,200.00**

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

**\$327,654.00**

2. **Sales and Use Tax Benefit:**

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

**\$25,120,140.00**

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

**\$2,166,612.08**

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

i. Owner: \$ \_\_\_\_\_

ii. User: \$ \_\_\_\_\_

3. **Real Property Tax Benefit:**

- A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: **NONE**

- B. Agency PILOT Benefit:

i. Term of PILOT requested: **20 YEARS**

ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and attach such information to Exhibit A hereto. Applicant hereby requests such PILOT benefit as described on Exhibit A.

***\*\* This application will not be deemed complete and final until Exhibit A hereto has been completed. \*\****

**Part VI – Employment Data**

1. List the Applicant’s and each user’s present employment and estimates of (i) employment at the proposed project location, not just new employment, at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area\* (“LMA”) that would fill the full-time and part-time jobs at the end of the second year following completion:

Present number of FTEs\*\*: 0 \_\_\_\_\_ N/A  
 Date Average Annual Salary of Jobs to be Retained  
 FTE’s to be Created in First Year: 2025 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
FTE			<u>5</u>										<u>5</u>

FTE’s to be Created in Second Year: 2026 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
FTE													<u>0</u>

Number of Residents of LMA:

Full-Time: 5

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

**Cumulative Total FTEs\*\* After Year 2 5**

Construction Jobs to be Created: 150

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

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

2. Salary and Fringe Benefits:

Category of Jobs to be Created	Average Salary	Average Fringe Benefits
Salary Wage Earners	<u>\$60,000</u>	<u>\$23,685</u>
Commission Wage Earners		
Hourly Wage Earners		
1099 and Contract Workers		

What is the annualized salary range of jobs to be created? \$50,000 to \$70,000

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

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

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

Yes  No

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

Yes  No

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

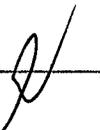
Yes  No

**THE ECONOMICS OF CONSTRUCTING AND OPERATING MULTI-FAMILY RENTAL COMMUNITIES ON LONG ISLAND DISFAVOR INVESTMENT WITHOUT ECONOMIC ASSISTANCE FROM AGENCIES SUCH AS THE BROOKHAVEN IDA. AS IT IS, THE APPLICANT IS DEALING WITH SIGNIFICANT UNCERTAINTY REGARDING THE COST OF MATERIALS, WHICH HAVE SPIKED SINCE THE LAST PROJECT THE PRINCIPALS OF THE APPLICANT BUILT IN BROOKHAVEN.**

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

**THE APPLICANT WOULD SEEK DEVELOPMENT OPPORTUNITIES IN AREAS WHERE IT COULD MAKE A REASONABLE RETURN ON ITS INVESTMENT, AND THE TOWN WOULD LOSE A PROJECT THAT WILL ADDRESS THE CRITICAL SHORTAGE OF RENTAL HOUSING IN THE TOWN, INCLUDING WORKFORCE AND AFFORDABLE UNITS, TO ENSURE THAT PERSONS IN ALL RANGES OF THE ECONOMIC SPECTRUM CAN WORK AND RESIDE IN THE TOWN OF BROOKHAVEN.**

5. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees, that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, where practicable, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.

Initial 

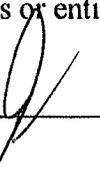
6. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement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

Initial 

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

Initial 

8. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial 

9. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project. The IDA fees are based on the total project costs listed in this application. At the completion of the project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be increased as a result of the certified cost affidavit. Monies will not be refunded if the final costs are below the amount listed in the application.

Initial 

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

Initial 

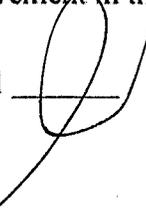
11. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture and Termination Policy, attached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

Initial 

12. The Applicant confirms and hereby acknowledges it has received the Agency's PILOT Policy attached hereto as Schedule D and agrees to comply with the same.

Initial 

13. The Company hereby authorizes the Agency, without further notice or consent, to use the Company's name, logo and photographs related to the Facility in its advertising, marketing and communications materials. Such materials may include web pages, print ads, direct mail and various types of brochures or marketing sheets, and various media formats other than those listed (including without limitation video or audio presentations through any media form). In these materials, the Agency also has the right to publicize its involvement in the Project.

Initial 

**Part VIII – Submission of Materials**

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).
2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.
4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
5. Completed Environmental Assessment Form.
6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full- time equivalency for part-time employees.

*(Remainder of Page Intentionally Left Blank)*



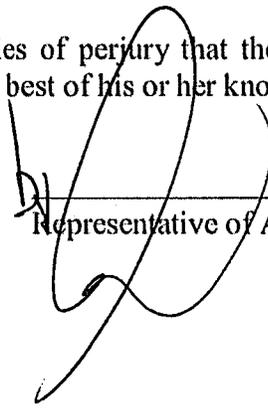
**Part X – Certification**

**STEVEN KRIEGER** (name of representative of entities submitting application) deposes and says that he is the **AUTHORIZED SIGNATORY** (title) of **ENGEL BURMAN AT EAST PATCHOGUE, LLC**, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

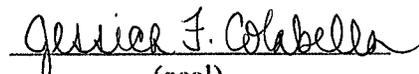
Deponent further says that he is duly authorized to make this certification on behalf of the entities named in the attached Application (the “Applicant”) and to bind the Applicant. The grounds of deponent’s belief relative to all matters in said Application which are not stated upon his personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as in formation acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the “Agency”) in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

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

  
\_\_\_\_\_  
Authorized Signatory  
Representative of Applicant

Sworn to me before this 27  
<sup>December</sup>  
day of ~~April~~, 2022

  
(seal)

JESSICA F. COLABELLA  
Notary Public, State of New York  
No. 01CO6137529  
Qualified in Nassau County  
Commission Expires November 28, 2025

**\*\* Note: If the entities named in this Application are unrelated and one individual cannot bind both entities, Parts VII, IX and X of this Application must be completed by an individual representative for each entity \*\***

**EXHIBIT A**

**Proposed PILOT Schedule**

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule to this Exhibit.

**SCHEDULE A**

**Town of Brookhaven Industrial Development Schedule of Fees**

Application -	\$3,000 for projects with total costs under \$5 million \$4,000 for projects with total costs \$5 million and over (non-refundable)
Closing/Expansion Sale/Transfer/Increase of Mortgage Amount/ Issuance of Refunding Bonds -	$\frac{3}{4}$ of one percent up to \$25 million total project cost and an additional $\frac{1}{4}$ of a percent on any project costs in excess of \$25 million. Projects will incur a minimum charge of \$10,000 plus all fees incurred by the Agency, including, but not limited to, publication, legal and risk monitoring.
Annual Administrative -	\$2,000 administrative fee plus \$500 per unrelated subtenant located in the project facility. This fee is due annually.
Termination -	Between \$1,000 and \$2,500
Refinance -	$\frac{1}{4}$ of one percent of mortgage amount or \$5,000, whichever is greater.
Late PILOT Payment -	5% penalty, 1% interest compounded monthly, plus \$1,000 administrative fee.
PILOT Extension -	a minimum of \$15,000
Processing Fee -	\$275 per hour with a minimum fee of \$275
Lease of Existing Buildings (partial or complete) -	Fee is based on contractual lease amount.

**SCHEDULE B**

**CONSTRUCTION WAGE POLICY**

**EFFECTIVE January 1, 2005**

The purpose of the Brookhaven IDA is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in the Town.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in projects funded by the issuance of IDA tax exempt bonds in large projects.

The following shall be the policy of the Town of Brookhaven IDA for application for financial assistance in the form of tax-exempt financing for projects with anticipated construction costs in excess of \$5,000,000.00 per site received after January 1, 2005. Non-profit corporations and affordable housing projects are exempt from the construction wage policy.

Any applicant required to adhere to this policy shall agree to:

- (1) Employ 90% of the workers for the project from within Nassau or Suffolk Counties. In the event that this condition cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure to comply and;
- (2) Be governed by the requirements of Section 220d of Article 8 of the Labor Law of the State of New York; and when requested by the Agency, provide to the Agency a plan for an apprenticeship program;

OR

- (3) Provide to the Agency a project labor agreement or alternative proposal to pay fair wages to workers at the construction site.

Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in the best interests of the Town of Brookhaven.

Adopted: May 23, 2005

## SCHEDULE C

### RECAPTURE AND TERMINATION POLICY

**EFFECTIVE JUNE 8, 2016**

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the “Act”), the Town of Brookhaven Industrial Development Agency (the “Agency”) is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 8, 2016.

#### **I. Termination or Suspension of Financial Assistance**

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the “Applicant”) or any other document entered into by such parties in connection with a project (the “Project Documents”). Such Events of Default may include, but shall not be limited to, the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term “Financial Assistance” shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency’s participation in the transaction contemplated by the Project Agreements including, but not limited to:

- (i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;

- (ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and
- (iii) real property tax abatements granted under the Project Agreements.

## **II. Recapture of Financial Assistance**

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

## **III. Modification of Payment In Lieu of Tax Agreement**

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.

## SCHEDULE D

### Agency Payment in Lieu of Taxes (PILOT) Policy

An annual fee of \$2,000 (plus \$500 per subtenant) will be due to the Agency in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Industrial Development Agency (IDA) may grant or be utilized to obtain a partial or full real property tax abatement for a determined period. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven IDA.
2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31<sup>st</sup> of each year, or in two equal payments due January 31<sup>st</sup> and May 31<sup>st</sup> of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.
3. The Town of Brookhaven IDA shall establish a separate, interest bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).
4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.
5. Payments in lieu of taxes which are delinquent under the agreement shall be subject to a late payment penalty of five percent (5%) of the amount due. For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made.
6. If a PILOT payment is not received by **January 31<sup>st</sup>** of any year or **May 31<sup>st</sup>** of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may give the lessee notice of said default. If the payment is not received within thirty (30) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.
7. The CEO shall maintain records of the PILOT accounts at the Agency office.
8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.

9. Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the Applicant.
10. This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.

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

DATE: 1/5/2023

APPLICATION OF: WF Industrial XII LLC  
Name of Owner and/or User of Proposed Project

ADDRESS: 80 8th Avenue, Suite 1602  
New York, NY 10011

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

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

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

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

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

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

## INDEX

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

**Part I: Owner & User Data**

1. Owner Data:

A. Owner (Applicant for assistance): WF Industrial XII LLC

Address: 80 8th Avenue, Suite 1602  
New York, NY 10011

Federal Employer ID #: [REDACTED] Website: \_\_\_\_\_

NAICS Code: \_\_\_\_\_

Owner Officer Certifying Application: Matthew Dicker

Title of Officer: Authorized Signatory

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

B. Business Type:

Sole Proprietorship  Partnership  Limited Liability Company

Privately Held  Public Corporation  Listed on \_\_\_\_\_

State of Incorporation/Formation: New York

C. Nature of Business:

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

Commercial Real Estate Owner & Lessors

D. Owner Counsel:

Firm Name: Greenberg Traurig, LLP

Address: 900 Stewart Ave, 5th Floor

Garden City, NY 11530

Individual Attorney: Daniel J. Baker

Phone Number: 516-629-9610

E-mail: dan.baker@gtlaw.com

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

Name	Percent Owned
<u>Matthew Dicker</u>	<u>0.0997%</u>
<u>Sustainable Seven LLC</u>	<u>0.2325%</u>
<u> </u>	<u> </u>

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

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

No

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

No

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

N/A

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

No

I. List parent corporation, sister corporations and subsidiaries:

B-W Brookhaven Holdings LLC

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

No

K. List major bank references of the Owner:

US Bank, Mike Kaschke, michael.kaschke@usbank.com

CIT, Chris Niederpruem, christopher.niederpruem@cit.com

First Republic Bank, Martin Gibson, mgibson@firstrepublic.com

2. User Data

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

A. User (together with the Owner, the "Applicant"): \_\_\_\_\_

Address: \_\_\_\_\_

Federal Employer ID #: \_\_\_\_\_ Website: \_\_\_\_\_

NAICS Code: \_\_\_\_\_

User Officer Certifying Application: \_\_\_\_\_

Title of Officer: \_\_\_\_\_

Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

B. Business Type:

Sole Proprietorship  Partnership  Privately Held

Public Corporation  Listed on \_\_\_\_\_

State of Incorporation/Formation: \_\_\_\_\_

C. Nature of Business:

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

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

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

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Individual Attorney: \_\_\_\_\_

Phone Number: \_\_\_\_\_

E-mail: \_\_\_\_\_

F. Principal Stockholders or Partners, if any:

Name

Percent Owned

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

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

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

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

---

---

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

---

---

J. List parent corporation, sister corporations and subsidiaries:

---

---

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

---

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L. List major bank references of the User:

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**Part II – Operation at Current Location N/A**

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

1. Current Location Address: \_\_\_\_\_

2. Owned or Leased: \_\_\_\_\_

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

---

---

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

---

---

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

A. If yes, list the Address: \_\_\_\_\_

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

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

---

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

---

---

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

A. If yes, please list states considered and explain: \_\_\_\_\_

---

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

A. Please explain: \_\_\_\_\_

---

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

---

---

**Part III – Project Data**

1. Project Type:

A. What type of transaction are you seeking? (Check one)

Straight Lease  Taxable Bonds  Tax-Exempt Bonds   
Equipment Lease Only

B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

Sales Tax Exemption  Mortgage Recording Tax Exemption   
PILOT Agreement:

2. Location of project:

A. Street Address: North side of LIE (SR495), North Service Road, Yaphank, New York

B. Tax Map: District 0200 Section 662 Block 02 Lot(s) 5.16

C. Municipal Jurisdiction:

i. Town: Brookhaven  
ii. Village: N/A  
iii. School District: Longwood

D. Acreage: 71.45

3. Project Components (check all appropriate categories):

A. Construction of a new building  Yes  No  
i. Square footage: 549,942

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

C. Demolition of an existing building  Yes  No  
i. Square footage: \_\_\_\_\_

D. Land to be cleared or disturbed  Yes  No  
i. Square footage/acreage: 42.11

E. Construction of addition to an existing building  Yes  No  
i. Square footage of addition: \_\_\_\_\_  
ii. Total square footage upon completion: \_\_\_\_\_

F. Acquisition of an existing building  Yes  No  
i. Square footage of existing building: \_\_\_\_\_

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

**Elevator(s), HVAC, Dock Door Equipment**

---

4. Current Use at Proposed Location:

- A. Does the Applicant currently hold fee title to the proposed location?

i. If no, please list the present owner of the site: \_\_\_\_\_  
Applicant is the contract vendee. Current Owner is Seller, Silver Corporate Park LLC

- B. Present use of the proposed location: **Vacant land**
- 

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

i. If yes, explain: \_\_\_\_\_

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

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

5. Proposed Use:

- A. Describe the specific operations of the Applicant or other users to be conducted at the project site: Applicant intends to construct three (3) one (1) story warehouses

**totaling 549,942 square feet for use as warehouses/distribution facilities.**

---

- B. Proposed product lines and market demands: Applicant intends to meet the market demands for

**industrial and warehouse**

---

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

TBD - Applicant does not have proposed end users for its contemplated facilities as of even date.

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

Applicant is pursuing this project to meet the growing demand across Long Island for warehouse/distribution facilities.

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

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

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

Applicant will utilize environmentally friendly technologies to the extent that same are available and/or commercially reasonable.

6. Project Work:

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

- |                    |                              |  |                  |
|--------------------|------------------------------|--|------------------|
| i. Site Clearance: | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE _____ |
| ii. Foundation:    | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE _____ |
| iii. Footings:     | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE _____ |
| iv. Steel:         | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE _____ |
| v. Masonry:        | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE _____ |
| vi. Other:         | None _____                   |  |                  |

- B. What is the current zoning? Light Industrial

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

Yes  No

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

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

7. Project Completion Schedule:

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

i. Acquisition: Closed on December 15, 2021

ii. Construction/Renovation/Equipping: Upon issuance of building permits.

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: 24 months to complete construction phase; occupancy of

first building within 16 months of commencement of construction

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**Part IV – Project Costs and Financing**

1. Project Costs:

A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ <u>44,000,000</u>
Building(s) demolition/construction	\$ <u>56,768,201</u>
Building renovation	\$ <u>0</u>
Site Work	\$ <u>10,504,848</u>
Machinery and Equipment	\$ <u>2,058,950</u>
Legal Fees	\$ <u>1,161,317</u>
Architectural/Engineering Fees	\$ <u>3,023,937</u>
Financial Charges	\$ <u>16,658,603</u>
Other (Specify)	\$ <u>Other Hard and Soft Costs \$27,784,143</u>
Total	\$ <u>161,960,000</u>

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

2. Method of Financing:

	Amount	Term
A. Tax-exempt bond financing:	\$ <u>0</u>	_____ years
B. Taxable bond financing:	\$ <u>0</u>	_____ years
C. Conventional Mortgage:	\$ <u>99,660,000</u>	_____ years
D. SBA (504) or other governmental financing:	\$ <u>0</u>	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ <u>0</u>	
F. Other loans:	\$ <u>0</u>	_____ years
G. Owner/User equity contribution:	\$ <u>62,300,000</u>	_____ years
<b>Total Project Costs</b>	<b>\$ <u>161,960,000</u></b>	

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

0%

3. Project Financing:

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

i. If yes, provide detail on a separate sheet. [Legal, architectural/engineering, financial charges?]  
[Please Advise re: same]

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

**N/A**

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

**No**

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

**No**

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**WF Industrial XII LLC**

1/3/2022

Part IV

Section 3A

<b>Description</b>	<b>Project Costs Budget</b>	<b>Cost Spent To Date</b>	<b>Remaining Costs</b>
Land and/or building acquisition	\$44,000,000	\$44,000,000	\$0
Building(s) demolition/construction	\$56,768,201	\$1,273,469	\$55,494,732
Building renovation	\$0	\$0	\$0
Site Work	\$10,504,848	\$0	\$10,504,848
Machinery and Equipment	\$2,058,950	\$0	\$2,058,950
Legal Fees	\$1,161,317	\$594,317	\$567,000
Architectural/Engineering Fees	\$3,023,937	\$1,669,158	\$1,354,779
Financial Charges	\$16,658,603	\$966,582	\$15,692,021
Other	\$27,784,143	\$5,231,945	\$22,552,198
<b>Total</b>	<b>\$161,960,000</b>	<b>\$53,735,471</b>	<b>\$108,224,529</b>

**Part V – Project Benefits**

1. Mortgage Recording Tax Benefit:

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

\$ 99,660,000

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

\$ 747,450

2. Sales and Use Tax Benefit:

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

\$ 24,266,200

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

\$ 2,092,960

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

i. Owner: \$ \_\_\_\_\_

ii. User: \$ \_\_\_\_\_

3. Real Property Tax Benefit:

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

B. Agency PILOT Benefit:

i. Term of PILOT requested: 15 Years (5 year freeze at land only value plus 2% increases and 10 years at double 485-B. \_\_\_\_\_

ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and attach such information to Exhibit A hereto. Applicant hereby requests such PILOT benefit as described on Exhibit A.

**\*\* This application will not be deemed complete and final until Exhibit A hereto has been completed. \*\***



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

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

Yes  No

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

Yes  No

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

Yes  No

Due to rising construction materials and labor costs, increased real estate taxes, and uncertainty of taxes required by lenders,

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Applicant would not be able to proceed with the proposed project without the Agency's financial assistance.

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4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

If Applicant is unable to obtain financial assistance from the Agency, Applicant would have to identify other areas for investment with lower taxes,

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and the Town would lose the benefit of new industrial real estate stock within its borders.

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5. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees, that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, where practicable, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies

Initial RD

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

Initial RD

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

Initial RD

8. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial RD

9. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project. The IDA fees are based on the total project costs listed in this application. At the completion of the project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be increased as a result of the certified cost affidavit. Monies will not be refunded if the final costs are below the amount listed in the application.

Initial   D  

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

Initial   D  

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

Initial   D  

12. The Applicant confirms and hereby acknowledges it has received the Agency's PILOT Policy attached hereto as Schedule D and agrees to comply with the same.

Initial   D  

13. The Company hereby authorizes the Agency, without further notice or consent, to use the Company's name, logo and photographs related to the Facility in its advertising, marketing and communications materials. Such materials may include web pages, print ads, direct mail and various types of brochures or marketing sheets, and various media formats other than those listed (including without limitation video or audio presentations through any media form). In these materials, the Agency also has the right to publicize its involvement in the Project.

Initial   D

**Part VIII – Submission of Materials**

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).
2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.
4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
5. Completed Environmental Assessment Form.
6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

*(Remainder of Page Intentionally Left Blank)*

**Part IX – Special Representations**

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

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

Representative of the Applicant: \_\_\_\_\_

- b. The completion of this entire project will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state because the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

Representative of the Applicant: \_\_\_\_\_

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

Representative of the Applicant: \_\_\_\_\_

3. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

Representative of the Applicant: \_\_\_\_\_

4. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

Representative of the Applicant: \_\_\_\_\_

Part X - Certification

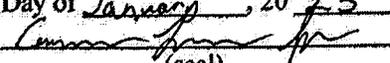
MATTHEW A. DICKER (name of representative of entities submitting application) deposes and says that he or she is the AUTHORIZED SIGNATURE of WF INDUSTRIAL XII LLC, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

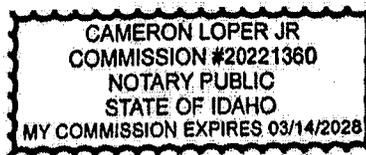
Deponent further says that s/he is duly authorized to make this certification on behalf of the entities named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as information acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

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

  
\_\_\_\_\_  
Representative of Applicant

Sworn to me before this 5th  
Day of January, 2023  
  
(seal)



**\*\* Note: If the entities named in this Application are unrelated and one individual cannot bind both entities, Parts VII, IX and X of this Application must be completed by an individual representative for each entity \*\***

**EXHIBIT A**

**Proposed PILOT Schedule**

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule to this Exhibit.

**Town of Brookhaven Industrial Development**  
**Schedule of Fees**

Application -	\$3,000 for projects with total costs under \$5 million \$4,000 for projects with total costs \$5 million and over (non-refundable)
Closing/Expansion Sale/Transfer/Increase of Mortgage Amount/ Issuance of Refunding Bonds -	$\frac{3}{4}$ of one percent up to \$25 million total project cost and an additional $\frac{1}{4}$ of one percent on any project costs in excess of \$25 million. Projects will incur a minimum charge of \$10,000 plus all fees incurred by the Agency including, but not limited to publication, legal, and risk monitoring.
Annual Administrative -	\$2,000 administrative fee plus \$500 per unrelated subtenant located in the project facility. This fee is due annually.
Termination -	Between \$1,000 and \$2,500
Refinance (excluding refunding bonds) -	$\frac{1}{4}$ of one percent of mortgage amount or \$5,000, whichever is greater.
Late PILOT Payment -	5% penalty, 1% interest compounded monthly, plus \$1,000 administrative fee.
PILOT extension -	a minimum of \$15,000
Processing Fee -	\$275 per hour with a minimum fee of \$275
Lease of Existing Buildings (partial or complete) -	Fee is based on contractual lease amount.

The Agency reserves the right to adjust these fees.

Updated: November 17, 2020

## **SCHEDULE B**

### **CONSTRUCTION WAGE POLICY**

**EFFECTIVE January 1, 2005**

The purpose of the Brookhaven IDA is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in the Town.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in projects funded by the issuance of IDA tax exempt bonds in large projects.

The following shall be the policy of the Town of Brookhaven IDA for application for financial assistance in the form of tax-exempt financing for projects with anticipated construction costs in excess of \$5,000,000.00 per site received after January 1, 2005. Non-profit corporations and affordable housing projects are exempt from the construction wage policy.

Any applicant required to adhere to this policy shall agree to:

- (1) Employ 90% of the workers for the project from within Nassau or Suffolk Counties. In the event that this condition cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure to comply and;
- (2) Be governed by the requirements of Section 220d of Article 8 of the Labor Law of the State of New York; and when requested by the Agency, provide to the Agency a plan for an apprenticeship program;

OR

- (3) Provide to the Agency a project labor agreement or alternative proposal to pay fair wages to workers at the construction site.

Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in the best interests of the Town of Brookhaven.

Adopted: May 23, 2005

## SCHEDULE C

### RECAPTURE AND TERMINATION POLICY

**EFFECTIVE JUNE 8, 2016**

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the “Act”), the Town of Brookhaven Industrial Development Agency (the “Agency”) is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 8, 2016.

#### **I. Termination or Suspension of Financial Assistance**

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the “Applicant”) or any other document entered into by such parties in connection with a project (the “Project Documents”). Such Events of Default may include, but shall not be limited to, the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term “Financial Assistance” shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency’s participation in the transaction contemplated by the Project Agreements including, but not limited to:

- (i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;

- (ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and
- (iii) real property tax abatements granted under the Project Agreements.

## **II. Recapture of Financial Assistance**

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

## **III. Modification of Payment In Lieu of Tax Agreement**

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.

## SCHEDULE D

### Agency Payment in Lieu of Taxes (PILOT) Policy

An annual fee of \$1,000 will be due to the Agency in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Industrial Development Agency (IDA) may grant or be utilized to obtain a partial or full real property tax abatement for a determined period. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven IDA.
2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31<sup>st</sup> of each year, or in two equal payments due January 31<sup>st</sup> and May 31<sup>st</sup> of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.
3. The Town of Brookhaven IDA shall establish a separate, interest bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).
4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.
5. Payments in lieu of taxes which are delinquent under the agreement shall be subject to a late payment penalty of five percent (5%) of the amount due. For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made.
6. If a PILOT payment is not received by **January 31<sup>st</sup>** of any year or **May 31<sup>st</sup>** of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may give the lessee notice of said default. If the payment is not received within thirty (30) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.
7. The CEO shall maintain records of the PILOT accounts at the Agency office.
8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.

9. Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the Applicant.
10. This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.