

Town of Brookhaven

Industrial Development Agency

Meeting Agenda

Wednesday, January 8, 2025 at 12:10 PM

1. Roll Call
2. Minutes
 - a. November 20, 2024
 - b. December 4, 2024
3. CFO'S Report
 - a. Actual vs. Budget Report – November 30, 2024
Timely Payments
4. Resolutions
 - a. Organizational Resolutions
 - b. TopGolf USA Holtsville, LLC
 - c. MDS Building Ventures, LLC
5. Applications
 - a. Vineyards at Coram / Ornstein Leyton Company
 - b. KCE, NY31, LLC
6. CEO'S Report
 - Ronk Hub Phase 2A
 - Ferrandino & Sons Development Group, LLC
 - a. Housing Study
 - Board Assessments
 - Harassment Training
 - Fiduciary Responsibilities
 - LIBDC April Meeting
 - LIBDC Membership
 - b. Legislative Updates
7. Executive Session

Town of Brookhaven
Industrial Development Agency

Meeting Minutes

November 20, 2024

Members Present: Frederick C. Braun, III
Martin Callahan
Ann-Marie Scheidt
Frank C. Trotta
John Rose

Excused Members: Felix J. Gucci
Mitchell H. Pally

Also Present: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
Amy Illardo, Director of Marketing
Jocelyn Linse, Executive Assistant
Annette Eaderesto, IDA Counsel
Barry Carrigan, Nixon Peabody, LLP
Howard Gross, Weinberg, Gross & Pergament (via Zoom)
Andrew Komaromi, Harris Beach, LLC
Joseph Rossi, Nord Development
Eric J. Russo, Vanbrunt Juzwiak & Russo, P.C.
Daniel Baker, Greenberg Traurig
Joseph Smith, Duggal (via Zoom)
Demian Cacciolo, Duggal (via Zoom)
Lindsay Whitfield, Duggal (via Zoom)

Chairman Braun opened the IDA meeting at 9:14 A.M. on Wednesday, November 20, 2024, in the Agency's Office on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

Mr. Trotta made a motion to enter executive session to discuss proposed, pending or current litigation. The motion was seconded by Ms. Scheidt and unanimously approved.

At 9:57 A.M., Mr. Trotta made a motion to resume the regular agenda. The motion was seconded by Mr. Rose and all voted in favor. No action was taken in executive session.

Meeting Minutes of October 16, 2024

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

CFO's Report

Ms. LaPonte presented the Operating vs. Budget Report for the period ending October 31, 2024. Year to date the Agency is ahead of the budget, and the Agency's banks have indicated that interest rates will decrease.

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 approve the CFO's Report was made by Ms. Scheidt and seconded by Mr. Trotta. All voted in favor.

CEO's Report

Ferrandino & Sons Development Group, LLC

A request was submitted from this project for the Board to consider granting a 20-year PILOT. Mr. Russo updated the Board on how this project is moving through the approval process with the Town, Patchogue Village, Suffolk County and the State and why a 20-year PILOT is being requested. A feasibility study was provided for this 262-unit housing project that will include workforce and affordable units. There will be space for the Chamber of Commerce's Office as well as 303 square feet of retail. A permit has been obtained from the State Department of Environmental Conservation to assist with cleaning up Patchogue River. The Trolley House will also be preserved and protected.

Mr. Russo and Mr. Rossi left the meeting at 10:12 A.M.

RA Oak Run, LLC – Final Authorizing Resolution

The cost benefit analysis, PILOT, feasibility and PILOT study for this 74-unit senior housing project in Middle Island were included in the meeting packets. There was no comment received at the public hearing.

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

Mr. Baker left the meeting at 10:14 A.M.

Biocogent, LLC – Resolution

This project on Pinehurst Drive in Bellport was expected to be completed by the end of the year but has requested an extension of their sales tax exemption and completion date to December 31, 2026.

Mr. Braun made a motion to extend the sales tax exemption and completion date to December 31, 2026, and their job creation requirements until December 31, 2025. The motion was seconded by Mr. Callahan and all voted in favor.

Ronk Hub Phase 2A Subtenant - Hammer and Stain Station Yards, Inc. – Application & Resolution

Hammer and Stain Station Yards, Inc. is seeking to sublease approximately 2,463 square feet of space at the Ronk Hub Phase 2A project for a do-it-yourself workshop. This is an eleven-year lease, and 1 full-time equivalent position will be created at a salary of \$30,000 to \$35,000 per year.

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

Ronk Hub Phase 2A Subtenant – Cornucopia Natural Foods, Inc. – Application & Resolution

Cornucopia Natural Foods, Inc. is seeking to sublease approximately 6,948 square feet of space at the Ronk Hub Phase 2 A project to be used as a health food grocery store. This is an eleven-year lease, and 25 full-time equivalent positions are expected to be created with salaries ranging from \$21,216 to \$75,000 per year.

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

Ronk Hub Phase 2A Subtenant – GRG1, Inc. – Application & Resolution

GRG1, Inc. is seeking to sublease approximately 2,176 square feet of space at the Ronk Hub Phase 2A project for retail sales of wine and spirits. This is a seven-year lease, and 3 full-time equivalent positions are expected to be created with salaries ranging from \$26,000 to \$56,000 per year.

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

Mortgage Recording Tax Exemption Policy

The Board recently passed a policy that allowed granting a partial exemption of the mortgage recording tax for projects that are constructing a sewage treatment plant. Projects building pump stations will also be eligible for this partial exemption.

Middle Country Meadows, LLC – Resolution

This project has requested the Agency’s permission to refinance their outstanding mortgage of \$28.5 million to \$40.1 million. No additional benefits were requested.

The motion to approve this resolution was made by Mr. Trotta, seconded by Ms. Scheidt and passed with Mr. Rose recusing himself.

MDS Building Ventures, LLC – Resolution

This warehouse project in the Shirley Industrial Park is almost complete but has requested their sales tax exemption and completion date be extended to March 31, 2025.

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

CEO’s Report (Revisited)

Housing Study

Two proposals have been received and it appears the \$15,000 that was approved will be insufficient. This matter will be revisited at the next meeting.

September Morning, LLC – Request

This project has requested that their sales tax exemption and completion date be extended to April 15, 2025. No additional allocation has been requested.

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

Duggal

Joseph Smith, Demian Cacciolo and Lindsay Whitfield of Duggal joined the meeting via Zoom to discuss rebranding the Agency including a new logo. Three different options for a new logo will be provided as a start.

Vision Long Island

A sponsorship of \$3,000 for Vision Long Island’s Smart Growth Summit was discussed at the last meeting but the vote was unclear.

IDA Meeting
November 20, 2024

The motion to ratify this expense was made by Ms. Scheidt, seconded by Mr. Callahan, and unanimously approved.

New York State Economic Development Council Conference

This conference will be held February 11th and 12th in Albany.

Spec Industrial Moratorium

Mr. Trotta made a motion to extend the moratorium on spec industrial projects until June 30, 2025. The motion was seconded by Ms. Scheidt and all voted in favor.

December Meeting

Mr. Braun made a motion to set the time for the meeting on December 4th at 3:30 P.M. The motion was seconded by Ms. Scheidt, and unanimously approved.

New York State Economic Blueprint

The New York State Economic Development Council is creating an economic blueprint to provide policy recommendations to the legislature at a cost of \$100,000, they are asking each of their members to consider supporting this endeavor at a rate of \$2,500 to \$5,000.

The motion to approve \$2,500 with an option to increase to \$5,000 if necessary was made by Mr. Rose, seconded by Ms. Scheidt and approved with Mr. Braun recusing himself.

The motion to close the IDA meeting at 11:09 A.M. was made by Mr. Braun and seconded by Mr. Callahan. All voted in favor.

The next IDA meeting is scheduled for Wednesday, December 4, 2024.

Town of Brookhaven

Industrial Development Agency

Meeting Minutes

December 4, 2024

Members Present: Frederick C. Braun, III
Martin Callahan
Mitchell H. Pally
Ann-Marie Scheidt
Frank C. Trotta
John Rose

Excused Member: Felix J. Grucci, Jr.

Also Present: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
Amy Illardo, Director of Marketing
Jocelyn Linse, Executive Assistant
Annette Eaderesto, IDA Counsel
Howard Gross, Weinberg, Gross & Pergament, (via Zoom)
Barry Carrigan, Nixon Peabody, LLP (via Zoom)
Andrew Komaromi, Harris Beach, LLP
Peter Curry, Farrell Fritz, P.C.

Chairman Braun opened the IDA meeting at 3:41 P.M. on Wednesday, December 4, 2024, in the Agency's Office on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

MPH Cross Island Power, LLC / Shoreham Energy – Application & Resolution

This application and resolution are for a change of ownership and control for the Shoreham Energy peaker plant to MPH Cross Island Power, LLC at a cost of approximately \$20.5 million. There are thirteen years left on the PILOT. No exemptions from mortgage recording or sales tax have been requested.

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

Ronk Hub Phase 2A Subtenant – Ronkonkoma Creamery, Inc. – Application & Resolution

Ronkonkoma Creamery, Inc. is seeking to sublease space at Ronk Hub Phase 2A to operate a Ben & Jerry’s franchise. This will be a 13-year lease and four full-time equivalent positions with annual salaries ranging from \$45,000 to \$50,000 are expected to be created.

The motion to accept the application and pass the resolution was made by Mr. Trotta, seconded by Mr. Callahan, and unanimously approved.

MCP Yaphank PropCo, LLC / Yaphank AVR Boulevard Chelsea, LLC – Resolution

This resolution is for an assignment and assumption of the Yaphank AVR Boulevard, LLC assisted living facility to MCP Yaphank PropCo, LLC. There are seven years left on the PILOT and no new benefits are being requested. The project operator will remain; only the property is being sold.

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

AE-Cassel, LLC – Resolution

This battery energy storage system on County Road 83 in Patchogue has had delays due to permitting issues. They have requested a seven-month extension of their sales tax exemption and completion date.

The motion to extend the sales tax exemption and completion date to July 1, 2025 was made by Mr. Callahan, seconded by Mr. Rose, and unanimously approved.

CEO’s Report

Ronk Hub Request

A portion of the 2A piece of this development will be made into four condominiums. Three of the of the units would continue to be leased by Hawkins Ave Development RHP2, LLC, and the

fourth unit is part of a parking garage that will be owned by Ronk Hub, LLC. There is no change in benefits.

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

Mr. Curry left the meeting at 3:51 P.M.

Integrated Structures Request

This project has also experienced permitting issues and has requested an extension of their completion date until December 31, 2025.

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

2025 Meeting Schedule

Ms. Scheidt made a motion to set the Organizational meeting for January 8, 2025 at 12:00 P.M. The rest of the schedule will be determined at a later date. The motion was seconded by Mr. Callahan and all voted in favor.

New York State Economic Development Council

An update on what the New York State Economic Development Council achieved in 2024 was included in the meeting packets.

Housing Study

This matter will be deferred until the January meeting.

The motion to close the IDA meeting at 4:00 P.M. was made by Mr. Callahan, seconded by Mr. Trotta, and unanimously approved.

The next IDA meeting is scheduled for Wednesday, January 8, 2025 at 12:00 P.M.

2025 IDA RESOLUTIONS

- 1 Appointment of CEO/Executive Director
- 2 Appointment of Chief Financial Officer
- 3 Appointment of Executive Assistant
- 4 BLANK
- 5 Appointment of Director Marketing and Project Development
- 6 Appointment 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 BLANK
- 12 Hourly Requirement
- 13 2025 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 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 2024 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

45	BLANK
46	Separation Payout

Town of Brookhaven

Industrial Development Agency

2025 Meeting Schedule

January 8

February 5

March 26

April 23

May 14

June 18

July 16

August 20

September 17

October 22

November 19

December 3

J. TIMOTHY SHEA, JR.
PARTNER
DIRECT DIAL 516.296.7885
tshea@certilmanbalin.com

January 3, 2025

Via Email:

Town of Brookhaven Director of Economic Development
Attn: Ms. Lisa Mulligan, CEO
One Independence Hill
Farmingville, New York 11738

**Re.: Town of Brookhaven Industrial Development Agency with Topgolf USA
Holtsville, LLC
SCTM Nos.: 0200-728-5-9 & 0200-729-1-16
Our File No.: 14509.0001**

Dear Ms. Mulligan:

We have recently become aware of a change to the organization involving the above-referenced IDA applicant which was inadvertently missed by the applicant and, as a result, not addressed with the IDA at the time of the change.

The change itself was with regard to the makeup of the parent company as Topgolf merged with Callaway Golf Company to create Topgolf Callaway Brands Corp., a Delaware Corporation publicly traded on the New York Stock Exchange. Topgolf representatives never considered a merger of the parties to be an issue due to the sheer size of the merger and volume of locations Topgolf operates throughout the country. It is important to note that despite the change in the parent company the four lower tiers of the organizational chart remain the same as evidenced by the attached modified organizational chart which puts Topgolf Callaway Brands Corp. at the top followed by Topgolf International, Inc., Top Golf USA, Inc., TG Holdings 1, LLC (F/K/A TG USA REIT, Inc.) and Topgolf USA Holtsville, LLC, all of which were in the original organizational chart at the time of the closing of the benefit package.

Based upon this oversight we are kindly requesting that the IDA Board retroactively grant approval for Topgolf Callaway Brands Corp. to be listed as the parent company of the other four entities which were part of the original grant.

We do call your attention to the fact that the other four entities in the organizational chart remain unchanged and that Top Golf USA Holtsville, LLC has otherwise lived up to all of its commitments in regard to the PILOT agreement and other conditions of the grant, including but

Town of Brookhaven Director of Economic Development

Attn: Ms. Lisa Mulligan, CEO

January 3, 2025

Page 2

not limited to job creation, filing of appropriate certificates of compliance and the timely remittance of payments in lieu of taxes as required under the PILOT agreement.

On behalf of our client we apologize for the oversight which occurred in this matter and kindly request IDA approval of the relief sought herein.

As an aside, Topgolf Callaway Brands Corp. is in discussions regarding the separation of that entity from Topgolf International, Inc., which would create two separate companies for Callaway and Topgolf respectively. Callaway has announced that it expects the spin-off of Topgolf to occur in the second half of 2025. Obviously, this puts our client in a chicken and egg situation with regard to the future organizational structure of the applicant.

The issue being that until there is a closing on the proposed separation of the parent company into two separate businesses (i.e. Callaway and Topgolf), nothing will have changed and our client will be unable seek this Board's approval. In order to get out in front and avoid a similar issue as the one referenced above, we are asking that the IDA Board also agree and consent to the continuation of the PILOT should Topgolf Callaway Brands Corp. effectuate the separation of the businesses for the Topgolf and Callaway brands.

The Board's courtesies in regard to this matter are greatly appreciated.

Very truly yours,

J. Timothy Shea, Jr.

JTS\err

Enclosure

cc: Howard R. Gross, Esq.

Topgolf Callaway Brands Corp.
(a Delaware corporation)

NYSE: MODG
(Formerly known as Callaway Golf Company NYSE: ELY)

Topgolf International, Inc.
(a Delaware corporation)

Board of Directors Susana Arevalo
 Naresh Srinivasan

Officers:
Arthur Starrs, Jr., President
Susana Arevalo, CFO
Naresh Srinivasan, Vice President
Jon Olsen, Secretary

Top Golf USA, Inc.
(a Delaware corporation)
100% member of TG Holdings I, LLC
Directors: Susana Arevalo
 Naresh Srinivasan

President: Susana Arevalo
VP/Secretary: Naresh Srinivasan

TG Holdings I, LLC (f/k/a TG USA REIT, Inc.)
(a Delaware limited liability company)

100% member of Topgolf USA Holtsville, LLC
Manager/CFO: Susana Arevalo
Manager/VP & Secretary: Naresh Srinivasan

Topgolf USA Holtsville, LLC
(a Delaware limited liability company)

100% LLC Member: TG Holdings I, LLC
Manager/CFO: Susana Arevalo
Manager/Secretary: Naresh Srinivasan



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(631) 232-4444
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(631) 232-2603

Lisa Mulligan
Town of Brookhaven Industrial Development Agency

Dear Ms. Mulligan:

I just wanted to advise the Agency, that with respect to the above referenced Project, I have amended the existing Sublease between MDS Ventures, LLC, as Lessor and MS Packaging & Supply Corp., and MS Packaging & Distribution Corp.. as Sublessees to restart the Sublease as of January 1, 2024 with a new updated rent schedule for payments to the realty Company. In all other respects, the Sublease previously executed and delivered remains essentially the same. Thank you for your attention.

Regards,

Andrew D. Presberg, Esq.

PRESBERG LAW, P.C.

100 Corporate Plaza, Suite B102

Islandia, New York 11749

Phone: 631-232-4444

Fax: 631-232-2603

Email: apresberg@presberg.com



Scott Leyton
scott@olcny.com
(212) 586-2598

Alec Ornstein
alec@olcny.com
(516) 660-6545

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

Dear Chairman Braun, Members of the IDA Board and IDA staff,

Ornstein Leyton Company (“OLC”) is excited to present its application to the Brookhaven IDA for financial assistance to support the acquisition, development, construction and operation of an age-restricted (55+) rental community in the hamlet of Coram. The Applicant is confident that the development of the subject property will have a substantial positive impact on the economy and the social fabric of the Coram Hamlet Center and the Town, as well.

Ornstein Leyton Company, helmed by Alec Ornstein and Scott Leyton, has been developing residential real estate in the New York Metro Area since 1991. In that time, they have built many senior communities (55+) on Long Island under the *Vineyards* franchise and completed 20+ market rate housing communities totaling over 1,600 homes with about half of those homes in the Town of Brookhaven. The company is proud of its record of having completed every project in our 34-year history

Ornstein Leyton Company has deep roots on Long Island and has done a substantial amount of work within the Town of Brookhaven. Alec Ornstein is a two-time past President of LIBI and also a Life Member of its Board of Directors. Most recently, OLC completed two of its *Vineyards communities* in the hamlets of Mt. Sinai and Center Moriches, delivering 237 for-sale townhomes for owners that are 55 years and older. We have enjoyed the collaborative process of working with the Town elected officials and staff and look forward to another successful venture that will similarly benefit local active adults, the Coram Hamlet, small businesses and the municipality at large.

Ornstein Leyton Company entered into an Agreement of Purchase and Sale, dated August 11, 2021, to purchase the subject property, consisting of two contiguous parcels on the South side of Route 25 (Middle Country Road), totaling 12.35 acres (District 0200, Section 475.00, Block 01.00, Lot 012.004 and District 0200, Section 475.00, Block 02.00 Lot 001.002). The property is vacant and currently zoned J-2 Business. Ornstein Leyton Company has been working with the Town of Brookhaven officials and departmental staff to affect a change of zone to a Planned Retirement Community (PRC), with a simultaneous, Site Plan Approval for the construction of 74 residential units, as shown in our site plans. The project has widespread community support including our adjoining neighbors to the south and the Coram Civic Association, with approvals slated for late 2024 inclusive of an expected SEQRA Negative Declaration.

The Applicant is planning to construct a Class A residential community, complete with generous open space and amenities, including a 2,600+ square foot clubhouse, community garden, pickleball court, and heated pool. The residences, averaging over 1,200 square feet, will feel like a true home to our tenants, allowing empty nesters to

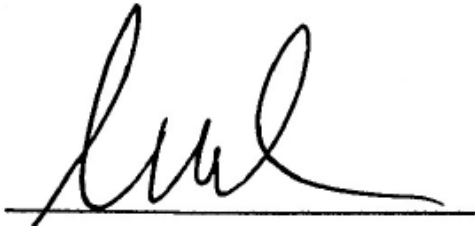
downsize and enjoy a maintenance-free, recreational lifestyle without having to leave their community of Brookhaven and Long Island while also freeing up existing housing stock.

The project will include an affordable housing component with over 16% of our apartments being set aside as affordable and workforce housing units. These 12 apartments will be comprised of four Affordable apartments (@ 50% AMI), four Workforce apartments (@65% AMI), and four additional apartments (two @ 80% and two @ 120%) required by Suffolk County as our plans contemplate the connection to an existing County sewage plant facility.

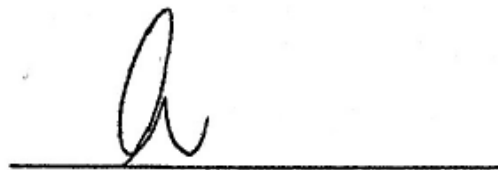
While the Applicant is confident that this luxurious development will be highly sought after, it cannot be built in the current macroeconomic environment without assistance from the Brookhaven IDA. Despite recent positive news on inflation and the prospect of rate cuts, the cost to construct, finance, supply and staff a development project are still at extremely elevated levels. Current borrowing costs are higher than they have been since the Great Recession and the price of materials and commodities are similarly at all-time highs. In response to this challenging environment, many developers have shifted their focus to the lower cost and higher growth markets of the "Sunbelt/Smile" states. OLC, however, remains committed to continue building here on Long Island, but that can only be done with the commitment and support of the Brookhaven IDA and its crucial resources.

The Applicant respectfully requests that the Brookhaven IDA accept its application herein. We look forward to our continued work in and with the Town of Brookhaven and are confident this project will be highly accretive to the Town and the goals of the IDA.

Sincerely,



Alec Ornstein, Managing Member



Scott Leyton, Managing Member

Vineyards at Coram

Middle Country Road

Town of Brookhaven, Suffolk County

PREPARED FOR

Orstein Leyton Company

223 Wall Street
P.O. Box 393
Huntington, New York 11743
631.868.7445

PREPARED BY



**VHB Engineering. Surveying, Landscape
Architecture and Geology, P.C.**

100 Motor Parkway
Suite 350
Hauppauge, NY 11788
631.787.3440

November 2024

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1

Introduction

1.1 Project Overview

This report has been prepared by the request of Ornstein Leyton Company (the “Applicant”). The Applicant is seeking Town of Brookhaven Industrial Development Agency (IDA) tax benefits (i.e., payment-in-lieu-of-taxes [PILOT] agreement, sales tax exemption and mortgage recording tax exemption) associated with the Applicant’s proposed 74-unit planned retirement community (PRC) (the “Proposed Project”). The proposed 74-unit PRC would be located on a 12.43±-acre Subject Property on the south side of Middle Country Road (NYS Route 25), in the hamlet of Coram, Town of Brookhaven, Suffolk County, New York (Figure 1). The Subject Property comprises two parcels, identified on the Suffolk County Tax Map as District 0200 – Section 475.00 – Block 01.00 – Lot 012.004 and Block 02.00 – Lot 001.002 (Figure 2).

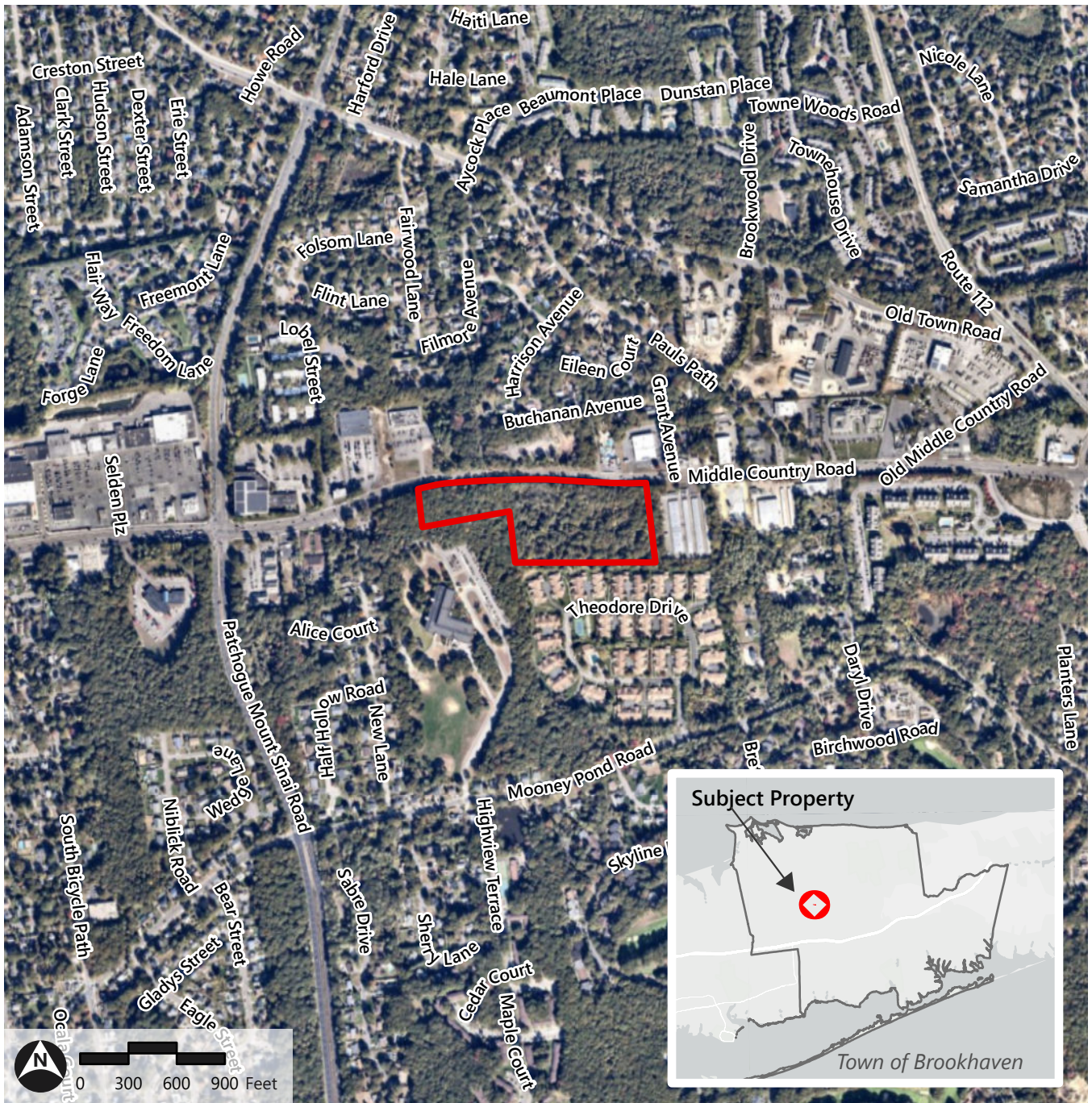
The Subject Property is situated along the south side of the Middle Country Road commercial corridor, which contains a mix of retail, commercial recreation and undeveloped properties, as well as existing multi-family residential developments. Currently, the Subject Property is zoned J Business 2, and is wooded/undeveloped throughout.

The Proposed Project involves a request for a change of zone to the PRC District to allow the construction of 74 rental residential units (including 12 affordable units), which would be age-restricted in accordance with the Town of Brookhaven Town Code (i.e., 55 years of age and older). The development would consist of six two-story residential buildings, a one-story community building, outdoor recreational amenities, a sewer pump station, stormwater management infrastructure, landscaped areas, and 119 surface parking spaces. Site access would be provided by a single-full movement driveway on Middle Country Road near the eastern limit of the Subject Property’s frontage. The Proposed Project also involves the preservation of 4.99± acres (over 40 percent) of land as open space in its existing, vegetated state.

The purpose of this report is to evaluate the Proposed Project with respect to the guidelines to determine eligibility for Town of Brookhaven IDA approval of certain benefits (i.e., sales tax exemption, mortgage recording tax exemption and PILOT agreement). Specifically, the socioeconomic and community benefits and need for the Proposed Project, including economic activity during the construction and operational phases, and the purchasing power of the Proposed Project residents, are evaluated.

Figure 1: Site Location

Vineyards at Coram
Middle Country Road, Town of Brookhaven, Suffolk County




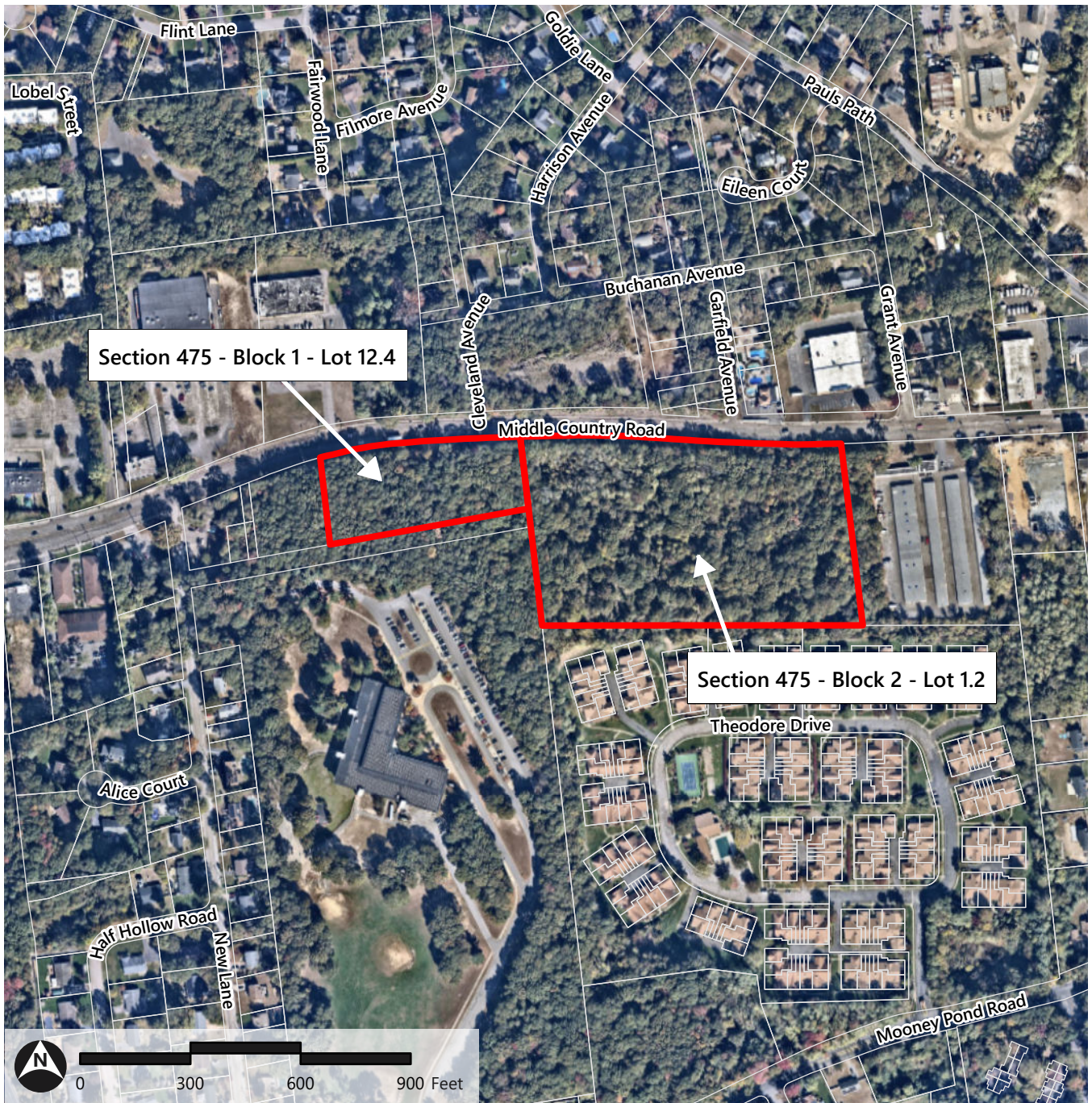


 Subject Property (boundaries are approximate)

Figure 2: Tax Map

Vineyards at Coram
Middle Country Road, Coram, Town of Brookhaven, Suffolk County



Path: \\vhb.com\gis\proj\Hauppauge\22274.00 Ornstein Selden\Project\Vineries at Selden\Vineries at Selden_VS.aprx (lauwaerter, 10/24/2024)

-  Subject Property (boundaries are approximate)
-  Suffolk County Tax Parcels

1.2 Comprehensive Planning Documents

The Project's consistency with relevant comprehensive planning documents including the *1996 Town of Brookhaven Comprehensive Land Use Plan* (the "1996 Comprehensive Plan") and the *2006 Middle Country Road Land Use Plan for Coram, Middle Island and Ridge* (the "CMIR Land Use Plan"), is summarized below.

1.2.1 1996 Town of Brookhaven Comprehensive Land Use Plan

The *1996 Comprehensive Plan* is the latest effective Town-wide land use plan. The *1996 Comprehensive Plan* is largely based upon hamlet studies conducted leading up to the plan. It is noted that a hamlet study pertaining to Coram was not completed prior to the *1996 Comprehensive Plan* and, as such, one was not included in same (the *2006 Land Use Plan* that includes the hamlet of Coram is discussed later in this section). The *1996 Comprehensive Plan* includes an assessment of existing land uses; existing zoning and related codes; demographic data concerning the population, housing, social and economic conditions in the Town; historical and cultural facts; discussion of previous land use plans such as Brookhaven's 1975 and 1987 plans; and analyses of community services and facilities, traffic circulation and transportation infrastructure, and environmental resources. The *1996 Comprehensive Plan* also identifies existing problems, deficiencies and needs, as well as community strengths and assets, and sets forth goals and objectives to be achieved. Lastly, alternatives and implementation programs for achieving the goals and objectives are proposed in the *1996 Comprehensive Plan*.

In the *1996 Comprehensive Plan*, the future Land Use Plan, in which the location of the Subject Property appears, is shown as a high-density area in Figure 3. "High-density" is the densest of all the residential categories that are designated on the Land Use map. This category includes multi-family housing and PRCs.

The *1996 Comprehensive Plan* identifies the following Needs and Opportunities relevant to the Proposed Project:

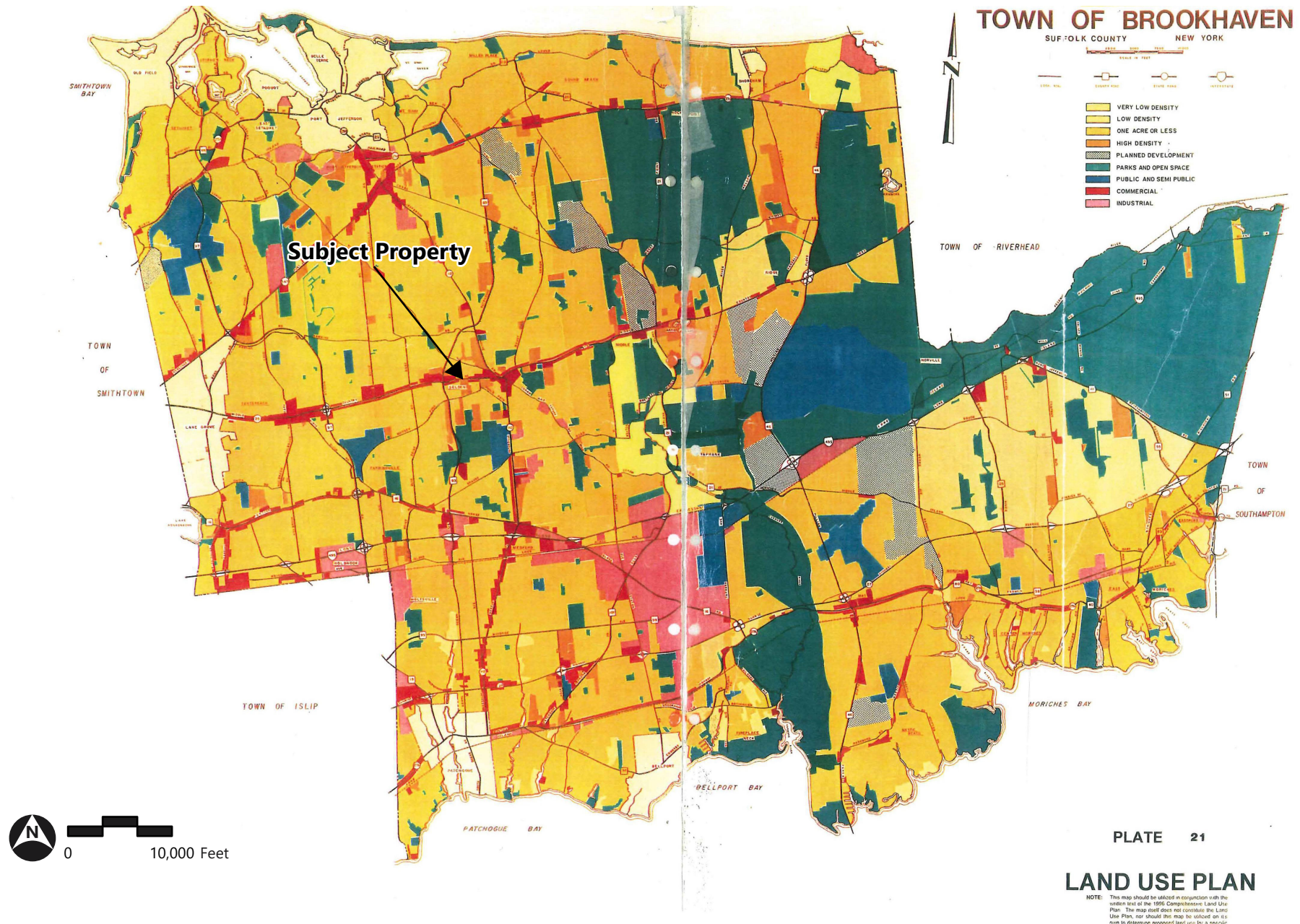
- › Eliminating overabundant commercial zoning, including commercial strip zoning
- › Supporting and promoting senior citizen housing, to meet a growing need
- › Siting multi-family housing along major roadways, near activity centers
- › Clustering to maintain and create open space, especially in the Central Pine Barrens

The proposed Vineyards at Coram would accomplish these Town-wide goals with respect to residential and commercial development.

Figure 3: Town of Brookhaven Comprehensive Land Use Plan

Vineyards at Coram

Middle Country Road, Coram, Town of Brookhaven, Suffolk County



1.2.2 2006 Middle Country Road Land Use Plan for Coram, Middle Island, and Ridge

It is noted that because the specific hamlet plan for Coram was prepared 10 years after the *1996 Comprehensive Plan*, the corridor plan provides more up-to-date information and recommendations for this hamlet.

As previously mentioned, the Subject Property is located within the area covered by the *CMIR Land Use Plan*. In contradiction to the *1996 Comprehensive Plan*, the *CMIR Land Use Plan* identifies the Subject Property as Park/Open Space on "Figure 34 – Coram Land Use Plan" (Figure 4). For the parcels identified for Park/Open Space, the *CMIR Land Use Plan* states, "[a]cquisition or TDR [transfer of development rights] can be used to ensure preservation of these parcels" (p. 88). The *CMIR Land Use Plan* envisions the Middle Country Road corridor as a series of "hamlet centers and transition areas, where a greater density can be provided within the center and a lesser density at its perimeter..." (p. 67). The Subject Property is situated in a transitional area of Coram, west of the Coram Hamlet Center and east of Suffolk County Road 83 (CR 83). Other land uses envisioned for the transition area include single-family residential, low intensity commercial uses, farmers' markets, general stores, and religious uses.

The layout of the proposed Vineyards at Coram maintains a natural buffer throughout the front yard along Middle Country Road, will have a residential scale and appearance, and preserves a substantial portion of the Subject Property as naturally vegetated open space. As a result of these design features and site planning measures, the Proposed Project would maintain the transitional character of the Subject Property and achieve these relevant goals of the *CMIR Land Use Plan*. The proposed development would be set back within the Subject Property behind the natural buffer area with a minimum depth of 50 feet from Middle Country Road, with landscaped areas providing supplemental buffers between the natural area to be maintained on Middle Country Road and the development area within the interior of the Subject Property. The combination of the proposed natural buffer, interior landscaped areas, and the substantial setback of the proposed buildings within the Subject Property (i.e., a minimum of 93± feet for the community building and greater setbacks for all other buildings) would limit the visibility of the development from Middle Country Road.

The site layout of the Proposed Project would achieve open space/natural vegetation preservation at the Subject Property through the designation of a conservation area comprising the northwest portion of the Subject Property, and the buffer along Middle Country Road, with other portions of the site contiguous to these areas, resulting in a total of 4.99± acres of open space (i.e., 40.1 percent of the site). The proposed development would be concentrated within a 7.44±-acre area (59.9± percent of the site) on the eastern and central portions of the Subject Property, whereas the remainder of the site (western portions, along with the natural buffers to be retained along the northern and southern property boundaries) would remain natural, as noted above.

The Proposed Project includes a change-of-zone from J Business 2 to PRC Residence District. As noted in the Town Code, § 85-134, *Designation of districts*, the PRC Residence District is a more restrictive zoning district than the J Business 2 District, (i.e., reducing the intensity of development from the current zoning to the proposed zoning). The proposed PRC zoning, which is residential in character, is compatible with the relevant goals for the "transitional" portions of the corridor between hamlet centers, whereas the prevailing J Business 2 zoning would continue

to enable the retail commercial sprawl that is discouraged by the goals of the *1996 Comprehensive Plan* and the *CMIR Land Use Plan*.

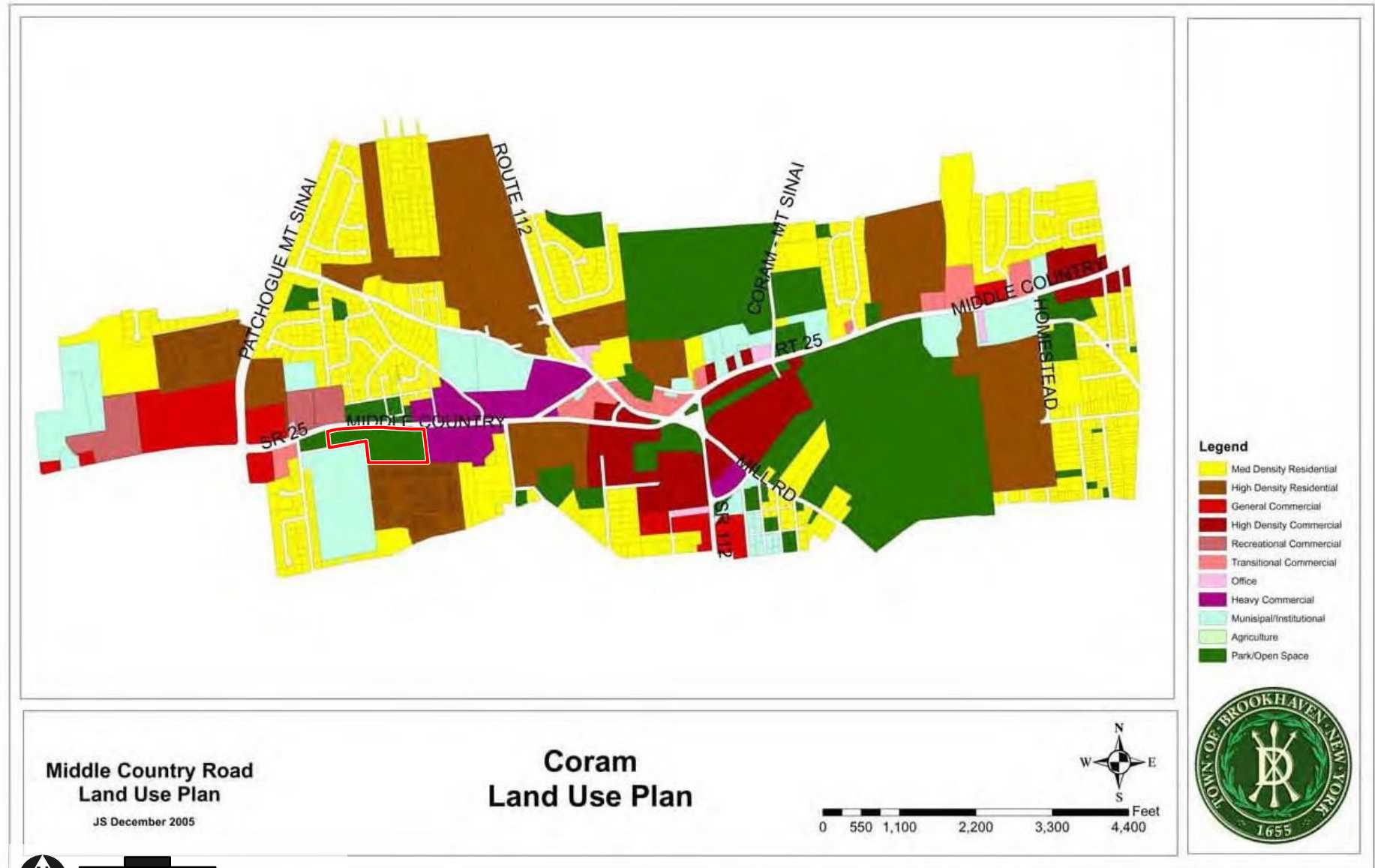
The following can be concluded based on the above analysis of the *1996 Comprehensive Plan* and the *CMIR Land Use Plan*:

- › The proposed PRC development would be residential in nature and compatible with the existing established transitional land use pattern of the corridor, and would support the nearby Coram Hamlet Center with additional shoppers and patrons.
- › While the site was identified as "open space" in the *CMIR Land Use Plan*, it has not been acquired for open space preservation in the approximately 18 years since the adoption of the *CMIR Land Use Plan*, and remains in private ownership zoned for commercial and retail use.
- › The proposed PRC development would result in the preservation of a substantial area of open space (i.e., 4.99± acres), including a substantial wooded buffer along the Middle Country Road corridor, which will be protected from development by a Conservation Easement requested by the Town of Brookhaven.
- › Additional open space would be preserved within the Town of Brookhaven (i.e., the Core Preservation Area of the Central Pine Barrens) as a result of the transfer of development rights through the redemption of Pine Barrens Credits.

Figure 4: Coram Land Use Plan

Vineyards at Coram

Middle Country Road, Coram, Town of Brookhaven, Suffolk County



Middle Country Road Land Use Plan
JS December 2005

Coram Land Use Plan

0 550 1,100 2,200 3,300 4,400 Feet



Subject Property (boundaries are approximate)

1.3 Rental and Senior Housing Trends and Data

The current need for affordable rental housing on Long Island, including senior housing, is well-documented and has become increasingly urgent in recent years. A March 2024 report published by the Regional Plan Association (RPA) found that Long Island experienced one of the largest drop-offs in the Tri-state area in the number of housing unit permits issued (including owner-occupied and renter-occupied units) per 1,000 residents between 1997-2009 and 2010-2022, and had the lowest number of housing unit permits per 1,000 residents issued within the period of 2010-2022 of the comparative regions with the Tri-state area.^{1,2} Specifically, between 1997-2009 and 2010-2022, Long Island had a decrease of housing units permitted per 1,000 residents from 21.9 to 9.3. In comparison, during the same period, the Lower Hudson Valley region observed a minor decrease in housing units permitted per 1,000 residents from 22.4 to 17.8. The RPA attributes this to restrictive zoning across Long Island and states that “apartment buildings are prohibited on more than 96% of the zoned land in Nassau and Suffolk Counties... [while] single-family housing can be built on 89% of the land on an as-of-right basis.”

With regard to the need for senior housing, according to the RPA,³

Seniors account for almost 40% of extremely low-income renter households statewide, and RPA has estimated that by 2040, the population of Long Island residents over 65 will increase by 40%. Older residents need more housing options on Long Island... single-family homes are not a good fit for many older adults who no longer want to or can no longer afford to meet the upkeep demands of the homes where they've lived their lives and raised their families.

The provision of housing that meets the needs of seniors not only helps them stay in the region, but also opens housing stock for prospective first-time home buyers who are a critical part of the regional economy and are contending with a limited supply of single-family homes on the market. As indicated by RPA in the *Long Island Housing Data Profiles*,⁴

Housing needs differ with age, with younger and older adults typically requiring smaller housing units than families. Long Island's housing stock is helping drive a demographic shift toward older households. With a lack of appropriate housing for younger adults and difficulties in attracting new businesses, the percentage of Long Island's population over 65 is increasing rapidly, while its share of younger households is shrinking... On Long Island, three quarters of households are headed by someone over 45. Population projections for Long Island as a whole estimate that the trend will continue. By 2040, the number of people over 65 is expected to increase by 40%, while its population under 35 could shrink by 13%. Long Island needs more diverse housing options for different ages and household lifecycles.

Despite the documented need for more housing options on Long Island, local municipalities have been slow to build new units. Per the 2018-2022 American Community Survey Five-Year Estimates, only approximately 3.7 percent of the existing housing stock within the Town of

¹Regional Plan Association. “Homes on Track: Building Thriving Communities Around Transit.” March 2024. Available at: <https://rpa.org/work/reports/homes-on-track>. Accessed October 2024.

²Comparative regions of the Study included the New Jersey Metro Core, the New Jersey Metro Periphery, New York City, Mid-Hudson Valley, Southwest Connecticut, the Lower Hudson Valley and the overall tri-state region.

³Regional Plan Association. “The Impact of Housing Insecurity on Long Island.” March 21, 2023. Available at: <https://rpa.org/news/lab/the-impact-of-housing-insecurity-on-long-island>. Accessed October 2024.

⁴Regional Plan Association. “Long Island Housing Data Profiles.” October 2020. Available at: <https://rpa.org/work/reports/long-island-housing-data-profiles>. Accessed October 2024.

Brookhaven was built in 2010 or later.⁵ With respect to renter occupied housing, according to the ACS data, since 2010, approximately 2,644 renter occupied units have been built in the Town, while in the prior decade (2000 to 2009), approximately 4,406 renter occupied units were built. Similarly, from 1990 to 1999, approximately 4,156 renter occupied units were built in the Town. This data indicates a trend of slowing rental housing construction in the Town as compared to previous decades.

The trends observed across Long Island create a housing environment for residents that is particularly burdensome. According to the ACS data, approximately 61.8 percent of renters in the Town are rent burdened (i.e., spending more than 30 percent of their income on housing costs).

In terms of housing choice, Long Island has similarly trended behind its neighboring counties and regions. The gap between the share of rental units in Nassau and Suffolk Counties and the share observed in neighboring metropolitan area counties is shown below in Table 1. Only rural Putnam County in the mid-Hudson Valley has a lower percentage of rental units than Nassau and Suffolk Counties.

Table 1 Rental Housing Units as Percentage of Total Occupied Housing Units

County	Percentage of Rental Units 2018-2022
Suffolk County, NY	18.2%
Nassau County, NY	18.2%
Hudson County, NJ	67.8%
Essex County, NJ	55.3%
Westchester County, NY	37.8%
South Central Connecticut Planning Region, CT <i>(containing New Haven County)</i>	39.0%
Bergen County, NJ	34.9%
Western Connecticut Planning Region, CT <i>(containing portions of Fairfield County)</i>	33.9%
Greater Bridgeport Planning Region, CT <i>(containing portions of Fairfield County)</i>	33.7%
Dutchess County, NY	31.2%
Rockland County, NY	31.7%
Putnam County, NY	16.1%

Source: U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates.⁶

⁵ United States Census Bureau, 2022 American Community Survey 5-Year Estimates. <https://data.census.gov>. Accessed October 2024.

⁶ In 2022, the US Census Bureau began collecting data for each of the nine "Planning Regions" within the State of Connecticut, rather than the State's historical 8 counties. As a result, data for Connecticut's Planning Regions prior to this date are not available and are not perfectly comparable to county data.

The high cost of living is a result of the dynamics of supply and demand for housing in the Town of Brookhaven and across Long Island. The demand for rental housing units exceeds the available supply, a condition which often results in high housing costs. This is evident by the fact that only 3.0 percent of rental units in the Town are vacant, according to vacancy data from the ACS.⁷ For Suffolk County, the rental vacancy rate is 3.2 percent and for New York State as a whole, the rental vacancy rate is 3.9 percent. In other words, though some rental units have been built in recent years across Long Island, the supply that has been created has not met the high demand.

The Proposed Project would help to address these trends by providing 74 rental units available to seniors, with 12 affordable units. The Proposed Project, similar to other comparable developments identified below, would help Coram, the Town and Long Island close the housing supply and demand gap.

1.4 Local Trends in Senior Housing

The Suffolk County Department of Economic and Planning (SCDEP) gathers data on senior citizen multi-unit housing communities with 10 or more units existing or currently under construction in the County. According to SCDEP data from 2021 (most recent available),⁸ in the Town of Brookhaven, there were 55 senior housing complexes with a total of 12,290 units. Of those complexes, 27 are apartment complexes with a total of 4,797 units. In Coram, the SCDEP data indicate seven senior housing complexes with a total of 923 units, including four apartment complexes with a total of 516 rental units. Thus, Coram contains approximately 7.5 percent of all senior housing units in the Town, and approximately 10.8 percent of all senior rental units in the Town. With the addition of 74 senior rental units, the Proposed Project would increase the Town's overall senior housing stock by approximately 0.6 percent, and increase the Town's senior rental housing stock by approximately 1.5 percent.

⁷ Calculated by comparing "Vacancy Status" and "Occupancy Characteristics" data from the 2018-2022 American Community Survey Five Year Estimates

⁸ Suffolk County Department of Economic Development and Planning, *Senior Citizen Multi-Unit Housing Complexes*, November 15, 2021. Available at: [Mults SrCit.pdf](#). Accessed October 2024.

2

Anticipated Benefits of the Project

2.1 IDA Evaluation Criteria

The Town of Brookhaven IDA evaluates projects seeking benefits pursuant to the guidelines in its Uniform Tax Exemption Policy (UTEP),⁹ pursuant to Section 874(4)(a) of Title One of Article 18-A of the New York State General Municipal Law (hereinafter “the Act”). As the Proposed Project is seeking a PILOT Agreement (as well as other benefits) from the IDA, it is subject to the guidelines presented below to determine eligibility for a real property tax abatement (Section 7(D)(1) of the UTEP). Relevant guidelines, and the Proposed Project’s consistency therewith, are as follows:

It is noted that the Proposed Project only consists of a residential component. Therefore, Section 7(D)(1)(a) is not applicable to this application, as it relates to commercial and industrial uses seeking IDA benefits.

Section 7(D)(1)(b): *Generally, new jobs created or existing jobs retained by the project should have projected average annual salaries in line with the median per capita income levels on Long Island at the time of application. Projects with low employment numbers may receive reduced benefits. Further, labor intensive industries are viewed favorably. The likelihood that a desirable project will locate in another municipality/region/state, resulting in subsequent real economic losses in the Town, the retention of current jobs at an existing project, and the possible failure to realize future economic benefits for attraction projects are factors that may be considered by the Agency in granting a PILOT Agreement.*

As indicated in a recent report prepared by Camoin Associates, *Contribution Analysis of Home Building on Long Island* (October 2024),¹⁰ it was found that Long Island’s home building sector accounts for a significant portion of the regional economy. The report found the following economic benefits from Long Island’s home building sector:

⁹ Town of Brookhaven IDA. *Town of Brookhaven Industrial Development Agency Uniform Tax Exemption Policy*. Available at: [Brookhaven UTEP Final 2020.pdf](#). Accessed October 2024.

¹⁰ Camoin Associates. *Contribution Analysis of Home Building on Long Island*. October 2024. Available at: <https://libi.org/contribution-analysis-of-home-building-on-long-island/>. Accessed November 2024.

- › 194,022 jobs (14 percent of Long Island’s jobs)
- › \$15.4 billion in earnings (12 percent of Long Island’s employee earnings)
- › \$41.7 billion in sales (over nine percent of Long Island’s total sales)
- › \$122.6 million in sales tax contributions on Long Island
- › \$153.3 million in total fiscal impact (i.e., sales tax + income tax + property tax) on Long Island
- › \$30.6 million in property taxes collected from new home and apartment construction.

As shown above, there are clear economic benefits from the residential construction industry as a whole on Long Island. The discussion below summarizes the specific economic benefits that are anticipated from the Proposed Project.

VHB conducted an analysis of the jobs projected to be generated by the Proposed Project using the IMPLAN software tool. This analysis was conducted for both the construction and operational periods of the Proposed Project. For the construction period, data inputs included the anticipated hard construction costs (i.e., building construction and site work), which is approximately \$20.4 million. Based on this construction cost, and with an anticipated 24 month construction period starting in July 2025, the Proposed Project is expected to support approximately 109 jobs during the construction phase. These jobs are broken down as follows:

Table 2 Employment Impact (Construction Phase)

<u>Impact Type</u>	<u>Employment</u>
Direct Effect ¹¹	75.1
Indirect Effect ¹²	6.5
Induced Effect ¹³	27.2
Total Effect	108.8

The analysis of the Proposed Project’s employment impacts upon completion of construction (i.e., the operational phase) is based upon the assumption that the Proposed Project would directly generate 1.5 full-time equivalent (FTE) jobs when fully operational in the year 2027 (i.e., building super, maintenance and leasing jobs). As the existing Subject Property is undeveloped, no jobs would be lost as a result of the development of the Subject Property and, thus, this estimate of jobs is generated by the Proposed Project would represent a net increase.

¹¹ Direct Effect is a series of (or single) production changes or expenditures made by producers/consumers as a result of an activity or policy. These initial changes are determined by an analyst to be a result of this activity or policy (i.e., construction jobs directly related to on-site activity).

¹² Indirect Effect is the impact of local industries buying goods and services from other local industries (i.e., jobs created from construction-related spending).

¹³ Induced Effect is the response by an economy to an initial change (direct effect) that occurs through re-spending of income by a component of value added. Money is recirculated through the household spending patterns causing further local economic activity (i.e., jobs created through household spending of income from direct jobs).

The results of the employment analysis for the operational phase of the Proposed Project are as follows:

Table 3 Employment Impact (Operational Phase)

<u>Impact Type</u>	<u>Employment</u>
Direct Effect	1.5
Indirect Effect	7.4
Induced Effect	2.1
Total Effect	11.0

As shown above, it is anticipated that the Proposed Project would support a total of approximately 11 jobs (including two direct jobs) during operation and approximately 109 total jobs (including 75 direct jobs) during construction. As noted above, the existing Subject Property is undeveloped, so no existing jobs would be lost.

The IMPLAN analysis also yields projections of the income from jobs that are anticipated to be created by the Proposed Project. This includes income from direct, indirect and induced jobs. The results of this analysis, for both the construction and operational phases of the Project are presented below:

Table 4 Labor Income for Jobs Supported During Construction

<u>Impact Type</u>	<u>Employment</u>	<u>Labor Income</u>	<u>Average Salary</u>
Direct Effect	75.1	\$6,497,654	\$86,485
Indirect Effect	6.5	\$473,126	\$73,339
Induced Effect	27.2	\$1,817,457	\$66,769
Total Effect	108.8	\$8,788,237	\$80,773

Table 5 Labor Income for Jobs Generated During Operation

<u>Impact Type</u>	<u>Employment</u>	<u>Labor Income</u>	<u>Average Salary</u>
Direct Effect	1.5	\$122,625	\$81,750
Indirect Effect	7.4	\$436,018	\$58,757
Induced Effect	2.1	\$138,332	\$66,956
Total Effect	11.0	\$696,975	\$63,438

As demonstrated in Table 4 and Table 5 above, during the construction period, the Proposed Project would support approximately \$8.8 million in labor (payroll) income for all jobs (direct, indirect and induced), with an average salary of approximately \$80,773. During operations, the Proposed Project would generate approximately \$696,975 in labor (payroll) income for all jobs (direct, indirect and induced) with an average salary of approximately \$63,438, according to the IMPLAN analysis. As the Subject Property does not contain any active uses, the income supported by the Proposed Project would be new to the Town.

Data from the 2018-2022 American Community Survey 5-Year Estimates indicate that the per capita income in the Town of Brookhaven is approximately \$47,994.¹⁴ Therefore, the jobs supported and generated by the Proposed Project are expected to have incomes above the

¹⁴ United States Census Bureau, 2018-2022 American Community Survey 5-Year Estimates, <https://data.census.gov/>. Accessed October 2024

current per capita income for the Town. Additionally, the per capita income for Suffolk and Nassau Counties are \$53,317 and \$60,206, respectively. The jobs supported and generated by the Proposed Project would therefore be in-line with, or above, the current per capita income for Long Island.

Section 7(D)(1)(c): *The total amount of capital investment and/or public benefit at the project is a factor that may be considered by the Agency in granting a PILOT Agreement*

The Proposed Project would provide capital investment of approximately \$31.64 million¹⁵ in development costs, resulting in an overall economic output¹⁶ of approximately \$33.7 million during construction and \$3.9 million annually during operations.¹⁷ The Proposed Project offers numerous benefits, including the better and more economically viable utilization of a current undeveloped property, increasing high-quality senior citizen housing stock, including affordable senior housing, and growth of the Town's economic base.

Section 7(D)(1)(d): *The extent to which a project will further local planning efforts by upgrading blighted areas, create jobs in areas of high unemployment, assist institutions of higher education, provide the opportunity for advanced high-tech growth or diversify the Town's economic base.*

As discussed in Section 1.2 of this report, the Proposed Project is not only consistent with, but would directly advance the goals and recommendations of the *1996 Town of Brookhaven Comprehensive Land Use Plan* and the *2006 Middle Country Road Land Use Plan for Coram, Middle Island, and Ridge*. These plans identify the need for increased housing and emphasize the importance in expanding and diversifying housing stock for senior citizens. Through the inclusion of 12 affordable housing units among the 74 proposed age-restricted units, the Proposed Project would provide the diversity of housing for a range of incomes that has been sought by the Town.

The Proposed Project would generate new economic activity with the hamlet of Coram and the Town. Table 6, below, shows the household spending that would be anticipated to be generated by the Proposed Project on notable retail goods and services, including apparel and services, entertainment and recreation and food, based upon existing average spending by households within Coram.¹⁸

¹⁵ The capital investment includes hard construction costs and soft costs, including the purchase and redemption of Pine Barrens Credits.

¹⁶ As defined by IMPLAN, output is the total production value of an industry, including all components of production value or output for a given industry. See: <https://support.implan.com/hc/en-us/articles/18944799551387-Economic-Effect-Indicators#:~:text=of%20the%20economy,-OUTPUT,known%20as%20revenue%20or%20sales>.

¹⁷ Calculated through IMPLAN.

¹⁸ Estimated household spending was calculated based upon an analysis conducted through Esri Business Analyst. Household spending data is sourced from 2019 and 2020 Consumer Expenditure Surveys published by the Bureau of Labor Statistics. Other types of household expenditures excluded from this table include education, health care, household furnishings and equipment, personal care products and services, shelter, support payments/cash contributions/gifts in kind, travel, and vehicle maintenance and repairs.

Table 6 Anticipated Retail Goods and Service Household Annual Spending of Proposed Project

Type of Expenditure	Average Spending of Existing Households	Anticipated Spending by Proposed Project's Households
Apparel and Services	\$2,712.89	\$200,753.86
Entertainment and Recreation	\$4,711.94	\$348,683.56
Food	\$12,924.83	\$956,437.42

Overall, the Proposed Project would bring new economic activity to the Town and contribute to the diversification of housing opportunities. In this way, the Proposed Project would meet the criteria under Section 7(D)(1)(d).

Section 7(D)(1)(e): *The effect of the proposed project on the environment and the extent to which the project will utilize, to the fullest extent practicable and economically feasible, resource conservation, energy efficiency, green technologies, and alternative and renewable energy measures.*

Prior to the necessary permits and approvals, the Proposed Project will be subject to a review of potential environmental impacts in accordance with the State Environmental Quality Review Act (SEQRA) and its implementing regulations at 6 NYCRR Part 617. The potential environmental impacts of the Proposed Project were evaluated within an Environmental Assessment Report (EAR), dated October 2024, submitted to the Town under separate cover. The EAR includes analyses of potential environmental impact areas, including land use and zoning, topography, water resources, critical environmental areas, and transportation. As detailed in the EAR, the Proposed Project is not expected to have a significant adverse environmental impact. Several measures have been incorporated into the Proposed Project that would minimize environmental impacts, including:

- › Leaving 4.99± acres of the 12.43±-acre Subject Property undisturbed, to be preserved as natural open space
- › Installation of erosion and sediment control measures prior to site grading and construction
- › Control and capture of stormwater runoff via systems of leaching pools, shallow depressions and a recharge basin. The stormwater management system is designed to capture an eight-inch rainfall event. Stormwater management and erosion and sediment control practices, including implementation of a Stormwater Pollution Prevention Plan will be installed pursuant to Chapter 86, *Stormwater Management and Erosion Control*, of the Brookhaven Town Code
- › The Proposed Project will utilize an out-of-district sewer connection to Suffolk County Sewer District No. 11 – Selden, to avoid on-site sanitary wastewater disposal and impacts to groundwater resources. Measures will be taken during construction of the off-site sewer line to minimize the extent and duration of disturbances and to minimize the disruption to traffic activities with the requirements of the respective highway agencies (e.g., New York State Department of Transportation, Suffolk County Department of Public Works, and the Town of Brookhaven)
- › The Proposed Project is consistent with the relevant recommendations of *Long Island Comprehensive Special Groundwater Protection Area Plan (SGPA Plan)*, which encourage rezonings to limit the expansion of strip commercial areas. Additionally, the connection of the

Proposed Project to a sewer district will eliminate on-site sewage effluent discharge and, thus, would minimize potential groundwater impacts within the designated Central Suffolk SGPA

- › The Proposed Project is consistent with the standards within the *Central Pine Barrens Comprehensive Land Use Plan (CLUP)*. These standards include, among other things, limits on vegetative clearance and minimum natural vegetation requirements. The Proposed Project involves the preservation of 40.1 percent of the site, and the clearing of 59.9 percent, meeting the clearing limit standard. The Proposed Project also includes a 4.60±-acre unbroken block of open space consisting of native pine barrens vegetation in the western portion of the site. Other preserved open space along the property frontage and along a portion of the southern property border, composed of additional existing forested habitat and native landscaped buffers, would be contiguous with the larger western open space portion of the site. Overall, the Proposed Project would preserve over 4.99± acres of contiguous open space that would further adjoin existing pitch pine and oak-dominated forest communities located to the west and south of the Subject Property, thereby preserving connectivity with offsite forested areas and maintaining existing habitat corridors for resident wildlife
- › As New York Natural Heritage Program reports that a non-site-specific record exists for the endangered Northern Long-eared Bat in the vicinity of the Subject Property, the Proposed Project would be constructed in accordance with all applicable NYSDEC protections for the Northern Long-eared Bat, including seasonal tree clearing restrictions designed to limit tree removal to the winter hibernation period, when any resident bats would not be occupying summer roost trees, thereby avoiding any potential take of Northern Long-eared Bat. Moreover, the preservation of 4.99± acres of forested open space would preserve foraging habitat and potential summer trees for this species
- › Less than 15 percent of the Subject Property would be established in fertilizer-dependent vegetation. Furthermore, non-native/invasive plants listed as “specifically not recommended” for use within the Central Pine Barrens, are excluded from the proposed landscape plan, in conformance with the *Central Pine Barrens CLUP*
- › Regarding traffic, a Traffic Impact Study (TIS) was prepared for the Proposed Project, and is appended to the EAR. Based on a detailed analysis, the TIS made the following conclusions:
 - All of the studied roadways and intersections, including NY-25 and CR-83, NY-25 and Wincoram Way, and NY-25 and NY-112, will continue to operate under the overall anticipated No Build Level of Service with minor increases in delays in some individual traffic movements as a result of the Proposed Project
 - Based on the results of the TIS, the Proposed Project will not have an adverse impact on the studied intersections or roadway network, and no mitigation is necessary or proposed to accommodate the Proposed Project’s site generated traffic.

In terms of sustainable and energy efficiency features, the Proposed Project would include the following:

- › Sustainable and/or recycled materials would be incorporated into the construction of the development to the extent feasible, and energy efficient systems and equipment would be utilized
- › Air sealing construction techniques would be incorporated and a blower door test would be conducted to ensure compliance
- › Energy Star appliances would be installed in the proposed residential units

- › All lighting would be LED and utilize occupancy sensors, where appropriate
- › The building envelop would meet or exceed current energy code with insulated walls, floors, roof and foundation
- › Electric heat pump technology is proposed to be used for the heating and cooling of the proposed residential units
- › Low-flow plumbing fixtures and smart irrigation systems would be incorporated across the development.

Based on the analysis presented in the EAR and the sustainable and energy efficiency measures described above, the Proposed Project is consistent with this criterion.

Note: Criteria 7(D)(1)(f), (g) and (i) relate to Affordable Housing Projects, Assisted Living Facilities, and Market Rate Housing Projects, as defined in the UTEP, respectively. The Proposed Project is a Senior Living Facility, as defined in the UTEP (i.e., an independent living facility which is age restricted for residents 55 years of age or older per the Town Code). Therefore, Criteria 7(D)(1)(f), (g) and (i) are not relevant to the Proposed Project. Criterion 7(D)(1)(h), which relates to Senior Living Facilities, is discussed below.

Section 7(D)(1)(h): *For purposes of this UTEP, "Senior Living Facilities" are defined as independent living facilities which are restricted for residents 55 years of age or older per the Town Code. Senior Living Facilities may be granted a PILOT Agreement for a term of to [sic] 10 to 15 years with fixed PILOT Payments to be determined by the Agency in its sole discretion. However, in the event the Senior Living Facility is financed by tax exempt bonds, the PILOT Agreement may run concurrently with the term of the bond financing.*

The Proposed Project is a senior living facility, including 74 age-restricted units, 12 of which would be designated as affordable units. The Applicant is seeking a 15-year PILOT, consistent with this criterion.

Note: Criterion 7(D)(1)(j) relates to Market Rate Housing Projects, and is therefore not relevant to the Proposed Project.

Section 7(D)(1)(k): *Approval of all housing projects will be at the sole discretion of the Agency's Board of Members. For housing projects undertaken, the Agency may engage the services of a consultant to assist the Agency to determine appropriate PILOT Payment levels based upon such relevant factors, including, but not limited to, the total project costs, projected rental income, unit size, number and configuration. All project applicants for Market Rate Housing Projects, Senior Housing Living Facilities, Assisted Living Facilities and Affordable Housing Projects must submit a feasibility study to the Agency demonstrating the need for the project, other existing or planned housing projects, the impact on the local taxing jurisdictions, the impact on the local school district and the expected number of children, if any, who are likely to attend the local school district, and demonstrating that the housing project complies with the Act.*

The need for the Proposed Project is demonstrated throughout Section 1 of this report. There are documented needs in the Town and throughout Long Island for more senior housing stock, affordable senior housing, and efforts to shift away from overabundant commercial strip zoning. Compliance with the Act is demonstrated throughout Section 2 of this report.

As shown in Table 7 below, collectively, the two tax parcels that comprise the Subject Property currently generate approximately \$37,232 in annual property taxes, including \$2,263 to the Town of Brookhaven and its highway fund; \$3,997 to Suffolk County and the Suffolk County Police Department; \$25,181 to the Middle Country Central School District (CSD), \$2,452 to the Middle Country Public Library; and \$3,339 to various other special districts.¹⁹ After development of the Proposed Project, when the assessed value of the Subject Property is increased to reflect the improvements and new uses, taxes or PILOT payments paid on the site would be higher than the currently paid taxes. It is anticipated that all taxing jurisdictions would benefit over the course of, and beyond, the PILOT agreement.

Table 7 Existing Property Taxes for the Subject Property by Taxing Jurisdiction

Taxing Jurisdiction	Taxes
School District – Middle Country CSD	\$25,180.96
Library District – Middle Country CSD	\$2,452.21
County of Suffolk	\$207.21
County of Suffolk – Police	\$3,789.44
Town - Town Wide Fund	\$579.43
Highway - Town Wide Fund	\$152.70
Town – Part Town Fund	\$181.45
Highway – Part Town Fund/ Snow Removal	\$1,349.47
NYS MTA Tax	\$12.40
Open Space Preservation	\$196.26
Fire District – Selden	\$2,593.88
Lighting District – Brookhaven	\$109.68
Real Property Tax Law	\$345.02
Out of County Tuition	\$63.83
Suffolk County Community College Tax	\$17.88
Total	\$37,231.82

Source: Town of Brookhaven Statement of Taxes, 2023-2024.

Regarding the potential for the Proposed Project to affect the local public school district (i.e., Middle Country CSD), the proposed PRC zoning district restricts occupancy to persons aged 55 or over, and the children and grandchild of those occupants, provided that they are over 19 years of age. Since the 74 proposed residential units would be age-restricted, it is expected that they would not generate any school-aged children attending the Middle Country CSD. Therefore, future increases in property tax revenue (and PILOT payments) to the Middle Country CSD would be a financial benefit to the school district, without additional costs associated with a new student population.

¹⁹ Town of Brookhaven. *Town of Brookhaven Statement of Taxes, 2023-2024*. Available from the Town of Brookhaven GIS Map Portal at: <https://tob-ny.maps.arcgis.com/apps/instant/sidebar/index.html?appid=2de044a2146e492a9269701cf7eda140>. Accessed October 2024.

Regarding the services provided by other special districts, the Subject Property is currently served by the Suffolk County Police Department – Sixth Precinct, the Selden Fire District and the Middle Country Public Library. Project residents will utilize services from these special districts, and these providers would benefit from increased revenue streams resulting from the increased assessment when the Subject Property is improved from vacant land to a modern, attractive and cohesive development that will generate property tax revenue, even with the implementation of a PILOT. Over time, as the PILOT is phased out and there is a transition to a full property tax assessment, it is expected that the financial benefits to the special districts will continue to rise. It is also noted that the local community facilities and services already serve a large established population and numerous businesses throughout the area. As such, the increased residential population at the Proposed Project would be a *de minimis* portion of the demand for community facilities and services.

Based on the information above, the Proposed Project would comply with the provisions of Section 7(D)(1)(k) of the Town of Brookhaven IDA's UTEP.

3

Conclusions

For various reasons discussed above, the Proposed Project would address many of the concerns that are deemed priorities within the *1996 Comprehensive Plan* and the *CMIR Land Use Plan*. The Proposed Project would introduce 74 new senior rental apartments, including 12 affordable units. The Proposed Project would accomplish Town-wide goals of diversifying and expanding housing stock for seniors. The Proposed Project would enhance the area's character and foster new economic activity within Coram and the Town, while helping to combat current housing trends that continue to place financial burdens on renters across Long Island. As demonstrated by the U.S. Census data, rental options are not plentiful on Long Island. In fact, the availability of rental housing on Long Island lags behind other metropolitan counties, even as demographic shifts have led to a higher demand for diversified housing options, especially for senior housing options.

In terms of economic benefits to be expected from the Proposed Project, an IMPLAN analysis was undertaken to evaluate the anticipated employment and economic benefits of the Proposed Project during the construction and operation phases. This analysis indicates that the Proposed Project would support a total of approximately 109 jobs (including direct, indirect, and induced jobs) during the 24-month construction period, with a total labor (payroll) income of approximately \$8.8 million. Furthermore, it is estimated that the operational phase of the Proposed Project would potentially generate a total of 11 jobs (including direct, indirect, and induced jobs), with a total labor (payroll) income of approximately \$696,975, annually. In addition, the total development cost of \$31.6 million, including \$20.4 million in hard construction costs, represent a substantial investment in the Town. Following development, annual household spending by the 74 residential units would continue to grow the economic base for the Town.

Based on the analysis presented in this report, the Proposed Project is consistent with the guidelines of the Brookhaven IDA's UTEP and would result in public benefits related to the provision of senior housing (including affordable units), employment, generation of direct and indirect economic benefits to the community, and elimination of commercial strip-zoned land within the Town.

Vineyards at Coram - Project Costs Incurred to Date (ToB IDA Applicat

IDA Cost Description	Amount
Land and/or Building Acquisition	100,000
Land and/or Building Acquisition	450,000
Architectural/Engineering Fees	75,000
Architectural/Engineering Fees	55,000
Legal Fees	65,000
Total	745,000

ion exhibit 3Ai)

Note
Contract Deposit
Approval Expenses included in land
Architectural Design and Drawings
Engineering Design & Surveying
Legal Transaction
-

December 27, 2024

THE OMNI
333 EARLE OVINGTON BLVD, SUITE 901
UNIONDALE, NEW YORK 11553
516.880.8484

VIA FEDEX AND ELECTRONIC MAIL

Town of Brookhaven Industrial Development Agency
c/o Town of Brookhaven Division of Economic Development
One Independence Hill
Farmingville, NY 11738
Attn: Lisa Mulligan, Executive Director

JOHN J. ANZALONE
MEMBER
DIRECT: 516.880.8108
FAX: 516.880.8483
JANZALONE@HARRISBEACH.COM

Re: Key Capture Energy, LLC / KCE NY 31, LLC – Shoreham LIPA Facility -
No # North Country Road, Shoreham, NY

Dear Ms. Mulligan:

As previously discussed, this firm is representing Key Capture Energy, LLC / KCE NY 31, LLC (collectively, "KCE") in connection with the acquisition, development and equipping of the property located at the former Shoreham Nuclear Power Plant located at North Country Road, Shoreham, NY to serve as a utility-scale, 50 MW / 200 MWh Battery Energy Storage System ("BESS") development that will assist in the transition of the Long Island power grid away from its dependence on fossil fuel generation (the "Project").

Background – Key Capture Energy, LLC:

KCE is an Albany, New York based energy storage developer, owner, and operator that focuses on utility-scale BESS development throughout the United States. KCE manages BESS projects throughout their lifecycle by identifying potential sites, acquiring an interest in suitable sites, acquiring all required permits determined by the site's setting and jurisdiction, procuring the BESS equipment, overseeing construction, executing projects into full operation, and operating them throughout their useful life through decommissioning. As Long Island transitions to a green energy supply, KCE's large-scale energy storage projects provide a solution to store energy safely and efficiently so it can be consumed on demand, its output can be controlled, and energy distribution can be regulated making the grid more flexible and reliable. With founders who have spent over a decade advancing utility scale renewable energy projects into operations, KCE has assembled a unique team with a deep understanding of the market and a history of development achievements that have been a crucial part of New York's transformation into a clean energy leader.

KCE relocated its headquarters from Houston, Texas to Albany, New York in 2018 in partnership with the University at Albany and the state's START-UP NY program, administered by Empire State Development. Since joining START-UP NY, KCE has more than doubled the size of its New York-based team, advancing the development of KCE's portfolio of utility-scale BESS projects throughout New York. To further support its efforts to integrate into the State, the company has hired several graduates from the State's University system and favors New York State-based suppliers and service companies.

In 2021, a majority stake in KCE's parent company was acquired by SK E&S, a South Korean energy company. In the Renewables and Energy Solution sectors, SK E&S is a leading renewable energy generator that, prior to acquiring an interest in KCE, already operated approximately 700-megawatt hours (MWh) energy storage both in Korea and the U.S., including the largest distributed BESS portfolio in California.

KCE developed, constructed, owns and operates the first 20 MW BESS in New York State, KCE NY 1 Facility in Stillwater, NY. KCE's operational 4.4 MW/ 12 MWh BESS, KCE NY 3, was selected by Orange & Rockland Utilities (O&R) through its competitive Pomona Non-Wires Alternative (NWA) RFP to provide support for its Pomona load pocket in Ramapo, NY in October 2018. KCE NY 3 enables O&R to delay building costly new peak-demand infrastructure while simultaneously increasing system reliability and reducing reliance on carbon-emitting resources.

In June 2023, the 20 MW KCE NY 6 Facility went online approximately six miles south of downtown Buffalo after being constructed in partnership with unionized labor of the International Brotherhood of Electrical Workers (IBEW Locals 41, 43 and 1249); United Steel Workers (USW 135) and Civil Service Employees Association (CSEA), meeting KCE's focus on hiring locally and supporting the community. KCE similarly intends to use unionized labor in the construction of the Project.

Background – General Information Regarding the Proposed Project and Use:

KCE's proposed BESS would connect to a Federal Energy Regulatory Commission ("FERC") jurisdictional point of interconnection at the Long Island Power Authority's ("LIPA") substation on the Property. A BESS purchases electricity from the electric grid at off peak hours and stores the electricity before it releases the electricity back to the grid on demand, typically during on peak hours.

The Project is contemplated by and in furtherance of the Public Service Commission's ("PSC") Order Establishing Energy Storage Goal and Deployment Policy (Case 18-E-0130). On December 13, 2018, the PSC established a statewide energy storage goal of installing up to 3,000 MW of qualified energy storage systems by 2030, with an interim objective of deploying 1,500 MW by 2025.¹ Proposed BESS projects are reviewed and regulated through respective New York utility interconnection queues and the New York Independent System Operator (NYISO) interconnection queue. Utility scale BESS projects are not built for private use. Instead, the Project will be integrated into the electric distribution architecture.

Energy storage is needed on an industrial or grid scale for three main reasons. The first is to "balance load" – to shift energy consumption into the future, often by several hours – so that more existing generating capacity is used efficiently. The second reason is to "bridge" power – in other words, to ensure there is no break in service during the seconds-to-minutes required to switch from one power generation source to another. Finally, power quality management – the control of

¹ The Project is also consistent with Governor Hochul's 2023 State of the State address, which called for doubling the target for qualified energy storage systems to 6 GW of energy storage by 2030.

voltage and frequency to avoid damaging sensitive equipment – is a concern that storage can alleviate whenever needed, for a few seconds or less, many times each day.

Long Island’s electric grid is rapidly changing in preparation of expected offshore wind generation and the retirements of existing fossil fuel peaker plants. The system will need fast-responding, flexible solutions like battery energy storage to accommodate these changes. The Project will respond to intermittent grid fluctuations to enhance the power grid by charging during periods of excess generation and discharging during peak load hours. The Project will also enhance power grid reliability by providing ancillary services (e.g., voltage uplift) to the NYISO.

Background – Land Use Approval Process for the Project:

As more fully detailed in the October 16, 2023 memorandum between KCE and PSEGLI/LIPA enclosed herewith, pursuant to certain authority set forth in the Public Authorities Law, LIPA regulates the development of generation, transmission or other related facilities, such as the Project, on LIPA owned lands, such as the Property, and LIPA is not subject to local zoning for such utility developments.

LIPA has approved the Project after completion of the SEQRA review. As part of its review, LIPA included the Town of Brookhaven Industrial Development Agency (“Agency”) as an involved agency.

Need for Financial Assistance:

KCE cannot proceed with developing the Project unless financial assistance is received from the Agency, given the expensive construction costs and the high and uncertain real property taxes associated with the Project. The Project is not receiving NYSERDA or other New York State governmental funding assistance.

Requested Assistance:

KCE requests the following assistance from the Agency:

1. KCE requests a PILOT exemption upon terms to be negotiated with the Agency.
2. KCE requests a sales tax exemption with respect to the costs of constructing and equipping the Project.
3. KCE requests a mortgage recording tax exemption with respect to KCE's financing of the acquisition, demolition of existing improvements, as well as the construction and/or equipping of the Project.

With respect to the timing of requested assistance, KCE notes that, while it does not anticipate breaking ground on the Project until the first quarter of 2026, it must begin ordering the specialized equipment well in advance of that date. Accordingly, KCE is seeking to close the transaction in the first quarter of 2025.

Enclosures:

In support of this request, please find enclosed the following documents:

1. Completed and executed Application for Financial Assistance for the proposed Project;
2. 2023 Financial Statement of Key Capture Energy, LLC, a privately held company²;
3. 2022 Audited Financial Statement of Key Capture Energy, LLC;
4. October 16, 2023 memorandum between KCE and PSEGLI/LIPA confirming how LIPA reviews developments located on LIPA owned property;
5. One (1) check in the amount of \$4,000 as payment of the Application Fee.

Please note that the Expanded Environmental Assessment with completed Full Environmental Assessment Form was submitted to the Agency, in advance of this filing, electronically.

KCE intends to operate and maintain the Project through a combination of in-house staff and third-party contractors. KCE's staff will monitor and operate the battery on a day-to-day basis, including bidding and scheduling power into the NYISO electricity market and performing general system maintenance. KCE NY 31, LLC will contract for specialty maintenance activities, such as high voltage maintenance needed within the project substation or with the gen-tie line.

As KCE NY 31, LLC has no employees, there is no New York State Form 45 for the applicant at this time.

After you have reviewed the enclosed, please do not hesitate to contact us.

Very truly yours,

HARRIS BEACH PLLC



John J. Anzalone

Encls.

² KCE NY 31 LLC is a special purpose entity that is a disregarded entity for federal income tax purposes, specially formed for the Project. It currently holds no assets and has no employees.



October 16, 2023

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

Re: Evidence of necessary permitting approvals in support of KCE NY 31, LLC's PILOT application to TOBIDA

Ms. Mulligan,

KCE NY 31, LLC has or will file an application with the Long Island Power Authority ("the Authority") to permit the construction of an approximately 50 MW / 200 MWh Battery Energy Storage System on certain lands in Shoreham, New York owned by the Authority known by Suffolk County Tax Map Number: 200-39-02-02 (the "LIPA Lands"). The Authority, its subsidiary Long Island Lighting Company dba LIPA, and its service provider PSEG Long Island, LLC, when PSEG LI acts as an agent for LIPA, are immune from the Town's local laws by virtue of the preemption contained in the Long Island Power Authority Act (the "LIPA Act") (Public Authorities Law, art 5, title 1-A), by which the New York State Legislature in 1986 created LIPA, which is a "corporate municipal instrumentality of the state ... a body corporate and politic and a political subdivision of the state, exercising essential governmental and public powers." Public Authorities Law, § 1020-c (1).

Please be advised that Section 1020-g(c) of the Public Authorities Law expressly confers on the Authority the power to "determine the location, type, size, construction, lease, purchase, ownership, acquisition, use and operation of any generating, transmission or other related facility . . . in the service area" (emphasis provided), and Section 1020-g(e) only requires the Authority to make applications to federal and state governments "for such licenses, permits or approval of its plans or projects as it may deem necessary or advisable, and to accept such licenses, permits or approvals as may be tendered to it by such agencies or officials, upon such terms and conditions as it may deem appropriate". Section 1020-zz the Public Authorities Law further provides, "Insofar as the provisions of this title are inconsistent with the provisions of any other law or any part thereof, the provisions of this title shall be controlling."

In accordance with the powers granted pursuant to the foregoing provisions of the LIPA Act / Public Authorities Law, the Authority will be reviewing the application of KCE NY 31, LLC, for development on the LIPA Lands as part of its State mandated function as a public electric service provider. As with other LIPA developments within the Town, the Town will be provided with copies of all approved plans for inclusion in the Town's files.

Key Capture Energy

Long Island Power Authority

Philip Denara

By: Phil Denara
Title: Director, Development

Gary Stephenson

By: Gary Stephenson
Title: Vice President of Power Supply
[https://www.lipower.org/ \[lipower.org\]](https://www.lipower.org/)

CC: Commissioner James M. Tullo, Planning, Environment and Land Management, Town of Brookhaven

Lisa,

As we discussed, and at your request, I have prepared a very brief outline of how MRB could assist you with the process of examining how the Brookhaven IDA approaches the inducement of housing projects in the town.

As we understand it right now, the IDA has a review process by which it only contemplates housing inducements if the applicant sets aside 10% of units for households earning no more than 80% of area median income (AMI) and a further 10% of units for households earning no more than 120% of AMI. The IDA would like to understand if this arrangement is optimal and, if not, what arrangement(s) would be better. To help the IDA through this discussion, we would undertake the following:

1. Public policy discussion with the IDA – we would guide a discussion over one or two IDA meetings as to the Board's desired public policy outcomes. Does the board want to: (a) maximize the availability of affordable units, (b) maximize the availability of workforce units, (c) maximize the availability of market-rate units? Or is a combination of these goals? (Recognizing that prioritizing workforce units as a requirement of an IDA abatement might actually reduce the number of pure market-rate units due to that requirement.) Is the board willing to consider extraordinary abatement schedules to achieve these goals? (ex. A 40-year graduated PILOT, or a 20-year 100% PILOT abatement as extreme examples.)
2. Data collection of market demand – MRB would collect real estate market data on the demand for various types of units within household income-bands. MRB would review pro forma financial information collected by the IDA on previous projects induced by the IDA. MRB would analyze how potential abatement schedules would impact the feasibility of those previous projects. (For this, MRB would ask for the actual pro formas in Excel format, which we assume were provided to the IDA.)
3. Interim findings – MRB would then engage with the IDA again to discuss interim findings about how various options the IDA could consider would impact the availability of units and the financial feasibility of projects. MRB would see direction and feedback.
4. Recommendations – MRB would then produce recommended policies the IDA could adopt, together with recommended UTEP abatement schedules.

The approximate timeframe would be 4 months. The approximate cost would be \$25,000-\$30,000 (which assumes remote participation in IDA meetings – we can do in-person on a time-and-expenses basis if desired.)

Please let me know if you have any questions.

R. MICHAEL NDOLO | MRB Group | 518.301.5428



November 5, 2024

Ms. Lisa Mulligan
Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, NY 11738

Dear Lisa,

Thank you for reaching out to Camoin Associates regarding your interest in a comprehensive analysis of the Industrial Development Agency's role in fostering housing development within the Town of Brookhaven. Our proposed analysis will specifically address both market-rate and affordable/workforce housing units, aiming to provide insights into the following key questions:

- What level of assistance, if any, is required to make market-rate housing financially viable in the current Long Island market?
- How does an increase in affordable and workforce units affect the necessary level of assistance?
- Is there a threshold of affordable/workforce units that would render development infeasible due to financial constraints?
- What are the current residential needs within the community in terms of unit pricing, size, and type (ownership vs. rental)?

As you know, Camoin Associates has a strong working relationship with the Town of Brookhaven IDA, having conducted reasonableness assessments for residential projects in the past. This experience has provided us with an in-depth understanding of the unique challenges faced by housing developers, as well as the IDA's mission to support developments that might not otherwise proceed. Our familiarity with the IDA's objectives, coupled with our extensive experience in conducting housing needs assessments nationwide, uniquely positions us to deliver the data and insights needed for informed decision-making by the IDA Board.

Scope of Work

We have prepared the following scope of work to help answer these questions. The work is split into two tasks to allow the IDA to select just one or both.

Task 1: Residential Sensitivity Analysis

Task 1A: FEASIBILITY ANALYSIS OF MARKET RATE HOUSING

Camoin Associates will assess the financial feasibility of market-rate residential development in Brookhaven. We will perform a return-on-cost analysis to evaluate the extent to which market value generated compares to approximate development costs (including land acquisition costs, new construction, value-add improvements, etc.). This will involve estimating potential net operating income on a square-foot basis relative to development costs and comparing this to the return threshold that would be required by a typical investor/developer. Such estimates will be generated using lease rates and operating expenses (including

property taxes), specific to Brookhaven and the greater Long Island submarket. We will also consider recent selling prices and asking prices for land or existing buildings in or near the study area.

Task 1B: AFFORDABLE AND WORKFORCE HOUSING SENSITIVITY ANALYSIS

Once the baseline is established with the market rate units, a sensitivity analysis will be conducted that considers the percent of affordable, percent of workforce, and level of income requirement for each that achieves the goals of providing accessible units for the community, does not require substantially more in property tax abatement than is currently offered, and offers the developer a reasonable return on investment. Camoin Associates will be able to provide guidance to the IDA Board on the level of assistance that is truly needed, what to consider regarding the percent of affordable and workforce units that can be required, and the price points of those units.

A final memo will be provided detailing the results of the analysis and including the pro formas as attachments.

Task 2: Housing Needs Analysis

2A. DEMOGRAPHIC TRENDS AND PROJECTIONS

To help set the framework for the housing analysis, we will develop a demographic and socioeconomic profile of the geography study areas that will be used for reference throughout the study. We will document key demographic trends to provide a detailed assessment of where and what specific types of population changes will impact housing needs and market demand. The demographic profile will provide data points on existing and projected trends such as population distribution by age and income, number of households, household composition, median age, and others. This information helps set the foundation for identifying how these trends may impact future housing needs.

2B. ECONOMIC, OCCUPATION, WAGE, AND WORKFORCE CHARACTERISTICS AND TRENDS

In this task, we will compile information on labor market size and trends along with commuter trends, including typical commute distances, patterns (inflow and outflow, and other detailed commuting data. We will also provide a detailed breakdown of the major employers, jobs, and wages in the region to understand the housing price points needed for workers in the geographic study areas and into the future.

2C. EXISTING HOUSING INVENTORY

The Existing Housing Inventory task will document the current housing supply and how that supply has changed over the past five and ten years. Inventory data will primarily be collected from CoStar, Esri, U.S. Census Bureau, and property tax records. The inventory will look at the type of housing, quality, cost and affordability, vacancy, seasonality, and other key attributes. The inventory will specifically include (but is not limited to) the following:

- Owner- vs. renter-occupied housing supply
- Affordable housing supply
- Age of housing stock
- Single-family vs. multifamily housing
- Home values, rental rates, and affordability
- Veteran-specific housing resources
- Vacant and obsolete housing
- Year-round vs. seasonal housing

- Home-sharing and short-term rental analysis (e.g., Airbnb and VRBO)

As part of the Existing Housing Inventory, Camoin Associates will include housing conditions assessments conducted by outside parties, where available, as a means of measuring both needs and opportunities in the housing stock.

2D. HOUSING AFFORDABILITY ASSESSMENT

Using previously collected data on income and wage levels of households and workers in the region, we will compare and contrast the housing price points needed relative to the housing price points available. This analysis will highlight the gap between what is needed in the geographic study areas versus the housing sale prices and rental rates. The gap analysis will help inform the quantification of housing needs.

2E. HOUSING DEVELOPMENT TRENDS

This task will examine key recent trends in the geographic study areas to understand what types of housing projects are attracting private developer interest and investment and to help gauge the types of housing products in the greatest demand. The analysis will specifically include the following:

- Key trends in how the region's housing inventory has been changing
- Inventory of major current, recent, and proposed housing projects in the study areas
- Future housing development (supply) projections based on recent trends, anticipated demographic and economic changes, the state and national housing market outlook, etc.

We will use this information to summarize key development trends that will help identify future opportunities and help identify future potential gaps in housing supply.

2F. RENTAL MARKET TRENDS

We will examine the rental housing market throughout the geographic study areas. Primarily utilizing best-in-class CoStar data, the analysis will include trends in rental rates, vacancy, net absorption, deliveries, and other key market metrics. We will break down this market analysis by class of property (e.g., A, B, C) to understand the performance of properties of different quality levels. We will also assess rental market trends by type of housing product (e.g., affordable vs. market rate, garden apartments vs. mid-rise buildings, etc.)

Interviews will also be used to supplement our understanding of the types of rental units in the greatest demand, the availability of rental units, and the most desirable areas, as well as additional nuanced qualitative information on the counties' current and future rental market dynamics.

2G. FOR-SALE MARKET TRENDS

A detailed analysis of current and recent home sale market trends will be provided, including trends in home sale prices, number of home sales, time on the market, available inventory, changes in characteristics of homes being sold, single-family vs. condo, and other pertinent housing market data related to for-sale homes. Home sale data will primarily be collected from the Multiple Listing Service (MLS) if access is provided locally or from national real estate websites like Redfin.

Qualitative market trend information will also be gathered from interviews with housing experts, including local realtors. These interviews will provide additional information on the types of housing in demand, desirable price points, market segments, and other valuable insights.

2H. HOUSING NEEDS ANALYSIS (GAP ANALYSIS)

To help the Town of Brookhaven IDA better understand what the community needs in terms of housing, this task will examine the sources of current and future housing demand in the geographic study areas with a focus on specific market segments. Examples of market segments include (but are not limited to):

- Underhoused Individuals: This includes people who are living with parents, family members, or other roommates because they cannot find suitable housing to meet their needs.
- Population Growth: New households through household formation or net positive in-migration, including from attracting remote workers, are potential drivers of housing demand in the three counties.
- Economic (Job Growth): New jobs in and around the region would attract new workers in need of housing.
- Cost-Burdened Households: These households are currently spending more than 30% of their income on housing expenses, the key threshold set by the U.S. Department of Housing and Urban Development (HUD). These households are further broken into cost-burdened vs. severely cost-burdened (spend more than 50% of income on housing).
- Displaced Commuters: These are workers that have jobs in the geographic study areas but are commuting from further away than they would prefer because they cannot find suitable local housing to meet their needs.
- Mismatched Households: These households may have housing they can afford and in the location they prefer, but it doesn't align with their needs for other reasons, such as the type of housing (e.g., renting when they prefer to own).
- Households Living in Substandard Housing: These households live in units that may lack full kitchen facilities, plumbing, etc., or are otherwise substandard or obsolete.
- Empty Nester and Senior Households: Often a source of housing demand for downsized units and housing offering care and services.

2I. INTERVIEWS

As part of our investigation of the housing markets in the geographic study areas, Camoin Associates will engage in interviews of up to 8 instances in order to better understand the market from real estate brokers, homebuilders, planners, service providers, and other professionals with insights into the local market.

2J. FINAL REPORT

Camoin Associates will prepare a final report that details the results of the completed work. The analysis will provide both a quantitative and qualitative determination of the current projected future housing needs in the geographic study areas. The quantitative analysis will provide a detailed breakdown of current and future housing needed by type of housing (e.g., renter vs. owner-occupied) and income level (price point). Demand projections will be provided for a 5-year horizon.

Timeline and Fee

Camoin Associates can begin work on this analysis in January 2025. To complete the work described above, Camoin Associates proposes the following (tasks can be completed concurrently):

- Task 1 can be completed within eight weeks of contract execution for a fixed fee of \$16,000.
- Task 2 can be completed within twelve weeks of contract execution for a fixed fee of \$24,000.

Sincerely,

Rachel Selsky
CEO
Camoin Associates



STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

VETO #117
TO THE ASSEMBLY:

December 21, 2024

I am returning herewith, without my approval, the following bill:

Assembly Bill Number 7532-B, entitled:

“AN ACT to amend to amend the general municipal law, in relation to the organization of industrial development agencies and the definition of labor organization”

NOT APPROVED

This bill would amend the general municipal law to require that the membership of each industrial development agency (IDA) include at least a representative of a local labor organization and either a representative of a school board or a superintendent of a school district.

I recognize the need for IDAs to hear from all community stakeholders. It is for that reason that IDAs are required to conduct open hearings, hear testimony from members of the public and engage with all stakeholders. As the entities contemplated by this bill are already eligible to serve as members of industrial development agencies, it is most appropriate to ensure specific industrial development agency members are chosen by the municipality to best represent the interests of the community rather than imposing an inflexible statutory requirement.

Therefore, I am constrained to veto this bill.

The bill is disapproved.

Ruth Hochul

[Home](#)>[Law & Government](#)>

Harris Beach, Murtha Cullina are now Harris Beach Murtha



Tom Garry, Andy Corea and Christopher Jagel / Courtesy of Harris Beach Murtha

Harris Beach, Murtha Cullina are now Harris Beach Murtha

[Adina Genn](#) //January 2, 2025//

With the merger of law firms [Harris Beach](#) and Murtha Cullina comes a new moniker, new opportunities and aligned cultures.

As of Jan. 1, the combined firm is called Harris Beach Murtha, with more than 250 attorneys in 16 offices across several states. This includes an office in The Omni building in Uniondale, where the firm, according to its website, has 30 attorneys.

“We’re creating a regional powerhouse that enables us to capitalize on the skills that we’ve got at Harris Beach and the skills that we’ve got at Murtha Cullina,” said Chris Jagel, former Harris Beach CEO.

“That’s going to make all of those combined skills available to our respective clients, enabling us to service clients in new geographies,” said Jagel, who is now CEO of Harris Beach Murtha.

The merger brings Harris Beach, with its offices in Uniondale, New York City, White Plains, Albany, Rochester, Buffalo, Syracuse, Ithaca, Saratoga Springs, New Haven, Conn., Washington D.C., and Newark, NJ, together with Murtha Cullina, with locations in White Plains and Boston, as well as in Connecticut, in Stamford, New Haven and Hartford.

“When you put together a combination like this, there’s a lot of metrics and numbers that you will get that lined up very well for the two firms in terms of the types of clients we serve, the type of rates

we have, the geographies,” said Andy Corea, former managing partner of Murtha Cullina, who now serves on the management committee of Harris Beach Murtha.

“But we are both professional service providers and that means that our work comes from people. We don’t crank out machine parts. It’s not a factory. It’s not a conveyor belt. So, for this to work, the people have to work well together,” Corea said.

The two cultures aligning together is “paramount” to the merger, said Tom Garry, the managing partner of the firm’s Long Island office.

When merger talks first began, it was evident that the partners at both firms liked each other and their way of doing business, Garry said. After meeting by day, they’d join again at dinner “and it became apparent to us that culturally we were very compatible.”

Consider, for example, the stress of COVID-19. Garry said that during and post-pandemic, leaders at Harris Beach saw firsthand that if “you treat people well, it comes back” in terms of team-member retention and loyalty. “I’ve heard from the Murtha Cullina partners that they had similar experiences,” he said.

Jagel said the merger was “client driven.”

“This is really an effort by the two firms to create a larger, more capable firm that is able to serve more of the needs of our clients,” Jagel said.

With the merger, Garry said, he can now offer his New York-based clients expertise in doing business in New England, just as the Murtha side can offer expertise for their clients seeking opportunities in New York.

Looking ahead, Garry sees further opportunities for the firm on Long Island.

“Business opportunities are very robust in Suffolk County,” a region that Garry said he is “incredibly bullish about.” Ed Romaine, the new Suffolk County executive, “is talking about the need for infrastructure improvements in Suffolk,” Garry said. “He knows that you need sewers, water and roads for economic opportunity to happen, and the county is doing that. If you’re a business, you recognize that.”

The Murtha team is “very strong” in its energy, healthcare and litigation practices, Garry said. “We’re going to be well-positioned to help those industries, very, very well.”

Bennett Loudon of Rochester Business Journal contributed to this report.

Battery storage wars

Brookhaven civic groups fighting plans for facilities

ONLY IN NEWSDAY

BY MARK HARRINGTON

mark.harrington@newsday.com

With plans for battery-energy storage projects proposed for sites across Brookhaven Town, community groups worried about their potential impact are coalescing in opposition.

Construction of the first of at least five projects began on North Ocean Avenue in Patchogue last month, leading to a petition in opposition to the project and the reformation of a civic association to try to block it.

On Wednesday night, 18 residents who live around the proposed site discussed a range of strategies, including legal action, to oppose the project, which they feared could impact the local aquifer, home values, insurance costs and safety. The 1.9-megawatt project by Agilitas Energy is on Brookhaven Town property.

That project is perhaps the smallest being proposed in the town, which unlike others across Long Island has not declared a moratorium on battery-plant development after a fire erupted at a 5-megawatt facility in East Hampton last year. If completed, the Patchogue unit would be the first of a new generation of battery storage facilities planned for the town, the Island and across the state.

'Going to be a fight'

"This is going to be a fight that we as a community have to take on and join with other communities," said Patchogue resident George Bouton, who led the presentation at the North Patchogue Fire House. Residents there are reforming the Canaan Lake Civic Association to oppose the project.

Energy-storage batteries are part of Gov. Kathy Hochul's vision of a carbon-free grid to replace aging fossil-fuel plants with green-energy alternatives. Batteries would allow electric

utilities to store power from sources such as offshore wind farms when use is low and production is high, such as windy winter nights. Batteries also would replace an aging generation of so-called fossil fuel-based peaker plants that produce energy during high-demand summer times.

Brookhaven officials, at a town board meeting last month, assured dozens of opponents that the developers who have applied for permits will reach out to residents in coming months to try to persuade them of their safety and the appropriateness of their locations before the town will proceed.

Among plans that have recently come to light is a facility in Medford, at the South Service Road of the Long Island Expressway adjacent to Horse Block Road and Long Island Avenue.

Medford storage planned

The Medford battery, called Horseblock Energy Storage, would be a 100-megawatt facility with a formal address on Long Island Avenue and the South Service Road. Garret Gray, an attorney representing the developer, AES, of Arlington, Virginia, in an emailed statement said AES plans to connect the battery facility to a LIPA substation at nearby Manor Road via a 138-kilovolt cable around 1,000 feet away.

Gray said the battery will be charged during the off-peak hours at night and be available for LIPA to use during the daytime peak hours.

Brett Houdek, president of the Medford Civic Association, argued that placement of the battery is wrong given its proximity to nearby homes, major roadways and schools.

"They want to put it in the middle of a residential community," said Houdek. "This is good residential property. We should be preserving residential property, and we shouldn't be putting a battery in the middle of it."

AES noted the proposed Medford site "already includes several industrial facilities," making the battery "consistent" with facilities in the area.

As for the safety of the units, Gray wrote the batteries will have 24/7 remote monitoring,



Construction on a battery storage facility in Patchogue has begun.

WHAT NEWSDAY FOUND

■ **With plans for battery-energy storage projects** proposed for sites across Brookhaven Town, community groups worried about their potential impact are coalescing in opposition.

■ **Construction of the first of at least five projects** began on North Ocean Avenue in Patchogue last month, leading to a petition in opposition to the project and the reformation of a civic association to try to block it.

■ **That project is perhaps the smallest being proposed** in the town, which unlike others across Long Island has not declared a moratorium on battery-plant development after a fire at a 5-megawatt facility in East Hampton last year.

built-in fire suppression systems, and coordination plans to work with local fire departments.

A history of incidents

Houdek noted that AES has a history of incidents at its facilities, including a large fire at its Surprise, Arizona, plant in 2019 that injured several firefighters. AES said it has been operating batteries for 15 years, and experienced two incidents during its tenure, both of which "reshaped the energy storage industry's approach to battery system design and safety."

ling out too slowly and isn't easily accessible. Neighbors around the North Ocean Avenue site said they don't believe they were ever told of the project until a Newsday story last month.

Big questions remain

At the meeting Wednesday in North Patchogue, Fire Commissioner Jack Blaum, who owns a home a few hundred feet from the 1.9 megawatt battery site, said he and other commissioners received some assurances about the developers' ability to respond to emergencies, but also were left with big questions.

Should a fire get out of control, Blaum noted, it would require "thousands and thousands" of gallons of water to control, and if an internal system were to malfunction, that water could wind up in local streams, lakes and, ultimately, the Great South Bay.

The project has already begun construction in a portion of the lot that will house the battery containers.

The state Public Service Commission last year gave approval for another battery project, the 110-megawatt Holtsville Energy Storage facility, on a parcel that has been partly cleared at the corner of the LIE South Service Road and Morris Avenue, near the Island 16 Cinema.

Ben Caccavale, who lives a few hundred feet from the site, said he continues to oppose the placement of the facility, but is at a loss for how to stop it after the state approval.

"It's just extremely frustrating," he said. "I've tried to maintain the small part of my grandparent's wish and dream, and now they're talking that away." He said he worries about evacuating in case of an incident.

The Sachem Central School District, which filed suit in opposition to the Holtsville plant given nearby schools, recently reached a settlement agreement with the PSC and developer, Holtsville Energy Storage, that requires the plant operators to provide written certification by an independent testing facility showing that the plant is compliant with high safety standards.

The district spokeswoman declined to comment on litigation.

Newsday last month reported on two proposed facilities in Setauket that drew opponents to a Brookhaven Town board meeting, where residents cited proximity to homes and concerns about potential fires. One of the two plants envisioned for East Setauket would be 375 megawatts, perhaps the largest in the state, while a second would be 65 megawatts.

Developer Savion Energy, a Shell Group company, said, "We look forward to continuing to engage with both the local community and town regarding these proposed projects."

Separately, a company called New Leaf Energy plans two adjacent battery storage units, one at 3.75 megawatts, the other at 5 megawatts, for Route 112 in Port Jefferson Station. New Leaf project developer Corina Solis said the company is planning a Dec. 17 meeting with the local civic association to discuss its plans in more depth. The two units are small enough that they do not require state approval, she said.

"We are in the application process" with the Town of Brookhaven, she said, noting the project is on an industrially zoned lot and the needed permit is for construction. She said the company will comply with the new proposed state fire standards, even if begun before the standard is in place.

Solis said the company has plans for 50 such units around the state, and at least one other in Suffolk County, in Riverhead. Community groups say information about the projects is trick-

DOW JONES

-29.51 to 42,544.22

Over the past year:



CRUDE OIL

\$0.73 to \$71.72

Over the past year:



STOCKS DIP ON FINAL DAY OF RECORD YEAR

Stock indexes closed mostly lower Tuesday as the market delivered a downbeat finish on the final day of another milestone-shattering year on Wall Street.

The S&P 500 gave up an early gain to finish down 25.31 points, or 0.4%, to 5,881.63. The benchmark index, which set 57 record highs in 2024, racked up a 23.3% gain for the year. This was its second straight year with a gain of more than 20%. The last time the index had as big a back-to-back annual gain was 1998.

The Dow slipped 29.51, or 0.1%, to 42,544.22, and the Nasdaq lost 175.99, or 0.9%, to 19,310.79.

Big Tech stocks led this year's rally, pushing the Nasdaq to a yearly gain of 28.6%. The Dow, which is far less weighted with tech, rose 12.9% for the year.

Wall Street's run in 2024 was "certainly much better than what most people on Wall Street, myself included, thought we would get this year," said Sam Stovall, chief investment strategist at CFRA.

U.S. markets' stellar run this year has been driven by a growing economy, solid consumer spending and a strong jobs market.

Semiconductor giant Nvidia, whose huge valuation gives it an outside influence on indexes, fell 2.3%. Apple dropped 0.7%, and Advanced Micro Devices gave up 1.3%. — AP

HOCHUL VETOES IDA LEADERSHIP BILL

Would've required school and union representation

BY JAMES T. MADORE
james.madore@newsday.com

Gov. Kathy Hochul has vetoed legislation that would've required industrial development agencies to have representatives from unions and public schools on their boards of directors.

IDAs grant breaks on property taxes, sales taxes and other levies to expanding businesses in return for job creation and capital investment. The tax savings impact the budgets of school districts by shifting the tax burden to homeowners and other companies not receiving IDA assistance, while unions want the construction jobs for their members.

Statewide, there are more than 100 IDAs, including eight on Long Island.

Proponents of the vetoed bill said it would've made IDAs more accountable to the communities where projects receiving tax breaks are located.

In her Dec. 21 veto message, Hochul said the legislation, which passed overwhelmingly in the state Senate and Assembly in the spring, wasn't necessary. She said labor leaders and educators are already eligible for IDA board seats, and the agencies must seek input on their tax incentive packages via public hearings and meetings.

"It is most appropriate to ensure specific industrial development agency members are chosen by the municipality to best represent the interests of the community rather than imposing an inflexible statutory requirement," said Hochul, a Democrat.

Try again in 2025

Assemb. Michaelle C. Solages (D-Elmont), who sponsored the measure along with Sen. Shelley B. Mayer (D-Yonkers), said she plans to reintroduce the bill in the regular legislative session, which opens on Jan. 8.

"Including a labor representative and a school board mem-



GETTY IMAGES / TNS / ANNA MONEYMAKER



JEFF BACHNER

Gov. Kathy Hochul said the bill requiring IDA reps from school districts and unions wasn't necessary. Assemb. Michaelle C. Solages (D-Elmont) will reintroduce the bill she co-sponsored in the next session.

WHAT NEWSDAY FOUND

- **A bill that** would have required industrial development agencies to reserve board seats for representatives of unions and public schools has been vetoed by Gov. Kathy Hochul.
- **Hochul said** the requirement wasn't needed because those representatives are eligible to serve on IDA boards if they are appointed.
- **Bill sponsor Assemb. Michaelle C. Solages** said she would reintroduce the measure in the regular legislative session that starts on Jan. 8.

ber on industrial development agency boards isn't just good governance; it ensures transparency and accountability for decisions that shape our workforce and local tax base," Solages told Newsday on Tuesday. "It's disappointing that this common-sense measure was denied, but we will continue pushing for a system that values the voices of all local stakeholders."

She represents Valley Stream, home to the Green

Acres Mall and the adjacent Green Acres Commons shopping center, which the Hempstead Town IDA awarded tax breaks to in 2014. Homeowners denounced the incentive package three years later, saying it caused their school property taxes to increase. The IDA responded by revoking the tax aid, but a Nassau County judge ruled the decision unlawful in 2018.

The vetoed bill was supported by the state School Boards Association, the Fiscal Policy Institute and the state AFL-CIO, an umbrella group of unions.

David Albert, a spokesman for the school boards association, said the property-tax savings that IDAs award to companies affect school budgets and whether a district must propose a property tax increase that's above the statewide cap. "It is critical that school districts have a meaningful role in this process," he said on Tuesday.

'An economic wound'

The bill's opponents, including developers and IDAs and their trade group New York State Economic Development Council, have argued that the vetoed bill would stymie busi-

ness expansions, job creation and the construction of additional housing for workers.

"The governor's veto has rescued the role of IDAs" to foster job creation and capital investment, said Kyle Strober, executive director of the developers' group Association for a Better Long Island.

"The idea that school boards and unions would determine how or whether IDAs would function would have created an economic wound so serious it would have proven fatal to the future of our region and the state as a whole," he added.

On Long Island, unions and public schools are represented on IDA boards to varying degrees, according to a Newsday review of board-member biographies.

At least four of the eight IDAs have a labor representative on their board. The Suffolk County IDA has two, the review found.

At least two IDAs have board members who are retired public school teachers and three have members who served on boards and committees for public or private elementary and secondary educational institutions.

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SUFFOLK BOOSTS SOLAR WITH TAX BREAKS

Business program part of county's green energy push

BY JAMES T. MADORE
james.madore@newsday.com

More businesses in Suffolk County are expected to install solar panels and other renewable energy systems under a new policy offering tax breaks, officials said.

The county's Industrial Development Agency will grant property-tax savings to companies that include "green energy" technology in their expansion projects. The companies must certify that the technology is installed and operational before the agency's board of directors approves the tax aid.

The policy, adopted unanimously in November, is part of County Executive Edward P. Romaine's broader push to increase renewable energy usage. In March, he announced his "Solar-Up Suffolk" initiative, aiming to "quadruple" the amount of electricity produced by solar panels in the county by 2027.

"Renewable energy is very important to Suffolk County, Long Island's economy and its communities — and can offer many advantages to businesses," he said at a recent meeting of the trade group Long Island Business Development Council.

Romaine, who encouraged the installation of solar panels above parking lots and on the roofs of offices and factories during his 12 years as Brookhaven Town supervisor, said the new IDA policy offers "a timely opportunity for companies to learn about how solar can offer long-term savings on their energy bills that will help their bottom line."

Encouraging green systems

The prospect of additional tax breaks has led the commercial printer Sterling North America Inc. to explore installing solar panels on its four buildings and another that it intends to purchase, all in Hauppauge.

"I heard about solar, and I've already reached out to [a solar energy company] to consider it," said Ed McAllister, founder



The policy is part of the Solar-Up Suffolk initiative, which aims to "quadruple" the amount of electricity produced by the panels by 2027.

WHAT NEWSDAY FOUND

- **Businesses with expansion projects** in Suffolk County could receive additional tax savings from the county's Industrial Development Agency if they install solar panels and other renewable energy equipment on their property.
- **To be eligible**, the business must use the electricity that's generated by green technology to power its operation.
- **The IDA's new policy** is part of County Executive Edward P. Romaine's Solar-Up Suffolk initiative to boost the amount of electricity coming from solar panels.

and CEO of Sterling, which does printing for Wall Street firms. "I have five locations in the Hauppauge industrial park, none of them have solar, so this might be another opportunity



Suffolk Exec Edward P. Romaine

for me to work with the IDA."

The agency has backed two of Sterling's expansion projects, helping the company grow from 127 to 253 employees in three years, according to state records. The company prints documents around the clock for public companies, banks, insurers and other businesses in the metropolitan area.

Besides solar panels, the IDA policy would encourage businesses to install geothermal

and battery storage systems as well as fuel cells that don't use fossil fuel to generate electricity. However, tax breaks would not be provided to community solar projects or to building owners who lease their rooftops to solar power companies, states the policy.

'So many variables'

In order to be eligible, a business "would have to directly benefit; they must use the electricity, not sell it to others," said Kelly Murphy, the IDA's CEO and executive director. She said the amount of property tax savings would be determined by the IDA on a case-by-case basis.

"There are so many variables that would come into it," she said at the agency's November meeting, responding to a question from IDA board member Brian Beedenbender.

Murphy, citing the work of the agency's deputy director Joseph Rastello, said the policy was developed over many

months with input from PSEG Long Island, the Long Island Power Authority, solar panel companies and local governments.

Murphy said last week she's been talking with several potential applicants for the enhanced property-tax savings. "We are hopeful that the new year will bring interest for new projects coming in," she said.

Statewide, a handful of IDAs have green energy policies like Suffolk's, said Ryan Silva, executive director of the New York State Economic Development Council, which represents IDAs to state government. "We anticipate seeing more IDAs across the state adopt similar policies in the future," he said.

He told Newsday that IDAs have provided tax breaks to 322 solar and wind power projects in New York in the past five years. These projects are expected to generate enough energy to power up to 2.4 million homes, according to a study commissioned by the council.

WINNERS

VALERIE TERZANO
Retired nurse executive

Valerie Terzano, of Melville, has received the inaugural nursing fellow designation from the Nassau-Suffolk Hospital Council. Terzano was vice president for nursing and patient care for NYU Langone Hospital-Long Island in Mineola. She retired earlier this year after five years in that role. Before that she held positions at the hospital ranging from chief nursing officer/senior vice president to assistant director of nursing, medicine and surgery dating back to 1982. She has also served as chairwoman of the council's Nurse Executive Committee and Nurse of Excellence Subcommittee and is a member of organizations including the American Nurses Association, the Emergency Nurses Association and the American College of Healthcare Executives.



MARCIA NAMOWITZ

FRANK C. TROTTA
Former mayor

Frank C. Trotta, of Bellport, has received a New York State Commendation Award from Assemb. Dean Murray (R-East Patchogue) for his service to the community. Trotta served 27 years as Bellport Village mayor. He began his service in 1973 as a village trustee and has also been chairman of the Town of Brookhaven's Board of Zoning Appeals and director of the Suffolk County Office for the Aging. He was also vice chairman for Suffolk Credit Union and chaplain of the Bellport Fire Department and South Country Ambulance Company.



ASSEMB. DEAN MURRAY'S OFFICE

REGAN KIEMBOCK, DARREN PHILLIPS
Director of food services, director of athletics

Regan Kiembock and Darren Phillips, both of Southampton, have received the Outstanding Community Cooperative-Community Education Award from Cornell Cooperative Extension for their volunteer work benefiting youth and adults. Kiembock is food services director for the Southampton school district, and Phillips is the athletics director. They have served as co-chairs of the district's Wellness Committee, working with Cornell Cooperative Extension to facilitate nutrition workshops, cooking classes, farm-to-school efforts and science fairs.



RON ESPOSITO

NOMINATE A WINNER Email information about the accomplishment or honor to winners@newsday.com. Include photo in JPEG format; color is preferred.

MAKING THE GRADE

Holiday food drives provide hundreds of meals

BY MICHAEL R. EBERT
michael.ebert@newsday.com

Dozens of schools have made the holidays more manageable for those in need by hosting food drives across Long Island.

One such effort saw the Community Club, student government and National Junior Honor Society at J. Taylor Finley Middle School in Huntington collect donations of hundreds of nonperishable goods. The students asked customers exiting the Stop & Shop in Huntington Station for donations. The items went to the Helping Hand Rescue Mission in the hamlet.

"Their combined efforts not only made a tangible impact on the community, but also exemplified the values of leadership, service and compassion," said Keith Miller, a co-faculty adviser for the school's student government.

Other drives included a joint effort by the student governments at Sagem High School East in Farmingville and Sagem High School North in Lake Ronkonkoma that collected enough food for more than 800 meals. The food benefited the district's families in need, with leftover meals going to the Suffolk Independent Living Organization in Medford, Lighthouse Mission in Bellport and



HUNTINGTON SCHOOL DISTRICT

Students from J. Taylor Finley Middle School in Huntington collected hundreds of nonperishable food items donated by shoppers leaving the Stop & Shop in Huntington Station.

Brookhaven Town.

In Massapequa, Unqua Elementary School's Best Buddies Club held a drive that yielded more than 100 boxes of cereal for the pantry at nearby Maria Regina Roman Catholic Church, while student council members at the district's East Lake Elementary School held a drive that collected food for the pantry at St. Rose of Lima Roman Catholic Church.

In Seaford, the high school's student council hosted a monthlong drive that collected hundreds of food items and \$900 worth of gift cards to local restaurants. Students also raised \$1,300 for addi-

tional food through a contest that awarded a bagel breakfast to the highest-grossing class.

"It's really special so many people are helping out," said Megan Bloom, Seaford's student council president. "It shows that the community is more like a family."

EAST ISLIP VENDING MACHINE BOOKS

The East Islip School District has installed book vending machines in its four elementary schools courtesy of a donation from the For the Kids Foundation of East Islip.

Children will have the opportunity to use the machines on their birthdays by receiving

"birthday tokens" that will enable them to obtain a book, districts officials said.

"These innovative machines provide a fun and engaging way for students to discover new books, fostering a lifelong passion for learning," said Lisa Belz, the district's assistant superintendent for curriculum and instruction.

ELWOOD HISPANIC HERITAGE ESSAY WINNER

Elwood John H. Glenn High School student Camila Avila was one of four grand-prize winners nationwide in the Hispanic Heritage Essay Contest coordinated by Optimum

and the Univision Foundation. She received a \$3,000 scholarship.

The contest, held in honor of Hispanic Heritage Month which is observed from Sept. 15 through Oct. 15, challenged participants to share — in 500 words or less — an essay about a person, experience, celebration or tradition that helped them connect to Hispanic culture.

Glorianni Peña Feliz of Walter G. O'Connell Copiague High School, Emily Rodriguez of Robert Frost Middle School in Deer Park, and Ryan Formato of William Floyd Middle School in Moriches were among the runners-up.

ISLAND PARK INTERIM PRINCIPAL

Sandra Schneider has been named interim principal of Francis X. Hegarty Elementary School.

Schneider, who replaced Adam Frankel, previously served 20 years as principal of West End Elementary School in Long Beach. She also trained and mentored future school leaders through her work with the Center for Integrated Training & Education and the College of St. Rose in Albany.

"It has been wonderful greeting the smiling students every day and continuing to build upon the great work exemplified at Francis X. Hegarty," Schneider said.

DOW JONES

-240.59 to 44,401.93

Over the past year:



CRUDE OIL

\$1.17 to \$68.37

Over the past year:



NVIDIA SLIDE PULLS WALL STREET DOWN

A slide for market superstar Nvidia on Monday knocked Wall Street off its big rally and helped drag U.S. stock indexes down from their records.

The S&P 500 fell 0.6%, coming off its 57th all-time high of the year so far. The Dow Jones Industrial Average dipped 240 points, or 0.5%, and the Nasdaq composite pulled back 0.6% from its own record.

Nvidia's fall of 2.5% was by far the heaviest weight on the S&P 500 after China said it's investigating the company over suspected violations of Chinese anti-monopoly laws.

Nvidia's drop overshadowed gains in Hong Kong and for Chinese stocks trading in the United States on hopes that China will deliver more stimulus for the world's second-largest economy. Roughly three in seven of the stocks in the S&P 500 also rose.

Updates on inflation are due at midweek. Economists expect Wednesday's report to show the inflation felt by U.S. consumers stuck at close to the same level last month. A separate report on Thursday could show an acceleration in inflation at the wholesale level.

All told, the S&P 500 fell 37.42 points to 6,052.85. The Dow dipped 240.59 to 4,401.93, and the Nasdaq composite lost 123.08 to 19,736.69.

— AP

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Officials tout housing

Many want both development and local control

BY JONATHAN LAMANTIA
jonathan.lamantia@newsday.com

Long Island mayors and supervisors are embracing new housing in their communities — as long as they maintain control of where apartments and condos are built.

Officials from Mineola to Riverhead touted recent development Friday at an event in Woodbury focused on smart growth, a concept that embraces environmentally responsible economic development.

The annual event, hosted by Vision Long Island, a downtown planning organization, drew about 1,000 attendees from business, government and community organizations.

A dozen town supervisors and village mayors spoke at a panel discussion moderated by Newsday associate editor Joye Brown. It focused in part on how new apartments and condos in their areas could help ease housing shortages.

The event occurred the same week that the New York City Council passed the City of Yes package of housing reforms, which is expected to spur construction of more than 80,000 homes in the city over the next 15 years by allowing denser housing in more areas and rolling back requirements for parking spots for new apartment buildings, among other measures.

Nassau and Suffolk counties have not taken such broad regional steps to spur building, and many suburban lawmakers have railed against state-led attempts to force municipalities to boost their housing stock. Instead, local housing developers often turn to county and municipal industrial development agencies to incentivize new housing with tax benefits.

On Friday, the speakers were eager to describe recent development in their own communities and emphasized the importance of local control. Mineola Mayor Paul Pereira said his village has added 1,200 housing units over the past 12 years, mostly near the Mineola train station, with another 900



Supervisors Joseph Saladino of Oyster Bay and Jennifer DeSena of North Hempstead at the housing meeting Friday in Woodbury.

RICK KOPSTEIN

in the pipeline.

Pereira said the past decade has shown the village that new development has not caused the problems with higher school enrollment, traffic and parking that opponents of development had feared.

Mineola's experience

"We have enough in our rearview mirror to realize that the schools did not explode with new students," Pereira said. "Quite the contrary, the schools have gotten a windfall of money. Our traffic is actually better because these are people who are taking the train."

Costs in Mineola remain high, with one-bedroom units in the village often renting for \$3,000 to \$5,000, according to Apartments.com listings.

Riverhead Supervisor Tim Hubbard expressed support for increasing accessory dwelling units, such as basement apartments or backyard cottages homeowners rent out, as a way to address affordability for young people and offset costs for older homeowners.

Hubbard said he wants to remove a town restriction requiring owners to live in their homes three years before they create an accessory unit.

"You can get somebody in there and rent it out either to your family or whatever helps you with the mortgage payment on the house, but a lot of times it's helping family," he said.

The event came nearly two

years after Gov. Kathy Hochul announced a plan to increase the number of housing units by 800,000 over 10 years. That plan was defeated after opposition from suburban lawmakers, who objected to a provision that would have allowed the state to override local zoning decisions if municipalities failed to meet housing goals.

Oyster Bay Supervisor Joseph Saladino, one of the Republican town supervisors who opposed Hochul's housing plan, touted more than 500 housing units that are in the works, including the 104-unit mixed-use development Fieldstone at North Broadway in Hicksville, which received approval for county tax breaks last week.

"Obviously, local control is the better path because stakeholders have a tremendous voice," Saladino said of municipalities maintaining control over their zoning rules.

Officials said the animosity from recent political fights over development between the Democratic governor and many Republican suburban lawmakers is still evident at community hearings over new projects.

Lingering tension

"When the state tried to take over local zoning, that has so poisoned the minds of so many people and has a lingering effect," said Brookhaven Supervisor Dan Panico.

Huntington Supervisor Ed Smyth, whose town is consider-

WHAT NEWSDAY FOUND

■ **Long Island officials** touted recent examples of housing development in their communities during an event Friday in Woodbury.

■ **Nearly two years** after a political fight between Gov. Kathy Hochul and suburban lawmakers over control of local zoning rules, town supervisors and village mayors were eager to share what has been built in their areas.

■ **The state** has shifted to an incentive-based approach to encourage municipalities to approve new housing.

ing a plan to transform parts of Melville into a walkable community, said Hochul's past housing proposals have fueled skepticism of state housing initiatives. "There's a shard of glass in every cupcake coming out of Albany," he said.

State incentives

This year, the governor has shifted to an incentive-based approach that requires municipalities to commit to housing growth to become eligible for \$650 million in state funding. Fourteen communities on Long Island have been certified as pro-housing by the state, and another 12 have submitted letters of intent to join.

Eric Alexander, executive director of Vision Long Island, credited the Hochul administration at the event for keeping its word of not introducing new housing mandates and instead offering incentives. He told Newsday he has seen an uptick in opposition to development at community hearings over the past few years.

"It's not even 'Not in my backyard' anymore. It's 'Not in my region,'" Alexander said. "What we're trying to do now is focus conversations on a hyperlocal level as they always have been and should be."

Dan Lloyd, president of non-profit Minority Millennials and a housing advocate, said he felt more optimistic about local officials' receptiveness to housing proposals.

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

DATE: December 27, 2024

APPLICATION OF: KCE NY 31, LLC
Name of Owner and/or User of Proposed Project

ADDRESS: 25 Monroe Street, Suite 300
Albany, NY 12210

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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SCHEDULE B	Construction Wage Policy
SCHEDULE C	Recapture and Termination Policy

Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): KCE NY 31, LLC

Address: 25 Monroe Street, Suite 300

Albany, NY 12210

Federal Employer ID: [REDACTED]

Website: https://www.keycaptureenergy.com

NAICS Code: 221118

Owner Officer Certifying Application: Philip Denara

Title of Officer: Agent

Phone Number: [REDACTED]

E-mail: [REDACTED]

B. Business Type:

Sole Proprietorship Partnership Limited Liability Company

Privately Held Public Corporation Listed on _____

State of Incorporation/Formation: Delaware

C. Nature of Business:

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

Transmission connected energy storage

D. Owner Counsel:

Firm Name: Harris Beach, PLLC

Address: 333 Earle Ovington Blvd, Suite 901

Uniondale, NY 11553

Individual Attorney: Andrew D. Komaromi, Esq.

Phone Number: 516-880-8385

E-mail: akomaromi@harrisbeach.com

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

Name	Percent Owned
<u>Key Capture Energy, LLC</u>	<u>100%</u>
<hr/>	<hr/>
<hr/>	<hr/>

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

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

No

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

No

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

See attached Appendix A of Key Capture Energy, LLC's subsidiaries.

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

See attached Appendix A of Key Capture Energy, LLC's subsidiaries.

I. List parent corporation, sister corporations and subsidiaries:

See attached Appendix A of Key Capture Energy, LLC's subsidiaries. Key Capture Energy, LLC is a subsidiary of Grid Solution, LLC, which is beneficially owned by SK E&S Co., Ltd.

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

No

- K. List major bank references of the Owner:

Bank of America Merrill Lynch Global Treasury, Merchant & Estate Operation, 9000 Southside Blvd Bldg 200, Jacksonville, FL 32256

T 888.400.9009; Amanda McBride

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"): Long Island Power Authority

Address: 333 Earle Ovington Blvd, Suite 403

Uniondale, NY 11553

Federal Employer ID #: _____ Website: https://www.lipower.org/

NAICS Code: 221122

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: New York

- C. Nature of Business:

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

Municipal subdivision of the State of New York that owns the electric transmission and electric distribution system serving all of Long Island

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: Long Island Power Authority

Address: 333 Earle Ovington Blvd, Suite 403

Uniondale, NY 11553

Individual Attorney: Bobbi O'Connor, General Counsel

Phone Number: [REDACTED]

E-mail: _____

F. Principal Stockholders or Partners, if any:

Name	Percent Owned
N/A - State Entity	

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

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

No

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

No

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

Not Applicable

- 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:

Not Applicable

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

Long Island Lighting Company (d/b/a LIPA), its subsidiary

- 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:

Yes. LIPA was in a PILOT agreement, dated July 1, 2003 with the TOBIDA, which Agreement has expired. A tenant of LIPA at the
subject property (Shoreham Energy LLC) has a PILOT on a separate 9.9 acre portion of such property for a power generation facility.

- L. List major bank references of the User:

Not Applicable

Part II – Operation at Current Location

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

1. Current Location Address: **None**

2. Owned or Leased: **Not Applicable**

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

None

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

Not applicable as the Owner is not currently operating any active projects that

would be discontinued because of the grant of this application

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

Yes No

A. If yes, list the Address: 40 Substation Drive, Stillwater, 23 Diltz Road, Pomona & 2026 Electric Avenue, Blasdell

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: No current operating facilities in New York; similar facilities are, and will continue to be, operated by Applicant's affiliates

- 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:

Not Applicable

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

A. If yes, please list states considered and explain: Applicant's parent has operational / development facilities in Texas, and development facilities through the U.S. including Michigan, Indiana and Connecticut.

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

A. Please explain: Absent the assistance from the IDA, the project economics are substantially reduced and

the project is not financially viable

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

Not Applicable

Part III – Project Data

1. Project Type:

A. What type of transaction are you seeking? (Check one)

Straight Lease Taxable Bonds Tax-Exempt Bonds
Equipment Lease Only

B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

Sales Tax Exemption Mortgage Recording Tax Exemption
PILOT Agreement:

2. Location of project:

A. Street Address: No # North Country Road, Shoreham, NY

B. Tax Map: District 0200 Section 039.00 Block 02.00 Lot(s) 002.000

C. Municipal Jurisdiction:

i. Town: Brookhaven
ii. Village: Not Applicable
iii. School District: Shoreham - Wading River

D. Acreage: approximately 2.28 acres

3. Project Components (check all appropriate categories):

A. Construction of a new building Yes No
i. Square footage: 10,591 +/- (Battery enclosures plus equipment)

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: *approximately 2.28 acres

*Approximately 2.28 acres of the 46.98-acre lot will be leased from LIPA and will house the BESS facility.

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: _____
Battery enclosures containing battery cells and electrical equipment, including electrical substation 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: Long Island Power Authority

- B. Present use of the proposed location: _____
The subject area is land cleared and graded for a staging area for the construction of the Shoreham Nuclear Power Station. The balance of LIPA's property is developed with active electric transmission infrastructure owned by LIPA, which will remain.

- 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
N/A; Applicant proposes to lease the facility for its use

- E. Is there an existing or proposed lease for the site? (If yes, explain): Yes No
Applicant has entered into an Option to Lease with Owner in furtherance of an RFP award to develop the proposed facility

5. Proposed Use:

- A. Describe the specific operations of the Applicant or other users to be conducted at the project site: Project is a stand alone, 50 MW battery energy storage system that will enhance grid flexibility.
Energy storage technology manages variations in power generation by storing excess energy and interjecting it back into the grid when needed.

- B. Proposed product lines and market demands: The project is designed to meet the State's Energy Storage Goals and will enable more renewable energy to enter energy markets by responding to intermittent grid fluctuations and providing voltage uplift.

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:

None

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

Stand-alone battery energy storage projects can reduce the need for energy generated by fossil generation sources by mitigating electrical generation gaps in renewable energy production, help balance pricing to minimize price spikes for electricity customers and reduce the need for costly transmission upgrades by LIPA / PSEG-LI.

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?

KCE NY 31 will support New York's Climate Leadership and Community Protection Act (CLCPA) and the Public Service Commission's (PSC) Order establishing a statewide energy storage goal of installing 1,500 MW of energy storage by 2025 and 6,000 MW by 2030. Long Island's electric grid is rapidly changing in preparation for expected offshore wind and solar generation and the retirement of aging power plants. The local grid will need fast-responding, flexible solutions like battery energy storage to accommodate these changes. KCE NY 31 will respond to intermittent grid fluctuations to enhance the power grid by charging during periods of excess generation and discharging during peak load hours.

6. Project Work:

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

- i. Site Clearance: Yes No % COMPLETE _____
- ii. Foundation: Yes No % COMPLETE _____
- iii. Footings: Yes No % COMPLETE _____
- iv. Steel: Yes No % COMPLETE _____
- v. Masonry: Yes No % COMPLETE _____
- vi. Other: Not Applicable _____

B. What is the current zoning? Industrial 4

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

Yes No

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

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

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

7. Project Completion Schedule:

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

i. Acquisition: 2/1/2025*

* Due to long lead times in the delivery of specialized equipment, purchases commence well before construction.

ii. Construction/Renovation/Equipping: 1st Quarter 2026

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: 18-24 months; project is anticipated to commence operations

in the 4th Quarter of 2027; the project, however, will be augmented throughout its lifespan due to the reduction in the battery efficiency over time and the plans included in the SEQRA distribution show the project after all augmentation is complete. As such, the applicant anticipates utilizing the sales and use tax exemption for many years after the project commences operations.

** KCE NY 31, LLC has filed an application with the Long Island Power Authority ("the Authority") to permit the construction of an approximately 50 MW / 200 MWh Battery Energy Storage System on certain cleared lands in Shoreham, New York owned by the Authority known by Suffolk County Tax Map Number: 200-39-02-02 (the "LIPA Lands"). The Authority, its subsidiary Long Island Lighting Company dba LIPA, and its service provider PSEG Long Island, LLC, when PSEG LI acts as an agent for LIPA, are immune from the Town's local laws by virtue of the preemption contained in the Long Island Power Authority Act (the "LIPA Act") (Public Authorities Law, art 5, title 1-A), by which the New York State Legislature in 1986 created LIPA, which is a "corporate municipal instrumentality of the state ... a body corporate and politic and a political subdivision of the state, exercising essential governmental and public powers." Public Authorities Law, § 1020-c (1).

Please be advised that Section 1020-g(c) of the Public Authorities Law expressly confers on the Authority the power to "determine the location, type, size, construction, lease, purchase, ownership, acquisition, use and operation of any generating, transmission or other related facility . . . in the service area" (emphasis provided), and Section 1020-g(e) only requires the Authority to make applications to federal and state governments "for such licenses, permits or approval of its plans or projects as it may deem necessary or advisable, and to accept such licenses, permits or approvals as may be tendered to it by such agencies or officials, upon such terms and conditions as it may deem appropriate". Section 1020-zz the Public Authorities Law further provides, "Insofar as the provisions of this title are inconsistent with the provisions of any other law or any part thereof, the provisions of this title shall be controlling."

In accordance with the powers granted pursuant to the foregoing provisions of the LIPA Act / Public Authorities Law, the Authority will be reviewing the application of KCE NY 31, LLC, for development on the LIPA Lands as part of its State mandated function as a public electric service provider. As with other LIPA developments within the Town, the Town will be provided with copies of all approved plans for inclusion in the Town's files.

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>0.00</u>
Building(s) demolition/construction	\$ <u>10,631,300.00</u>
Building renovation	\$ <u>0.00</u>
Site Work	\$ <u>1,377,700.00</u>
Machinery and Equipment	\$ <u>68,936,600</u>
Legal Fees	\$ <u>100,000</u>
Architectural/Engineering Fees	\$ <u>4,914,800.00</u>
Financial Charges	\$ <u>0.00</u>
Other (Specify)	\$ <u>0.00</u>
Total	\$ <u>85,645,700</u>

Please provide the percentage of materials and labor that will be sourced locally (Suffolk/Nassau Counties) 100 % of labor will be locally sourced; Less than 1 % of the materials will be locally sourced as \$68,375,00.00 consists of specialized electrical transformers and battery energy storage systems not manufactured on Long Island. Approximately 80 % of non-specialized equipment / materials will be locally sourced. 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>	<u>0</u> years
B. Taxable bond financing:	\$ <u>0</u>	<u>0</u> years
C. Conventional Mortgage:	\$ <u>0</u>	<u>0</u> years
D. SBA (504) or other governmental financing:	\$ <u>0</u>	<u>0</u> years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ <u>33,000,000*</u>	
F. Other loans:	\$ <u>70,000,000*</u>	<u>3</u> years
G. Owner/User equity contribution:	\$ <u>15,645,700</u>	<u>N/A</u> years

Total Project Costs \$ 85,645,700

* The project is eligible for Investment Tax Credits conservatively estimated at \$33,000,000. The construction loan referenced as the other loan is partially backed by the value of the Investment Tax Credits, which renders the tax credits duplicative for the above calculation.

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

Zero %

3. Project Financing:

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

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

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

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:

No

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

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

\$ 70,000,000

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

\$ 525,000.00

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):

\$ 77,576,300.00 (\$68,936,600 in Equipment Costs + \$4,639,700 in construction materials)

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

\$ 6,345,955.88

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

i. Owner: \$ 0.00

ii. User: \$ 6,345,955.88

3. Real Property Tax Benefit:

A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency’s PILOT benefit: No

B. Agency PILOT Benefit:

i. Term of PILOT requested: 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 _____ 0 _____
 Date _____ Average Annual Salary of Jobs to be Retained _____
 FTEs to be Created in First Year: 2027 _____ (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
FTE	0	0	0	0	0	0	0	0	0	0	0	0	0

FTEs to be Created in Second Year: 2028 _____ (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
FTE	0	0	0	0	0	0	0	0	0	0	0	0	0

Number of Residents of LMA:

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

Construction Jobs to be Created: 20 _____

* **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	0	0
Commission Wage Earners	0	0
Hourly Wage Earners	0	0
1099 and Contract Workers	0	0

What is the annualized salary range of jobs to created? 0 _____ to 0 _____

*** Attached hereto as Appendix C is a supplemental statement regarding employment related to this project.

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

Applicant cannot proceed if the Agency does not approve this application given expensive construction costs

and high and uncertain real estate taxes that would render the project infeasible without Agency assistance.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

The development will not be financially viable and will not be constructed, which will result in lost Town Building Permit fees,

lost PILOT payments, as well as lost construction jobs; the regional benefits to LIPA's electrical grid will also be lost.

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

5. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, where practicable, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.

Initial PR

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 PR

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 PR

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 PR

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 PR

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 PR

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 PR

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 PR

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 PR

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

Initial PR

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

Initial PD

Part VIII – Submission of Materials

1. Financial statements for the last two fiscal years (unless included in the Applicant’s annual report). Note, if the project company is a newly formed entity, then the applicant is required to submit financial statements for the parent company or sponsor entity.
2. Applicant’s annual reports (or 10-K’s if publicly held) for the two most recent fiscal years.
3. Quarterly reports (form 10-Q’s) and current reports (form 8-K’s) since the most recent annual report, if any.
4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
5. Completed Environmental Assessment Form.
6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

(Remainder of Page Intentionally Left Blank)

Part IX – Special Representations

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

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

Key Capture Energy
Representative of the Applicant: by: Philip Denara
Philip Denara, Agent

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: Not Applicable

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.

Key Capture Energy
Representative of the Applicant: by: Philip Denara
Philip Denara, Agent

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.

Key Capture Energy
Representative of the Applicant: by: Philip Denara
Philip Denara, Agent

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.

Key Capture Energy
Representative of the Applicant: by: Philip Denara
Philip Denara, Agent

Part X – Certification

Philip Denara (Name of representative of entities submitting application) deposes and says that he or she is the Agent (title) of KCE NY 31, 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

[Handwritten Signature]

[Handwritten Signature]
Representative of Applicant

Sworn to me before this 20th
Day of December, 20 24

(seal)
LUCIA S. YU
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02YU6442727
Qualified in Albany County
Commission Expires October 17, 2026

**** Note: If the entities named in this Application are unrelated and one individual cannot bind both entities, Parts VII, IX and X of this Application must be completed by an individual representative for each entity ****

EXHIBIT A

Proposed PILOT Schedule

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule to this Exhibit.

Town of Brookhaven Industrial Development
Schedule of Fees

Application -	\$3,000 for projects with total costs under \$5 million \$4,000 for projects with total costs \$5 million and over (non-refundable)
Closing/Expansion Sale/Transfer/Increase of Mortgage Amount/ Issuance of Refunding Bonds -	¾ of one percent up to \$25 million total project cost and an additional 1/4 of one percent on any project costs in excess of \$25 million. Projects will incur a minimum charge of \$10,000 plus all fees incurred by the Agency including, but not limited to publication, legal, and risk monitoring.
Annual Administrative -	\$2,000 administrative fee plus \$500 per unrelated subtenant located in the project facility. This fee is due annually.
Termination -	Between \$1,000 and \$2,500
Refinance (excluding refunding bonds) -	1/4 of one percent of mortgage amount or \$5,000, whichever is greater.
Late PILOT Payment -	5% penalty, 1% interest compounded monthly, plus \$1,000 administrative fee.
PILOT extension -	a minimum of \$15,000
Processing Fee -	\$275 per hour with a minimum fee of \$275
Lease of Existing Buildings (partial or complete) -	Fee is based on contractual lease amount.

The Agency reserves the right to adjust these fees.

Updated: November 17, 2020

SCHEDULE B

CONSTRUCTION WAGE POLICY

EFFECTIVE January 1, 2005

The purpose of the Brookhaven IDA is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in the Town.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in projects funded by the issuance of IDA tax exempt bonds in large projects.

The following shall be the policy of the Town of Brookhaven IDA for application for financial assistance in the form of tax-exempt financing for projects with anticipated construction costs in excess of \$5,000,000.00 per site received after January 1, 2005. Non-profit corporations and affordable housing projects are exempt from the construction wage policy.

Any applicant required to adhere to this policy shall agree to:

- (1) Employ 90% of the workers for the project from within Nassau or Suffolk Counties. In the event that this condition cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure to comply and;
- (2) Be governed by the requirements of Section 220d of Article 8 of the Labor Law of the State of New York; and when requested by the Agency, provide to the Agency a plan for an apprenticeship program;

OR

- (3) Provide to the Agency a project labor agreement or alternative proposal to pay fair wages to workers at the construction site.

Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in the best interests of the Town of Brookhaven.

Adopted: May 23, 2005

SCHEDULE C

RECAPTURE AND TERMINATION POLICY

EFFECTIVE JUNE 8, 2016

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the “**Act**”), the Town of Brookhaven Industrial Development Agency (the “**Agency**”) is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 8, 2016.

I. Termination or Suspension of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the “**Applicant**”) or any other document entered into by such parties in connection with a project (the “**Project Documents**”). Such Events of Default may include, but shall not be limited to, the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term “**Financial Assistance**” shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency’s participation in the transaction contemplated by the Project Agreements including, but not limited to:

- (i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;

- (ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and
- (iii) real property tax abatements granted under the Project Agreements.

II. Recapture of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

III. Modification of Payment In Lieu of Tax Agreement

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending, or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.

SCHEDULE D

Agency Payment in Lieu of Taxes (PILOT) Policy

An annual fee of \$2,000 (plus \$500 per subtenant) will be due to the Agency in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Industrial Development Agency (IDA) may grant or be utilized to obtain a partial or full real property tax abatement for a determined period. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven IDA.
2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31st of each year, or in two equal payments due January 31st and May 31st of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.
3. The Town of Brookhaven IDA shall establish a separate, interest-bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).
4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.
5. Payments in lieu of taxes which are delinquent under the agreement shall be subject to a late payment penalty of five percent (5%) of the amount due. For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made.
6. If a PILOT payment is not received by **January 31st** of any year or **May 31st** of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may give the lessee notice of said default. If the payment is not received within thirty (30) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.
7. The CEO shall maintain records of the PILOT accounts at the Agency office.
8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.

9. Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the Applicant.
10. This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.

Appendix A

Key Capture Energy, LLC Subsidiaries and Related Entities

*All subsidiaries share the same address as Key Capture Energy, LLC

KCE Global Holdings, LLC
KCE PF Holdings 2021, LLC
KCE PF Holdings 2022, LLC
KCE PF Holdings 2024, LLC
KCE Texas Holdings 2020, LLC
KCE Land Holdings, LLC
KCE Brushy Creek Holdings, LLC
KCE Market Operations, LLC
KCE AR 1, LLC
KCE CA 1, LLC
KCE CA 2, LLC
KCE CA 3, LLC
KCE CA 4, LLC
KCE CA 5, LLC
KCE CA 6, LLC
KCE CA 7, LLC
KCE CT 1, LLC
KCE CT 2, LLC
KCE CT 5, LLC
KCE CT 7, LLC
KCE CT 8, LLC
KCE CT 9, LLC
KCE CT 10, LLC
KCE CT 11, LLC
KCE IA 1, LLC
KCE ID 1, LLC
KCE ID 2, LLC
KCE ID 3, LLC
KCE IL 1, LLC
KCE IL 2, LLC
KCE IL 3, LLC
KCE IL 4, LLC
KCE IL 5, LLC
KCE IL 6, LLC
KCE IN 1, LLC
KCE IN 2, LLC
KCE IN 3, LLC
KCE IN 5, LLC
KCE MA 4, LLC
KCE MA 5, LLC
KCE ME 1, LLC
KCE ME 2, LLC

KCE MI 1, LLC
KCE MI 2, LLC
KCE MI 3, LLC
KCE MI 4, LLC
KCE MI 5, LLC
KCE MI 6, LLC
KCE MI 7, LLC
KCE MN 1, LLC
KCE MN 3, LLC
KCE NE 1, LLC d/b/a TABLE ROCK STORAGE, LLC
KCE NE 2, LLC d/b/a SILVER CREEK STORAGE, LLC
KCE NM 1, LLC
KCE NV 1, LLC
KCE NV 2, LLC
KCE NV 3, LLC
KCE NY 1, LLC
KCE NY 2, LLC
KCE NY 3, LLC
KCE NY 5, LLC
KCE NY 6, LLC
KCE NY 8, LLC
KCE NY 10, LLC
KCE NY 14, LLC
KCE NY 18, LLC
KCE NY 19, LLC
KCE NY 21, LLC
KCE NY 22, LLC
KCE NY 26, LLC
KCE NY 27, LLC
KCE NY 28, LLC
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KCE NY 31, LLC
KCE NY 32, LLC
KCE NY 34, LLC
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KCE NY 36, LLC
KCE NY 37, LLC
KCE NY 38, LLC
KCE NY 40, LLC

KCE NY 41, LLC
KCE NY 42, LLC
KCE OK 1, LLC
KCE OK 2, LLC
KCE OK 3, LLC
KCE OK 4, LLC
KCE OK 5, LLC
KCE OK 6, LLC
KCE TX 2, LLC
KCE TX 7, LLC
KCE TX 8, LLC
KCE TX 10, LLC
KCE TX 11, LLC
KCE TX 12, LLC
KCE TX 13, LLC
KCE TX 14, LLC
KCE TX 15, LLC
KCE TX 16, LLC
KCE TX 19, LLC
KCE TX 21, LLC
Roughneck Storage LLC d/b/a KCE TX 23, LLC
KCE TX 24, LLC
KCE TX 25, LLC
KCE TX 26, LLC
KCE TX 28, LLC
KCE TX 30, LLC
KCE TX 31, LLC
KCE TX 33, LLC

Appendix B – Anticipated Project Costs

Site Work / Labor	Amount
Mobilization/Demobilization	\$163,600.00
Contractor Management Labor	\$480,500.00
Existing Infrastructure Demo	\$251,000.00
Civil Site Work	\$1,377,700.00
BESS Foundations	\$481,000.00
BESS Below Grade Electrical	\$3,785,700.00
BESS Equipment Install	\$207,800.00
BESS & Substation Fence/Soundwall/Firewall & Gates	\$215,100.00
Substation Foundations	\$608,800.00
Substation Below Grade Electrical	\$229,100.00
Substation Equipment install	\$2,251,000.00
Testing & Commissioning	\$382,500.00
3rd Party Inspectors	\$73,300.00
Contractor Indirects/Overhead	\$115,500.00
Security Cameras, Badge Readers, Card Readers	\$259,700.00
Gen-Tie Installation	\$812,000.00
Sum: land & site work	\$11,694,300.00
Materials	Amount
BESS - Initial Install	\$50,644,000.00
BESS - Phase 2 (Augment)	\$11,511,000.00
Medium Voltage Transformers	\$3,000,000.00
Mainpower Transformer	\$3,100,000.00
HV Breakers	\$120,000.00
Gen-Tie Equipment/Materials	\$561,600.00
Sum: Batteries & related components	\$68,936,600.00
Development Expenses	Amount
Legal Fees	\$100,000
Architectural/Engineering Fees	\$4,423,900.00
Gen-Tie Design	\$490,900.00
Sum: Development Expenses	\$5,014,800
TOTAL	\$85,645,700.00

Appendix C – Project Employment

The Applicant intends to operate and maintain the Project through a combination of in-house staff and 3rd party contractors. The Applicant's staff will monitor and operate the battery on a day-to-day basis, including bidding and scheduling power into the NYISO electricity market and performing general system maintenance. KCE NY 31 will contract for specialty maintenance activities, such as high voltage maintenance needed within the project substation or with the gen-tie line. Additionally, KCE will contract for vegetation management, lawncare and snow removal.

Given the unique nature of the Project, it is difficult to establish the specific number of full-time and part-time jobs that associated with the operation and maintenance of the Project. While it will be difficult to establish the number of permanent jobs within the Town of Brookhaven, it should be noted that the Applicant's principal office is in Albany, New York. For this reason and as noted in the application above, the Applicant has listed zero as the number of full-time and part-time jobs from the Project.

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

DATE: 10/31/2024

APPLICATION OF: Ornstein Leyton Company
Name of Owner and/or User of Proposed Project

ADDRESS: 223 Wall Street, Box 393
Huntington, NY 11743

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.

INDEX

PART I	OWNER AND USER DATA
PART II	OPERATION AT CURRENT LOCATION
PART III	PROJECT DATA
PART IV	PROJECT COSTS AND FINANCING
PART V	PROJECT BENEFITS
PART VI	EMPLOYMENT DATA
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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): Ornstein Leyton Company

Address: 223 Wall Street, Box 393
Huntington, NY 11743

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

NAICS Code: 23611

Owner Officer Certifying Application: Scott Leyton

Title of Officer: Manager

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

B. Business Type:

Sole Proprietorship Partnership Limited Liability Company

Privately Held Public Corporation Listed on _____

State of Incorporation/Formation: New York

C. Nature of Business:

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

real estate holding company

D. Owner Counsel:

Firm Name: Greenberg Traurig, LLP

Address: 900 Stewart Ave, 5th Floor
Garden City, NY 11530

Individual Attorney: Daniel J. Baker, Esq.

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
Scott Leyton	50%
Alec Ornstein	50%

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:

Leyton Properties LLC (Scott Leyton 100%)

Ornstein Development LLC (Alec Ornstein 100%)

I. List parent corporation, sister corporations and subsidiaries:

Ornstein Leyton Company 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:

Webster Bank (Sean Winchester & Olga Bogrova, 516-762-6151)

Chase (Janice Chang, 631-420-6579)

2. User Data

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

A. User (together with the Owner, the "Applicant"): N/A, owner and user the same

Address: _____

Federal Employer ID #: _____ Website: _____

NAICS Code: _____

User Officer Certifying Application: _____

Title of Officer: _____

Phone Number: _____ E-mail: _____

B. Business Type:

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on _____

State of Incorporation/Formation: _____

C. Nature of Business:

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

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

- i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.
- ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: _____

Address: _____

Individual Attorney: _____

Phone Number: _____

E-mail: _____

F. Principal Stockholders or Partners, if any:

Name	Percent Owned
_____	_____
_____	_____
_____	_____

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

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

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

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

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

J. List parent corporation, sister corporations and subsidiaries:

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

L. List major bank references of the User:

Part II – Operation at Current Location

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

1. Current Location Address: N/A

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 equivalent employees (FTE's) 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: 0 Middle Country Road Selden, NY

B. Tax Map: District 0200 Section 475.0 Block 02.00 Lot(s) 001.002

C. Municipal Jurisdiction:

i. Town: Brookhaven
ii. Village: Coram
iii. School District: Longwood Central School District

D. Acreage: 12.35

3. Project Components (check all appropriate categories):

A. Construction of a new building Yes No
i. Square footage: 101,295

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: 7.44

E. Construction of addition to an existing building Yes No
i. Square footage of addition: _____
ii. Total square footage upon completion: _____

F. Acquisition of an existing building Yes No
i. Square footage of existing building: _____

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

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location?

107 Northern Associates, Sifar

i. If no, please list the present owner of the site: Associates, Netjat Associates

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: N/A

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

Applicant is the contract vendee

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

N/A

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: Applicant will construct 74 garden-style apartments across six buildings and a 2,620 sf clubhouse. The community will be connected to a County sewage treatment plan per the Town's request, which the applicant has agreed to despite the incremental cost and additional affordability required in doing so (compared to on-site STP as originally intended). The 74 apartments will leased to residents (55+) and managed by the applicant. 12 of the units (16.2% of total) will be set aside as affordable apartments for low income Brookhaven residents.

B. Proposed product lines and market demands _____

The 74 units, averaging 1,333 sf, will be leased to future residents (55+).

The project will include a total rentable space of 98,675 sf

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

N/A

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

Due to elevated interest rates and the increases in the costs of land, labor,

materials and taxes, the project is not feasible without the IDA's assistance.

Without benefits from the IDA, the project will not be undertaken.

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? N/A

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

The project will be designed and built using energy efficient materials and methods. All residential units will be 100% electric and

all appliances will be Energy Star level. The HVAC system will utilize electric heat pumps, the most energy efficient HVAC solution.

6. Project Work:

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

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

B. What is the current zoning? J-2 Business, applicant seeking change of zone to PRC

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: The applicant is currently pursuing a change of zone with the Town of Brookhaven's Town Board. We expect the change of zone to occur by the

end of 2024 or soon after. Zone will be changing from J-2 Business to PRC.

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

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

7. Project Completion Schedule:

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

i. Acquisition: March 2025

ii. Construction/Renovation/Equipping: July 2025

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: We expect the project to be completed,

and use to commence, 24 months after acquisition.

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	\$ 4,440,000
Building(s) demolition/construction	\$ 14,500,000
Building renovation	\$ 0
Site Work	\$ 5,900,000
Machinery and Equipment	\$ 0
Legal Fees	\$ 250,000
Architectural/Engineering Fees	\$ 300,000
Financial Charges	\$ 2,050,000
Other (Specify)	\$ 4,200,000 (other soft costs)
Total	\$ 31,640,000

Please provide the percentage of materials and labor that will be sourced locally (Suffolk/Nassau Counties) 100%

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

2. Method of Financing:

	Amount	Term
A. Tax-exempt bond financing:	\$ _____	_____ years
B. Taxable bond financing:	\$ _____	_____ years
C. Conventional Mortgage:	\$ <u>20,000,000</u>	<u>30</u> years
D. SBA (504) or other governmental financing:	\$ _____	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ _____	
F. Other loans:	\$ _____	_____ years
G. Owner/User equity contribution:	\$ <u>11,640,000</u>	<u>30</u> years
Total Project Costs	\$ <u>31,640,000</u>	

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

0%

3. Project Financing:

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

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

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

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:

No

Part V – Project Benefits

1. **Mortgage Recording Tax Benefit:**

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

\$ 20,000,000

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

\$ 150,000

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):

\$ 12,240,000

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

\$ 1,055,700

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

i. Owner: \$ N/A

ii. User: \$ N/A

3. **Real Property Tax Benefit:**

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

B. Agency PILOT Benefit:

i. Term of PILOT requested: 15 year

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 2024 N/A
 Date Average Annual Salary of Jobs to be Retained
 FTEs to be Created in First Year: 1.5 (fill in year)

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

FTEs to be Created in Second Year: 0 (fill in year)

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

Number of Residents of LMA:

Full-Time: 1

Part-Time: 1

Cumulative Total FTEs ** After Year 2 1.5

Construction Jobs to be Created: 75

* 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	\$75,000	\$15,000
Commission Wage Earners		
Hourly Wage Earners	\$40	0
1099 and Contract Workers		

What is the annualized salary range of jobs to created? \$60,000 to \$100,000

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

Part VII – Representations, Certifications and Indemnification

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

Yes No

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

Yes No

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

Yes No

If the project had to pay fully assessed taxes on its property, materials and mortgage it would not be economically feasible. The current costs of debt(interest rates), land, labor, materials and capital, render the project unviable without IDA benefits. The applicant will not proceed without the IDA's assistance.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

The subject site would remain a vacant, low tax property. The Town of Brookhaven would forego much needed housing and numerous construction and permanent jobs. The applicant would not proceed with the project.

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

5. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, where practicable, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.

Initial *h*

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 *h*

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 *h*

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 *h*

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 h

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 h

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 h

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 h

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 h

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

Initial h

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

Initial *h*

Part VIII – Submission of Materials

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report). Note, if the project company is a newly formed entity, then the applicant is required to submit financial statements for the parent company or sponsor entity.
2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.
4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
5. Completed Environmental Assessment Form.
6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

(Remainder of Page Intentionally Left Blank)

Part IX – Special Representations

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

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

Representative of the Applicant:  _____

- 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

Scott Leyton (Name of representative of entities submitting application) deposes and says that he or she is the manager (title) of Ornstein Leyton Company, 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 31
Day of October, 2024

(seal)

Oliver Brown
Notary Public, State of New York
Reg. No. 01BR6440876
Qualified in New York County
Commission Expires 09/19/26

**** Note: If the entities named in this Application are unrelated and one individual cannot bind both entities, Parts VII, IX and X of this Application must be completed by an individual representative for each entity ****

EXHIBIT A

Proposed PILOT Schedule

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule to this Exhibit.

Town of Brookhaven Industrial Development
Schedule of Fees

Application -	\$3,000 for projects with total costs under \$5 million \$4,000 for projects with total costs \$5 million and over (non-refundable)
Closing/Expansion Sale/Transfer/Increase of Mortgage Amount/ Issuance of Refunding Bonds -	¾ of one percent up to \$25 million total project cost and an additional 1/4 of one percent on any project costs in excess of \$25 million. Projects will incur a minimum charge of \$10,000 plus all fees incurred by the Agency including, but not limited to publication, legal, and risk monitoring.
Annual Administrative -	\$2,000 administrative fee plus \$500 per unrelated subtenant located in the project facility. This fee is due annually.
Termination –	Between \$1,000 and \$2,500
Refinance (excluding refunding bonds) –	1/4 of one percent of mortgage amount or \$5,000, whichever is greater.
Late PILOT Payment –	5% penalty, 1% interest compounded monthly, plus \$1,000 administrative fee.
PILOT extension -	a minimum of \$15,000
Processing Fee -	\$275 per hour with a minimum fee of \$275
Lease of Existing Buildings (partial or complete) -	Fee is based on contractual lease amount.

The Agency reserves the right to adjust these fees.

Updated: November 17, 2020

SCHEDULE B

CONSTRUCTION WAGE POLICY

EFFECTIVE January 1, 2005

The purpose of the Brookhaven IDA is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in the Town.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in projects funded by the issuance of IDA tax exempt bonds in large projects.

The following shall be the policy of the Town of Brookhaven IDA for application for financial assistance in the form of tax-exempt financing for projects with anticipated construction costs in excess of \$5,000,000.00 per site received after January 1, 2005. Non-profit corporations and affordable housing projects are exempt from the construction wage policy.

Any applicant required to adhere to this policy shall agree to:

- (1) Employ 90% of the workers for the project from within Nassau or Suffolk Counties. In the event that this condition cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure to comply and;
- (2) Be governed by the requirements of Section 220d of Article 8 of the Labor Law of the State of New York; and when requested by the Agency, provide to the Agency a plan for an apprenticeship program;

OR

- (3) Provide to the Agency a project labor agreement or alternative proposal to pay fair wages to workers at the construction site.

Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in the best interests of the Town of Brookhaven.

Adopted: May 23, 2005

SCHEDULE C

RECAPTURE AND TERMINATION POLICY

EFFECTIVE JUNE 8, 2016

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the “Act”), the Town of Brookhaven Industrial Development Agency (the “Agency”) is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 8, 2016.

I. Termination or Suspension of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the “Applicant”) or any other document entered into by such parties in connection with a project (the “Project Documents”). Such Events of Default may include, but shall not be limited to, the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term “Financial Assistance” shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency’s participation in the transaction contemplated by the Project Agreements including, but not limited to:

- (i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;

- (ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and
- (iii) real property tax abatements granted under the Project Agreements.

II. Recapture of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

III. Modification of Payment In Lieu of Tax Agreement

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending, or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.

SCHEDULE D

Agency Payment in Lieu of Taxes (PILOT) Policy

An annual fee of \$2,000 (plus \$500 per subtenant) will be due to the Agency in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Industrial Development Agency (IDA) may grant or be utilized to obtain a partial or full real property tax abatement for a determined period. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven IDA.
2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31st of each year, or in two equal payments due January 31st and May 31st of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.
3. The Town of Brookhaven IDA shall establish a separate, interest-bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).
4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.
5. Payments in lieu of taxes which are delinquent under the agreement shall be subject to a late payment penalty of five percent (5%) of the amount due. For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made.
6. If a PILOT payment is not received by **January 31st** of any year or **May 31st** of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may give the lessee notice of said default. If the payment is not received within thirty (30) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.
7. The CEO shall maintain records of the PILOT accounts at the Agency office.
8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.

9. **Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the Applicant.**
10. **This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.**