

Town of Brookhaven

Industrial Development Agency

Meeting Agenda

Wednesday, October 16, 2024 at 9:05 AM

1. Roll Call
2. Minutes
 - a. September 18, 2024
3. CFO's Report
 - a. Actual vs. Budget Report – September 30, 2024
Timely Payments
4. Resolutions
 - a. Horseblock 4, LLC
 - b. RA Oak Run, LLC
 - c. Preserve at East Moriches
5. Applications
 - a. Port Jefferson Commons, LLC
 - b. MCP Yaphank PropCo, LLC / Yaphank AVR Boulevard Chelsea
6. Presentation
 - a. Brennan Gorman, Todd Shapiro Associates
7. CEO's Report
 - D & F Alegria South – Update
 - a. AVR-SP Brookhaven JV, LLC
Medford Gardens, LLC
 - b. Middle Country Meadows Request
 - c. Ferrandino & Sons Development Group, LLC
Governance
Headshots
 - d. LIBDC Dinner – November 18th
Vision Long Island Event Request– December 6th
Ronk Hub Grand Opening – October 22nd
Middle Country Meadows Ribbon Cutting – October 23rd
CEO Breakfast – October 24th
8. Executive Session

The next IDA meeting is scheduled for Wednesday, November 20, 2024.

Town of Brookhaven
Industrial Development Agency

Meeting Minutes

September 18, 2024

Members Present: Martin Callahan
Mitchell Pally
John Rose
Ann-Marie Scheidt

Excused Members: Frederick C. Braun, III
Felix J. Grucci
Frank C. Trotta

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 Komoromi, Harris Beach, LLC
Peter Curry, Farrell Fritz, P.C.

Mr. Callahan opened the IDA meeting at 9:15 A.M. on Wednesday, September 18, 2024, in the Agency's Office on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

Meeting Minutes of August 21, 2024

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

Mr. Rose 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 10:11 A.M., Mr. Pally made a motion to leave executive session and resume the regular agenda. The motion was seconded by Ms. Scheidt and all voted in favor. No action was taken in executive session.

CFO's Report

Ms. LaPonte presented the Operating vs. Budget Report for the period ending August 31, 2024. Income included document processing and change of ownership fees. Expenses are in line with the budget.

The IDA Finance Committee recently recommended the IDA Board approve the draft budget for 2025. There are no significant changes from 2024. The budget is due to be filed in the PARIS system by October 31, 2024. The motion to approve the budget was made by Ms. Scheidt and seconded by Mr. Rose. All voted in favor.

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 Mr. Rose, seconded by Ms. Scheidt, and unanimously approved.

Preserve at East Moriches – Resolution

The PILOT, cost benefit analysis, and related studies were included in the meeting packets for this approximately \$25 million 70-unit senior housing development to be located on Montauk Highway in East Moriches. A public hearing was held with no comments received. Additional information was requested from the applicant regarding the financing of this project, the vote on this resolution will be postponed until this information has been received.

The motion to postpone voting on this resolution was made by Mr. Pally and seconded by Mr. Rose. All voted in favor.

Bactolac Pharmaceutical, Inc. – Resolution

This pharmaceutical company is close to completing construction on their facility on Ramsey Road in the Shirely Industrial Park and have requested an extension of their employment commitment and approval to convert their mezzanine space into production manufacturing space. Ten full-time equivalent employees will now be required by December 31, 2024, and thirty full-time equivalent employees will be required by December 31, 2025.

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

CEO's Report

Housing

Potential changes to Agency housing proposals and policies are being considered. This discussion will be deferred to a later meeting.

Job Creation Numbers

A few projects did not meet their promised job creation numbers and letters were sent seeking explanations. Responses have been received from all projects that were contacted; they have provided reasonable reasons for not meeting their job creation and others have increased their job numbers.

Ronk Hub Grand Opening

The grand opening of Station Yards, a phase of the Ronk Hub project, is planning a grand opening on October 22, 2024, at 1:30 P.M.

Middle Country Meadows Ribbon Cutting

The ribbon cutting ceremony for this project is scheduled for October 23, 2024, at 1:00 PM.

IDA Meeting
September 18, 2024

R Squared / Greybarn Groundbreaking

The groundbreaking ceremony for this project is scheduled for September 25, 2024, at 11:00 A.M.

CEO Breakfast

Work is continuing on the CEO breakfast on October 24, 2024, at 8:30 A.M. at the Home 2 Suites Hotel in Yaphank. Stony Brook University's Long Island Manufacturing Extension Partnership will be presenting.

The motion to close the IDA meeting at 10:23 A.M. was made by Mr. Pally and seconded by Ms. Scheidt. All voted in favor.

The next IDA meeting is scheduled for October 16, 2024.

DRAFT

Town of Brookhaven Industrial Development Agency

MRB Cost Benefit Calculator



Date: 8.21.24
 Project Title: Horseblock 4, LLC
 Project Location: Southeast corner of Horseblock Road and Miller Ave Bellport, NY

Economic Impacts

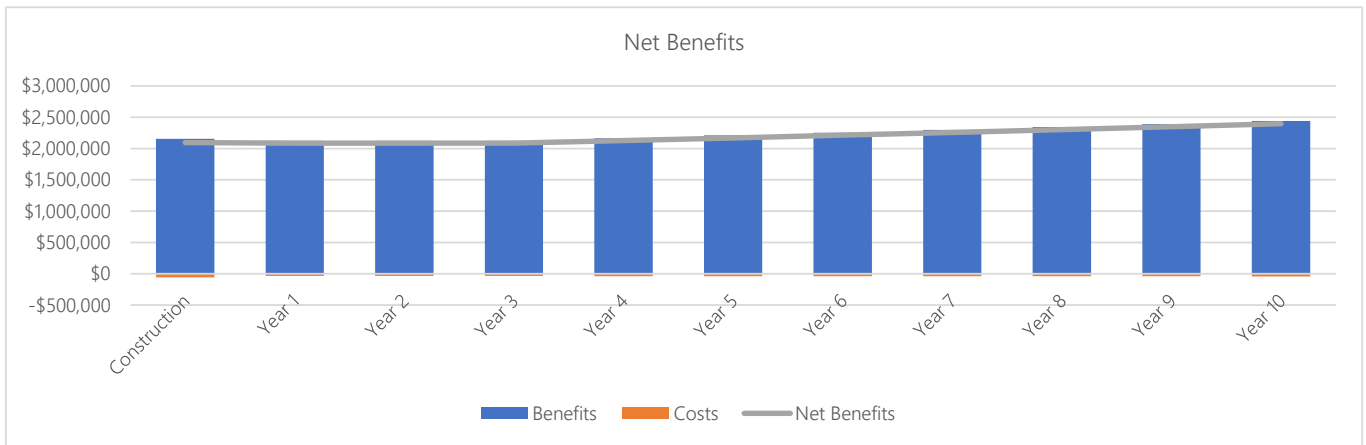
Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
 \$4,220,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	25	6	31
Earnings	\$1,611,913	\$419,617	\$2,031,530
Local Spend	\$4,220,000	\$1,458,192	\$5,678,192

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	20	7	27
Earnings	\$13,969,519	\$7,225,548	\$21,195,067

Figure 1



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

Figure 2

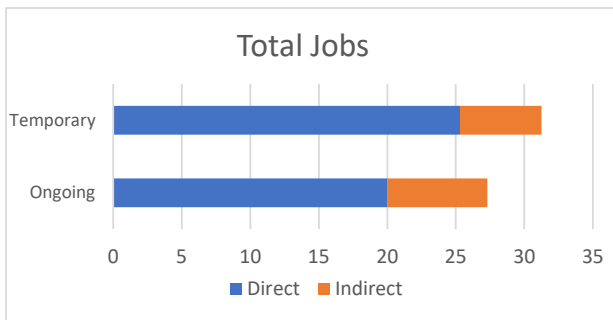
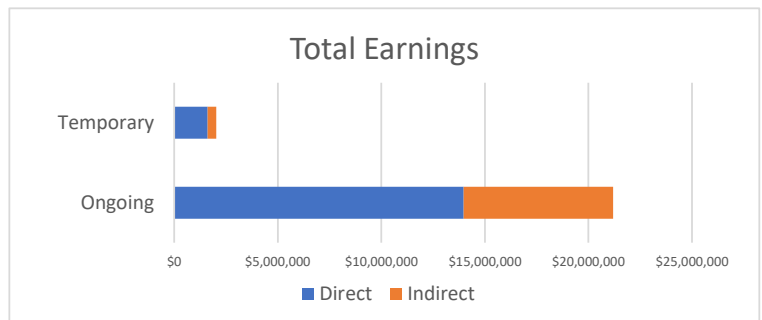


Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$387,388	\$346,851
Sales Tax Exemption	\$52,354	\$52,354
Local Sales Tax Exemption	\$28,074	\$28,074
State Sales Tax Exemption	\$24,280	\$24,280
Mortgage Recording Tax Exemption	\$7,500	\$7,500
Local Mortgage Recording Tax Exemption	\$2,500	\$2,500
State Mortgage Recording Tax Exemption	\$5,000	\$5,000
Total Costs	\$447,242	\$406,705

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$23,414,588	\$21,188,017
To Private Individuals	\$23,226,597	\$21,017,903
Temporary Payroll	\$2,031,530	\$2,031,530
Ongoing Payroll	\$21,195,067	\$18,986,373
Other Payments to Private Individuals	\$0	\$0
To the Public	\$187,990	\$170,114
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$16,443	\$16,443
Ongoing Jobs - Sales Tax Revenue	\$171,548	\$153,671
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$1,207,783	\$1,092,931
To the Public	\$1,207,783	\$1,092,931
Temporary Income Tax Revenue	\$91,419	\$91,419
Ongoing Income Tax Revenue	\$953,778	\$854,387
Temporary Jobs - Sales Tax Revenue	\$14,221	\$14,221
Ongoing Jobs - Sales Tax Revenue	\$148,365	\$132,905
Total Benefits to State & Region	\$24,622,371	\$22,280,948

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$21,188,017	\$377,425	56:1
State	\$1,092,931	\$29,280	37:1
Grand Total	\$22,280,948	\$406,705	55:1

*Discounted at 2%

Additional Comments from IDA

Horseblock 4, LLC proposes a 20,000 square foot steel prefabricated warehouse industrial building on an approximately 18.9 acre site. The facility will be used to assemble, repair and maintain Cassone Leasing, Inc. trailers and containers. As per the Brookhaven IDA Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to, jobs created and investment by the applicant.

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





Dear Town of Brookhaven IDA Board, South Country School District Board of Education and Supervisor Panico,

I am writing in opposition to IDA property tax breaks for yet another warehouse within the South Country School district. There is no analysis that shows that the proposed Horseblock 4 LLC warehouse requires a property tax break to be built. For all the reasons I have repeatedly expressed to the IDA board, the South Country School district requires more financial support, not less. Please stop defunding the children of South Country School District's educational opportunities.

Our school district cannot afford to be continually defunded by the Brookhaven IDA. For the 2023 NYS Grades 3-8 ELA tests, **South Country had the lowest percent proficient and highest percent well below proficient in all of Suffolk County.** Out of 128 districts reported in LI, only Hempstead in Nassau performed worse. For the 2023 NYS Grades 3-8 Math tests, **South Country had third lowest percent proficient and second highest percent well below proficient in all of Suffolk County.** One of the Suffolk districts that scored worse was Greenport with only 287 eligible students. In Nassau, only Hempstead performed worse.

Please understand that fully funding our children's education IS economic development.

Best,

Kerim Odekon MD MSc MRP

<https://brookhavenida.org/blog/notice-of-public-hearing-horseblock-4-llc>

Forwarded on behalf of Mr. Antonio Santana, Superintendent of South Country Central School District:

The South Country Central School District is aware of an application for assistance from Horseblock 4, LLC and Cassone Leasing, Inc. in connection with the acquisition of an approximately 18.91 acre parcel of land, the acquisition and construction of an approximately 20,000 square foot prefabricated building and other improvements thereon, and the acquisition and installation therein of certain equipment located or to be located at the southeast corner of Horseblock Road and Miller Avenue, in Yaphank, New York, to be used for the assembly, repair, service and maintenance of containers, office trailers, modular buildings, and iBox systems for sale or lease, the outdoor storage of containers and trailers, and office space connection therewith. In that regard we will request that the Brookhaven Industrial Development Agency reconsider the potential impact of the project upon the District and its taxpayers and the needs of the school district in its consideration of the request for financial assistance by this for-profit entity. This is especially true considering the reduction of state aid and the financial challenges that our community is facing as the state looks to reduce aid to districts across Long Island, especially here in South Country. If any benefit to the District, its students or taxpayers may be achieved through this project, we would request the IDA's assistance in obtaining such benefit. We are also concerned with the environmental impact of such an endeavor and would request information regarding omissions, traffic, and other potential adverse effects of the project. The Board of Education and superintendent would welcome the opportunity to discuss any such potential benefit that may accrue to the District, as well as the potential environmental impact on our learning community.

Your consideration is much appreciated.

VanBRUNT, JUZWIAK & RUSSO, P.C.

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RITA BUCKLEY
Paralegal

September 30, 2024

Via Regular Mail and Email

Ms. Lisa M.G. Mulligan, Executive Director
Brookhaven Town Industrial Development Agency
One Independence Hill
Farmingville, New York 11738

Re: Applicant: Horseblock 4 LLC
Application: Brookhaven Town IDA Financial Assessment Application
Premises: s/e/c Horseblock Road and Miller Avenue, Bellport, New York
SCTM#: 0200-844.00-03.00-022.008

Dear ^{Lisa} Ms. Mulligan:

As you are aware, our law firm represents Horseblock 4 LLC in connection with the above-referenced Brookhaven Town IDA Application as submitted on May 1, 2024. It is for the proposed construction of a 20,000 square foot steel prefabricated warehouse industrial building and RCA graveled area with outdoor storage and overnight outdoor parking of vehicles and equipment.

Our client initially requested that the Brookhaven Town Industrial Development Agency consider its project for the standard benefits package of PILOT Agreement as to real estate taxes, mortgage recording taxes, and sales and use taxes. Our client has now determined that financing is not necessary and is no longer seeking a mortgage tax recording exemption. Please eliminate the request for same from our client's Application.

Thank you for your continued review of this Application and scheduling of same for a public hearing by the Brookhaven Town Industrial Development Agency Board on October 7, 2024. If you should have any further questions, please do not hesitate to contact our office. Thank you.

Very truly yours,
Van Brunt, Juzwiak & Russo, P.C.


Eric J. Russo, Esq.

EJR/tml

cc: Ms. Lynn Cassone, Horseblock 4 LLC
Ms. Annette Eaderesto, Esq., Brookhaven Town IDA Counsel
Mr. Howard Gross, Esq., Brookhaven Town IDA Counsel

PREPARED FOR:

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

Reasonableness Assessment for Financial Assistance

THE PRESERVE AT EAST MORICHES, LLC

AUGUST 2024

PREPARED BY:



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EXECUTIVE SUMMARY

Project Description

The Town of Brookhaven Industrial Development Agency (Agency) received an application from The Preserve at East Moriches, LLC (Applicant) for financial assistance for the construction of a planned senior housing community consisting of 13 buildings (Project). The project will feature 70 units, an improved 1,200 SF community building, and several outdoor recreational areas with horseshoe pits, picnic tables, and a walking path. Seven of the units will be set aside as affordable at 80% of area median income (AMI), and seven units will be set aside as workforce housing at 120% of AMI.

The Project represents a \$24.9 million investment and is anticipated by the Applicant to generate 3 full-time permanent jobs within two years. To support this project, the Applicant requests financial assistance through a Payment In Lieu of Taxes (PILOT) agreement.

Purpose of this Analysis

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

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

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

- ***Certain assumptions are within norms, such as rent and vacancy rate. However, operating expenses are lower than market benchmarks, and loan to total project cost is much higher than benchmarks.***
- ***Without a PILOT, the project does not achieve positive cash flow, with a PILOT investment is recouped in year 13.***
- ***The average equity dividend rate requires a PILOT to meet market benchmarks.***

1. OPERATING ASSUMPTIONS

The Applicant’s operating assumptions are compared to CoStar estimates for rent in 2024 in Suffolk County. The ability of households in Suffolk County to afford market rate, workforce, and affordable apartments is estimated by calculating the income necessary to pay no more than 30% of income on rent.

Apartment Unit Type, Rent, and Household Income

Type of Apartment (1)	Number of Units (1)	Rent per Month (1)	Rent per Year	Household Income Required (2)	Income Limit (3)	Max Household Income (4)	Benchmarks
Market Rate 2BR	56	\$3,200	\$38,400	\$128,000	n/a	n/a	Rent is 1.21 times higher than average rent for Suffolk County (5)
Workforce 2BR	7	\$3,200	\$38,400	\$128,000	120%	\$143,806	Household income required is below the max household income limits for 120% of Nassau-Suffolk AMI of \$119,838
Affordable 2BR	7	\$2,165	\$25,980	\$86,600	80%	\$91,800	Household income required is below the max household income limits for low income 3-person households in Nassau-Suffolk, NY HUD Metro (4)

(1) Source: Applicant

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

(3) Source: Applicant - 7 units will be reserved for affordable housing, whose incomes are 80% or less of AMI, 7 units will be reserved for workforce housing, whose incomes are 120% or less of AMI

(4) 2023 Adjusted Home Income Limits, U.S. Department of HUD

(5) Average monthly rent for 2024 in Suffolk County, NY is estimated at \$2,640; Source: CoStar

2. PILOT ANALYSIS

Camoin Associates created a PILOT schedule in alignment with the Agency's Uniform Tax Exemption Policy (UTEP) and detailed in the Applicant's Form Application for Financial Assistance:

PILOT Schedule - Provided 13 Year						
Year	Property Without Project (1)	Plus: Improvements		Total PILOT (1)	Estimated PILOT Savings (1)	Project w/out PILOT (1)
		Projected Improvement Tax (1)	Proposed Exemption (1)			
Construction Year 1	\$34,478		100.00%	\$ 34,478	\$0	\$34,478
PILOT/Tax Year 2	\$35,168	\$401,980	93.75%	\$ 60,291	\$341,689	\$437,148
PILOT/Tax Year 3	\$35,871	\$410,020	87.50%	\$ 87,123	\$322,896	\$445,891
PILOT/Tax Year 4	\$36,588	\$418,220	81.25%	\$ 115,005	\$303,215	\$454,808
PILOT/Tax Year 5	\$37,320	\$426,584	75.00%	\$ 143,966	\$282,618	\$463,904
PILOT/Tax Year 6	\$38,066	\$435,116	68.75%	\$ 174,040	\$261,076	\$473,183
PILOT/Tax Year 7	\$38,828	\$443,818	62.50%	\$ 205,260	\$238,559	\$482,646
PILOT/Tax Year 8	\$39,604	\$452,695	56.25%	\$ 237,658	\$215,036	\$492,299
PILOT/Tax Year 9	\$40,396	\$461,749	50.00%	\$ 271,271	\$190,478	\$502,145
PILOT/Tax Year 10	\$41,204	\$470,984	43.75%	\$ 306,133	\$164,851	\$512,188
PILOT/Tax Year 11	\$42,028	\$480,403	37.50%	\$ 342,281	\$138,123	\$522,432
PILOT/Tax Year 12	\$42,869	\$490,011	31.25%	\$ 379,752	\$110,259	\$532,880
PILOT/Tax Year 13	\$43,726	\$499,812	25.00%	\$ 418,585	\$81,226	\$543,538
Total	\$506,148				\$2,650,027	\$5,897,540

(1) Source: Town of Brookhaven

The PILOT agreement will abate 55.1% of the Applicant's taxes, resulting in \$3,121,697 in foregone tax revenue (benefit to the project) to the municipality over the next 13 years. This amount is higher than the \$2,269,694 estimated new tax revenue (benefit to the municipality) the municipality stands to gain from the PILOT project.

Real Property Tax Comparison

13 Year PILOT

Comparison of Taxes on Full Value of Project and with PILOT

Taxes without PILOT	\$ 5,897,540
Less: PILOT/Tax Payments	<u>\$ (2,775,843)</u>
Foregone Revenue (Benefits to Project)	\$ 3,121,697
Abatement Percent	52.9%

Net New Taxes Compared with No Project

PILOT	\$ 2,775,843
Less: Estimated Taxes without Project	<u>\$ (506,148)</u>
Estimated New Tax Revenue (Benefits to Municipalities)	\$ 2,269,694

This table shows the PILOT timeline and the Project's tax payments. It calculates the benefits to the municipalities and the benefits (or savings) to the Project.

Proposed PILOT and Tax Comparison (13 year PILOT)								
	Benefits to Municipalities			Benefit to Project				
	PILOT Payments	Less: Current Tax Revenues (1)	Net New Tax Revenues	Taxes Owed after Project Completion (2)	Less: PILOT Payments	Estimated Savings to Project	Share of Estimated Taxes Owed	
1	\$ 34,478	\$34,478	\$0	\$ 34,478	\$ 34,478	\$0	100.00%	
2	\$ 60,291	\$35,168	\$25,124	\$ 437,148	\$ 60,291	\$376,856	13.79%	
3	\$ 87,123	\$35,871	\$51,252	\$ 445,891	\$ 87,123	\$358,767	19.54%	
4	\$ 115,005	\$36,588	\$78,416	\$ 454,808	\$ 115,005	\$339,804	25.29%	
5	\$ 143,966	\$37,320	\$106,646	\$ 463,904	\$ 143,966	\$319,938	31.03%	
6	\$ 174,040	\$38,066	\$135,974	\$ 473,183	\$ 174,040	\$299,142	36.78%	
7	\$ 205,260	\$38,828	\$166,432	\$ 482,646	\$ 205,260	\$277,387	42.53%	
8	\$ 237,658	\$39,604	\$198,054	\$ 492,299	\$ 237,658	\$254,641	48.28%	
9	\$ 271,271	\$40,396	\$230,874	\$ 502,145	\$ 271,271	\$230,874	54.02%	
10	\$ 306,133	\$41,204	\$264,928	\$ 512,188	\$ 306,133	\$206,055	59.77%	
11	\$ 342,281	\$42,028	\$300,252	\$ 522,432	\$ 342,281	\$180,151	65.52%	
12	\$ 379,752	\$42,869	\$336,883	\$ 532,880	\$ 379,752	\$153,129	71.26%	
13	\$ 418,585	\$43,726	\$374,859	\$ 543,538	\$ 418,585	\$124,953	77.01%	
Totals	\$ 2,775,843	\$506,148	\$2,269,694	\$5,897,540	\$ 2,775,843	\$3,121,697	47.1%	

(1) Assumes tax rate for Fiscal Year 2023/2024 of 395.163 and a current assessed value of \$8,725.

(2) Assumes a 2% annual increase in tax rate and a taxable value of \$115,000 upon project completion; Source: Town of Brookhaven, Applicant

3. OPERATING PERFORMANCE

The project's operating performance is measured using Year 6 of the Applicant's Pro Forma. The Applicant assumes that gross revenue and expenses will escalate at 2% per year and that there will be a 6% vacancy rate once stabilized, within the range for Suffolk County, NY. Operating expenses are lower than the benchmarks. With the PILOT, real property taxes absorb 6% of project income while debt service absorbs 66% of income, resulting in a positive cash flow of \$32,500.

Operations Snapshot, Year 6

	13 Year PILOT			
	Project Performance (1)	Share of Gross Operating Income	Benchmark Performance (2)	Evaluation
<u>Calculation of Net Operating Income Residential</u>				
Gross Operating Income	\$ 2,927,516	100%	n/a	n/a
Vacancy Rate and Concessions (4)	6.0%	n/a	5.8%	Within range
Effective Gross Income (EGI), All Uses (3)	\$ 2,751,865	94%	96%	Within range
Less: Operating Expenses and Reserve	(\$606,649)	21%	51%	More efficient
<u>Less: Real Property Taxes (with PILOT)</u>	<u>\$ (174,040)</u>	<u>6%</u>	<u>n/a</u>	<u>n/a</u>
Net Operating Income	\$ 1,971,175	67%	48%	More efficient
Less: Debt Service	<u>(\$1,938,675)</u>	66%	n/a	n/a
Cashflow after Operating Costs, Taxes, Debt	\$ 32,500	1%	n/a	n/a

(1) Source: Applicant

(2) Source: RealtyRates Q2 2024 for Northeast Region

(3) Net of vacancy and concessions

(4) Average vacancy rate for 2024 in Suffolk County, NY is 5.8%; Source: CoStar

4. FINANCING PLAN

- ◆ The Sources and Uses of Funds show the total project costs and debt and equity capital structure.
- ◆ The Senior (Long Term) Debt Terms are mixed. Loan to Total Project Costs is 96% above industry benchmarks of 70-80%. The annual interest rate for long-term debt is within range, and the maturity term is within acceptable limits.

Sources and Uses of Funds		
<u>Sources of Funds</u>	<u>Amount (1)</u>	<u>Share</u>
Bank Financing	\$24,000,000	96%
Equity and Working Capital	<u>\$1,015,000</u>	<u>4%</u>
Total Sources	\$25,015,000	100%
<u>Uses of Funds</u>		
Acquisition and Transaction Costs	\$2,600,000	10%
Construction Costs	<u>\$22,415,000</u>	<u>90%</u>
Total Uses	\$25,015,000	100%

(1) Source: Applicant

Terms of the Senior (Long Term) Debt			
	<u>Terms (1)</u>	<u>Benchmark (2)</u>	<u>Evaluation</u>
Amount Borrowed	\$24,000,000	n/a	n/a
Loan to Total Project Cost	96%	70% to 80%	Above Range
Annual Interest Rate	6.00%	4.81% to 9.11%	Within Range
Maturity in Years	30	15 to 40	Within Range

(1) Source: Applicant

(2) Source: RealtyRates Q2 2024

5. RATE OF RETURN

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

- ◆ **The Equity Dividend Rate** is net cash flow for each year, divided by the initial equity investment. Equity Dividend Rates are benchmarked using current market information from RealtyRates.com for similar projects in the region. Equity Dividend Rates close to the benchmarks indicate a Project outcome in line with the current market, which means the Applicant is earning a reasonable return. Very low or negative rates indicate the Project is unlikely to be undertaken if compared to other possible investments. Equity Dividend Rates are based on an initial equity investment of \$1,015,000. **The average equity dividend rate for the 13-year provided PILOT meets this criterion, whereas the No Pilot Scenario does not.**
- ◆ **Cash Flow** shows net cash flow to the Applicant over time. There are currently no cash flow benchmarks available. **Cumulative Cash Flow is negative for the no-PILOT scenario but positive for the 13-year PILOT scenario, indicating that a PILOT is necessary for this development to be profitable within a 13-year timeframe.**

Debt Service Coverage estimates how well the Project's net income, after taxes, supports debt repayment. Debt Service Coverage exceeds the benchmark by year 5 with a PILOT and year 11 without.

Note: Debt service payments were not provided for the full 15-year term, so Camoin Associates adjusted missing years based on assumptions provided by the applicant.

Comparison of Return on Investment

	13 Year		Benchmarks (1)
	<u>No PILOT</u>	<u>Provided PILOT</u>	
<u>Equity Dividend Rates</u>			
Average	-13.9%	7.82%	
Minimum	-46.29%	-9.16%	7.33%
Maximum	15.38%	31.52%	to 16.79%
Year Benchmarks Met	12	8	
<u>Cash Flow</u>			
Average	(\$162,437)	\$91,611	
Minimum	(\$469,826)	(\$92,970)	
Maximum	\$156,132	\$319,918	n/a
Cumulative	(\$2,111,683)	\$1,190,941	
Year Investment Recouped	n/a	13	
<u>Debt Service Coverage</u>			
Average	0.91	1.05	1.00
Minimum	0.76	0.95	to
Maximum	1.08	1.17	1.86
Years Benchmarks Met	11	5	

(1) Source: RealtyRates for Q2 2024

ATTACHMENT 1: PRO FORMAS

Project Name	The Preserve at East Moriches		Date		9/5/2024									
Annual Cashflows (Pro Forma) - No Pilot														
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11*	Year 12*	Year 13*	
Operating Cash Flow														
<u>Residential Income</u>														
Gross Operating Income	\$0	\$2,601,060	\$2,679,092	\$2,759,465	\$2,842,248	\$2,927,516	\$3,015,341	\$3,105,802	\$3,198,976	\$3,294,945	\$3,393,793	\$3,495,607	\$3,600,475	
Less: Vacancy Allowance (enter as a negative number)	\$0	-\$156,064	-\$160,746	-\$165,568	-\$170,535	-\$175,651	-\$180,920	-\$186,348	-\$191,939	-\$197,697	-\$203,628	-\$209,736	-\$216,029	
Net Rental Income, Residential	\$0	\$2,444,996	\$2,518,346	\$2,593,897	\$2,671,714	\$2,751,865	\$2,834,421	\$2,919,454	\$3,007,037	\$3,097,248	\$3,190,166	\$3,285,871	\$3,384,447	
<u>Commercial/Industrial Income</u>														
Gross Operating Income														
Less: Vacancy Allowance (enter as a negative number)														
Net Rental Income, Commercial/Industrial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>Other Income</u>														
Parking Income														
Other Income														
Other Income														
Net Income, Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Effective Gross Income (EGI)	\$0	\$2,444,996	\$2,518,346	\$2,593,897	\$2,671,714	\$2,751,865	\$2,834,421	\$2,919,454	\$3,007,037	\$3,097,248	\$3,190,166	\$3,285,871	\$3,384,447	
<u>Operating Expenses (enter positive numbers)</u>														
Salaries and Wages	\$ 105,000	\$ 108,150	\$ 111,395	\$ 114,736	\$ 118,178	\$ 121,724	\$ 125,375	\$ 129,137	\$ 133,011	\$ 137,001	\$ 141,111	\$ 145,345		
Maintenance	\$ 21,000	\$ 21,630	\$ 22,279	\$ 22,947	\$ 23,636	\$ 24,345	\$ 25,075	\$ 25,827	\$ 26,602	\$ 27,400	\$ 28,222	\$ 29,069		
Deposit to replacement reserve	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,393	\$ 40,575	\$ 41,792	\$ 43,046	\$ 44,337	\$ 45,667	\$ 47,037	\$ 48,448		
Insurance	\$ 90,000	\$ 92,700	\$ 95,481	\$ 98,345	\$ 101,296	\$ 104,335	\$ 107,465	\$ 110,689	\$ 114,009	\$ 117,430	\$ 120,952	\$ 124,581		
Other	\$ 288,000	\$ 296,640	\$ 305,539	\$ 314,705	\$ 324,147	\$ 333,871	\$ 343,887	\$ 354,204	\$ 364,830	\$ 375,775	\$ 387,048	\$ 398,659		
Operating Expenses	\$ -	\$ 539,000	\$ 555,170	\$ 571,825	\$ 588,980	\$ 606,649	\$ 624,849	\$ 643,594	\$ 662,902	\$ 682,789	\$ 703,273	\$ 724,371	\$ 746,102	
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$ -	\$ 1,905,996	\$ 1,963,176	\$ 2,022,072	\$ 2,082,734	\$ 2,145,216	\$ 2,209,572	\$ 2,275,859	\$ 2,344,135	\$ 2,414,459	\$ 2,486,893	\$ 2,561,500	\$ 2,638,345	
Real Property Taxes (assuming no PILOT)	\$ 34,478	\$ 437,148	\$ 445,891	\$ 454,808	\$ 463,904	\$ 473,183	\$ 482,646	\$ 492,299	\$ 502,145	\$ 512,188	\$ 522,432	\$ 532,880	\$ 543,538	
Net Operating Income (NOI) after Taxes	\$ (34,478)	\$ 1,468,849	\$ 1,517,286	\$ 1,567,263	\$ 1,618,829	\$ 1,672,033	\$ 1,726,926	\$ 1,783,560	\$ 1,841,990	\$ 1,902,271	\$ 1,964,461	\$ 2,028,619	\$ 2,094,807	
<u>Loan or Mortgage (Debt Service)</u>														
Interest Payment	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	
Principal Payment														
Debt Service	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	
Cash Flow After Financing and Reserve	\$ (34,478)	\$ (469,826)	\$ (421,389)	\$ (371,412)	\$ (319,846)	\$ (266,642)	\$ (211,749)	\$ (155,115)	\$ (96,685)	\$ (36,404)	\$ 25,786	\$ 89,944	\$ 156,132	
Debt Service Coverage Ratio (DSCR)		0.76	0.78	0.81	0.84	0.86	0.89	0.92	0.95	0.98	1.01	1.05	1.08	
Equity Dividend Rate	-3.40%	-46.29%	-41.52%	-36.59%	-31.51%	-26.27%	-20.86%	-15.28%	-9.53%	-3.59%	2.54%	8.86%	15.38%	

*Proforma adjusted to from Year 10 to Year 13 based on assumptions provided by the applicant

Reasonableness Assessment for The Preserve at East Moriches, Town of Brookhaven Industrial Development Agency

Project Name	The Preserve at East Moriches		Date	9/5/2024									
Annual Cashflows (Pro Forma) - 15 Year PILOT Provided													
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11*	Year 12*	Year 13*
Operating Cash Flow													
<u>Residential Income</u>													
Gross Operating Income	\$0	\$2,601,060	\$2,679,092	\$2,759,465	\$2,842,248	\$2,927,516	\$3,015,341	\$3,105,802	\$3,198,976	\$3,294,945	\$3,393,793	\$3,495,607	\$3,600,475
Less: Vacancy Allowance (enter as a negative number)	\$0	-\$156,064	-\$160,746	-\$165,568	-\$170,535	-\$175,651	-\$180,920	-\$186,348	-\$191,939	-\$197,697	-\$203,628	-\$209,736	-\$216,029
Net Rental Income, Residential	\$0	\$2,444,996	\$2,518,346	\$2,593,897	\$2,671,714	\$2,751,865	\$2,834,421	\$2,919,454	\$3,007,037	\$3,097,248	\$3,190,166	\$3,285,871	\$3,384,447
<u>Commercial/Industrial Income</u>													
Gross Operating Income													
Less: Vacancy Allowance (enter as a negative number)													
Net Rental Income, Commercial/Industrial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Other Income</u>													
Parking Income													
Other Income													
Other Income													
Net Income, Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Effective Gross Income (EGI)	\$0	\$2,444,996	\$2,518,346	\$2,593,897	\$2,671,714	\$2,751,865	\$2,834,421	\$2,919,454	\$3,007,037	\$3,097,248	\$3,190,166	\$3,285,871	\$3,384,447
<u>Operating Expenses (enter positive numbers)</u>													
Salaries and Wages	\$ 105,000	\$ 108,150	\$ 111,395	\$ 114,736	\$ 118,178	\$ 121,724	\$ 125,375	\$ 129,137	\$ 133,011	\$ 137,001	\$ 141,111	\$ 145,345	
Maintenance	\$ 21,000	\$ 21,630	\$ 22,279	\$ 22,947	\$ 23,636	\$ 24,345	\$ 25,075	\$ 25,827	\$ 26,602	\$ 27,400	\$ 28,222	\$ 29,069	
Deposit to replacement reserve	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,393	\$ 40,575	\$ 41,792	\$ 43,046	\$ 44,337	\$ 45,667	\$ 47,037	\$ 48,448	
Insurance	\$ 90,000	\$ 92,700	\$ 95,481	\$ 98,345	\$ 101,296	\$ 104,335	\$ 107,465	\$ 110,689	\$ 114,009	\$ 117,430	\$ 120,952	\$ 124,581	
Other	\$ 288,000	\$ 296,640	\$ 305,539	\$ 314,705	\$ 324,147	\$ 333,871	\$ 343,887	\$ 354,204	\$ 364,830	\$ 375,775	\$ 387,048	\$ 398,659	
Operating Expenses	\$ -	\$ 539,000	\$ 555,170	\$ 571,825	\$ 588,980	\$ 606,649	\$ 624,849	\$ 643,594	\$ 662,902	\$ 682,789	\$ 703,273	\$ 724,371	\$ 746,102
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$ -	\$ 1,905,996	\$ 1,963,176	\$ 2,022,072	\$ 2,082,734	\$ 2,145,216	\$ 2,209,572	\$ 2,275,859	\$ 2,344,135	\$ 2,414,459	\$ 2,486,893	\$ 2,561,500	\$ 2,638,345
Real Property Taxes (assuming PILOT)	\$ 34,478	\$ 60,291	\$ 87,123	\$ 115,005	\$ 143,966	\$ 174,040	\$ 205,260	\$ 237,658	\$ 237,658	\$ 271,271	\$ 306,133	\$ 342,281	\$ 379,752
Net Operating Income (NOI) after Taxes	\$ (34,478)	\$ 1,845,705	\$ 1,876,053	\$ 1,907,067	\$ 1,938,768	\$ 1,971,175	\$ 2,004,312	\$ 2,038,201	\$ 2,106,477	\$ 2,143,188	\$ 2,180,760	\$ 2,219,219	\$ 2,258,593
Loan or Mortgage (Debt Service)		\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675
Interest Payment										\$ -	\$ -	\$ -	\$ -
Principal Payment										\$ -	\$ -	\$ -	\$ -
Debt Service		\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675	\$ 1,938,675
Cash Flow After Financing and Reserve	\$ (34,478)	\$ (92,970)	\$ (62,622)	\$ (31,608)	\$ 93	\$ 32,500	\$ 65,637	\$ 99,526	\$ 167,802	\$ 204,513	\$ 242,085	\$ 280,544	\$ 319,918
Debt Service Coverage Ratio (DSCR)		0.95	0.97	0.98	1.00	1.02	1.03	1.05	1.09	1.11	1.12	1.14	1.17
Equity Dividend Rate	-3.40%	-9.16%	-6.17%	-3.11%	0.01%	3.20%	6.47%	9.81%	16.53%	20.15%	23.85%	27.64%	31.52%

*Proforma adjusted to from Year 10 to Year 13 based on assumptions provided by the applicant

APPENDIX A: SCOPE OF SERVICES

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

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

Sources Consulted

- ◆ Application for Financial Assistance dated December 19, 2023.
- ◆ Project financing and annual cashflow workbook submitted by the Applicant in July 2024, with submitted revisions.
- ◆ Updated assessed value provided on July 9, 2024.
- ◆ Real estate tax information and estimates received from the Agency, including anticipated future assessed value of the Project.
- ◆ CoStar
- ◆ RealtyRates.com



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



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

APPENDIX B: DEFINITIONS

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

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

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

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

ABOUT CAMOIN ASSOCIATES

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

THE PROJECT TEAM

Rachel Selsky
Vice President, Project Principal

Thomas Galvin
Senior Real Estate Specialist, Project Analyst

Town of Brookhaven Industrial Development Agency

MRB Cost Benefit Calculator



Date: 9.8.24
 Project Title: The Preserve at East Moriches, LLC
 Project Location: 91 Montauk Highway, East Moriches

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

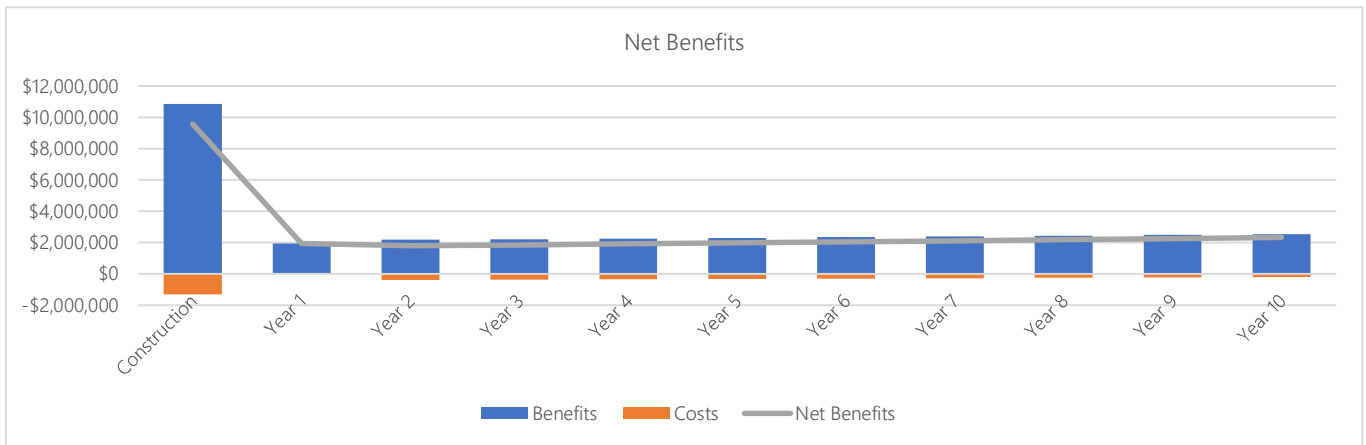
Project Total Investment

\$24,900,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	139	30	169
Earnings	\$8,154,911	\$2,098,439	\$10,253,351
Local Spend	\$21,165,000	\$7,283,586	\$28,448,586

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	25	8	34
Earnings	\$20,633,393	\$8,332,311	\$28,965,704

Figure 1



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

Figure 2

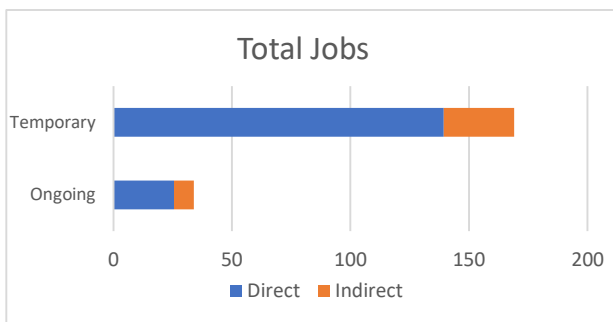
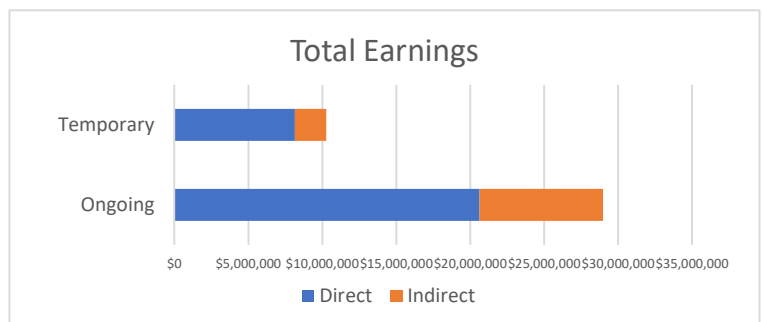


Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$3,121,697	\$2,752,891
Sales Tax Exemption	\$1,138,500	\$1,138,500
Local Sales Tax Exemption	\$610,500	\$610,500
State Sales Tax Exemption	\$528,000	\$528,000
Mortgage Recording Tax Exemption	\$168,075	\$168,075
Local Mortgage Recording Tax Exemption	\$56,025	\$56,025
State Mortgage Recording Tax Exemption	\$112,050	\$112,050
Total Costs	\$4,428,272	\$4,059,466

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$41,957,046	\$37,681,782
To Private Individuals	\$39,219,054	\$35,380,882
Temporary Payroll	\$10,253,351	\$10,253,351
Ongoing Payroll	\$28,965,704	\$25,127,532
Other Payments to Private Individuals	\$0	\$0
To the Public	\$2,737,992	\$2,300,900
Increase in Property Tax Revenue	\$2,269,695	\$1,883,557
Temporary Jobs - Sales Tax Revenue	\$82,988	\$82,988
Ongoing Jobs - Sales Tax Revenue	\$385,310	\$334,355
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$2,169,872	\$1,953,085
To the Public	\$2,169,872	\$1,953,085
Temporary Income Tax Revenue	\$461,401	\$461,401
Ongoing Income Tax Revenue	\$1,303,457	\$1,130,739
Temporary Jobs - Sales Tax Revenue	\$71,773	\$71,773
Ongoing Jobs - Sales Tax Revenue	\$333,241	\$289,172
Total Benefits to State & Region	\$44,126,918	\$39,634,867

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$37,681,782	\$3,419,416	11:1
State	\$1,953,085	\$640,050	3:1
Grand Total	\$39,634,867	\$4,059,466	10:1

*Discounted at 2%

Additional Comments from IDA

The applicant's proposed project includes 70 two-bedroom, senior, residential apartments with 10% at the affordable rate and 10% at the workforce rate. The facility will include a 1,200 sf community building, horseshoe pits, picnic tables and a walking path. As per the Brookhaven IDA Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to, capital investment by the applicant and an increase in the number of affordable, senior housing units. PLEASE NOTE: The project applicant will create 3 full time equivalent (FTE) positions. The additional 34 jobs created are the result of household spending.

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



Peter L. Curry
Partner

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Uniondale, NY 11556
www.farrellfritz.com

Our File No.
40252/100

October 4, 2024

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

Re: The Preserve at East Moriches, LLC

Lisa:

In a recent email, Barry Carrigan requested that we clarify certain issues regarding the construction financing of the East Moriches project. Attached please find a chart of the project costs as delivered to BlackBear Capital Partners, with a breakout of the debt and equity necessary to complete construction. Of the equity required, the land value, the hard costs for site work, and a significant amount of soft costs have already been invested into the project. More will be expended in closing the IDA and financing transactions. The remaining equity will be injected by Messrs. Tsunis and Habberstad, the members of The Preserve at East Moriches, LLC.

The application we submitted requests a partial abatement of mortgage tax in connection with a permanent mortgage in the amount of \$22,410,000.00. We believe that financing in this amount will be easily achievable upon the lease-up of the project.

Please feel free to contact me with any questions regarding the contents of this letter.

Very truly yours,

A handwritten signature in black ink that reads 'Peter' in a cursive script.

Peter L. Curry

PLC/an

cc: Barry Carrigan, Esq. (bcarrigan@nixonpeabody.com)
Laura K. Fallick, Esq.
Mr. James Tsunis

**THE PRESERVE AT EAST MORICHES, LLC
CONSTRUCTION LOAN FINANCING
DEBT/EQUITY CALCULATION**

<u>Item</u>	<u>Value</u>	<u>Construction Loan</u>	<u>Equity</u>
Land Value	\$8,400,000.00		\$8,400,000.00
Hard Costs	\$18,500,000.00	\$18,400,000.00	\$ 100,000.00
Contingency	\$ 1,303,400.00	\$ 1,303,400.00	
Financing Costs & Interest Reserve	\$ 2,025,502.00	\$ 2,025,502.00	
Other Soft Costs	<u>\$ 2,820,000.00</u>	<u>\$ 624,352.00</u>	<u>\$2,195,648.00</u>
TOTAL	\$33,048,902.00	\$22,473,254.00	\$10,695,648.00

Preserve at East Moriches, LLC DRAFT PILOT

Year	PILOT
1	\$34,478
2	\$60,291
3	\$87,123
4	\$115,005
5	\$143,966
6	\$174,040
7	\$205,260
8	\$237,658
9	\$271,271
10	\$306,133
11	\$342,281
12	\$379,752
13	\$418,585

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

The Preserve at East Moriches, LLC Economic and Fiscal Impact Analysis

Prepared by:



Prepared for:
Town of Brookhaven IDA
The Preserve at East Moriches, LLC

Date:
January 24th, 2024

Executive Summary

The Preserve at East Moriches, LLC (the “Developer”) is proposing a real estate development project consisting of a 70-unit independent senior living rental apartment complex (the “Project”) in the Town of Brookhaven (the “Town”) on approximately 22 acres of land at 91 Montauk Highway, East Moriches, NY (the “Site”). The Project includes a total of 70 units, with 7 units reserved for households earning up to 120% of the area median income (AMI), 7 units reserved for households earning up to 80% of AMI, and 56 market-rate units. The Project will also include the construction of an on-site community building, several outdoor recreation areas, and a walking path.

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

Market Review Conclusions

Demographic trends in the Town of Brookhaven suggest a growing need for independent senior housing options that will allow residents to downsize and age in place. From a real estate market point of view, the Project appears to be well-positioned in a market characterized by strong demand fundamentals. Over the last ten years, vacancy rates have remained below 5% in the multifamily rental market, despite several new deliveries.

Impact on School Enrollment

The Project is an age-restricted 55+ apartment community targeted at seniors wanting to age in place. Therefore, we assume the project will have no impact on school enrollment for the local school district.

Economic Impacts

During the Project’s construction phase, we estimate 106 direct jobs earning \$6.7 million in wages. When coupled with the indirect impacts, we estimate the total impact of the Project will be 158 jobs earning \$10.5 million in wages over the construction period.

Upon completion of the Project, we estimate a total of 28 ongoing (permanent) jobs will be created in the Town due to the spending of the new households and the operations of the Project, with total annual earnings of \$1.5 million (figures may not sum due to rounding).¹

Fiscal Impacts

In terms of fiscal benefits, the Project will increase tax revenues for the County, Town, and School District. We estimate that the County will earn sales tax revenue of approximately \$85,108 during the construction period, resulting from a portion of the construction phase earnings being spent locally. The Developer has proposed a PILOT abatement schedule for the Agency’s consideration with a 15-year term. Over the life of the PILOT, we estimate the County will receive \$30,545 in sales tax from the operation phase earnings being spent locally and \$517,174 in sales tax from new household spending. Over that same time, the Project will generate \$3.6 million more revenue than property taxes without the Project. This additional revenue will be allocated proportionally to the applicable taxing jurisdictions. Therefore, we estimate that the fiscal benefits of the Project over the 15-year PILOT, including construction and operation phases, would be approximately \$4.2 million.

Summary of Economic Impacts

	Direct	Indirect	Total
Construction Jobs	106	52	158
Construction Wages	\$6,713,883	\$3,801,379	\$10,515,262
Ongoing Jobs	20	8	28
Ongoing Wages	\$1,086,926	\$423,270	\$1,510,196

Summary of Fiscal Benefits, Local Government

Source	Total
Sales Tax, Construction, One-time	\$85,108
Sales Tax, Operations, 15 Years	\$30,545
Sales Tax, Households, 15 Years	\$517,174
Increase in Property Tax Revenue, 15 Years	\$3,575,556
Total Fiscal Benefits Over 15 Years	\$4,208,383

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

Regarding the fiscal costs, the Developer has requested a sales tax exemption and a mortgage recording tax exemption of \$561,000 and \$112,050, respectively (County portion only). We estimate the cost of the PILOT exemption to be \$3.3 million over 15 years. The “cost” of the PILOT exemption is the difference between the anticipated PILOT payments and the estimated taxes on the full assessment. This cost is necessarily theoretical, as the Developer has stated that the Project cannot move forward without a PILOT inducement.

Summary of Exemptions

	Total
Cost of Sales Tax Exemption, One-Time, Local	\$561,000
Mortgage Recording Tax Exemption, Local	\$112,050
PILOT Exemption, 15 Years	(\$3,260,169)

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Introduction

The Preserve at East Moriches, LLC is proposing a real estate development project consisting of a 70-unit independent senior living rental apartment complex in the Town of Brookhaven on approximately 22 acres of land at 91 Montauk Highway, East Moriches, NY. The Project includes a total of 70 units, with 7 units reserved for households earning up to 120% of the area median income (AMI), 7 units reserved for households earning up to 80% of AMI, and 56 market-rate units. The Project will also include the construction of an on-site community building, several outdoor recreation areas, and a walking path.

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

Multifamily Real Estate Market Review

Demographics

There are nearly half a million residents in the Town of Brookhaven. More than one in every three residents in the Town of Brookhaven (38%) is over the age of 50. In terms of householders, over half of the householders (51%) in the Town are over the age of 55.

Brookhaven Profile

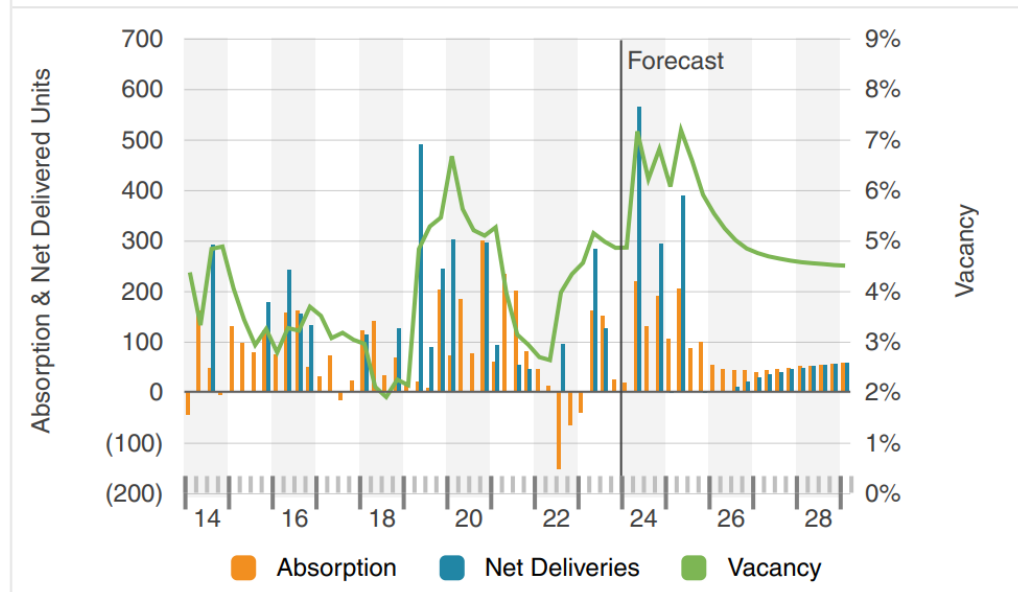
	2023
Total Population	485,642
Population 50+	185,024
% of Householders 55+	51%

Source: ESRI

Local Real Estate Market

The Town of Brookhaven’s multifamily real estate market is characterized by strong fundamentals of high demand and low vacancy. In general, over the last ten years, multifamily (for-rent and for-sale) vacancy rates have largely remained below 5%. (An unusually high number of new deliveries contributed to a notable but temporary spike in the vacancy rate beginning in 2018.) Historical data from 2014 shows that newly delivered units are quickly absorbed in the area’s tight housing market.

Absorption, Net Deliveries & Vacancy



Source: CoStar

As of Q1 2024, an estimated 168,990 housing units were occupied in the Town of Brookhaven. These housing units are primarily owner-occupied, with only 19%, or 32,108, of Brookhaven’s housing units estimated to be renter-occupied. In both the Town and County, there is a heavy reliance on owner-occupied housing, with limited renter options.

Rental Units

	Total Occupied Housing Units	% of all Occupied Units	Renter-Occupied Units
Brookhaven	168,990	19.0%	32,108
Suffolk County	523,154	17.0%	88,936

Source: ESRI

Affordability

Housing affordability in the Town of Brookhaven also indicates demand for additional multi-family residential units. “Brookhaven House and Home Expenditures,” shown in the table, encompasses the average annual spending of households on mortgage payments (or rent), insurance, tax, and property maintenance for owned dwellings. The Spending Potential Index (SPI) is a composite measure of household expenditures for the specified region compared to national averages. A high SPI means expenditures are relatively high compared to national averages, and an SPI of 100 means expenditures are the same as the national average. With a median home value of \$371,600, Owned Dwellings in the Town have significantly higher home expenditures than the national average. The Town’s SPI of 149 indicates owner-occupied housing may be in short supply/high demand. In this case, the tight housing market drives up the price of owner-occupied housing, indicating that new market-rate rental units would attract “net new” households to the area that would otherwise be priced out of the market. Median housing costs of \$1,775 per month for Rented Dwelling properties are also higher than the national average, with an SPI of 108.

Brookhaven House and Home Expenditures

	Median Home Value / Contract Rent	SPI
Owned Dwelling	\$371,600	149
Rented Dwelling	\$1,775	108

Source: Consumer Spending data are derived from the 2021 and 2022 Consumer Expenditure Surveys, Bureau of Labor Statistics.

Determination of Market Support

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

The Town's shifting demographics suggest an aging population, with over half of householders over 55. The Town's real estate market is characterized by strong fundamentals, as discussed previously. These trends and factors support the conclusion that the Project is well-positioned to be supported by the market.

Determination of "Net New"

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

- Out-of-area residents choosing to relocate to the Town because of the Project
- Current Town residents that would otherwise relocate outside of the Town if the option to live in the Project were unavailable
- Current Town residents that will move into the Project, freeing up their current Brookhaven residential space that will then be occupied by households relocating to the Town

Based on the project characteristics and market analysis, we consider all units of the Project as "net new" households for the Town.

Economic Impact Analysis

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

Methodology

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

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

For the operations phase:

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

To estimate the Direct and Indirect impacts, MRB Group employed the Lightcast³ economic modeling system. We used data from the Developer and publicly available and proprietary data sources as inputs to the Lightcast modeling system. We adjusted the Lightcast model where needed to match the Project specifics.

² By their nature, construction-related impacts tend to be somewhat more diffuse, which is why we report them as County-level impacts. Town-level impacts are measured based on the 37 ZIP codes that closely approximate the Town. See appendix.

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

Construction Phase

The Developer has provided estimates of the total cost of construction of the Project and the percentage of labor and materials to be sourced from within the County. As shown in the table to the right, the Developer estimates that 85% of its \$20.5 million of materials and labor costs⁴ would be spent locally, for a total of \$17.4 million of in-region construction spending.

Construction Spending In Region

	\$ Total	% County	\$ County
Materials & Labor	\$20,500,000	85%	\$17,425,000

Source: Developer, MRB

In-region construction spending of \$17.4 million (direct “Sales” in the table) was then used as an input in the Lightcast economic modeling system, assigning the County as the geography of study. This spending results in 106 direct jobs and direct earnings of \$6.7 million. The model estimates that this will cause indirect impacts of 52 new jobs, \$3.8 million in new earnings, and \$11.2 million in new sales. Therefore, the total, one-time, construction-phase impacts would be 158 jobs, \$10.5 million in wages, and \$28.7 million in sales.

Economic Impact of Construction Phase, One-Time

	Direct	Indirect	Total
Jobs	106	52	158
Earnings	\$6,713,883	\$3,801,379	\$10,515,262
Sales	\$17,425,000	\$11,239,750	\$28,664,750

Source: Lightcast, MRB

Operation Phase

Construction phase impacts were measured at the County level to account for their dispersed nature. Conversely, the impacts of the operation phase are estimated at the Town level. We have used 37 ZIP Codes that approximate the Town of Brookhaven to model operational impacts.⁵

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

⁴ Project budget from the Agency application, minus land, legal, and financing costs.

⁵ A complete list of ZIP Codes included in the economic impact analysis is listed in Appendix A, where they are compared to the Town’s boundaries.

Households with differing incomes have different spending habits. As such, we have utilized different average annual household expenditures based on two relevant income brackets.⁶ The first income bracket reflects the spending habits of households earning over \$100,000 - \$149,999 annually. We assume that the 63 households in this bracket will occupy all of the Project’s market-rate units and those workforce units reserved for households earning up to 120% of the area median income. The second income bracket displays the spending habits of households earning between \$70,000-\$99,999 annually, which we apply to the 7 units reserved for households earning no more than 80% of the area median income.

The large expanse of the Town’s geographical boundaries and the high concentration of retailers suggests that most of the households’ needs will be served by local businesses. To be conservative, we have estimated that 80% of this spending would occur in the Town of Brookhaven. Therefore, given 70 total units and the spending profiles and percentages shown, we estimate a total of \$2.6 million of new household spending would occur annually in the Town.

Total New Household Spending

	Annual per HH Spend	% Spent in Town	Units	Total New Spending
Units with Household Incomes of \$100,000 - \$149,999				
Food	\$12,381	80%	63	\$624,002
Household Furnishings and Equipment	\$3,006	80%	63	\$151,502
Apparel and Services	\$2,423	80%	63	\$122,119
Transportation	\$13,860	80%	63	\$698,544
Healthcare	\$7,029	80%	63	\$354,262
Entertainment	\$3,781	80%	63	\$190,562
Education	\$1,974	80%	63	\$99,490
Personal Care Products and Services	\$1,002	80%	63	\$50,501
Miscellaneous	\$1,324	80%	63	\$66,730
Other	\$459	80%	63	\$23,134
Total, Market Rate Units	\$47,239	80%	63	\$2,380,846
Units with Household Incomes of \$70,000 - \$99,999				
Food	\$9,214	80%	7	\$51,598
Household Furnishings and Equipment	\$2,744	80%	7	\$15,366
Apparel and Services	\$2,332	80%	7	\$13,059
Transportation	\$10,244	80%	7	\$57,366
Healthcare	\$5,451	80%	7	\$30,526
Entertainment	\$3,171	80%	7	\$17,758
Education	\$1,139	80%	7	\$6,378
Personal Care Products and Services	\$798	80%	7	\$4,469
Miscellaneous	\$1,056	80%	7	\$5,914
Other	\$566	80%	7	\$3,170
Total, Affordable Units	\$43,049	80%	7	\$205,604
Grand Total			70	\$2,586,450

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

⁶ We used data from the Consumer Expenditure Survey (CEX) of the Bureau of Labor Statistics as of December 2022, specific to the Northeast and the respective income levels.

MRB Group then took each of the above line items and applied that new household spending to one or more industry codes in Lightcast.⁷ This resulted in an estimate of 17 direct jobs and \$906,926 in direct earnings that the spending of the new households will generate. Taken together with an estimate of indirect impacts, total household spending impacts include 23 jobs, \$1.3 million in earnings, and \$3.6 million in sales.

The Developer stated that it would hire 3 on-site employees for operations and maintenance with an average salary of \$60,000, totaling \$180,000 in annual earnings for the three positions. After combining the 3 direct jobs with the associated indirect impact of 2 jobs, the total impacts from operations and maintenance would be 5 jobs, \$218,231 in earnings, and \$911,828 in sales.

The combined impacts of household spending and impacts from operations and maintenance are displayed in the table to the right. As summarized in the last column, we anticipate that the Town will benefit from 28 jobs, \$1.5 million in earnings, and \$4.5 million in sales annually.

Economic Impact, New Household Spending

	Direct	Indirect	Total
Jobs	17	6	23
Earnings	\$906,926	\$385,039	\$1,291,966
Sales	\$2,586,450	\$1,041,603	\$3,628,053

Source: Lightcast, MRB

Economic Impact, Operations of Project

	Direct	Indirect	Total
Jobs	3	2	5
Earnings	\$180,000	\$38,231	\$218,231
Sales	\$598,042	\$313,786	\$911,828

Source: Lightcast, MRB

Economic Impact, Combined Annual Impact

	Direct	Indirect	Total
Jobs	20	8	28
Earnings	\$1,086,926	\$423,270	\$1,510,196
Sales	\$3,184,492	\$1,355,390	\$4,539,881

Source: Lightcast, MRB

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

Fiscal Impact Analysis

The Project would also have fiscal impacts in terms of new tax revenues.

PILOT Schedule

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

PILOT Schedule

Tax Year	Base Land Tax	Projected Improvement Tax	Improvement Phase-In	Total Improvement PILOT	Total PILOT
Year 1	\$9,259	\$395,279	6.25%	\$24,705	\$33,964
Year 2	\$9,444	\$403,185	12.50%	\$50,398	\$59,842
Year 3	\$9,633	\$411,248	18.75%	\$77,109	\$86,742
Year 4	\$9,826	\$419,473	25.00%	\$104,868	\$114,694
Year 5	\$10,022	\$427,863	31.25%	\$133,707	\$143,729
Year 6	\$10,223	\$436,420	37.50%	\$163,657	\$173,880
Year 7	\$10,427	\$445,148	43.75%	\$194,752	\$205,180
Year 8	\$10,636	\$454,051	50.00%	\$227,026	\$237,661
Year 9	\$10,848	\$463,132	56.25%	\$260,512	\$271,360
Year 10	\$11,065	\$472,395	62.50%	\$295,247	\$306,312
Year 11	\$11,287	\$481,843	68.75%	\$331,267	\$342,554
Year 12	\$11,512	\$491,480	75.00%	\$368,610	\$380,122
Year 13	\$11,743	\$501,309	81.25%	\$407,314	\$419,057
Year 14	\$11,978	\$511,336	87.50%	\$447,419	\$459,396
Year 15	\$12,217	\$521,562	93.75%	\$488,965	\$501,182
Year 16*	\$12,461	\$531,993	100.00%	\$531,993	\$544,455

*First Year of Full Taxes

Source: Applicant; MRB Group

PILOT Revenue

Absent the Project moving forward, the site will generate an estimated \$160,120 over 15 years. Under the proposed PILOT schedule, the Project will generate roughly \$3.7 million over 15 years. As shown in the table to the right, the proposed PILOT payments would generate \$3.6 million more in revenue for the local taxing jurisdictions than the Site without the Project. (Figures may not sum due to rounding.)

PILOT Revenue

Tax Year	Base Land Tax	Total PILOT	Increase in Revenue
Year 1	\$9,259	\$33,964	\$24,705
Year 2	\$9,444	\$59,842	\$50,398
Year 3	\$9,633	\$86,742	\$77,109
Year 4	\$9,826	\$114,694	\$104,868
Year 5	\$10,022	\$143,729	\$133,707
Year 6	\$10,223	\$173,880	\$163,657
Year 7	\$10,427	\$205,180	\$194,752
Year 8	\$10,636	\$237,661	\$227,026
Year 9	\$10,848	\$271,360	\$260,512
Year 10	\$11,065	\$306,312	\$295,247
Year 11	\$11,287	\$342,554	\$331,267
Year 12	\$11,512	\$380,122	\$368,610
Year 13	\$11,743	\$419,057	\$407,314
Year 14	\$11,978	\$459,396	\$447,419
Year 15	\$12,217	\$501,182	\$488,965
	\$160,120	\$3,735,676	\$3,575,556

Source: Applicant; MRB Group

Sales Tax Revenue, Construction Phase

As stated in the economic impact analysis on page 11, we anticipate approximately \$10.5 million in direct and indirect earnings in the County will be generated during the Project’s construction phase. We assume 70% of the newly generated earnings will be spent in Suffolk County. We estimate that 25% of that spending amount will be subject to the sales tax. Applying the County’s sales tax rate of 4.625%, we conclude that the construction phase earnings will lead to approximately \$85,108 in County sales tax revenue throughout construction.

Sales Tax Revenue, Operation Phase

We estimate \$218,231 in total new earnings occurring annually within the County during the operation phase associated with new direct and indirect job creation (p. 13). Using the same methodology for estimating sales tax revenue for the construction phase, we estimate the Project will result in \$1,766 in annual sales tax revenue to the County. Escalated at 2% per year for 15 years, this totals \$30,545.

Sales Tax Revenue - Construction Phase

Line	Value
Total New Earnings	\$10,515,262
% Spent in County	70%
\$ Spent in County	\$7,360,683
% Taxable	25%
\$ Taxable	\$1,840,171
County Sales Tax Rate	4.625%
\$ County Sales Tax Revenue	\$85,108
Revenue, one-time	\$85,108

Source: MRB

Sales Tax Revenue - Operation Phase

Line	Annual Value
Total New Earnings	\$218,231
% Spent in County	70%
\$ Spent in County	\$152,762
% Taxable	25%
\$ Taxable	\$38,190
County Sales Tax Rate	4.625%
\$ County Sales Tax Revenue	\$1,766
Revenue Over 15 Years	\$30,545

Source: MRB

Sales Tax Revenue, Household Spending

As identified on page 12, we estimate approximately \$2.6 million of annual direct and indirect sales in the Town associated with the new household spending by residents of the Project. Assuming 25% of those sales are subject to sales tax, we estimate the Project will result in \$29,906 in annual sales tax revenue. Over a 15-Year PILOT term, escalated at 2%, we estimate a total impact of \$517,174.

Sales Tax Revenue - Household Spending

Line	Annual Value
New Household Spending	\$2,586,450
% Taxable	25%
\$ Taxable	\$646,612
County Sales Tax Rate	4.625%
\$ County Sales Tax Revenue	\$29,906
Revenue Over 15 Years	\$517,174

Source: MRB

Fiscal Cost

Shown to the right is the difference in PILOT payments under the proposed terms and the estimated full property taxes of the project post-construction. Over 15 years, the project will have a fiscal “cost” of \$3.3 million. However, the Developer has indicated that the Project cannot move forward without an inducement, so this “cost” is theoretical.

Cost of Abatement

Tax Year	Base Land Tax	Projected Improvement Tax	Full Taxes	Total PILOT	Cost of Abatement
Year 1	\$9,259	\$395,279	\$404,538	\$33,964	(\$370,574)
Year 2	\$9,444	\$403,185	\$412,629	\$59,842	(\$352,787)
Year 3	\$9,633	\$411,248	\$420,881	\$86,742	(\$334,139)
Year 4	\$9,826	\$419,473	\$429,299	\$114,694	(\$314,605)
Year 5	\$10,022	\$427,863	\$437,885	\$143,729	(\$294,156)
Year 6	\$10,223	\$436,420	\$446,643	\$173,880	(\$272,762)
Year 7	\$10,427	\$445,148	\$455,576	\$205,180	(\$250,396)
Year 8	\$10,636	\$454,051	\$464,687	\$237,661	(\$227,026)
Year 9	\$10,848	\$463,132	\$473,981	\$271,360	(\$202,620)
Year 10	\$11,065	\$472,395	\$483,460	\$306,312	(\$177,148)
Year 11	\$11,287	\$481,843	\$493,130	\$342,554	(\$150,576)
Year 12	\$11,512	\$491,480	\$502,992	\$380,122	(\$122,870)
Year 13	\$11,743	\$501,309	\$513,052	\$419,057	(\$93,996)
Year 14	\$11,978	\$511,336	\$523,313	\$459,396	(\$63,917)
Year 15	\$12,217	\$521,562	\$533,779	\$501,182	(\$32,598)
			\$6,995,845	\$3,735,676	(\$3,260,169)

Source: Applicant; MRB Group

Other Fiscal Costs

Per the Agency application, the Developer is seeking a sales tax exemption of \$1.1 million, the local portion of which is \$561,000. The Developer is also requesting a mortgage recording tax exemption (MRTE) of \$168,075, the local portion of which is \$112,050. The tables below show the local share of these costs.

Cost of Sales Tax Exemption, County

Type	Value
Sales Tax Exemption	\$1,138,500
Local	4.250%
State	4.000%
MCTD	0.375%
Local Exemption	\$561,000

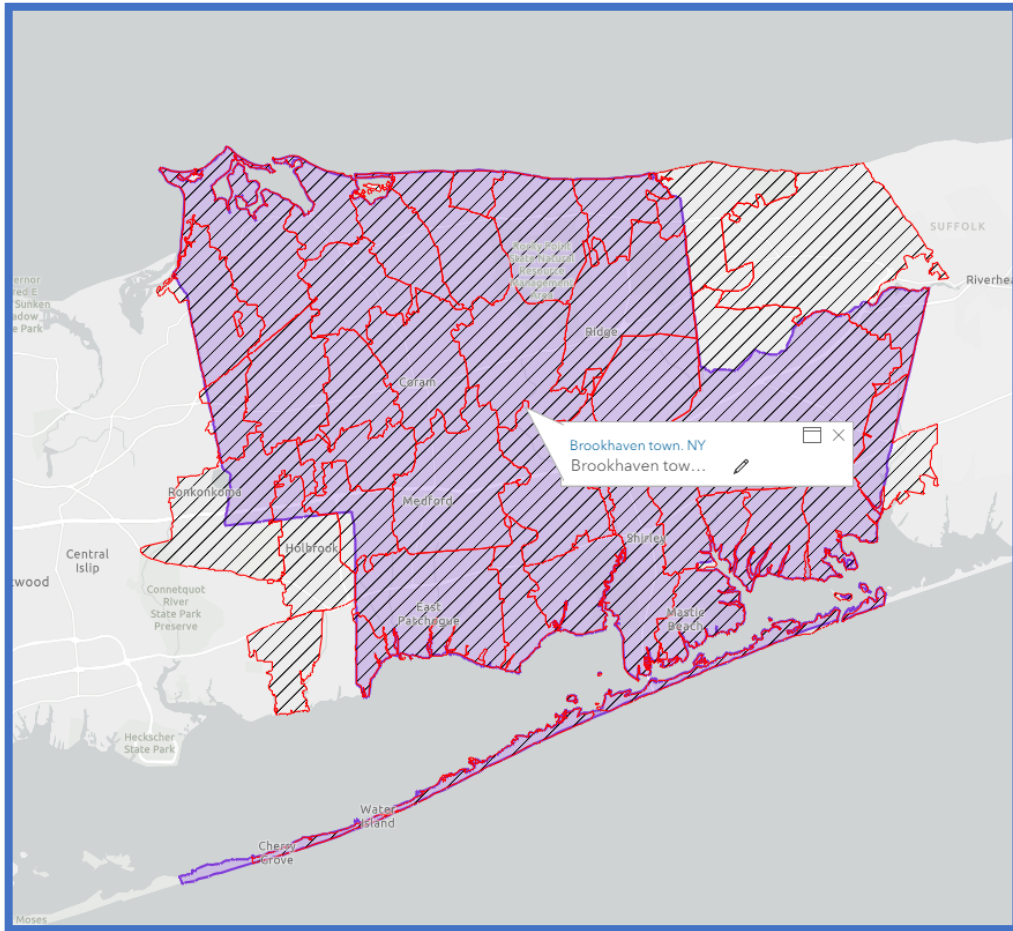
Source: Applicant

Cost of MRTE Exemption, County

Type	Value
MRTE	\$168,075
Local	0.50%
State	0.25%
Local Exemption	\$112,050

Source: Applicant

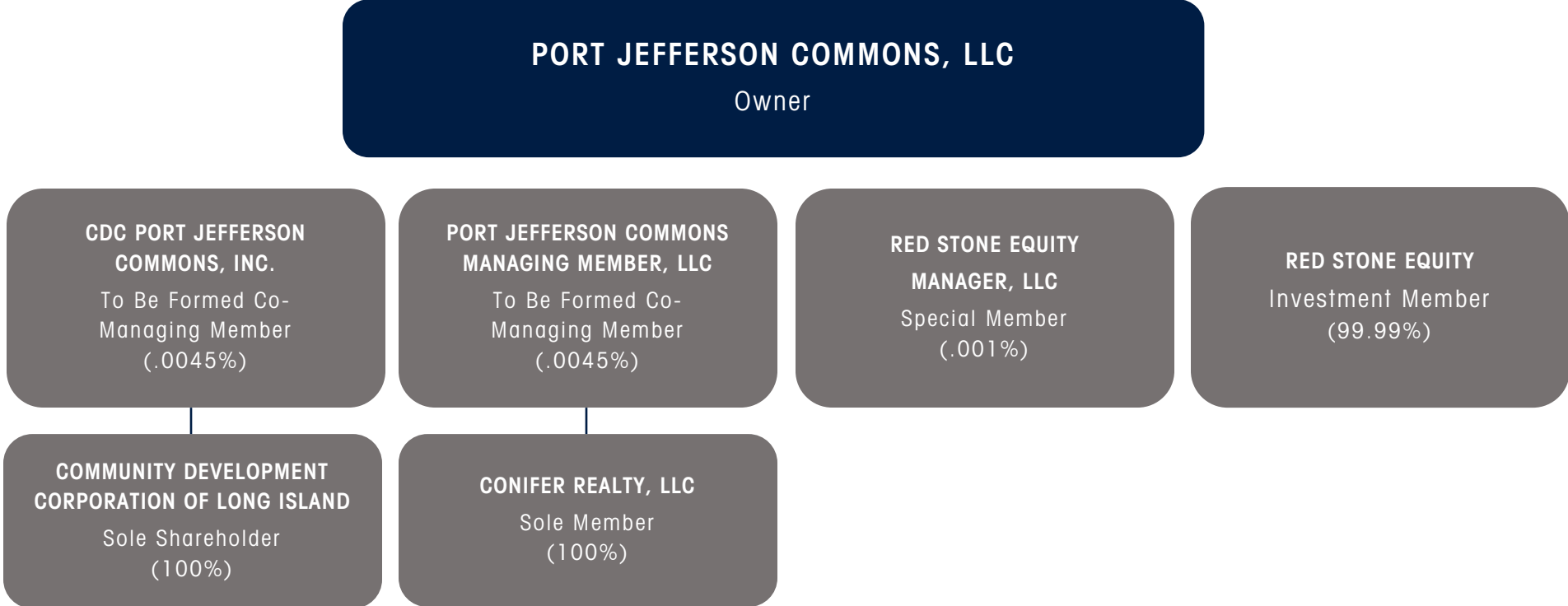
Appendix A: Zip Codes Used



ZIP Code	Description
11713	Bellport
11715	Blue Point
11719	Brookhaven
11720	Centereach
11727	Coram
11733	East Setauket
11738	Farmington
11741	Holbrook
11742	Holtsville
11755	Lake Grove
11763	Medford
11764	Miller Place
11766	Mount Sinai
11772	Patchogue
11776	Port Jeff. Station
11777	Port Jefferson
11778	Rocky Point
11779	Ronkonkoma
11780	Saint James

ZIP Code	Description
11784	Seldan
11786	Shoreham
11789	Sound Beach
11790	Stony Brook
11792	Wading River
11933	Calverton
11934	Center Moriches
11940	East Moriches
11941	Eastport
11949	Manorville
11950	Mastic
11951	Mastic Beach
11953	Middle Island
11955	Moriches
11961	Ridge
11967	Shirley
11973	Upton
11980	Yapnik

PROPOSED ORGANIZATIONAL CHART





FORCHELLI
DEEGAN
TERRANA

JOHN P. GORDON
PARTNER
JGORDON@FORCHELLILAW.COM

October 8, 2024

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

Town of Brookhaven Local Development Corporation
1 Independence Hill
Farmingville, NY 11738

Attn: Lisa M.G. Mulligan, Executive Director

***Re: Port Jefferson Commons Project
53-unit Affordable Residential Rental Development
1601-1605 Main Street, Village of Port Jefferson***

Dear Lisa:

As you may know, this firm represents Port Jefferson Commons, LLC and/or an entity formed on its behalf (“Applicant”) in connection with its proposed approximately 73,430 square foot 53-unit 100% affordable residential rental development project to be located at 1601-1605 Main Street in the Village of Port Jefferson (“Project”). Applicant is seeking:

1. A 30-year payment in lieu of taxes (“PILOT”) from the Town of Brookhaven Industrial Development Agency (“Agency”), together with sales tax exemption for construction materials and furniture, fixtures and equipment (“FF&E”); and
2. The issuance of tax-exempt and/or taxable bonds by the Town of Brookhaven Local Development Corporation (“LDC”) in an amount not to exceed \$18,000,000, to partially finance the Project costs, and mortgage recording tax exemption in connection with the Project financing.

Enclosed is an updated executed application for financial assistance being submitted by Applicant jointly to the Agency and LDC.

Applicant

Applicant will be controlled by Rochester-based Conifer, LLC and Community Development Corporation of Long Island. This team has successfully completed affordable housing projects on Long Island, including the newly-constructed Port Jefferson Crossing development directly adjacent to the Project, which received financial assistance through the Agency. Each organization has a strong track record, including successful Conifer projects across the east coast.

Background and Purpose

The Project presents an opportunity to create high-quality affordable housing by furthering ongoing municipal revitalization efforts in the Village of Port Jefferson. The Project is in close proximity to the Port Jefferson LIRR station and is in furtherance of the Village of Port Jefferson's goals for the area as outlined in its Urban Renewal Plan and 2030 Comprehensive Plan Update. The Project also adheres to the State's Workforce Opportunity Goals.

The Project

Applicant proposes to demolish two existing blighted buildings on the .57-acre site and replace them with a new construction 73,430 SF sustainable multifamily elevator building with 53 affordable residential rental units, and approximately 2,485 SF of commercial space.

The building will consist of 32 one-bedroom units and 20 two-bedroom units targeted at households earning 30%, 50%, 60%, and 80% AMI, plus a one-bedroom super's unit, broken down as follows:

- 5 - 1 BR units at 30% AMI
- 10 - 1 BR units at 50% AMI
- 8 - 1 BR units at 60% AMI
- 9 - 1 BR units at 80% AMI
- 1 - 1 BR unit for Super/Mgr
- 7 - 2 BR units at 50% AMI
- 7 - 2 BR units at 60% AMI
- 6 - 2 BR units at 80% AMI

The concrete podium structure will have a 60-space parking garage at the cellar level with residential units, commercial space, a fitness room, lobby, mail room, and laundry on the ground floor. The remaining 2 stories will be wood frame construction that will include the remaining residential units, and a community room on the third floor.

All residential dwelling units will be ADA compliant, with 6 fully adapted units designated for mobility impaired residents, and 3 units adapted for hearing and vision-impaired residents.

The Project will further advance the NY State and County Special Needs Housing Goal by creating a special needs housing community with a set-aside on five of the apartments for individuals with intellectual or developmental disabilities. The Project will also provide one unit with a preference for veterans.

The Village of Port Jefferson is highly supportive of this Project and has committed \$2,000,000 in Restore NY funding to benefit this project.

Construction is anticipated to take 18 months and the Project will be affordable for at least 50 years.

Green Design

The all-electric building will use highly efficient air source heat pumps for heating and cooling and will feature semi-central ERVs for fresh air. The central heat pump domestic water heating system will be controlled by a demand and temperature system to reduce energy use. The building's envelope will reduce energy use and increase resiliency with insulation levels above code.

The project will certify to EPA Indoor AirPlus program, DOE Zero Energy Ready Home, and Enterprise Green Communities 2020 Plus. Energy Star appliances will be installed in each unit. The Project will include three EV charging stations.

HDFC Ownership Structure

It is anticipated that the ownership structure will be set up using a housing development fund corporation ("HDFC") to own fee title to the property as nominee for Applicant, which will be the beneficial owner pursuant to a nominee agreement to be entered into.

Applicant will be owned 99.99% by a federal low-income housing tax credit investor (expected to be Red Stone Equity Partners or a related entity), and the remaining .01% interest will be owned collectively by affiliates of (i) Red Stone, (ii) Conifer, LLC and (iii) Community Development Corporation of Long Island.

Bonds for Project Financing/Mortgage Recording Tax Exemption

Applicant is requesting tax-exempt bond financing through the LDC in an aggregate amount not to exceed \$18,000,000 to partially finance the Project costs. It is expected that at closing, there will be tax-exempt Series A Bonds in the amount of \$9,050,000, which will remain in place long-term, and tax-exempt Series B Bonds in the amount of \$8,500,000, which will be refinanced following Project completion with conventional mortgage financing. The bonds will be directly purchased by Citibank, N.A. upon issuance. Applicant is also requesting mortgage recording tax exemption from LDC in connection with the Project financing to help reduce costs.

Need for PILOT and Sales Tax Exemption

Due to the affordability restrictions which will be in place and the financing structure for the Project, a 30-year PILOT, coterminous with financing, is necessary in order to make the Project financially feasible to finance, construct and operate. In addition, sales tax exemption for construction materials and FF&E will partially alleviate the burden of high construction costs.

If you require any further information, please feel free to contact me.

Very truly yours,

FORCHELLI DEEGAN TERRANA LLP

By: John P. Gordon

JOHN P. GORDON

JPG
Encls.

PARTNERSHIP	PROPERTY NAME	PERCENT	INVESTOR TYPE	EFFECTIVE DATE
200 East Avenue Associates, L.P.	200 East Avenue	99.99	Limited Partner	11/1/2012
25 Delaware Housing Development Fund Company, Inc.	25 Delaware	100	Sole Member	4/22/2019
25 Delaware Managing Member, LLC	25 Delaware	100	Member	6/16/2021
4301 Watson Blvd, LLC	4301 Watson Blvd	100	Member	3/9/2022
500 Northern Boulevard, LLC	500 Northern Boulevard	100	Member	3/1/2021
Abraham Lincoln Managing Member, LLC	Managing Mbr of Abraham Lincoln Preservation, LLC	100	Member	2/19/2013
Admiral Associates II, LLC	Admiral Associates II	100	Member	3/2/2022
Admiral Associates III, LLC	Admiral Associates III	100	Member	3/2/2022
Admiral Associates, LLC	Admiral Associates	100	Member	3/2/2022
Andrews Terrace Co-MM, LLC	Andrews Terrace - Conifer Member of GP	100	Sole Member	4/5/2023
Apartments at Three Bridges Holdings LLC	Readington	100	Member	4/14/2023
Arc at Union Managing Member, LLC	Managing Member of Arc of Monroe Supp. Housing	100	Member	5/4/2020
Arc at Union, LLC	Arc of Monroe Supportive Housing Development	100	Member	5/4/2020
Belmont Villas Managing Member, LLC	Managing Mbr of HCP Belmont, LLC	100	Member	5/16/2012
Big Tree Glen II, LLC	Big Tree Glen	100	Member	3/23/2016
Big Tree Glen Managing Member, LLC	Managing Mbr of Big Tree Glen, LLC	100	Managing Member	1/15/2015
Big Tree Glen West, LLC	3645 West Main Street	100	Member	10/31/2014
Biltmore Crossing Managing Member, LLC	Managing Mbr of Biltmore Crossing, LLC	100	Member	6/21/2013
Blue Heron Trail I Housing Development Fund Company, Inc.	Blue Heron Trail I	100	Member	6/6/2016
Blue Heron Trail I Managing Member, LLC	Managing Mbr of Blue Heron Trail I	100	Managing Member	9/23/2015
Blue Heron Trail II Managing Member, LLC	Managing Mbr of Blue Heron Trail II	100	Managing Member	9/24/2015
Branchburg East Managing Member, LLC	Branchburg East Managing Member	100	Member	10/30/2019
Branchburg Urban Renewal Associates, LLC	Branchburg East & West Leaseholder (557 & 559)	100	Member	6/14/2018
Branchburg West Managing Member, LLC	Branchburg West Managing Member	100	Member	10/30/2019
Brinkley Hill Managing Member, LLC	Brinkley Hill - Managing Member	100	Member	7/2/2015
Brookside II Managing Member, LLC	Managing Mbr of Brookside Asso II, LLC	100	Member	6/3/2008
Brown Square I Associates, L.P.	Brown Square Village I	99	Limited Partner	6/22/2010
Cambridge II Managing Member, LLC	Managing Mbr of CV at Cambridge II, LLC	100	Member	6/3/2009
Cape May Managing Member, LLC	Managing Mbr of Cape May Hsg Asso, LLC	100	Member	6/3/2009
Carman Place Managing Member, LLC	Carman Place Apartments - Managing Member	100	Member	11/7/2016
Cayuga Meadows Housing Development Fund Company, Inc.	Conifer Village at Cayuga Meadows	100	Member	12/10/2015
Cayuga Meadows Managing Member, LLC	Managing Mbr of CV at Cayuga Meadows	100	Managing Member	11/24/2015
Chappaqua Station Managing Member, LLC	MM of Chappaqua Station, LLC	100	Member	11/22/2013
Clifton Managing Member, LLC	Managing Mbr of Clifton Park Sr Hsg, LLC	75	Member	6/3/2009
Conifer Clinton GP, LLC	Clinton Woods Project - Conifer Managing Member	100	Sole Member	3/22/2023
Conifer Construction, LLC	Construction arm of CR, LLC	100	Member	12/1/2000
Conifer Deptford Managing Member, LLC	Managing Mbr of Deptford Hsg Asso, LLC	100	Member	9/17/2008
Conifer Foxtail, LLC	Managing Mbr of Foxtail Crossing, LLC	100	Member	3/25/2008
Conifer Great Northern Mall Managing Member, LLC	Great Northern Mall - Managing Member	100	Member	7/14/2023
Conifer Greenbriar, LLC	Cape May Greenbriar	100	Member	2/18/2009
Conifer Highland Park, LLC	Manager of AHEPA Highland Park, LLC	79	Managing Member	6/1/2001
Conifer Horseheads, LLC	(Vacant Land)	100	Member	8/3/2004
Conifer HP-BC Limited Partnership	General Partner of 128, 258 & 430	78	Limited Partner	5/1/2003
Conifer Jerome Managing Member, LLC	Managing Mbr of Bank St Sr Hsg, LLC	100	Member	4/9/2009
Conifer Liberty Homes, LLC (formerly Conifer Liberty Sr Homes, LLC)	Managing Mbr of Woodlands Barkley, LLC	100	Member	6/3/2008
Conifer Liberty Housing Development Fund Company, Inc.	HDFC Member of Woodlands Barkley, LLC	100	Sole Member	11/24/2008
Conifer Linden Managing Member, LLC	Managing Mbr of Linden Lake, LLC	100	Member	2/20/2007
Conifer Management, LLC	Management arm of CR, LLC	100	Member	4/12/2002
Conifer Maryland Properties, LLC	Borrower under mortgage for Cambridge II	100	Member	10/13/2009
Conifer Medford Managing Member, LLC	Managing Mbr of Jones Road LLC	100	Member	6/3/2009
Conifer Mendon Associates	Totiaktion Manor	60.3	Limited Partner	3/1/2007

PARTNERSHIP	PROPERTY NAME	PERCENT	INVESTOR TYPE	EFFECTIVE DATE
Conifer Montgomery Crossing Managing Member, LLC	Montgomery Crossing - Conifer Managing Member	100	Sole Member	2/17/2023
Conifer Morningside, LLC	Borrower under SSGA loan fka HP Maryland X, LLC	100	Sole Member	2/17/2006
Conifer Princeton GP, LLC	Princeton Senior Project - Conifer Managing Member	100	Sole Member	3/22/2023
Conifer Seneca Managing Member, LLC	Managing Mbr of Seneca Place, LLC	100	Member	3/9/2007
Conifer Somerdale Managing Member, LLC	Managing Mbr of Cici Partners, LLC	100	Member	7/23/2010
Conifer Upstate Properties, LLC	GP of "HO" properties, 207, 774, 783 & 784	100	Member	11/10/2008
Conifer Verona GP, LLC	Verona Project - Conifer Managing Member	100	Sole Member	3/22/2023
Conifer Village at Eastview, LLC	The Village East	100	Member	3/4/2010
Conifer Village at Horseheads, LLC	Conifer Village at Horseheads	100	Member	11/24/2006
Conifer Warren GP, LLC	Woods at Warren - Conifer Managing Member	100	Sole Member	5/4/2023
Conifer Wemrock Managing Member, LLC	Wemrock Senior - Managing Member	100	Sole Member	3/22/2023
Conifer Willow II, LLC	GP of Willow Landing II Asso, LP	100	Member	3/2/2008
Conifer Woodlands, LLC	Managing Mbr of The Woodlands at Northside, LLC	100	Member	12/4/2008
Conifer, LLC	Development arm of CR, LLC	100	Member	8/8/2002
Conifer-Keeler Park, LLC	Keeler Park - CoMM of GP	100	Member	11/15/2021
Copiague Commons Managing Member, LLC	Managing Mbr of Copiague Commons, LLC	100	Managing Member	9/28/2015
Cornwell Heights Senior Housing, L.P.	Cornwells Heights Sr Apts	99.99	Investment Limited Partner	6/22/2021
Corpus Christi Managing Member, LLC	Managing Mbr of Corpus Christi Sr Hsg, LLC	100	Member	6/12/2013
Courtyard Managing Member, LLC	Supervising Managing Mbr of Courtyard @ James, LLC	100	Sole Member	6/28/2024
Courtyard-CCI Housing Development Fund Company, Inc.	Courtyard at James - HDFC Member	100	Member	6/28/2024
CSL II Managing Member, LLC	Cold Spring Lane II (4%) - Managing Member	100	Member	8/26/2020
CSL Managing Member, LLC	Cold Spring Lane (9%) - Managing Member	100	Member	8/26/2020
Cunnington Avenue Apartments, LLC	3 Cunnington Avenue	100	Member	11/1/2023
CV at Webster, LLC	Conifer Village at Webster	100	Member	9/11/2012
CV Village at Coram, LLC	Fee Owner of Wincoram Commons	100	Member	12/28/2011
Cypress West, LLC	Cypress West	100	Member	7/11/2022
D.E. Smith Housing Development Fund Company, Inc.	Fee Owner of D. E. Smith Associates, LLC	100	Member	4/10/2012
Delsea Managing Member, LLC	Camp Salute	100	Member	3/16/2016
Duffy Managing Member, LLC	Managing Mbr of Duffy Urban Renewal, LLC	100	Member	12/19/2013
East Greenwich Housing Associates, LLC	East Greenwich	100	Member	5/1/2015
Erie Harbor Managing Member, LLC	Managing Mbr of Erie Harbor, LLC	100	Member	8/6/2010
F.I.G.H.T. Redevelopment, LLC	Co-Managing Mbr of Ward St Redevelopment	100	Member	1/14/2009
Ferry Family Managing Member, LLC	Managing Mbr of Whitman Park Family Housing, LLC	100	Member	1/6/2012
FIGHT Redevelopment Housing Development Fund Company, Inc.	HDFC Mbr of Ward St Redevelopment	100	Member	10/15/2009
Fort Hill Housing Development Fund Company	Co-GP of Conifer Fort Hill Asso, LP	100	Sole Member	3/1/2007
Fort Hill Preservation Managing Member, LLC	Fort Hill	100	Member	9/22/2017
Freehold LIHTC Urban Renewal LLC	Freehold 2	100	Member	4/13/2023
GALA General Partner, LLC	Managing Mbr of Golden Age Living Accommodations, L.P.	100	General Partner	1/7/2019
Genesee Riverfront Commons, LLC	Co-GP of Genesee Hamilton, LP	100	Member	3/10/2004
Gregory II Managing Member, LLC	Managing Mbr of Gregory Phase 2 Associates, LLC	100	Member	9/27/2013
Gregory Managing Member, LLC	Managing Mbr of Gregory Urban Renewal Associates, LLC	100	Member	6/13/2012
Haddon Ave Apartments, LLC	Camden Medical Mile	100	Sole Member	6/28/2024
Haines Boulevard Housing Associates, LLC	Waterford Township-Master Deed holder (577 & 583)	100	Member	8/2/2021
Haines Housing II Managing Member, LLC	Waterford Township II - MM	79	Member	8/23/2023
Haines Housing Managing Member, LLC	Waterford Township I - MM	100	Member	4/5/2023
Hancock Housing Redevelopment Company, L.P.	Read Memorial Senior Apts	99	Limited Partner	10/1/2009
Harding Housing Associates Managing Member, LLC	Harding Homes	100	Managing Member	1/5/2016
Harlem Park, LLC	Harlem Park	100	Member	1/24/2022
Harris Park Managing Member, LLC	Managing Mbr of Harris Park	100	Managing Member	8/21/2014
Hillside/Roosevelt Managing Member, LLC	Managing Mbr of Hillside/Roosevelt, LLC	100	Member	3/9/2012
Hilton Senior, L.P.	Hilton Manor	95	Limited Partner	10/24/2011

PARTNERSHIP	PROPERTY NAME	PERCENT	INVESTOR TYPE	EFFECTIVE DATE
Interlaken Senior Housing, LLC	General Partner of Conifer Interlaken Sr. Hsg. LP	100	Member	12/19/2007
James Street Managing Member, LLC	Managing Mbr of James Street Apartments, LLC	100	Member	3/22/2011
Jonesboro Apartments II Managing Member, LLC	Jonesboro Road Phase II - Managing Member	100	Member	1/24/2024
Jonesboro Apartments II, LLC	Jonesboro Road Phase II	100	Member	1/24/2024
Jonesboro North Apartments, LLC	Jonesboro North Apartments	100	Member	8/29/2023
Jonesboro North Managing Member, LLC	Jonesboro North Apartments - Managing Member	100	Member	1/24/2024
Keeler Park Housing Associates, LLC	Keeler Park - TO BE DISSOLVED	99.99	Investor Member	2/26/2016
Keeler Park Housing Development Fund Corporation	Participating Mbr of Keeler Pk Hsg Asso, Inc.	100	Sole Member	10/7/2002
Knoxville Associates Limited Partnership	Knoxville Senior Apts.	63.32	Limited Partner	10/1/2015
Lawnside Managing Member, LLC	Managing Mbr of Lawnside Urban Renewal, LLC	100	Member	8/14/2012
Macedon Manor Associates, L.P.	Macedon Manor	95	Limited Partner	3/30/2012
Marley Meadows Managing Member, LLC	Managing Mbr of Conifer Marley Meadows Asso., LLC	100	Member	6/2/2011
Maryland Avenue Housing Associates, LLC	Managing Mbr of MD Housing Associates, LLC	100	Member	6/21/2012
Meadowside Associates, LLC	Meadowside	99.99	Investment Member	12/20/2019
Merrifield Managing Member, LLC	Telestar Court-Managing Member(fka Merrifield Associates LLC	100	Member	10/31/2022
Middle Township Managing Member, LLC	Managing Mbr of Middle Township Hsg Asso	100	Member	5/6/2013
Molly Pitcher GP I, LLC	General Partner of PA Affordable I	100	Managing Member	9/20/2016
Molly Pitcher GP II, LLC	General Partner of PA Affordable II	100	Managing Member	9/20/2016
Monroe Veterans Managing Member, LLC	Valor Pointe f.k.a. Monroe Veterans - Managing Member	100	Member	9/8/2022
Monticello Managing Member, LLC	Horizons at Monticello Managing Member	100	Member	1/30/2019
New Cassel Managing Member, LLC	Managing Mbr of New Cassel Housing, LLC	100	Member	4/10/2012
New Road Housing Managing Member, LLC	Managing Mbr of New Road Hsg Asso LLC	100	Managing Member	10/6/2015
New Shakespeare Park Managing Member, LLC	General Partner of New Shakespeare Park LP	100	Member	1/29/2008
New York Rural General Partner, LLC	GP of NY Rural Preservation Associates, L.P.	100	Member	9/13/2012
North Country Managing Member, LLC	Managing Mbr of N Country Preservation Asso, LP	100	Member	2/23/2011
North Creek Run II Managing Member, LLC	Managing Mbr of North Creek Run II, LLC	100	Member	3/4/2013
North Creek Run Managing Member, LLC	Managing Mbr of North Creek Run, LLC	100	Member	6/3/2009
North Gate Landing Managing Member, LLC	North Gate Landing - Managing Member	100	Member	10/6/2022
North Gate Landing, LLC	North Gate Landing	100	Member	8/6/2021
North Odenton II Managing Member, LLC	North Odenton (4%) - Managing Member	100	Member	4/26/2022
North Odenton Managing Member, LLC	North Odenton (9%) - Managing Member	100	Member	9/16/2021
North Spring Run Managing Member, LLC	North Spring Run - Managing Member	100	Member	10/6/2022
North Spring Run, LLC	North Spring Run	100	Member	11/9/2018
Northview/LeRay Associates, L.P.	Northview Apartments	95	Limited Partner	9/6/2012
Northview/LeRay, LLC	Managing Mbr of Northview/LeRay Associates, L.P.	100	Member	8/24/2012
Norwich Housing Redevelopment Company, L.P.	Norwich Senior Housing	99	Limited Partner	10/1/2009
Oakcrest Managing Member, LLC	Managing Mbr of Oak Crest Village Associates, LLC	100	Member	2/20/2014
Overlook East Associates Managing Member, LLC	Overlook East - Managing Member	100	Sole Member	8/8/2022
Oxford Crossing Managing Member, LLC	Managing Mbr of Oxford Crossing Apts	100	Managing Member	7/21/2014
PA Affordable Housing 4, LLC	Purchaser of Arlington & Brandy	100	Member	9/8/2016
Page Homes Associates Managing Member, LLC	Managing Member of Rossell Ave Urban Renewal, LLC	100	Member	5/14/2014
Painted Post Village Square Apartments, Inc.	Fee Owner of Village Square	100	Sole Shareholder	12/18/2003
Palmyra Route 73 Managing Member, LLC	The Cove at Palmyra - Managing Member	100	Member	2/27/2023
Patuxent Cove II Managing Member, LLC	Patuxent Cove II	100	Member	8/2/2018
Patuxent Cove Managing Member, LLC	Managing Member of Patuxent Cove	100	Member	5/21/2018
Peconic Crossing Managing Member, LLC	Managing Member of Peconic Crossing	100	Managing Member	5/20/2015
Peerless Avenue Managing Member, LLC	Peerless Avenue Managing Member	100	Member	1/8/2020
Pennsauken Managing Member, LLC	Managing Mbr Of 47 Housing Associates, LLC	100	Member	12/17/2013
Pennypack Crossing Managing Member, LLC	Pennypack Crossing - Managing Member	100	Managing Member	9/23/2015
Pintail Crossing Housing Development Fund Company, Inc.	HDFC for Pintail Crossing I	100	Sole Member	4/16/2018
Pintail Crossing II, LLC	Pintail Crossing II	100	Member	4/2/2018

PARTNERSHIP	PROPERTY NAME	PERCENT	INVESTOR TYPE	EFFECTIVE DATE
Pintail Crossing Managing Member, LLC	Pintail Crossing (Farmington)	100	Member	1/16/2018
Poets Landing Managing Member, LLC	Managing Mbr of Poets Landing, LLC	100	Member	1/26/2012
Poets Landing Phase II Managing Member, LLC	Poets Landing Phase II	100	Member	7/5/2016
Point and Ravine Managing Member, LLC	Point and Ravine Managing Member	100	Member	3/11/2021
Port Jefferson Commons, LLC	Port Jefferson Commons	100	Member	8/3/2021
Port Jefferson Crossing Managing Member, LLC	Port Jefferson Crossing Managing Member	100	Member	8/6/2020
Ravena Housing Company, L.P.	Louis Apartments	99	Limited Partner	10/1/2009
Red Run Associates Managing Member, LLC	The Preserve at Red Run	100	Managing Member	9/6/2016
Revere Run Managing Member, LLC	Managing Mbr of Revere Housing Associates, LLC	100	Member	8/14/2012
Richmond Hill Managing Member, LLC	Managing Mbr of Richmond Hill Redevelopment, LLC	100	Member	11/27/2012
Rio Grande Housing Partners, LLC	Ground Lease Holder	100	Member	6/27/2012
Rio Grande Managing Member, LLC	Managing Mbr of Route 9 Hsg	100	Member	10/10/2013
Rittenberg Managing Member, LLC	Managing Mbr of Rittenberg Urban Renewal Associates, LLC	100	Member	12/4/2013
River Pointe Managing Member, LLC	Managing Mbr of River Pointe at Drum Hill, LLC	100	Member	5/27/2008
SET Housing Development Fund Company, Inc.	Southeast Towers - HDFC (fee owner)	100	Member	10/31/2017
SET Managing Member, LLC	Southeast Towers - Managing Member	100	Member	10/26/2017
Sherburne Housing Redevelopment Company, L.P.	Sherburne Senior Housing	99	Limited Partner	10/1/2009
Sidney Housing Company, L.P.	Circle Drive Apartments I	66.5	Limited Partner	3/10/2011
Sinclair Way Managing Member, LLC	Managing Member of Sinclair Way, LLC	100	Managing Member	9/16/2014
Southeast Towers, LLC	Southeast Towers - Entity not being used	100	Member	11/2/2018
Springside Managing Member, LLC	Managing Mbr of Springside Urban Renewal, LLC	100	Member	8/14/2012
St. Joseph Managing Member, LLC	Managing Mbr of St. Joseph Preservation, LLC	100	Member	1/30/2013
St. Joseph's Housing Development Fund Company, Inc.	Fee owner of Property for St. Joseph Preservation, LLC	100	Member	7/30/2014
Tajdeed Redevelopment Managing Member, LLC	General Partner of Tajdeed Redevelopment	100	Member	6/12/2013
Tamarack Managing Member, LLC	Tamarack Urban Renewal - Managing Member (DE)	100	Member	4/18/2019
Tannery Commons, LLC	Tannery Commons	100	Member	3/21/2022
The Meadows at Ithaca, LLC	The Meadows at Ithaca	80	Member	12/15/2010
The Tower at Park Square Managing Member, LLC	The Tower at Park Square (fka Midtown Manor)-Managing Member	100	Member	10/27/2022
The Tower Housing Development Fund Company, Inc.	The Tower at Park Square (fka Midtown Manor) - HDFC Member	100	Member	11/17/2022
The Woodlands at Northside II, LLC	Woodlands at Northside	100	Member	12/14/2009
Tioga View Managing Member, LLC	Managing Mbr of Tioga View Apts, LLC	100	Managing Member	6/11/2015
Towpath Managing Member, LLC	Managing Mbr of Towpath III Limited Partnership	100	Member	9/22/2011
Transurban Housing Associates	Woodburn Court II	97	Limited Partner	12/21/2006
Trinity Housing Development Fund Company, Inc.		100	Sole Member	2/17/2006
Twin Oaks Managing Member, LLC	Managing Mbr of Conifer Twin Oaks, LLC	100	Member	8/10/2010
Village Square Managing Member, LLC	Managing Mbr of Village Square Senior, LLC	100	Member	9/27/2011
Vineyard View Managing Member, LLC	Vineyard View Managing Member	100	Member	1/14/2019
VOA Cobblestone Place Apartments II, LLC	Cobblestone Place at Webster	100	Member	5/1/2015
VOC Liberty Landing Managing Member, LLC	Managing Member of VOC Liberty Landing	100	Managing Member	6/18/2018
Warburton Avenue Apartments Managing Member, LLC	Warburton Avenue Apartments - Managing Member	100	Member	11/3/2023
Warburton Avenue Housing Development Fund Company, Inc.	Warburton Avenue Apartments - HDFC (fee owner)	100	Member	1/30/2024
Washington Township Associates, L.P.	Millstream Apartments	99.99	Limited Partner	8/1/2016
Water Street Urban Renewal Associates, LLC	Water Street/Swedeseboro	100	Member	10/20/2022
West Cohawkin Managing Member, LLC	East Greenwich	100	Member	5/6/2021
West Cohawkin Urban Renewal Associates, LLC	East Greenwich	100	Member	7/13/2018
Westlake Manager, LLC	Managing Mbr of Westlake Mews, LLC	100	Member	8/1/2001
Westminster Way Managing Member, LLC	Managing Member for Union Village	100	Member	10/11/2019
Westport Homes Elizabeth, LLC	Portside & Westport (fka Elizabethport Homes, LLC)	100	Member	10/12/2022
White Oak Managing Member, LLC	Managing Mbr of White Oak Associates, LLC	100	Member	8/14/2012
Whitman Park Managing Member, LLC	Managing Mbr of Whitman Park Sr Urban Renewal	100	Member	1/9/2010
Wincoram Commons Commercial, LLC	Wincoram Commercial	100	Member	11/25/2013

PARTNERSHIP	PROPERTY NAME	PERCENT	INVESTOR TYPE	EFFECTIVE DATE
Wincoram Commons I Managing Member, LLC	Managing Member of Wincoram Commons I, LLC	100	Managing Member	6/12/2013
Wincoram Commons II Managing Member, LLC	Managing Mbr of Wincoram Commons Phase II, LLC	100	Managing Member	11/15/2013
WNY Rural Preservation Managing Member, LLC	C3PO	100	Member	5/9/2017
Woodfield Commons Managing Member, LLC	Managing Mbr of Woodfield Commons Asso LLC	100	Member	7/14/2015
Woolwich Managing Member, LLC	Woolwich Housing	100	Member	3/8/2016

259d Port Jefferson Commons LLC (259d)

		Costs
		Incurred to Date
1070-000-001	Land Acquisition	970,961.11
1070-000-019	Other Construction	9,766.09
1070-000-030	Architect Design	41,093.75
1070-000-031	Architect Supervision	1,760.00
1070-000-032	Architect Reimbursables	3,670.05
1070-000-034	Civil Engineering	335,607.41
1070-000-035	Engineering Reimbursables	10,188.07
1070-000-036	Energy/Sustainability Consultants	6,000.00
1070-000-041	Survey Land	4,345.20
1070-000-043	Geotechnical Engineering	6,925.00
1070-000-047	Legal Fees Organizational	412.94
1070-000-048	Legal Fees Local Approvals	210,588.78
1070-000-052	Legal Fees Other	17,596.00
1070-000-054	Market Study	13,300.00
1070-000-055	Appraisal	10,100.00
1070-000-106	Tax Credit Allocation/Reservation Fee	12,000.00
1070-000-107	Tax Credit Agency Fee	12,000.00
1070-000-163	Permits and Planning Board	11,250.00
1070-000-305	Office & Maintenance Payroll & Expenses	312.47
Total Project Costs		1,677,876.87

October 2, 2024

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

To Whom It May Concern:

The attached application for IDA benefits is being submitted by MCP Yaphank PropCo, LLC for the Board's consideration. This application includes a 102-unit Senior Living community, the Chelsea at Brookhaven. The existing property is currently under a PILOT schedule with the Town of Brookhaven IDA. It is MCP Yaphank PropCo, LLC intent to acquire the property from Yaphank AVR Boulevard Chelsea LLC.

MedCore Partners is a full-service real estate company dedicated exclusively to the healthcare and senior living industry. MedCore has built trusted relationships with both healthcare providers and numerous capital sources to successfully execute the development, acquisition, construction, financing, and leasing of healthcare facilities.

Leveraging its intimate knowledge of medical sector dynamics with its comprehensive platform of real estate services offered, MedCore is uniquely qualified to identify and capitalize on healthcare projects and maximize the potential profits returned to its investors. Collectively, MedCore's principals have led the development and investment efforts for healthcare initiatives valued in excess of \$2 billion, in addition to executing brokerage transactions for over 2,000 physicians.

The Chelsea at Brookhaven is an existing Senior Living facility within a larger mixed-use development. Overall, the project provides for a continuum of housing and care (including Independent Living, Assisted Living, and Alzheimer/Memory Care).

The existing project consists of 2 separate buildings. Building One consists of independent living and provides for (but not limited to):

- Weekly housekeeping
- Fully equipped kitchens in each unit
- Themed parties for entertainment
- Daily social hour
- Supportive concierge services.

Building Two consists of both assisted living and a dedicated memory care wing. Assisted living and memory care are provided with (but not limited to):

- Weekly housekeeping, laundry, and linens
- Daily social activities

- Three restaurant inspired meals
- A full time RN on site
- Health and wellness program
- 24-hour emergency response system
- Specialized 24-hour care as needed.

The project continues to support a demand for senior living beds. According to the US Census Bureau, going forward, the population of those over 80 years old is expected to grow to nearly 24 million by 2025, doubling from 2016. By 2023, 1 in 5 US residents will be aged 65 or older, fueled by the aging of the baby boomer generation. Yaphank's demographics are aligned with national trends. Within a 5-mile radius, there is noted demand for 968 units of independent living, 450 units of assisted living, and 95 units of memory care. This is compared to only 75 units current under construction within the entire county (sourced from NIC Map Data).

Assistance from the Town of Brookhaven IDA in the form of a PILOT agreement and a mortgage recording tax exemption is being sought to help continue to provide needed services and senior housing to the community. With such assistance, the project will continue to support the community – both with its seniors and with employment. 50 long-term FTE jobs are currently being generated related to operations and management. The property is committed to local hiring and believes the community benefits by hiring associates proximate to the location.

Along with our application fee, the following documents have been submitted with the application.

- Financial Statements for the last twelve months (1 Fiscal Year)
- Quarterly reports, as requested
- Environmental Assessment Form
- Most recent NYS Department of Labor Form 45

Thank you for your consideration of our application.

MCP Yaphank PropCo, LLC, a Delaware limited liability company

By: _____

Name: Brian Bollich

Title: Authorized Signatory

Date: October 2nd, 2024



To: Brookhaven Industrial Development Agency
From: Todd Shapiro Associates Public Relations
Date: September 26, 2024
Subject: Public Relations Plan

Executive Summary

The Brookhaven Industrial Development Agency (IDA) is dedicated to fostering sustainable economic growth, attracting new businesses, and supporting the retention of existing businesses in Brookhaven. This public relations plan aims to increase the IDA's visibility, highlight its key projects, and build relationships with key stakeholders through media coverage and community engagement initiatives.

Objectives

- Increase awareness of the Brookhaven IDA's role in driving economic development and job creation
- Promote successful projects and key partnerships that have positively impacted the community
- Build relationships with local businesses, investors, government officials, and community leaders
- Strengthen public perception of the IDA as a catalyst for sustainable economic growth

Key Messages

- The Brookhaven IDA is a driver of economic growth and job creation
- The IDA offers financial incentives and support to attract and retain businesses.
- Brookhaven is a prime location for investment, with strong infrastructure and community support

PR Strategies

1. Media Relations

- Press releases highlighting the IDA's successful projects, new partnerships, and business incentives, etc.
- Op-eds on the impact of economic development and sustainable growth in local media.
- Interviews with local and regional media outlets for CEO Lisa Mulligan and Chairman Frederick Braun to discuss Brookhaven's role in attracting new businesses.

2. Community Engagement



- Public events like ribbon cuttings and groundbreakings to showcase the IDA's projects
- Business of the Month campaign to highlight IDA-supported companies and their positive contributions to the community
- Quarterly newsletters to update stakeholders on IDA projects and successes
- Town hall meetings to engage with community members, gather feedback, and address concerns

AVR SOUTH LLC
c/o AVR Realty Company
One Executive Boulevard
Yonkers, New York 10701

September 12, 2024

Frederick C. Braun II, Chairman
Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, NY 11738

Re: Town of Brookhaven Industrial Development Agency (the "Agency")
(AVR-SP Brookhaven JV LLC 2022 Facility)

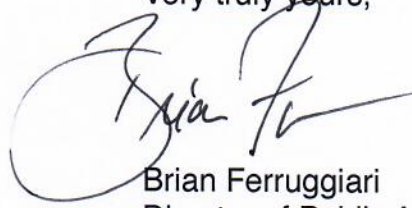
Dear Chairman Braun:

I refer you to the above IDA transaction as documented, inter alia, by a Lease and Project Agreement (the "Lease Agreement"), dated as of June 1, 2022, between the Agency and AVR-SP Brookhaven JV LLC (the "Company"), as amended by an Amendment and Modification Agreement, dated as of October 1, 2023.

Pursuant to Section 8.3 of the Lease Agreement, we are writing to request consent for the transfer by Scannell Properties #485, LLC of its 50% beneficial ownership in the Company to Precision Drive LLC, a newly formed Delaware limited liability company which is an affiliate of AVR South LLC- the remaining member in the Company. Allan V. Rose and trusts for the benefit of himself and his family members own 100% of the ultimate beneficial interests in AVR South LLC and he and trusts for the benefits of himself and his family members will collectively own 100% of the ultimate beneficial interests in Precision Drive LLC after a brief interim period (through on or before March 31, 2025). During this brief interim period, Precision Drive LLC will remain under the same control as AVR South LLC and Allan V. Rose and trusts for the benefit of himself and his family members will derive 100% of the economic benefit of Precision Drive LLC. Once that transfer takes place after the Agency's approval, there may be some adjustments in beneficial ownership interests of the Company between AVR South LLC and Precision Drive LLC but collectively these two entities will own 100% of the membership interests in the Company. In addition, we will likely change the name of the Company to AVR Brookhaven LLC (or something similar) in order to removal the "SP" and "JV" from the name, which reflected Scannell Properties #485, LLC's involvement in the project.

Please let me know if you have any questions or need any additional information. As discussed, we would like to get on the Agency's agenda for October 16th so we can consummate this transaction shortly thereafter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Brian Ferruggiari". The signature is fluid and cursive, with a large initial "B" and "F".

Brian Ferruggiari
Director of Public Affairs
AVR Realty Company

cc. Lisa Mulligan, CEO



Peter L. Curry
Partner

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

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

Our File No.
32630/100

September 30, 2024

VIA EMAIL AND FEDEX

Ms. Lisa M.G. Mulligan
Chief Executive Officer
Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, New York 11738

Re: Middle Country Meadows, LLC ("MCM")

Ms. Mulligan:

As you are aware, MCM projected a completion date, and the expiration of the right to utilize sales tax abatements, of December 31, 2024. Construction at Middle Country Meadows (the "Project") commenced with permits for 20 units on February 22, 2022. All these rental units are completed and currently occupied, and MGM expects to have a total of 44 units completed by October 15, 2024. The remaining 14 buildings, including the clubhouse, are all framed and closed in. However, due to delays from various agencies, MCM did not obtain its building permits for the final 104 units until June 15, 2023, resulting in construction delays. Additionally, MCM received approval for the New York State highway work permit to install a traffic light in December, 2023, two (2) years after MCM submitted its application package. MCM installed the traffic light, which has been operational since August, 2024.

Given the extensive delays and considering MCM's ongoing diligence in completing this Project, I respectfully request that the Agency authorize the extension of the sales tax abatement agreement until July 1, 2025.

Ms. Lisa M.G. Mulligan
September 30, 2024
Page 2

Please feel free to contact me with any questions or comments you may have on this request.

Very truly yours,

Peter L. Curry

Peter L. Curry

cc: Mr. James Tsunis
Laura K. Fallick, Esq.

ORIGIN ID:RMEA (516) 221-0700
LAURA K. FALLICK, ESQ.
FARRELL FRITZ PC
400 RXR PLAZA

UNIONDALE, NY 11556
UNITED STATES US

SHIP DATE: 30SEP24
ACTWGT: 1.00 LB
CAD: 103016345/NET4760

BILL SENDER

TO LISA M.G. MULLIGAN
TOWN OF BROOKHAVEN IDA
ONE INDEPENDENCE HILL

FARMINGVILLE NY 11738

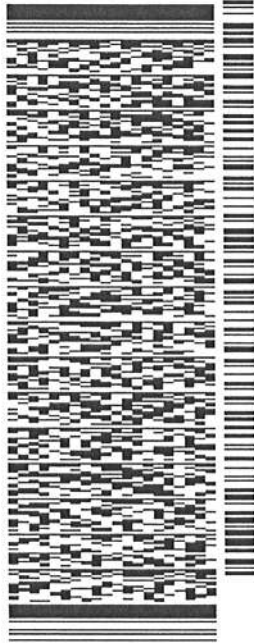
REF: 32630100

NV

DEPT

PO

(631) 406-4244



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VanBRUNT, JUZWIAK & RUSSO, P.C.

ATTORNEYS AT LAW
140 MAIN STREET
SAYVILLE, NEW YORK 11782
(631) 589-5000
FAX: (631) 589-5003

JEFFREY M. JUZWIAK
Retired
RICHARD H. VanBRUNT
1927 - 2006

ERIC J. RUSSO

RITA BUCKLEY
Paralegal

October 7, 2024

Via Federal Express and Email

Ms. Lisa M.G. Mulligan, Executive Director
Brookhaven Town Industrial Development Agency
One Independence Hill
Farmingville, New York 11738

Re: Applicant: Ferrandino and Son Development Group, LLC – Contract Vendee
Project: 214 West Main Street, Patchogue, New York
Application: Brookhaven Town IDA Financial Assessment Application
Premises: 214 West Main Street, 210 West Main Street, 200 West Main Street,
192-198 West Main, 188 West Main Street, 21 Hammond Street,
25 Hammond Street, 14 Hammond Street, 26 West Avenue,
Patchogue, New York
SCTM #: 0204-9-06-1.6, 1.9, 3, 4, 5, 13, 14, 18, 24

Dear Ms. Mulligan:

As you are aware, our law firm represents Ferrandino and Son Development Group, LLC in connection with its Brookhaven Town IDA Financial Assistance Application. The Brookhaven Town IDA granted approval of the submitted application at its meeting on November 15, 2023. A public hearing has not been held to date as our client remains in the process of meeting and finalizing all Brookhaven Town IDA requirements.

Ferrandino and Son Development Group, LLC requests an extension of the existing Brookhaven Town IDA acceptance of its application, with an expiry date of November 15, 2024. Pursuant to the Brookhaven Town IDA Resolution, dated August 16, 2023, this request is being made prior to the expiration of the twelve (12) month period from the November 15, 2023 acceptance date. Our client seeks this extension of its application as previously presented for an additional one (1) year period to November 16, 2025.

Ferrandino and Son Development Group, LLC is in contract to purchase the above-referenced premises. Our client is in the process of finalizing its financing and is moving forward with all necessary municipal permits and approvals. To date, our client has been granted approval from the Patchogue Village Zoning Board of Appeals, Patchogue Village Planning Board, NYSDEC, Suffolk County Department of Health Services Board of Review for Variance, Suffolk County Legislative for a License Agreement to develop and maintain a Community Park on West Main Street and has a pending application with the Suffolk County Department of

Page Two
Ms. Lisa Mulligan
October 7, 2024

Public Works. Our client is also finalizing construction plans to file all necessary Patchogue Village applications. In addition, Ferrandino and Son Development Group, LLC is in the process of securing its Suffolk County Department of Health Services Permit and its Patchogue Village Sewer Agency Approval.

Your review and consideration of our client's request for an extension of its Application at the next meeting of the Brookhaven Town IDA on October 16, 2024 would be greatly appreciated. If you should have any further questions or require additional information, please do not hesitate to contact our office. Thank you.

Very truly yours,

VanBrunt, Juzwiak & Russo, P.C.



Eric J. Russo

EJR/tml

cc: Mr. Edward M. Slezak, SVP, Ferrandino and Son Development Group, LLC
Mr. Howard Gross, Esq, Agency Counsel for Brookhaven Town IDA
Ms. Annette Eaderesto, Esq., Agency Counsel for Brookhaven Town IDA

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

DATE: 10.03.2024

APPLICATION OF: MCP Yaphank PropCo, LLC
Name of Owner and/or User of Proposed Project

ADDRESS: 1 Meadow Ln, Yaphank, NY 11980

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

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

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

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

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

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

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

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PART I	OWNER 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
PART VII	REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION
PART VIII	SUBMISSION OF MATERIALS
EXHIBIT A	Proposed PILOT Schedule
SCHEDULE A	Agency's Fee Schedule
SCHEDULE B	Construction Wage Policy
SCHEDULE C	Recapture and Termination Policy

Part I: Owner & User Data

1. **Owner Data:**

A. Owner (Applicant for assistance): MCP Yaphank PropCo, LLC

Address: 12377 Merit Drive, Suite 500
Dallas, Texas 75251

Federal Employer ID #: TBD Website: TBD

NAICS Code: 623312

Owner Officer Certifying Application: Brian Bollich

Title of Officer: Authorized Signatory

Phone Number: [REDACTED]

E-mail: [REDACTED]

B. Business Type:

Sole Proprietorship Partnership Limited Liability Company

Privately Held Public Corporation Listed on _____

State of Incorporation/Formation: Delaware

C. Nature of Business:

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

Senior Care Living Facility

D. Owner Counsel:

Firm Name: MedCore Partners, LLC

Address: 12377 Merit Drive, Suite 500
Dallas, Texas 75251

Individual Attorney: Jordan Sibley, General Counsel

Phone Number: 214.257.8378

E-mail: jsibley@medcorepartners.com (CC: ebakker@medcorepartners.com)

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

Name	Percent Owned
<u>MCP Yaphank HoldCo, LLC</u>	<u>100% owner MCP Yaphank PropCo, LLC</u>
<u>Org Chart forthcoming</u>	<u></u>
<u></u>	<u></u>

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

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

No

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

No

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

To be determined - see "E" above

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:

To be determined - see "E" above

I. List parent corporation, sister corporations and subsidiaries:

This is a single purpose entity

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:

Jonathan Grenier - Forbright Bank (jgrenier@forbrightbank.com)

Molly Odgers - BOK (MOdgers@bokf.com)


2. User Data

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

A. User (together with the Owner, the "Applicant"): **Brookhaven Senior Living, LLC**

Address: **316 South Avenue**

Fanwood, NJ 07023

Federal Employer ID #: 

Website: www.chelseaseniorliving.com/locations/the-chelsea-at-brookhaven/

NAICS Code: **623300**

User Officer Certifying Application: **Deena Schaffer**

Title of Officer: **VP Finance**

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")

Operator - Senior Housing

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
<u>Herbert Heflich</u>	<u>33.33%</u>
<u>Roger Bernier</u>	<u>33.33%</u>
<u>Deena Schaffer</u>	<u>33.33%</u>

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

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

NA

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

NA

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.

NA

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:

NA

J. List parent corporation, sister corporations and subsidiaries:

NA

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:

NA

L. List major bank references of the User:

NA

Part II – Operation at Current Location

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

1. Current Location Address: NA

2. Owned or Leased: NA

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

NA

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

NA

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

A. If yes, list the Address: NA

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: NA - Existing facility
will be continued to be used for their current use

- 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:

NA

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

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

NA

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

A. Please explain: acquisition of property is contingent on program being in place

NA

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

NA

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: 1 Meadow Ln, Yaphank, NY 11980

B. Tax Map: District 0200 Section 552 Block 01 Lot(s) 01.003

C. Municipal Jurisdiction:

- i. Town: Brookhaven
- ii. Village: NA
- iii. School District: Longwood CSD

D. Acreage: 3.33

3. Project Components (check all appropriate categories):

- A. Construction of a new building Yes No
 - i. Square footage: _____
- B. Renovations of an existing building Yes No
 - i. Square footage: _____
- C. Demolition of an existing building Yes No
 - i. Square footage: No - NA
- D. Land to be cleared or disturbed Yes No
 - i. Square footage/acreage: _____
- E. Construction of addition to an existing building Yes No
 - i. Square footage of addition: _____
 - ii. Total square footage upon completion: _____
- F. Acquisition of an existing building Yes No
 - i. Square footage of existing building: 99,492 SF in 2 buildings

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

4. Current Use at Proposed Location:

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

i. If no, please list the present owner of the site: Yaphank AVR Boulevard Chelsea LLC

B. Present use of the proposed location: Senior Care Living facility

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

i. If yes, explain: Conditioned acquisition of a property subject to IDA's consent

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

Contract currently being negotiated - Sale from Yaphank AVR Boulevard Chelsea LLC to a To Be Formed LLC

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

There is an existing lease (between Propco and Opco) that will be modified & finalized prior to closing (please see attached org chart)

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: Use will remain same -

Senior Care Living Facility with 102 units

B. Proposed product lines and market demands: Use will remain the same - Senior Care Facility

Offering independent living, assisted living and memory care with supplemental positive market demand

(968 units of unmet demand in Independent Living, 450 units of unmet demand in Assisted Living, 95 units of unmet demand in Memory Care) - all within a 5-mile radius

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:

NA

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

There is a continued need on Long Island for Facilities that assist residents with

Special Needs, Memory Impairment, and Daily Activities

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? NA

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

The project is not new construction. The project, when originally constructed utilized green drainage technologies, which remain in operation today.

6. Project Work:

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

i. Site Clearance:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	NA
ii. Foundation:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	NA
iii. Footings:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	NA
iv. Steel:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	NA
v. Masonry:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	NA
vi. Other:	NA			

B. What is the current zoning? PDD - Planned Development District

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: NA

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: December 2024

ii. Construction/Renovation/Equipping: Replacement of current furniture and fixtures with

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: NA - anticipated acquisition of current project with uninterrupted transition of operations

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	\$ 22,000,000
Building(s) demolition/construction	\$ _____
Building renovation	\$ _____
Site Work	\$ _____
Machinery and Equipment	\$ _____
Legal Fees	\$ 450,000
Architectural/Engineering Fees	\$ _____
Financial Charges	\$ 460,000
Other (Specify)	\$ 1,427,600 (DD Costs and Contingency & Working capital)
Total	\$ 24,337,600

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

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>estimated at 14,000,000</u>	<u>4</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>10,337,600</u>	<u>4</u> years
Total Project Costs	\$ <u>24,337,600</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:

NA

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

NA

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

NA

Part V – Project Benefits

1. **Mortgage Recording Tax Benefit:**

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

\$ 14,000,000 (based on initial term sheet)

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

\$ 105,000

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):

\$ _____

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

\$ _____

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

i. Owner: \$ NA

ii. User: \$ NA

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: NA

B. Agency PILOT Benefit:

i. Term of PILOT requested: remainder of current PILOT schedule - currently on a 13-year schedule ending Dec-31

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 **: 50 June 2024 \$51,100
 Date Average Annual Salary of Jobs to be Retained
 FTEs to be Created in First Year: _____ (fill in year)

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

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

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

Number of Residents of LMA:

Full-Time: 37

Part-Time: 26

Cumulative Total FTEs ** After Year 2 50

Construction Jobs to be Created: 0 (acquisition)

*** 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	85,823	5,804
Commission Wage Earners	73,130	11,493
Hourly Wage Earners	43,571	1,885
1099 and Contract Workers	NA	NA

What is the annualized salary range of jobs to created? NA (staffed to stabilization) to NA (staffed to stabilization)

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

Current acquisition has IDA benefits in place

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 municipality would lose jobs and tax revenues created by 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 

6. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project as well as may lead to other possible enforcement actions.

Initial 

7. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Initial 

8. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial 

9. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees, and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project. The IDA fees are based on the total project costs listed in this application. At the completion of the project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be increased as a result of the certified cost affidavit. Monies will not be refunded if the final costs are below the amount listed in the application.

Initial AS

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 AS

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 AS

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 AS

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.

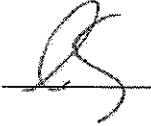
Initial AS

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 AS

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

A handwritten signature in black ink, appearing to be the initials 'AS', written over a horizontal line.

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).

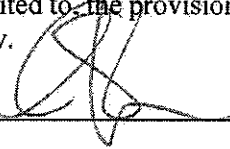
a. The completion of the entire project will not result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state.

Representative of the Applicant:  _____

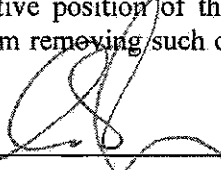
b. The completion of this entire project will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state because the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

Representative of the Applicant: _____

2. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Representative of the Applicant:  _____

3. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

Representative of the Applicant:  _____

4. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state, and federal tax, worker protection and environmental laws, rules, and regulations.

Representative of the Applicant:  _____

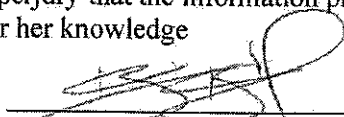
Part X – Certification

Brian Bollich (Name of representative of entities submitting application) deposes and says that he or she is the Authorized Signatory (title) of MCP Yaphank PropCo, LLC, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

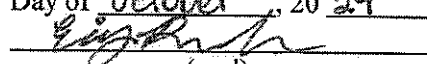
Deponent further says that s/he is duly authorized to make this certification on behalf of the entities named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as information acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

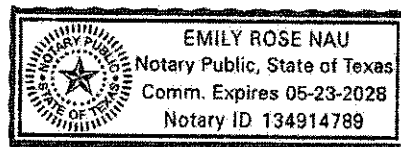
As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

The Applicant hereby subscribes and affirms under the penalties of perjury that the information provided in this Application is true, accurate and complete to the best of his or her knowledge



Representative of Applicant

Sworn to me before this 10th
Day of October, 2024

(seal)



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

EXHIBIT A

Proposed PILOT Schedule

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

Town of Brookhaven Industrial Development
Schedule of Fees

Application -	\$3,000 for projects with total costs under \$5 million \$4,000 for projects with total costs \$5 million and over (non-refundable)
Closing/Expansion Sale/Transfer/Increase of Mortgage Amount/ Issuance of Refunding Bonds -	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.

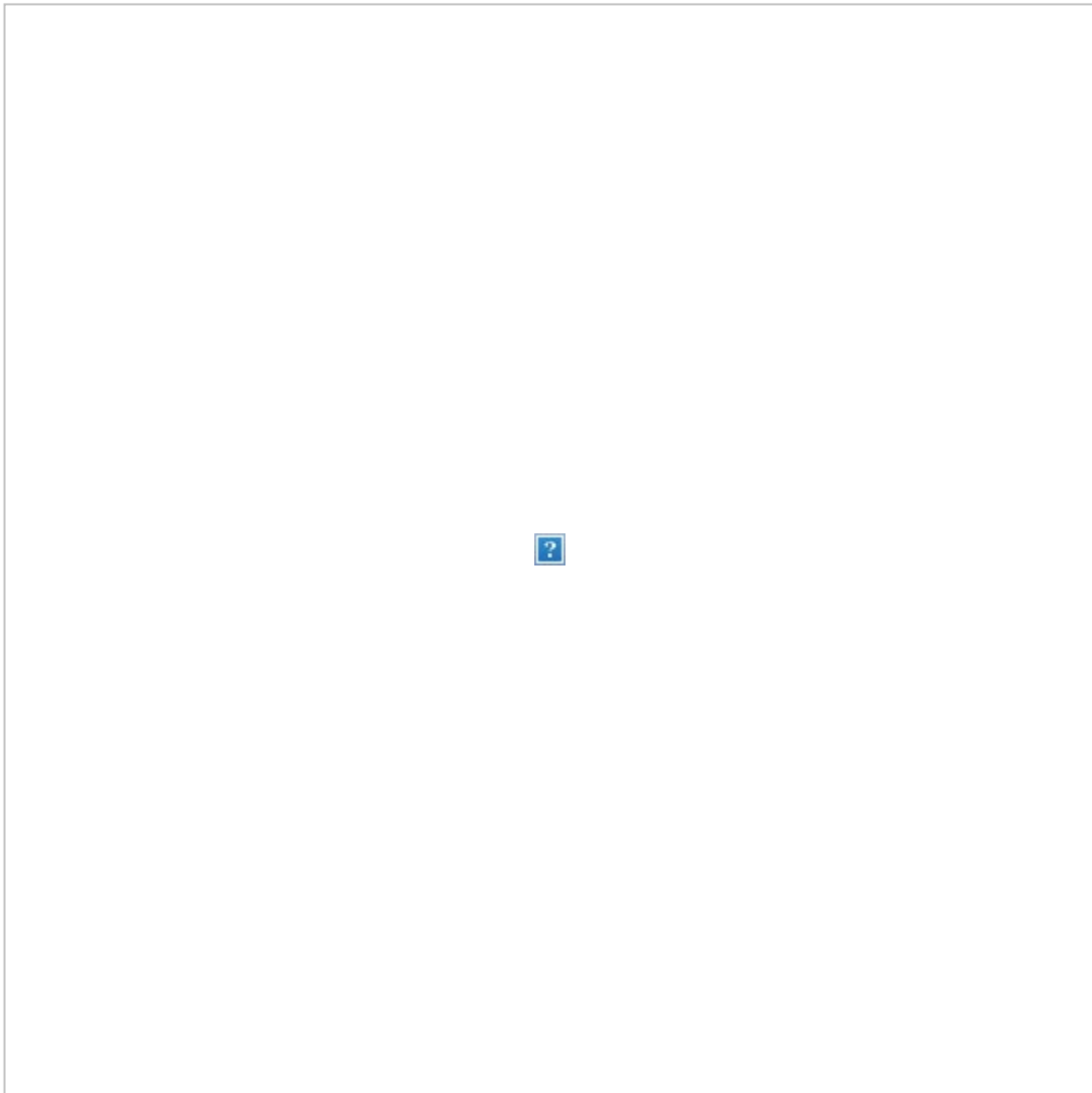
1. The Town of Brookhaven Industrial Development Agency (IDA) may grant or be utilized to obtain a partial or full real property tax abatement for a determined period. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real 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.

From: [Marlene McDonnell](#)
To: [Jocelyn Linse](#)
Subject: LIBDC November Suffolk County IDA Dinner ~ WE'LL SEE YOU THERE!
Date: Monday, September 23, 2024 8:14:55 AM

LIBDC Nov. 18 dinner with keynote speaker Suffolk County Executive Edward P. Romaine

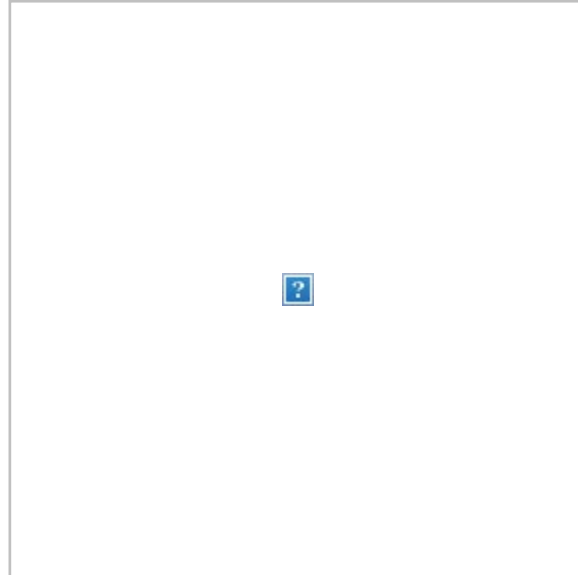
[View this email in your browser](#)



**Join Us For A
Most Educational Evening!**

***The Long Island Business
Development Council proudly presents its
Suffolk County IDA dinner November 18
The Radisson Hotel, Hauppauge***

KEYNOTE SPEAKER

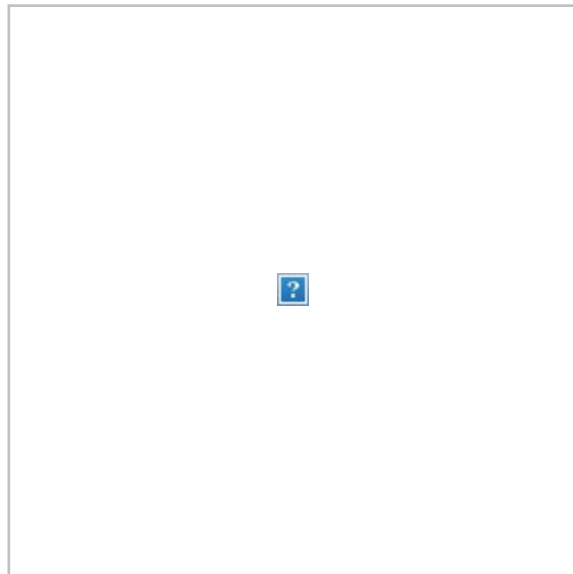


Edward P. Romaine
~ Suffolk County Executive ~

"SOLAR-UP SUFFOLK"
Suffolk County's Renewable Energy Initiative

Monday, November 18, 2024
5:30pm to 8:30pm

[The Radisson Hotel](#)



110 Vanderbilt Motor Parkway, Hauppauge

***FOR MORE INFORMATION ON THIS EVENT
AND OUR KEYNOTE SPEAKER ~ [CLICK HERE](#)***

Make your reservation Today!

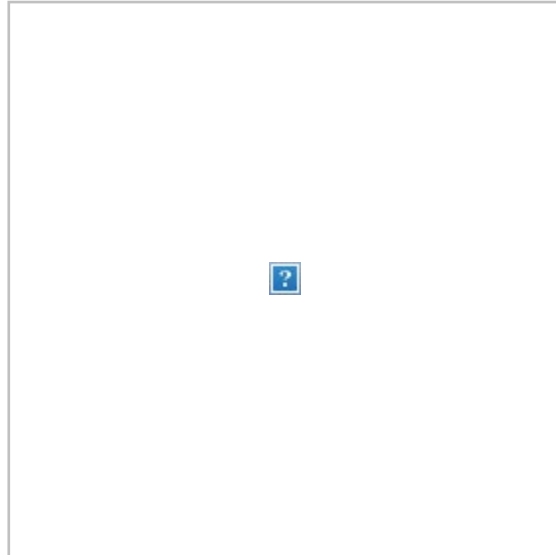
***COMPANY/ORGANIZATION MEMBERS --- No charge to attend
INDIVIDUAL SEATS --- \$85
TABLE FOR TEN --- \$750***

**TO SPONSOR THIS DINNER AND TO RESERVE YOUR
SEAT/TABLE WITH A CREDIT CARD
[CLICK HERE](#)**

**FOR MORE INFORMATION - CONTACT
MARLENE MCDONNELL
marlene.mcdonnell@gmail.com
516-314-8982**

WE'RE LOOKING FORWARD TO SEEING YOU!

PRESENTED BY OUR HOST SPONSOR



To learn more about the Long Island Business Development Council, sponsor one of our annual meetings, update your membership information or to become a member of LIBDC - visit [LIBDC.org](https://www.libdc.org).

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Groundbreaking for \$46.7M East Patchogue apartment project



Rendering of Greybarn Patchogue / Courtesy of Brookhaven IDA

Groundbreaking for \$46.7M East Patchogue apartment project

[David Winzelberg](#) //September 26, 2024//

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Listen to this article

Elected officials and community leaders joined developers in East Patchogue Wednesday at a groundbreaking ceremony for a \$46.7 million apartment project.

Plainview-based Rechler Equity Partners is developing the 91-unit apartment complex called Greybarn Patchogue. The 3.4-acre development site at 303 East Main St. was formerly occupied by the Mediterranean Manor catering hall and other small businesses.

The new three-story building will bring 46 one-bedroom apartments and 45 two-bedroom apartments with amenities that include a clubhouse, outdoor pool and courtyard. Monthly rents will range from \$2,922 for the one-bedroom units to \$3,507 for the two-bedroom units. Eight of the apartments will be designated as affordable and offered at reduced rents of \$1,948 a month for the one-bedroom units and \$2,338 a month for the two-bedroom units, according to documents from the Brookhaven Industrial Development Agency, which provided economic incentives for the project.

In addition to the apartment development, Rechler Equity is donating a 1.01-acre parcel at 313 East Main St. to the Patchogue Arts Council, which plans to use the space for exhibits, live music performances and more. Both the state and county governments have pledged funds for the construction of a new 11,800-square-foot arts center on the donated land.

The Patchogue project will be the second Greybarn community developed by Rechler Equity Partners. The developer built a 500-unit Greybarn complex on the 20-acre site formerly occupied by a trailer park on Broadway in North Amityville. That community also includes 45,000 square feet of retail space.

Greybarn Patchogue is the second new multifamily project under the Town of Brookhaven's East Patchogue Incentive Overlay District. Construction began in May on a \$33.75 million affordable and supportive housing project called The Grove on a long-vacant 2.78-acre site at 400 E. Main St. GGV Grove Apartments LLC, a group headed by Jericho-based Georgica Green Ventures, is developing the three-building rental complex that will bring 55 apartments to renters of households earning 50 percent to 90 percent of the area's average median income.

Waste station canceled

Controversial plan in Yaphank faced battle for approval

FIRST IN NEWSDAY

BY CARL MACGOWAN
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West Babylon trash hauler Winters Bros. is dropping plans for a proposed Yaphank waste transfer station project that was seen by local officials as critical to managing Long Island's future trash removal needs but drew opposition from local residents and others, a company spokesman told Newsday on Friday.

Winters Bros. vice president Will Flower said Brookhaven Rail, which owns the 228-acre site on Horseblock Road where the facility was planned to be built, has agreed to sell the site to Kansas City-based NorthPoint Development, which is developing a warehouse project on an adjoining parcel.

Selling the property effectively ends plans to build the transfer station, which had faced an uncertain approval process amid opposition and lawsuits aimed at blocking the project.

'A comprehensive victory'

"Brookhaven Rail has made the decision not to pursue plans for the rail transfer station," Flower said. "We do believe rail is, and will continue to be, a very viable solution, both economically and environmentally, to the problem of solid waste."

A Brookhaven Rail spokeswoman did not respond to a request for comment Friday.

Winters Bros. and Brookhaven Town officials have said previously the Yaphank station was critical to Long Island's future waste management needs as the town prepares to begin closing its landfill later this year.

The project required approvals from federal and state agencies and Brookhaven officials. The project was never formally submitted to town officials for approval, Flower and town officials said.

The state NAACP and Farmingdale environmental non-



The Brookhaven Rail Terminal in Yaphank. The state NAACP, a Farmingdale environmental advocacy group and Yaphank residents opposed the proposed construction of a waste transfer station here.

WHAT TO KNOW

- **Winters Bros. of West Babylon has canceled plans** for a Yaphank waste transfer station that had drawn opposition from environmentalists and the state and Brookhaven NAACP.
- **The plant would have taken in** construction and demolition debris and shipped it by rail to landfills off Long Island.
- **NAACP leaders and the environmental nonprofit** Citizens Campaign for the Environment called the project's demise "a comprehensive victory."

profit Citizens Campaign for the Environment said Friday the project's demise is "a comprehensive victory," adding the deal to stop the project stemmed from negotiations between both

groups and the developers.

Under the deal described in a statement released by NAACP and Citizens Campaign officials, NorthPoint Development agreed to buy out Winters Bros.' interests in the property and to abandon the waste transfer plan.

Environmentalist see win

The deal includes open space preservation easements for NAACP and the Citizens Campaign, and deed restrictions blocking future solid waste uses on the Winters Bros. site, the NAACP and Citizens Campaign officials said in the news release. They added that NorthPoint Development, which plans to build industrial buildings on the site, agreed to host job fairs in conjunction with the NAACP to fill positions at the new facility.

A NorthPoint official, Brian Stahl, declined to comment Friday.

Citizens Campaign and the NAACP opposed the station, saying it was not needed because

they believed other transfer stations on Long Island would be enough to process construction waste after the landfill closes.

"This victory is sweet," Brookhaven NAACP president Georgette Grier-Key said in a statement, adding, "the fight for environmental justice, for good jobs for our community, for our fair share of state funding for our schools and more, continues."

The NAACP and Citizens Campaign last year sued the town in state Supreme Court to block the project. A state judge threw out the lawsuit earlier this year.

The mammoth plant, which would have been one of the largest such facilities in the state, would have collected up to 2,000 tons a day of construction waste and shipped it by rail to landfills as far away as Ohio and Pennsylvania.

Proponents said it would have cut the number of trucks needed to haul construction trash off

the Island.

Brookhaven Supervisor Dan Panico said the project's cancellation was "a loss for Long Island as a region and a missed opportunity."

He added the demise of the project would not affect plans to close the landfill. The dump is set to stop accepting construction waste in December and close completely when it stops taking ash in 2028 from incinerators operated by Reworld, formerly called Covanta.

"The plans for the landfill will proceed as planned," he said. "But this potentially could mean higher prices for residential and commercial customers and taxpayers."

Heavy lobbying effort

Flower said the Winters Bros. plan failed in part because state lawmakers in recent years declined to approve the use of open space land for part of a rail spur that was to have served the facility.

Winters Bros. was purchased in July by industry giant WM, formerly Waste Management.

The spur was to be built on a three-acre section of a 68-acre conservation easement that runs through the Brookhaven Rail property, officials said previously. In exchange, the town would have received six acres that would be preserved as open space.

But the measure, known as a "park alienation" bill, never was approved amid heavy lobbying from environmentalists and the NAACP, officials said.

"I think it's safe to say Brookhaven Rail did not see a pathway to move forward with the project and made the decision" to sell the land to NorthPoint Development, Flower said.

Citizens Campaign for the Environment executive director Adrienne Esposito said the nonprofit was "delighted with the outcome."

"It's really the best of both worlds. We will not have a transfer station, which would have added a lot of dust, noise and air pollution to the neighborhoods," she said. "We heard the public's cry for help and we answered them." She added: "We have to have a meaningful plan for solid waste. This project was problematic . . . and they could not demonstrate a need for this large a facility."

NEWSDAY / STEVE FROST

Demand from Amazon, others are fueling plans for 18 million square feet of new warehouses on Long Island



Mitchell and Gregg Rechler, co-managing partners of Rechler Equity Partners, in front of the first warehouse in their proposed Rechler Business District in Medford, which will total 725,000 square feet over multiple warehouse buildings. Credit: Elizabeth Sagarin

By James T. Madorejames.madore@newsday.com[JamesTMadore](#) Updated September 26, 2024 11:44 am

Share

Forty-three Nassau Veterans Memorial Coliseums or 18 million square feet.

That's how much new warehouse space is being proposed for Long Island by developers seeking to profit from low vacancy rates, high rents and retailers' plans to deliver purchases to customers' doorsteps.

Fifty-six warehouse projects have been put forward to town planning boards, about half of them in the past two years. Together, the warehouses would cost more than \$3 billion to construct, according to data compiled by Newsday from visits to the building sites and government documents.

"Since COVID-19 happened there's been a big push for these micro-warehouses to be opened up," said Jason F. Maietta, an executive vice president at the real estate firm Colliers, referring to retailers' need for more warehouse space to make "last-mile" deliveries to consumers who are increasingly shopping online and to resupply brick-and-mortar stores.

WHAT TO KNOW

- **Fifty-six warehouse** projects, totaling 18 million square feet, have been proposed for Long Island, according to data assembled by Newsday via visits to the building sites and government documents.
- **More than 16** projects have been completed, representing 20.5% of the proposed space, and more than 44% has been leased, the data show.
- **Building moratoriums have** been put in place by governments in Brookhaven and Riverhead town as officials seek to prevent of glut of vacant warehouses, both new and old.

"Everyone kind of hopped on that train ... Developers [from outside of Long Island] realized that we have a big market here and they started to invest hundreds of millions of dollars," said Maietta, who oversees the leasing and sale of warehouses and industrial properties in the region for Colliers.

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New entrants to the market include Rosemont, Illinois-based Venture One Real Estate, which has four projects; Kansas City, Missouri-based NorthPoint Development, two projects, and Manhattan-based Ares, Brookfield Properties, Link Logistics, Rockefeller Group International and Wildflower, each with two or three projects.

One of the prominent building sites — 600 Grumman Rd. West in Bethpage — was purchased by San Francisco-based Prologis for a 240,000-square-foot warehouse. The property had been home to the headquarters of Grumman Aerospace Corp., which employed thousands of Long Islanders for decades.

Plans for the \$106 million warehouse were unveiled more than two years ago but work hasn't progressed beyond demolishing the Grumman office and moving an historic U.S. Navy F-14 Tomcat fighter jet to the Cradle of Aviation Museum in Uniondale.

Asked if the project had been shelved, Prologis spokesman Mattie Sorrentino said, "We plan to proceed ... [The warehouse would] create jobs, strengthen the supply chain and contribute to the local economy."

20% built so far



A warehouse in Islandia was recently completed by Creation Equity and J.P. Morgan Asset Management. Credit: Newsday/James T. Madore

Of the 18 million square feet of new warehouses proposed for Long Island, 3.7 million, or 20.5%, have been constructed so far across 17 projects. More than 1.8 million square feet have been leased, based on the Newsday site visits, plus information from developers and commercial real estate brokers.

Those signing leases and the location of their new warehouse include Amazon in Melville and Woodmere, cookie manufacturer Tate's Bake Shop in Shirley, tire distributor Max Finkelstein LLC in Hauppauge, and cosmetics sellers Nicka K New York and Absolute New York and food distributor Food Authority, all in Melville, according to the database.

[A Flourish map](#)

[A Flourish table](#)

Construction on most of the warehouses will be completed before the developer finds tenants.

Two notable exceptions are 125 Baylis Rd. in Melville, a 103,500-square-foot warehouse built by Creation Equity and J.P. Morgan Asset Management for soft drink distributor Keurig Dr Pepper, and the first building of the Rechler Business District in Medford, which will largely be occupied by natural gas provider KeySpan Gas East Corp./National Grid.

"Lenders today are a lot more reticent about providing construction loans for buildings that are speculative — that don't have some portion of the building preleased," said Mitchell Rechler, co-managing partner of Rechler Equity Partners. The Plainview firm is Long Island's largest owner of commercial property, with more than 6.5 million square feet in 100-plus buildings.

He said many of the big warehouses recently built by competitors of Rechler Equity are sitting vacant because "they were designed for one specific use, large scale e-commerce, and are not adaptable to smaller tenants and other uses ... Many of these buildings aren't going to pencil out [i.e. become profitable] due to limited demand for the use that they were built for."

Rechler said his company is seeing "significant demand from small tenants that may need 10,000 square feet, but not 100,000 or 75,000."

Smaller than proposed



The Rechler Business District in Medford will total 700,000 square feet over multiple buildings. Credit: Elizabeth Sagarin

The Rechler Business District project, off Horseblock Road south of the LIE in Medford, will be 745,000 square feet upon completion. That's 100,000 square feet smaller than originally proposed

because KeySpan is leasing 10 acres of land for outside storage, along with renting more than 70% of the first building. The utility is expected to occupy that space in late November.

"As far as the rest of the property, we're talking to a number of [prospective] tenants who have very specific needs," said Ted Trias, director of acquisitions and leasing for Rechler Equity.

Across the developer's portfolio of buildings, leasing "activity seems to be in the below 50,000-square-foot requirement. The big tenants are just not out there right now, but we're still doing business. We're not waiting for the 100,000-square-foot tenant," Trias said.

Rechler Equity ended 2023 with a vacancy rate of 1.7%, or less than half the Long Island rate of 4.4%, according to the research firm CoStar Group in Washington.

If all the proposed warehouses are built, the amount of vacant space could climb to more than 11% in the next five years, based on a report from the consulting firm Camoin Associates in Richmond, Virginia, which specializes in economic development.

"The surge in demand [in 2021-22] may not persist, raising concerns about potential overbuilding in the local and regional markets if excessive speculative construction continues," Camoin said in the report for the Brookhaven Town Industrial Development Agency. "Recently-built speculative developments are taking longer to lease-up ... The oversupply risk has grown."

We don't want to end up with a bunch of empty buildings.

—Lisa M.G. Mulligan, CEO of Brookhaven Town Industrial Development Agency

The Camoin analysis, along with the increased number of big warehouse projects being proposed for Brookhaven, caused the IDA board in November 2023 to stop taking some developers' applications for tax breaks. The six-month moratorium only affected projects of 100,000 square feet or more with no tenants. In April, the moratorium was extended another six months to January 2025.

"We had three large projects that had closed with us [for tax-break deals] and we had all of these other ones in the hopper," said Lisa M.G. Mulligan, the IDA's CEO, recalling how the moratorium came to be.

"My board's thinking was: 'Let's take a breath and see if there are going to be end users of these warehouses. We don't want to end up with a bunch of empty buildings,' " she said.

In Brookhaven, developers want to build nearly 7 million square feet of warehouses, or about 40% of all that's been proposed. Riverhead Town is No. 2 with 2.4 million square feet, or 13% of the total, according to the database.

Riverhead also has a moratorium on large industrial developments in Calverton, where six warehouse projects have been proposed. The moratorium began in January and was extended until Oct. 12 by the town board to allow for zoning changes based on a newly completed master plan.

The Greater Calverton Civic Association had first called for the moratorium in 2020, citing concerns about traffic congestion and the impact on nearby farms.

"We would have liked to have had [the moratorium] earlier," association president Toqui Terchun told Riverhead officials in January. "It would have prevented a lot of [warehouse] applications now in the pipeline, and it would have prevented a traffic nightmare."

'Draconian' moratoriums



Warehouse space is under construction at the former Computer Associates headquarters site in Islandia. Credit: Barry Sloan

The developers' group Association for a Better Long Island called the moratoriums "draconian" and harmful to companies and homeowners.

"At a time when local government desperately needs the revenue generated by private-sector investment, these sweeping moratoriums hurt both local businesses and residents, creating a needless self-inflicted economic wound on a region that must encourage growth," said Kyle Strober, the association's executive director.

In addition, concerns about a glut of vacant new and old warehouses in the future is unfounded, according to the real estate firm Colliers.

Lars R. Remole, one of the firm's senior research analysts, said Long Island has less available warehouse space for rent than in New Jersey and New York City's outer boroughs. He said developers continue to propose projects, build them and secure tenants willing to pay record-high rents.

"What's being proposed — 18 million square feet — is a small drop in the bucket of the 150 million square feet of industrial space on Long Island," he said. "There's been such strong demand and such strong [leasing] activity that I'm not super worried about the space, both old and new, being absorbed" by tenants.

... these sweeping moratoriums hurt both local businesses and residents, creating a needless self-inflicted economic wound on a region that must encourage growth.

—Kyle Strober, executive director of Association for a Better Long Island

Independent logistics companies, online retailers, food and beverage distributors and drugmakers top the list of who's looking for warehouse space, according to Remole.

Developer Paul Amoruso said he's getting inquiries from national companies about a 950,000-square-foot warehouse project that he and three investment firms have proposed for Islandia, next to Jake's 58 casino along the LIE.

"There are large tenants that are either here now or floating around, and they're all inquiring about large spaces," said Amoruso, who became a commercial real estate broker in 1984 and then a hotel developer. "We're getting people coming to us and saying, 'Can we talk to you about more than 400,000 square feet?'"

He said construction would soon begin on two of the eight warehouses that have been proposed for the site of the former Computer Associates International Inc. headquarters, where more than 3,500 people once worked. The office was demolished in January after Amoruso and his partners couldn't find tenants and decided to capitalize on the demand for warehouses.

Still, Amoruso said it was a tough decision because he had helped Computer Associates founder Charles Wang to build the headquarters more than 35 years earlier.

Amoruso recalled that in the late 1980s, the 76-acre parcel "was where people got fill [for construction projects] and motorcross races took place illegally. Then Charles Wang, [together with a real estate developer], bought the property for his company's headquarters. Now, the best use of the property is warehouses because trucks can get on the expressway directly without having to go on residential streets," Amoruso said.

He added, "I've come full circle with the Computer Associates site."



By [James T. Madore](#)

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

\$30M suit alleges police misconduct

BY MICHAEL O'KEEFFE
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A Hempstead man said he was wrongfully arrested and assaulted by Nassau police officers as he left his foot doctor's office in 2021 in a federal lawsuit filed late Wednesday.

Tyrone Phifer, 63, alleges the police violated his constitutional rights and argued his arrest is part of a systematic failure by Nassau authorities to identify abuse and discipline officers who engage in misconduct.

"Patrick Ryder, the commissioner, and Nassau County know that there is a pattern and practice of arresting African Americans at a much higher rate than white individuals in Nassau County," civil rights attorney Fred Brewington, Phifer's lawyer, said at a news conference in Hempstead on Thursday.

The complaint seeks at least \$30 million in damages.

Phifer, who is Black, was arrested on Dec. 22, 2021, and charged with obstructing governmental administration. The charge against Phifer was dismissed 10 months later, on Nov. 1, 2022. Much of the incident was recorded by an officer's body camera, and Brewington shared the video with the media.

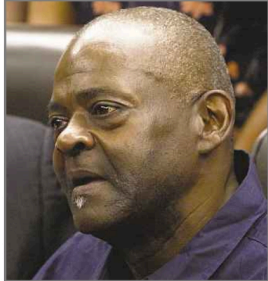
'Who is it safe for?'

Citing data provided by New York State's Division of Criminal Justice Services, Brewington said Blacks are charged with that crime nearly 19 times the rate of white adults.

"So when we talk about Nassau County being the safest county in the nation, who is it safe for?" Brewington said. "I just have to ask this question: Who is it safe for? It is not safe for individuals who look like Mr. Phifer."

Phifer, a grandfather of eight and a National Guard veteran, said he continues to be traumatized by the encounter. He said he can no longer go to medical appointments or shop for groceries without family members.

"I thought I was really going to be hurt, or accused



Tyrone Phifer of Hempstead on Thursday. ■ Video: newsday.tv

WHAT TO KNOW

- A Hempstead man said he was wrongfully arrested and assaulted by Nassau police officers as he left his foot doctor's office in 2021 in a federal lawsuit this week.

- Tyrone Phifer, 63, alleges the police violated his constitutional rights and said his wrongful arrest is part of a systematic failure by Nassau authorities to identify abuse and discipline officers who engage in misconduct.

- He is seeking at least \$30 million in damages.

of something they knew I didn't do," he said. "It really bothered me."

Phifer said he had undergone hip surgery shortly before the incident and was in pain throughout.

The lawsuit names Ryder, the police department, Nassau County, and four officers as defendants. A spokesman for Ryder and Nassau police said the agency could not comment on pending litigation. The Nassau County Police Benevolent Association and Chris Boyle, a spokesman for Nassau County Executive Bruce Blakeman, did not return requests for comment.

The lawsuit, filed in the Eastern District of New York, said Phifer had completed a podiatry appointment at Baldwin Foot Care in Baldwin and had exited the office when he was stopped by Nassau police Sgt. Daniel Imondi and Officer Richard Fosbeck. The two officers, along with

Officer Quinn Knauer and Officer Patrick McGrath, are named as defendants.

The officers, the complaint said, told Phifer they were looking for a man named "Leroy" and accused him of beating up a woman.

Police records, however, showed officers were looking for a man named Wilfred Elwin, who was 20 years younger and had different clothing and physical attributes, the lawsuit said. Phifer told them they had the wrong person.

"Let's stop the [expletive], Leroy," the officers told Phifer, according to the lawsuit. "You know what you did."

When Phifer tried to leave, Imondi snatched an umbrella and two paper bags carrying medication and Christmas cookies from his hand and threw them to the ground, the complaint said. Fosbeck pulled Phifer's arms behind his back.

The officers later told Nassau prosecutors that Phifer had swung the umbrella, jeopardizing the officers' safety, and continued to fight even after he and Fosbeck fell backward. The lawsuit said that is a fabricated story.

'You fit the description'

Knauer and McGrath arrived at the scene but failed to intervene while Imondi and Fosbeck abused Phifer, according to the lawsuit. They helped to restrain and arrest Phifer.

The officers confirmed that they had stopped and restrained the wrong person. "You fit the description," Imondi told him, the complaint said.

"So every Black man fits the [expletive] description?" Phifer responded.

The lawsuit, citing data from Nassau County, said 3,656 Black people were arrested in Nassau in 2021, compared to 3,400 white people. Black people make up 10.6% of the county's population.

Brewington and community advocates who attended Thursday's news conference said they have sought to meet with Ryder about racial disparities in policing, but the commissioner has refused.

Census



Gwen O'Shea leads nonprofit Community Development Long Island.

Mortgage rate falls

BY JONATHAN LAMANTIA
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Long Island house hunters are starting to gain greater buying power, as the average 30-year fixed mortgage rate fell this week to its lowest point since February 2023.

The average rate was 6.2% during the week ending Thursday, according to mortgage giant Freddie Mac, dropping from 6.35% last week. The average has fallen from nearly 7% in early July, as expectations for inflation have cooled.

A year ago at this time, the average rate was 7.18%.

A slower pace of inflation has helped rates fall. Consumer prices rose 2.5% in August compared with a year earlier, which was the slowest 12-month pace for inflation in three years, according to a report Wednesday from the Bureau of Labor Statistics. That report solidified expectations that the Federal Reserve will cut its benchmark interest rate at its Sept. 17-18 meeting.

Mortgage rates are not directly influenced by the Fed's

key rate. They typically move in the same direction as the yield on 10-year U.S. Treasury notes, which hit its lowest point of the year this week.

"Rates continue to soften due to incoming economic data that is more sedate," Freddie Mac chief economist Sam Khater said in a statement. "But despite the improving mortgage rate environment, prospective buyers remain on the sidelines, as they negotiate a combination of high house prices and persistent supply shortages."

Mortgage rates above 6% might not be adequate to entice buyers — or enough to convince homeowners that it's the right time to upgrade or downsize.

That's because homeowners looking at listings face the prospect of limited options and heavy competition for homes.

At the end of June, only around 5,000 houses and condos were on the market on Long Island, excluding the Hamptons and North Fork. Five years earlier, before the pandemic led to a surge in demand for suburban homes, that number was around 14,000, accord-

housing data mixed

Rental prices up in Nassau, but down in Suffolk

BY OLIVIA WINSLOW AND ARIELLE MARTINEZ
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While median rent in 2023 rose faster than median home values nationally, the trend line on Long Island was mixed, according to U.S. Census Bureau survey estimates released Thursday.

But the cost burden, or the money spent on housing and utilities, remains prohibitively high for Long Islanders, whether they are renters or homeowners, the data shows.

Local housing experts say the gross median rents and median home values highlighted in the bureau's 2023 one-year American Commu-

nity Survey are another indicator of high housing costs on Long Island that exceed national and New York State levels, putting great pressure on many families.

In Suffolk County, median rent has been falling for the past few years, while the county's median home values have been rising. And in Nassau, median rent increased while home values decreased. Both counties' trajectories differ from the national trend.

In Nassau, median gross rent overall rose from \$2,093 in 2022 to \$2,228 in 2023, a statistically significant change, according to the estimates. The increase prompted Gwen O'Shea, president and chief executive of Community Development Long Island, to exclaim, "Wow!" The Melville-based nonprofit develops and manages housing units and promotes affordable housing.

She said that 6.5% spike puts pressure on many residents in

the rental housing market who are "already cost-burdened."

"This is in the standard market where we know that over . . . 50% of Long Islanders in that rental market are already cost-burdened, meaning they are spending a much higher percentage of their income than is comfortable," O'Shea said.

The Department of Housing and Urban Development recommends monthly housing costs should not exceed 30% of one's monthly income.

Fair market rents on Long Island — as determined by federal guidelines — in 2023 ranged from \$2,059 for a one-bedroom to \$2,470 for a two-bedroom to \$3,175 for a three-bedroom, according to RentData.org.

O'Shea said with other rental properties that operate illegally, "There is great variation on rental costs and often much higher than fair market rate because of the competitive nature of our market based on the fact that we

don't have enough housing for our community members."

The survey data show that Suffolk's median gross rent has been falling for the past few years, from \$2,274 in 2021 and \$2,224 in 2022 to \$2,045 in 2023, a statistically significant drop. The median home value in the county, though, has been rising — from \$549,500 in 2021 and \$568,200 in 2022 to \$584,800 in 2023, a statistically significant increase.

In Nassau the median home value dipped between 2022 and 2023, going from \$681,700 to \$674,200, though that was not a statistically significant change, according to the estimates.

Jonathan Miller, chief executive of the Manhattan-based real estate appraisal firm Miller Samuel, said in an interview that the survey data on the median home values "are in the range of what we publish every quarter, in the low \$600,000 . . . Every quarter it ranged from \$575,000 to

\$640,000" of home values in Nassau and Suffolk, minus the Hamptons and the North Fork. "Generally, the median for all of 2023 was \$617,000."

Even with the slight dip in Nassau home values, as estimated by the survey — one that coincided with his firm's tracking early in 2023 — Miller said the "nominal decline" is "not the state of the market today, which is that home prices on Long Island are trending higher, at about a 10% rate, and the reason for that is that inventory remains extremely limited."

Miller added, "Median prices among single-family homes in both Long Island counties set records in May at \$790,000 in Nassau and \$651,000 in Suffolk."

According to the survey estimates, Long Island's median home values and median gross rents were higher than the estimates for the nation and for New York State.

further, but LI market may be in a 'stall period'



Rates will likely need to fall below 6% to entice buyers to test market, expert said. ■ Video: newsday.tv

ing to data from appraisal firm Miller Samuel.

The drop in mortgage rates has led to slightly more interest from homebuyers but rates will likely need to drop below 6% to entice homeowners to test the market, said Stephen Probst, a loan officer at Fairway Independent Mort-

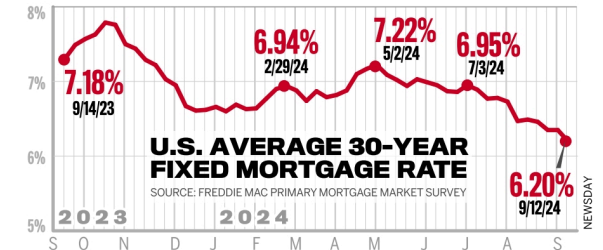
gage Corp. in Freeport.

"I believe we're still in that stall period," Probst said. ". . . There's not enough inventory to downsize to and [homeowners] don't want to be abused when they go to purchase. It makes it difficult for those move-down buyers and people say, 'Ah, I'll just stay where

I am.'"

Buyers stand to benefit from lower mortgage rates through their monthly housing payments.

A person buying a house for \$600,000 and putting 20% down would pay \$3,193 a month in principal and interest with a 30-year fixed loan



at 7%. That excludes the cost of taxes and insurance, which varies by location.

With the same loan at 6.2%, the monthly payment drops by \$253 to \$2,940, according to Bankrate's mortgage calculator.

That savings could entice some homebuyers who have been waiting for rates to drop, said Giovanni Ortiz, a real estate agent at Douglas Elliman in Rockville Centre.

"The rates are coming down, even if it's not huge jumps, it's significant," Ortiz said. "It does make an impact on what their monthly mortgage payments would be, so they're interested."

Unfortunately for homebuy-

ers, if lower mortgage rates make purchasing feasible for more people that could yield more competition, pushing up prices.

The median price of a single-family home in Nassau County was a record \$810,000 in July, according to OneKey MLS. The median in Suffolk was \$660,000, which was slightly below the all-time high for the county.

"People get excited because they hear their rates are coming down," Ortiz said. ". . . We've seen houses selling for over the asking price regularly for quite some time. Does that [price] number go even higher? If that is the situation, are they really saving any money?"

RANCHEL BRIGHTMAN

PORT JEFFERSON STATION

NEW LEASE ON LIFE

Zoning change for 1950s-era shopping center allows redevelopment, addition of apartments

BY CARL MACGOWAN

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A plan to redevelop an aging Port Jefferson Station shopping center with new stores and more than 200 apartments edged forward after the Brookhaven Town Board approved a key zoning change.

The plan calls for fewer stores at Jefferson Plaza, a 1950s-era strip mall, and the addition of up to 280 apartments — including 56 for people with developmental disabilities. Jefferson Plaza, located on a 10.4-acre site at the intersection of Terryville Road and Route 112, opened around 1959 and is among Long Island's oldest strip malls.

The redeveloped plaza will bring much-needed housing to the hamlet and give the shopping center a fresh look with a food court and new restaurants, according to officials from Staller Associates Realty, the shopping center's Islandia-based owner. The shopping center has 10 tenants, several of which are planning to leave, Staller Associates vice president Valentin Staller said.

Some Port Jefferson Station residents and civic leaders say they support the redevelopment. But the proposal includes too many apartments and will generate traffic problems in the area, they said. The plan calls for four-story buildings, which are too tall for the area, according to some residents.

The town board voted 6-0 on Thursday to change the property's zoning to the new Commercial Redevelopment District. The town adopted that category in December 2020 to revitalize languishing business properties such as malls and bowling alleys. The designation allows developers to add housing to areas zoned for retail and office use. Jefferson Plaza is the first project to be designated for commercial redevelopment zoning.

The rezoning allows Staller to add residential units to the mall, which was previously zoned for business and retail



ELIZABETH SAGARIN

Sporting some vacant storefronts, a Jefferson Plaza zoning change last week would allow over 200 apartments to be built on the site.

Jefferson Plaza plan

- The Brookhaven Town Board voted 6-0 Thursday to rezone the Jefferson Plaza shopping center.
- The center is the first to use a new Brookhaven Town zoning category designed to revitalize aging retail and business properties.
- Some residents say the project calls for too many apartment units and fear it will cause traffic problems.

use only, officials said.

"We understand that a lot of people are looking to us to be leaders in the revitalization project," Staller said. "We want this to be a community hub, something that's very exciting and [that] people will

want to go to."

In December, the town board postponed a vote on the zone change amid opposition from community members over the scope and size of the proposal.

"I think it's horrible," Jerry Maxim, a member of the Port Jefferson Station-Terryville Civic Association, said in an interview. "I think the Town of Brookhaven is going to give them [Staller] a blank check [and] they can do whatever they want."

No final plan yet

Ira Costell, the civic association's president, said the group had tried for more than a year to raise concerns with Staller officials without success.

"We went nearly 21 months without any real direct engagement whatsoever on this project," Costell said. "We want

to find a way to get behind this proposal, but we believe this process has really failed us."

Decisions about building heights and the number of apartments will be made later, Staller said, adding: "This isn't a final site plan."

Town officials said there will be public meetings at which residents can weigh in on the final proposal.

Town Councilman Jonathan Kornreich, who represents Port Jefferson Station, said town officials will consider residents' concerns during the next phase of the review. The town needs to approve the site design, including what materials are used, as well as lighting, signs, parking and other issues, Kornreich said.

"The area is badly in need of redevelopment and revitalization," Kornreich said. "It's al-

ways a challenge balancing the needs of the community and the desires of the developer."

Richard Murdocco, a Stony Brook University public policy professor and author of "The Foggiest Idea," a local planning blog, said the new zoning category "makes sense" and could spur similar redevelopment across the Island.

"You are going to see more of this," he told Newsday. "Brookhaven is putting its foot forward and it's going to set a precedent for other municipalities to follow."

Port Jefferson Station resident Lois Fricke said refurbishing the mall is long overdue.

"It's a beautiful project," she told the town board on Thursday. "We can't keep looking at this blighted area. We need to have it fixed."

Great South Bay Brewery opens third Long Island location

[David Winzelberg](#) //October 7, 2024//

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Great South Bay Brewery is opening its newest Long Island gastro pub at the Station Yards mixed-use development in Ronkonkoma.

The 8,428-square-foot eatery and watering hole at 1 Hawkins Ave., which opens Monday, Oct. 7, is Great South Bay's third location, following its original spot at 25 Drexel Drive in Bay Shore and a tasting room at 147 S. Wellwood Ave. in Lindenhurst that opened in April.



The Great South Bay Brewery at Station Yards in Ronkonkoma seats 355 people. / Courtesy of Great South Bay Brewery

Founded in 2009, Great South Bay Brewery is owned by the Davis family and produces a variety of craft beers, including IPAs, stouts, and ales. The Ronkonkoma pub has seating for 355 people inside, with an additional 50 seats in its outdoor courtyard, and hosts live music and events.

Great South Bay sports a full kitchen and offers a menu that features pizzas, smash burgers, sandwiches, wraps, salads and a wide variety of shareable fare, including nachos, mozzarella sticks, eggrolls and chicken wings. Open seven days, Great South Bay serves a Sunday brunch from 11 a.m. to 3 p.m.

“This is the Davis’s third expansion of GSB anyone who’s familiar with Great South Bay Brewery they’re going to find the same great things that they’ve come to know and love about us that differentiates us from other bars and restaurants,” Brian Davis, co-owner of Great South Bay Brewery along with his dad Doug and brothers Chris and Billy, told LIBN. “We have big open spacious areas where people can play cornhole and congregate. We pride ourselves on being family friendly. We offer a full menu and delicious beers to pair with it.”

Great South Bay Brewery was the first tenant signed to retail space at Tritec Real Estate’s Station Yards project and the first eatery to open at the Ronkonkoma development. The gastro pub joins other Station Yards tenants [Bethpage Federal Credit Union](#), Catholic Health Urgent Care and Redefine Meals that are already open and others to open soon, including Lucharitos, The Tap Room, Cornucopia Natural Foods, Toast Coffee + Kitchen, Artemis, and Vespa Italian Kitchen & Bar.

The retail, service and restaurant tenants at Station Yards are located in the project’s nearly completed phase 2A, also called The Core, which includes 388 apartments, 70,000 square feet of retail space, 16,500 square feet of office space and a public plaza. When finally completed, the \$1.2 billion Station Yards will transform 53 acres around the Ronkonkoma Long Island Rail Road station, bringing 1,450 apartments, 360,000 square feet of office space, 195,000 square feet of retail space, and a 10,000-square-foot village green.

“We couldn’t be more excited to be at the new Station Yards and for what the future holds there,” Davis said.

West Coast firm to begin its second solar project for Brookhaven

[David Winzelberg](#) // October 7, 2024 //

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A California solar energy company is partnering with a White Plains firm to build a \$2 million solar facility on land owned by the Town of Brookhaven.

Coast Energy, headquartered in El Segundo, Calif., and White Plains-based i.on renewables LLC, are partnering to build a 1.5-megawatt solar generating facility on 3.5 acres at the town's Holtsville Ecology Center at 249 Buckley Road in Holtsville. The town is leasing the land to the solar developers and the facility will be connected to PSEG Long Island's electric grid.

The Brookhaven Industrial Development Agency closed on economic incentives for the project last month.

This is the second solar project that Coast Energy will build on Brookhaven Town property. Its first project, which Coast Energy acquired in 2022, is an 8.6-megawatt facility currently under construction on top of the capped Brookhaven landfill.

"We couldn't be more pleased to be collaborating with the IDA/Town of Brookhaven and I.On Renewables on a second project," Kip Perry, Coast Energy's chief development officer, said in a town statement. "The Holtsville solar site once again demonstrates how we successfully collaborate with solar development partners like Daniel Prokopy at I.On Renewables and help leverage and support their project development efforts with our development capital facility that can fund pre-NTP activities. It is great to see this in action once again, and the resulting benefit to the community speaks volumes about the importance of collaborative relationships. Coast looks forward to the completion of another successful project with our partner while continuing to support additional development in the region."

The operators of the new facility will use the Holtsville Ecology Center installation to provide additional solar-generated energy to the residents of the town, including a portion at reduced rates.

"This project will convert a dormant tract of land into a value-added site for the community that delivers affordable electricity to Brookhaven residents," Frederick Braun, Brookhaven IDA

chairman, said in the statement. “The IDA and the Town of Brookhaven have long been leaders in bringing renewable energy to Long Island.”