

Town of Brookhaven

**Industrial Development Agency**

Meeting Agenda

**Wednesday, November 20, 2024 at 9:10 AM**

1. Roll Call
2. Minutes
  - a. October 16, 2024
3. CFO's Report
  - a. Actual vs. Budget Report – October 31, 2024  
Timely Payments
4. Applications
  - a. Ronk Hub Phase 2A Subtenant Application – Hammer and Stain Station Yards, Inc.
  - b. Ronk Hub Phase 2A Subtenant Application – Cornucopia Natural Foods, LLC
  - c. Ronk Hub Phase 2A Subtenant Application – GRG1, Inc.
  - d. Orstein & Leyton Company (Vineyards at Coram)
5. Resolutions
  - Ronk Hub Phase 2A Subtenant – Hammer and Stain Station Yards, Inc.
  - Ronk Hub Phase 2A Subtenant – Cornucopia Natural Foods, LLC
  - Ronk Hub Phase 2A Subtenant – GRG1, Inc.
  - a. RA Oak Run, LLC
  - b. Middle Country Meadows, LLC
  - c. Biocogent, LLC
  - d. MDS Building Ventures, LLC
6. CEO's Report
  - Housing Study
  - a. September Morning, LLC Request
  - b. Ferrandino & Sons Development Group, LLC  
Duggal  
Headshots
  - c. New York State Economic Blueprint  
Vision Long Island  
NYSEDC Economic Development Conference
7. Executive Session

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

Town of Brookhaven  
**Industrial Development Agency**

Meeting Minutes

October 16, 2024

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

Excused Member: Felix J. Grucci, Jr.

Also Present: Lisa M. G. Mulligan, Chief Executive Officer  
Lori LaPonte, Chief Financial Officer  
Amy Illardo, Director of Marketing  
Jocelyn Linse, Executive Assistant  
Annette Eaderesto, IDA Counsel  
Barry Carrigan, Nixon Peabody, LLP  
Howard Gross, Weinberg, Gross & Pergament (via Zoom)  
Andrew Komoromi, Harris Beach, LLC  
Peter Curry, Farrell Fritz, P.C.  
Laura Fallick, Farrell Fritz, P.C.  
Eric J. Russo, Vanbrunt Juzwiak & Russo, P.C,  
Jim Tsunis, Preserve at East Moriches

Chairman Braun opened the IDA meeting at 9:05 A.M. on Wednesday, October 16, 2024, in the Agency's Office on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

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

At 9:39 A.M., Mr. Trotta made a motion to resume the regular agenda. The motion was seconded by Ms. Scheidt and all voted in favor. No action was taken in executive session. Ms. Scheidt made a motion to recess the IDA meeting and open the IDA Governance Committee meeting. The motion was seconded by Mr. Trotta and unanimously approved.



The IDA meeting resumed at 9:58 A.M.

**Minutes of September 18, 2024**

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

**CFO's Report**

Ms. LaPonte presented the Operating vs. Budget Report for the period ending September 20, 2024. Revenue is ahead of what was projected for this year, and expenses were slightly below what was projected. The Agency received notifications from two banks that interest rates will decrease by half of 1%.

All payroll taxes and related withholdings have been paid timely in accordance with Federal and State guidelines. All regulatory reports have been filed in a timely fashion.

The motion to approve the CFO's Report was made by Ms. Scheidt, seconded by Mr. Rose, and unanimously approved.

**Horseblock 4, LLC – Resolution**

The cost benefit analysis and PILOT were included in the meeting packets for this 20,000 sq. ft. prefabricated warehouse to be located on the southeast corner of Horseblock Road and Miller Avenue in Bellport. This project will be used to assemble and maintain Cassone trailers and containers. Comments from the public hearing were also provided along with a letter from the applicant withdrawing their request for a mortgage recording tax exemption.

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

**Ferrandino & Sons Development Group, LLC**

A letter was received from this project requesting an extension on their application acceptance until November 16, 2025.

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

**Preserve at East Moriches – Resolution**

This 70-unit senior housing facility would be located at 91 Montauk Highway in East Moriches. A letter with additional information on this project was included in the packets along with the cost benefit analysis, PILOT, Camoin Report and the Feasibility Study. No comments were received at the public hearing.

Mr. Braun and Mr. Callahan previously inquired on the financing for this project; a term sheet was provided.

Mr. Pally made a motion to approve this resolution. The motion was seconded by Ms. Scheidt and passed with Mr. Callahan voting no.

**Middle County Meadows Request**

A request was received to extend the sales tax exemption and the completion date for this senior housing project from December 31, 2024, to July 1, 2025. Of the 125 units, 20 units are rented and 104 are under construction.

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

**Port Jefferson Commons, LLC – Application**

The application for this Community Development Long Island and Conifer partnership for a housing project in upper Port Jefferson has been changed since it was originally presented. This project is for 53 units of affordable/workforce housing with 2,500 sq. ft. of commercial space

and is expected to cost approximately \$34.7 million. One and one half full-time equivalent positions are expected with a salary range of \$42,000 to \$50,000 per year. The property is currently vacant and blighted. A 30-year, 10 % shelter rent PILOT has been requested to run co-terminus with their regulatory agreements. This applicant is also requesting tax-exempt bonds from the Local Development Corporation. This project may need to close by the end of the year.

The motion to accept the application was made by Mr. Pally and seconded by Mr. Rose. The motion passed with Ms. Scheidt abstaining from the vote.

#### **MCP Yaphank PropCo, LLC / Yaphank AVR Boulevard Chelsea – Application**

This application is for an assignment and assumption of the Yaphank AVR Boulevard Chelsea project located at the Meadows at Yaphank development. The facility is a 102-unit senior housing community. The current 50 full-time equivalent employees will be retained and MCP Yaphank PropCo, LLC would assume the remaining 7 years of the PILOT and receive a mortgage recording tax exemption. The current operating company will continue to operate the facility, only the property is being sold.

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

#### **CEO's Report**

##### **D & F Alegria South – Update**

The plan for a supermarket to be built at this project has fallen through because they were unable to secure the land. Plans for a bank or credit union are still moving forward.

##### **AVR-SP Brookhaven JV, LLC**

This warehouse in the Shirley Industrial Park had a 50/50 partnership with AVR South, LLC and Scannell Properties, LLC; Scannell would like to transfer their ownership to a newly formed entity called Precision Drive, LLC, an affiliate of AVR South, LLC. The name for this project may also change.

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

#### Medford Gardens, LLC

This project is not going to be taking the mortgage recording tax exemption or the sales tax exemption for this 100% affordable senior housing development that is focused on people with disabilities. A final authorizing resolution has been passed and the project is ready to close. They recently sent a new organizational chart indicating that TD Bank is a partner in this venture; the Board is aware that TD Bank was recently fined \$3 billion for lax oversight.

#### Governance

The Governance Committee recently proposed changes to offering the partial mortgage recording tax exemption. This would only apply to new applications received after this policy is enacted.

The motion to adopt these changes was made by Mr. Callahan, seconded by Ms. Scheidt and unanimously approved.

The Governance Committee also recommended inviting Duggal to the November meeting to discuss re-branding the Agency. The motion to accept this recommendation was made by Mr. Pally and seconded by Ms. Scheidt. All voted in favor.

Lastly, the Governance Committee proposed allocating up to \$15,000 to commission a study to determine potential changes to the housing portion of the Uniform Tax Exemption Policy (UTEP). The motion to approve this was made by Mr. Callahan, seconded by Ms. Scheidt, and unanimously approved.

#### Headshots

A photographer will come in after the next board meeting to take headshots of the board members to display in the office.

LIBDC Dinner

The Suffolk County IDA is sponsoring the LIBDC dinner on November 18<sup>th</sup>. Mr. Callahan made a motion to purchase a table of ten for \$750.00. The motion was seconded by Mr. Pally and all voted in favor.

Vision Long Island

Vision Long Island is holding their annual conference on December 6<sup>th</sup> at the Cresthollow Country Club; they have requested a sponsorship of \$3,000.

Ronk Hub Grand Opening

The Grand Opening is scheduled for October 22<sup>nd</sup>.

Middle Country Meadows Ribbon Cutting

The ribbon cutting is scheduled for October 23<sup>rd</sup>.

CEO Breakfast

This CEO Breakfast that is planned for October 24<sup>th</sup> may not move ahead due to low enrollment.

The motion to close the IDA meeting at 10:32 A.M. was made by Ms. Scheidt and seconded by Mr. Trotta. All voted in favor.

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

## Spec project aims at Long Island's cold storage demand

[David Winzelberg](#) // November 11, 2024 //

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A joint venture between global and national developers is building a speculative cold storage facility in Ronkonkoma.

Rosemont, Ill.-based Venture One Real Estate and Miami-based BGO Cold Chain, an affiliate of global real estate investment firm BGO (BentallGreenOak), have just begun developing a 137,470-square-foot cold storage building on 9 acres at 2100 Smithtown Ave. The developers wouldn't disclose their investment on the project, though industry sources estimated the total cost of acquisition and construction at about \$50 million.

The new cold storage facility, dubbed Venture Park Cold at ISP, will be built with insulated metal panel construction and feature a convertible freezer/cooler with temperature ranges of -10°F to +35°F, according to a statement from the JV. The building will have 40-foot clear ceiling heights (28-foot cold dock), insulated glycol floor slab, 18 loading docks with vertical levers (expandable to 25), a drive-in door and parking for 194 cars.

"The project represents a major advancement for the region's aging cold storage infrastructure, setting a new standard for efficiency and reliability within the food supply chain," said Brian McDonagh, Venture One's senior vice president for the Northeast region.

The property on Smithtown Avenue, across from the west side of Long Island MacArthur Airport, was formerly occupied by a 110,770-square-foot building that served as the headquarters for The Bountiful Company, the Long Island-based vitamin and supplements firm formerly known as Nature's Bounty. Venture One purchased the property for \$16.2 million in August 2022.



Depositphotos image

The project, set to be LEED certified, is headed by Ronkonkoma-based Aurora Contractors, which has been active in the construction of specialized cold storage facilities here. A little over a decade ago, Aurora built the 420,000-square-foot Sysco warehouse and distribution complex in Central Islip, nearly half of which is equipped for cold storage.

“We are very excited to work with Venture One and BGO as the design/build contractor for this out-of-the-ground cold storage facility,” said Michael Adler, director of Business Development for Aurora. “Our expertise within the cold storage asset class in addition to our design-build industrial experience is certain to ensure this project’s success.”

The demand for cold storage facilities here has grown significantly in recent years, as online grocery businesses, meal delivery services, and foodservice firms have flourished. Because of their significantly higher development costs, cold storage projects are usually built with specific tenants already in hand, so it’s unusual to build them on spec.

A Cushman & Wakefield team of Tom DeLuca, Frank Frizalone, Nicholas Gallipoli, John Giannuzzi, Austin Fitzpatrick and David Frattaroli is assigned to find a tenant or multiple tenants for Venture Cold Park at ISP, which has been assisted by a 10-year payment-in-lieu-of-taxes agreement from the Town of Islip Industrial Development Agency.

DeLuca called the project “a major advancement” for the region.

“The facility is set to provide much needed relief to end users amid the recent surge in demand for highly coveted cold storage space,” DeLuca said. “The property is located less than 1.2 miles from the Long Island Expressway for efficient access to Hunts Point Cooperative Market, the world’s largest food distribution center, JFK International Airport and all five boroughs of New York City.”

Venture Cold Park at ISP is slated for completion in Q4 2025.



# Patchogue battery facility

## Brookhaven OKs 1.9-megawatt storage building

BY MARK HARRINGTON  
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Amid a patchwork of moratoriums blocking construction of utility-scale battery storage facilities across Long Island, Brookhaven Town on Friday said it is about to become host to one of the first new battery storage units to be constructed since LIPA approved two units on the East End in 2018.

Construction of a 1.9-megawatt battery facility is expected to begin in two weeks on a property owned by Brookhaven Town in Patchogue. The facility will be

built behind an existing town vehicle repair garage and impound yard on the property, at 550 North Ocean Ave., near Sunrise Highway.

The facility is flanked by a funeral home on one side, a church across the street and homes to its west and north with a wood buffer. Town Attorney Annette Eaderesto said its location in the back of the yard will keep it a safe distance from nearby homes. The town fire marshal reviewed and approved the site plan, she said.

Fran Lunati, who has led Brookhaven residents in opposing a much larger battery storage facility proposed for Holtsville, said she was “shocked” to hear the town approved the facility without public input.

“I had no idea about it,” she said. “My fears are still there.

They’re jumping ahead with these things without safety as their first priority. . . I feel it’s just too close” to homes.

Brookhaven Town will receive around \$10,000 in lease payments annually for the batteries on its land and a 10% discount on its energy bills, Eaderesto said. As town-owned land, the property is tax exempt, so the battery developer, Agilitas Energy Inc., won’t make tax payments.

“It’s not a big project,” said Eaderesto. The batteries will be held in four separate containers behind the vehicle repair building, she said, and surrounded by trees once finished. “It will be fully screened,” she said.

Brookhaven has approved the Holtsville project, which officials say is needed to help store power from the Sunrise

Wind farm, which has long been supported by the town and will bring more than \$100 million in community benefit and tax payments over more than two decades. The Holtsville facility is to be located on a lot off the South Service Road of the Long Island Expressway, just west of the Island 16 movie theater.

The Sachem Central School District has sued to block that project, and many local residents, including Suffolk Legis. Anthony Piccirillo (R-Holtsville), have raised objections to its proximity to homes, schools and businesses.

Brookhaven is among only a handful of Long Island towns that have not declared a moratorium on battery storage units, which have drawn scrutiny after a fire at a facility in East Hampton last May. Two other

units experienced fires upstate, and Gov. Kathy Hochul convened a task force to review them and implement tougher fire safety codes.

The Patchogue storage unit will be a lithium-ion battery, like others across the state and the country. Eaderesto said batteries are essential to the green energy transition because the wind isn’t always blowing and it’s not always sunny, so the grid needs backup power. “If you’re going to do [green energy], you need these batteries,” she said. “Brookhaven Town believes we can have these and they can be safe.”

The facility is taking up “only a small corner” of the town-owned lot, Eaderesto said. “This is an area that we basically didn’t use,” she said. “We tried to keep it away from any houses.”

# Experts: Long Island foliage hitting its peak

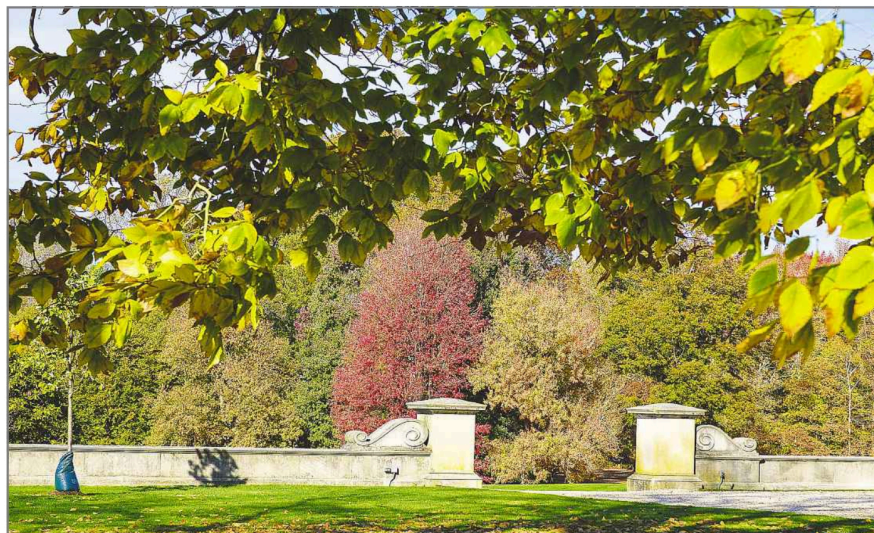
BY NICHOLAS SPANGLER  
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Peak fall foliage will appear this weekend across much of Long Island, according to New York State tourism officials, a development some experts said was later than normal.

“In other years, we would be well past peak,” said Maura Brush, a landscape horticulturist who is president of Old Westbury Gardens, 200 acres of landscaped grounds, woods, lakes and ponds that once populated the estate of the industrialist Phipps family.

But the dogwoods behind the garden’s dark green half-mile long hemlock are now “vibrant crimson,” and in Old Westbury and elsewhere on Long Island, maples, sweet gums and ginkgos are popping, Brush said.

Volunteer observers for the Empire State Development Division of Tourism’s I LOVE NY program — there are 85 statewide and four on Long Island — have identified peak or near peak spots in dozens of Long Island locations including from Hempstead to Shelter Island and Montauk Point. A sample entry on the program’s website details “brilliant ochre, burned umber, cranberry and



Fall foliage is seen at Old Westbury Gardens on Thursday. LI leaves are at their peak this weekend.

tangerine leaves” at Hempstead Lake State Park in West Hempstead.

In a warmer and drier than usual fall, flower gardens at Old Westbury Gardens, typically dormant by this time of year, are “still going strong,” Brush said. “In my 20-something years here, this is something I’ve never seen,” she

said. “Our formal rose garden — somebody could walk in there and look only at roses and think we were only in mid-summer.”

At Planting Fields Arboretum State Historic Park in Oyster Bay, Kayla Cheshire, communications and marketing manager for the Planting Fields Foundation, said the bright yellow

low of the park’s ginkgos were set off by the darker pinks and purples of beautyberries and blueberries.

Long Island, New York City and other parts of lower New York State are in moderate drought, according to the U.S. Drought Monitor. The National Weather Service station at Upton recorded 0.13 inches of

precipitation in October and .34 inches in September, well off mean historical readings of 4.44 inches in October and 3.16 inches in September.

“We’ve had a somewhat compressed fall color season,” said Jonathan Lehrner, chair of the Department of Urban Horticulture and Design at Farmingdale State College. “In the last week or two, suddenly it’s gone from green to showy colors, and the leaves have dropped in the last few days.”

The year in horticulture, he said, had been “unusual . . . from the beginning. From the earliest part of spring, we had plants blooming out of their normal sequence” after a warmer than usual winter. “Then we had this unprecedented drought. . . It’s had a strong impact on late-season phenomena such as development of fall color.”

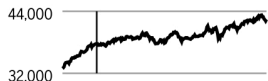
Those reds, oranges and yellows are symptoms of “plants entering their season of dormancy, shutting down their growth for the year,” Lehrner said. They coincide with the hardening and thickening of stems that insulate plants against frost. But drought and the persistence of warm temperatures can influence those developments, Lehrner said.



## DOW JONES

273.17 to 42,387.57

Over the past year:



## CRUDE OIL

\$-4.40 to \$67.38

Over the past year:

TECH STOCKS LEAD  
DOW, S&P HIGHER

U.S. stocks closed broadly higher Monday as gains by some Big Tech companies helped offset a skid in oil-and-gas stocks after the price of crude had its biggest drop in more than a year.

The S&P 500 rose 15.40 points, or 0.3%, to 5,823.52. The main measure of the U.S. stock market was coming off its first losing week in the last seven, but it's still near its all-time high set earlier this month.

The Dow Jones Industrial Average added 273.17 points, or 0.6%, to close at 42,387.57. The Nasdaq rose 48.58 points, or 0.3%, to 18,567.19. It's now within 0.4% of its all-time high set in July.

Several Big Tech stocks, including Apple and Meta Platforms, helped lead the way. Five of the "Magnificent Seven" are due this week to report their latest profits.

Monday's gains helped offset drops for stocks in the oil-and-gas industry, which were hurt by the sinking price of oil. Exxon Mobil fell 0.5% and ConocoPhillips fell 1.2%.

The yield on the 10-year Treasury rose to 4.28% from 4.24% late Friday. That's well above the roughly 3.70% level where it was near the start of October.

Yields have climbed as report after report has shown the U.S. economy remains stronger than expected. — AP

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## Mall sued by schools

Green Acres failed on jobs pledge, 4 districts argue

BY TORY N. PARRISH

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Four Valley Stream school districts have sued the Hempstead Town Industrial Development Agency, and the owner of Green Acres Mall and an adjacent shopping center over five-year extensions of tax breaks on the properties.

The IDA board's vote last spring to extend the payment-in-lieu-of-taxes agreements, or PILOTs, on Green Acres Mall and Green Acres Commons, which will save the properties' owner an additional \$174.1 million over five years, was illegal because of the properties' failure to meet job commitments that were tied to the tax breaks approved in 2014 and 2015, the lawsuit alleges.

"Absent court intervention to reverse the actions taken by the IDA, the Valley Stream community will continue to subsidize the tax breaks granted to the mall without accountability for the economic development the tax breaks were intended to create," attorney Christopher W. Shishko, a partner in Farmingdale law firm Guercio & Guercio LLP, which is representing the school boards, said in a statement last week.

In 2023, the mall had 2,537 full-time equivalent jobs, which was 237 fewer than the mall's owner, Macerich Co., committed to maintain under a 2015 lease agreement, and the shopping center had 480, which was 90 fewer than the commitment, the lawsuit states.

The plaintiffs include the Valley Stream Central High School District and Valley Stream school districts 30, 24 and 13. John Maier is also a plaintiff as an individual and as the president of the Valley Stream Central High School District school board, according to the lawsuit filed Aug. 15 in state Supreme Court in Nassau County.

In a filing Monday in response to the lawsuit, the IDA asked the court to dismiss the case for several reasons. It said the school districts failed to provide any legal facts proving that the agency acted illegally in ex-



Owners of Green Acres Mall in Valley Stream have benefited from tax breaks granted since 2014.

tending the tax breaks.

The IDA's attorney, John E. Ryan, a partner in Floral Park law firm Ryan, Brennan & Donnelly LLP, wrote in the court filing that the school districts "lack standing to challenge" the extension. The IDA does not comment on pending litigation, a spokesman said in response to a request for comment.

Macerich owns the mall and shopping center through two subsidiaries, Valley Stream Green Acres LLC and Green Acres Adjacent LLC, both of which are named as defendants in the lawsuit.

On Monday, Macerich filed a court response that listed reasons similar to the IDA's for why it believed the lawsuit should be dismissed. Macerich, based in Santa Monica, California, declined a request for comment.

## 'Unrealistic benchmark'

In 2014, the IDA approved a 10-year PILOT on the mall — with the option to extend the deal by five years — because Macerich was planning a \$79 million renovation. The IDA approved another PILOT in 2015 because Macerich was planning the \$83.7 million construction of the shopping center.

The PILOTs called for Macerich to make annual payments to the IDA totaling \$141 million for the mall and \$14.9 million for the shopping center over 10 years, until Dec. 31, 2026.

The IDA divvies up the annual payments among the school districts, the Town of

## WHAT TO KNOW

■ **Four Valley Stream school districts have sued** the Hempstead Town Industrial Development Agency and the owner of Green Acres Mall and an adjacent shopping center over five-year extensions of tax breaks on the properties.

■ **The IDA's extension of the tax breaks** last spring was illegal because of the properties' failure to meet job commitments that were tied to deals approved in 2014 and 2015, the lawsuit alleges.

■ **The IDA has asked the court to dismiss the case** for several reasons, saying the school districts failed to provide any legal facts proving that the agency acted illegally.

the employment commitment from 2,774 to 2,400 full-time equivalent jobs at the property. Macerich also requested a PILOT extension for the shopping center and that its job requirement be lowered from 570 to 496 full-time equivalent jobs.

In a letter to the IDA in January, Macerich's attorney, Daniel J. Baker in the Garden City office of law firm Greenberg Traurig LLP, said that the mall meeting the original employment requirement was an "unrealistic benchmark" because of the closings of stores, such as Kohl's in 2019 and Sears in 2021, which accounted for 131 FTE jobs, and the effects of the COVID-19 pandemic, including higher interest rates and construction costs.

The IDA approved Macerich's request for a PILOT extension and job requirement changes in the spring.

## 'Recapture clause'

But the 2015 PILOTs contain a "recapture clause" that stipulates that a default on the agreements, including Macerich not meeting job requirements, means that the IDA should have required the company to repay the tax dollars it saved, or increase the PILOT payments by the same percentage of full-time equivalent jobs that are below the required level for the tax year, the lawsuit alleges.

The lease agreements allow the IDA to make modifications on a case-by-case basis, particularly in cases of extraordinary events, the agency's filing says.

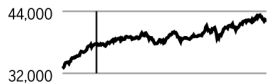
DEBBIE EGAN-CHIN



## DOW JONES

-91.51 to 42,141.54

Over the past year:



## CRUDE OIL

\$1.40 to \$68.61

Over the past year:

STOCKS EDGE DOWN  
ON MIXED REPORTS

U.S. stock indexes edged lower Wednesday after drops for Eli Lilly and chip companies overshadowed a jump for Google's parent company.

The S&P 500 slipped 19.25 points, or 0.3%, to 5,813.67 after drifting between small gains and losses several times. The Dow edged down by 91.51 points, or 0.2%, to 42,141.54, while the Nasdaq slipped 104.82, or 0.6%, to 18,607.93.

Alphabet climbed 2.8% after beating analysts' forecasts for profit in the latest quarter, thanks largely to the performance of its Google business.

Nvidia, a chip giant that's rocketed to become one of Wall Street's largest most influential stocks, fell 1.4% and was one of the heaviest weights on the S&P 500.

Eli Lilly sank 6.3% amid concerns about two of the drug maker's blockbuster products: diabetes treatment Mounjaro and weight loss counterpart Zepbound. Lilly reported weaker results for the latest quarter than analysts expected and cut its forecast for profit over the full year of 2024.

Also falling was Trump Media & Technology Group, the company behind former President Donald Trump's Truth Social platform. It dropped 22.3% for the worst loss since taking its place on the Nasdaq stock market in March. — AP

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## Homebuilding hurdles

## Report: Zoning delays, insurance are top obstacles

BY JONATHAN LAMANTIA  
jonathan.lamantia@newsday.com

A group of Long Island homebuilders said Wednesday that lengthy delays to get municipal approvals and the cost of construction insurance are among the top obstacles to building housing in the region.

The comments came as the Long Island Builders Institute, the Islandia-based trade group, released a report on the economic impact of residential construction to Long Island's economy.

The report found nearly 20,000 people were directly employed by construction companies involved in building single-family housing and multifamily housing as well as residential remodeling. The analysis was conducted by the consulting firm Camoin Associates, which specializes in economic development and has performed other analyses for local industrial development agencies.

In addition, the analysis attributed 114,000 employees to the building industry when adding in employees of contractors responsible for concrete, framing, masonry, roofing, siding, plumbing and numerous other trades. That total also includes a portion of workers at construction wholesalers, hardware stores, and home centers as well as attorneys, engineers, building inspectors and surveyors, among other professionals.

The figure represents more than 10% of the Island's workforce, according to state Department of Labor data.

The report also counts more than \$150 million the industry contributes on Long Island toward sales, income and property taxes.

## Reason for report

"We wanted to quantify what the industry meant to Long Island," said Michael Florio, CEO of the Long Island Builders Institute, at an event Wednesday in Farmingdale, surrounded by local developers and construction industry leaders. Others at the event noted the report could be used to demonstrate



Mike Florio, CEO of the Long Island Builders Institute, discusses the economic report at a new apartment complex in Farmingdale.

## WHAT NEWSDAY FOUND

- An analysis of the economic impact of homebuilders on Long Island found 114,000 workers employed by the industry and the businesses that support it.
- The Long Island Builders Institute said it commissioned the report to demonstrate the importance of the industry to the region.
- The report included interviews with builders who said delays in getting zoning changes approved and rising construction insurance costs make it harder to do business on Long Island, leading some to explore projects in other states.

to lawmakers why they shouldn't introduce legislation that might hurt homebuilders.

A survey of Long Islanders last year showed residents want more affordable housing options but don't favor dense housing. Inadequate homebuilding over the past decade is one reason experts say the cost of housing on Long Island has risen. The median home price across Long Island, excluding

do this.' It would be an easier process."

Those obstacles are keeping young Long Islanders from having adequate housing options, said Anthony Bartone, managing partner at Terwilliger & Bartone Properties in Farmingdale.

"Our schools are terrific, right? We're making the investment, but we're not capitalizing on that investment because our next generation is leaving," Bartone said. "Why are they leaving? They don't have a place to live."

## Economic impact on LI

The report took a broader view of the economic impact of the industry calculating not only the workers employed and revenue generated by builders and supporting industries, but also induced economic effects that result from spending by employees as well as employees of suppliers at other non-construction businesses.

When taking this broad view, the industry accounts for \$41.7 billion in sales, which represents 9% of the total Long Island economy, according to the report. Builders and the other firms that support their work generated \$24.8 billion in sales, the report said.

The builders announced the report at a new 12-unit apartment complex on Conklin Street in Farmingdale. The Enclave has all two-bedroom, two-bathroom units with backyard space, which are renting from \$3,650 to \$4,000, said Grant Havasy, president of the developer Blue & Gold Homes in Huntington.

The rents are necessary to recoup construction costs, which have increased about 50% compared with a project the developer completed in 2018, Havasy told Newsday. That accounts for rising labor and material expenses but also a surge in the price of construction insurance.

Without rents at that level, Havasy said, a few expensive maintenance calls could wipe out his profit on an individual unit.

"We constantly have to keep going to the next [price] level," Havasy said. "This is \$3,650 to \$4,000. I would love this to be \$3,000 to \$3,650 because I know it would rent much quicker and that many more people would qualify."

the East End, hit a record in the third quarter at \$700,000, according to real estate brokerage Douglas Elliman and appraisal firm Miller Samuel.

## Top obstacles

Camoin researchers conducted interviews with 15 local builders and identified five obstacles to building on Long Island: land costs and availability; delays in getting zoning changes approved; lengthy waits to get building permits; community opposition to new development; and the cost of construction insurance.

"Liability insurance is higher here than pretty much every other state," Jonathan Weiss, principal and president of construction at B2K Development, said at the event.

Those barriers are leading more developers to take up projects in other lower-cost states, Florio said.

"The process here is often too burdensome," Florio said. "It's too costly, and it takes too much time. [Developers] could go to North Carolina or South Carolina and find a piece of property, and they could be constructed and done in a much shorter period for a much lower cost."

He added later: "If communities came to us and said, 'We want you here. We're willing to

# Contribution Analysis of Home Building on Long Island

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October 2024

## PREPARED FOR:

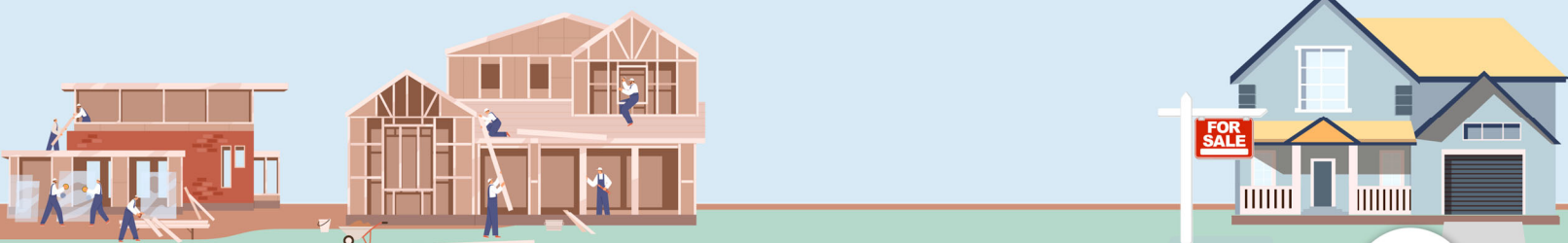
Long Island Builders Institute  
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Islandia, NY 11749



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# ANNUAL CONTRIBUTION

## of Long Island's Home Building Sector



The Home Building Sector is comprised of industries that are directly related to the construction of residential properties (Primary Building Cluster) and other industries that supply essential goods and services required by the Primary Building Cluster (Supporting Cluster).

### TOTAL IMPACTS

#### JOBS



**194,022**  
14% of the Island's jobs

#### EARNINGS



**\$15.4 billion**  
12% of the Island's employee earnings

#### SALES



**\$41.7 billion**  
Just over 9% of the Island's total sales

### DIRECT IMPACTS

(PRIMARY + SUPPORTING)

**114,906**  
direct jobs

**\$9.5 billion**  
in direct earnings

**\$24.8 billion**  
in direct sales

### FISCAL IMPACTS



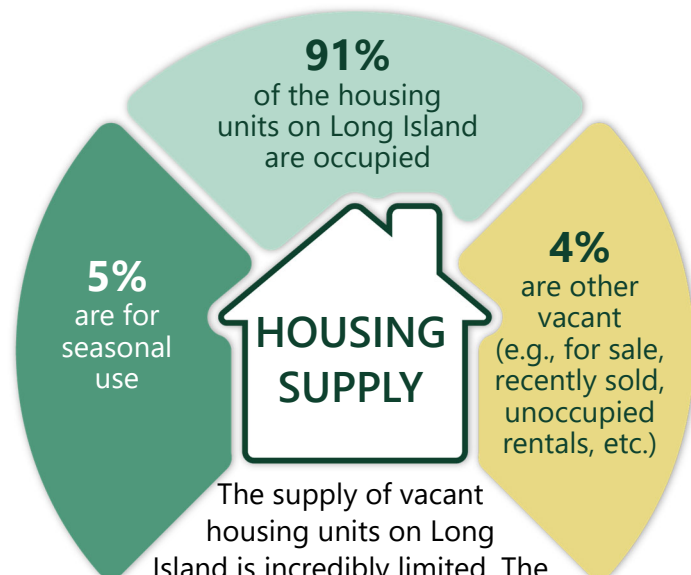
	Long Island	New York State
Sales Tax Contribution	\$122.6 million	\$138.5 million
Total Fiscal Impact Sales Tax + Income Tax + Property Tax	\$153.3 million	\$729.4 million



**\$30.6 million**  
in property taxes collected from new home and apartment construction

**\$53.2 million\***  
total building permits and zoning fees collected by Long Island municipalities in 2022

\* This number includes residential, industrial, and commercial permits.



The supply of vacant housing units on Long Island is incredibly limited. The high demand mixed with the limited supply is directly contributing to the skyrocketing price of housing.

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# CONTENTS

Introduction ..... 1

Economic Contribution Analysis ..... 2

Fiscal Contribution Analysis ..... 4

What We Heard: Key Themes From Interviews with LIBI Members ..... 9

Labor Law 240(1) "Scaffold Law" Analysis ..... 10

Home Building Industry Profile ..... 17

Attachment A: What Is Economic Impact Analysis? ..... 20

Attachment B: Home Building Sector’s Jobs ..... 21

Attachment C: New Homes and Prices by TOWn ..... 23

Attachment D: Sources Used in the Labor Law 240(1) "Scaffold Law Analysis" ..... 24

Attachment E: Summary of Sources Used in the Labor Law 240(1) "Scaffold Law Analysis"  
..... 25

Attachment F: Data Sources ..... 32





# INTRODUCTION

Camoin Associates was retained by the Long Island Builders Institute (LIBI) to conduct a contribution analysis of Long Island's Home Building Sector. The analysis evaluates the annual economic and fiscal contributions of home building construction and related industries to Long Island's (Nassau and Suffolk counties) economy.

This report aims to assess the annual economic, employment, and fiscal contribution of home building to Long Island's economy. In addition to the contribution analysis, the following report also includes a profile of Long Island's Home Building Sector and an analysis of the costs associated with New York's Scaffolding Law (Labor Law 240(1)).

The primary tool used in this analysis is the input-output model developed by Lightcast. Primary data used in this study was obtained from LIBI, Lightcast, Redfin, and RS Means. The report was also informed by a series of interviews with developers and other industry professionals who are part of Long Island's home building ecosystem. Additional information on data and methodology can be found throughout the report.

The economic contributions are presented in four categories: direct contributions, indirect contributions, induced contributions, and total contributions. The indirect and induced contributions are commonly referred to as the "multiplier effect." For more information about multipliers, see Attachment A.

## STUDY INFORMATION

**Data Source:**  
Long Island Builders  
Institute, Lightcast, Redfin,  
RS Means

**Geography:**  
Long Island  
(Nassau and Suffolk  
counties)

**Study Period:**  
2023

**Modeling Tool:**  
Lightcast

### DIRECT EFFECTS

*Initial round of contributions generated as a result of spending by primary and supporting construction industries and of new employment generated as a result of ongoing operation.*

### INDIRECT EFFECTS

*Direct contributions have ripple effects through business-to-business spending. This spending results from the increase in demand for goods and services by industry sectors in the supply chain.*

### INDUCED EFFECTS

*Contributions that result from the spending by employees and employees of suppliers. Earnings of these employees enter the economy as paychecks are spent on food, clothing, and other goods and services.*



# ECONOMIC CONTRIBUTION ANALYSIS

Jobs related to the Home Building Sector's ongoing operations and developments are used as the direct input for the economic impact model. Camoin Associates uses the input-output model designed by Lightcast to calculate total economic impacts. Lightcast allows the analyst to input the amount of new direct economic activity (jobs) occurring within the region and uses the direct inputs to estimate the spillover effects that the net new spending has as these dollars circulate through the regional or local economy. This is captured in the indirect and induced impacts and is commonly referred to as the "multiplier effect." See Attachment A for more information on economic impact analysis.

## ECONOMIC CONTRIBUTION ASSUMPTIONS

Long Island's Home Building Sector makes an economic contribution to the Long Island economy on an annual basis through continued operations and new developments. The Home Building Sector is comprised of several industries that are directly related to the construction of residential properties (Primary Building Cluster) and other industries that supply essential goods and services required by the Primary Building Cluster (Supporting Cluster). Industries in the supporting cluster include legal services, engineering services, wholesalers, and retailers, among others.



### Industry Hierarchy Explained

In this analysis, the Home Building Sector is broken down into the Primary Building Cluster and the Supporting Cluster. The Primary Building Cluster and the Supporting clusters are composed of a series of 6-Digit NAICS industries.

For this analysis, we attribute 100% of the jobs in the Primary Building Cluster to the Home Building Sector. In other words, we assume that without homebuilding, none of the jobs in the Primary Building Cluster would exist on Long Island. To calculate how many jobs in the Supporting Cluster can be attributed to the Home Building Sector, we used purchases and sales data from Lightcast. First, we determined the amount of purchases made by the Primary Building Cluster from each supporting industry. We then calculated the share of Primary Building Cluster purchases compared to the supporting industry's total in-region sales. This share was then applied to each of the supporting industries' total jobs. For example, the Primary Building Cluster was responsible for 76% of the total in-region sales made by Home Centers. Therefore, we attribute 76% of the jobs in the Home Centers industry to the Home Building Sector. See Attachment B for a complete list of industries in the Primary Building and Supporting Clusters. Using this methodology, we determined that a total of 114,906 jobs on Long Island can be attributed to the Home Building Sector.

### Home Building Sector Jobs, Long Island, NY (2023)

Primary Building Cluster	100,299
Supporting Cluster	14,607
<b>Total Jobs</b>	<b>114,906</b>

Source: Lightcast



## HOME BUILDING SECTOR'S ECONOMIC CONTRIBUTION

In addition to the direct jobs outlined above, spillover effects occur as the Home Building Sector purchases goods and services from other businesses and as both Home Building Sector employees and workers at local suppliers circulate their earnings throughout the local economy. This is captured in the indirect and induced impacts, commonly referred to as the "multiplier effect."

The adjacent table outlines the annual economic contribution of the Home Building Sector on Long Island. Including indirect and induced impacts, the sector annually supports **194,022 jobs**, over **\$15.4 billion in earnings**, and more than **\$41.7 billion in total sales** to the Long Island economy. This contribution accounts for 14% of the Island's jobs, 12% of employee earnings, and just over 9% of total sales.

### Economic Contribution - Primary Building Cluster

	Jobs	Earnings	Sales
Direct	100,299	\$8,470,732,668	\$21,780,536,813
Indirect	22,049	\$1,740,051,038	\$6,012,361,647
Induced	44,401	\$3,223,340,063	\$8,479,523,447
<b>Total</b>	<b>166,750</b>	<b>\$13,434,123,769</b>	<b>\$36,272,421,907</b>

### Economic Contribution - Supporting Cluster

	Jobs	Earnings	Sales
Direct	14,607	\$1,040,817,845	\$3,028,738,957
Indirect	5,435	\$363,153,551	\$979,740,286
Induced	7,230	\$549,615,611	\$1,447,311,750
<b>Total</b>	<b>27,272</b>	<b>\$1,953,587,007</b>	<b>\$5,455,790,994</b>

### Total Annual Economic Contribution of the Home Building Sector

	Jobs	Earnings	Sales
<b>Total</b>			
(Primary + Supporting)	<b>194,022</b>	<b>\$15,387,710,775</b>	<b>\$41,728,212,900</b>

Source: Lightcast, Camoin Associates





# FISCAL CONTRIBUTION ANALYSIS

In addition to the economic impacts, the Home Building Sector benefits Long Island through increases in sales tax, property tax revenues, and construction associated fees. These effects are outlined in the analysis below.

## SALES TAX

Long Island receives sales tax revenue resulting from employees associated with the Home Building Sector spending their earnings locally. Using the *Total Earnings* calculation from the economic impact analysis, we estimate that 75% of earnings will be spent on Long Island and 90% will be spent in New York State. Of this spending, we assume 25% will be taxable.<sup>1</sup> The calculation and sales tax revenue generated is outlined in the table below. This tax revenue recurs annually due to the home building industry's annual operations.

### Sales Tax Contribution from Employee Earnings (2023)

	Long Island	New York
Total Employee Earnings	\$15,387,710,775	\$15,387,710,775
Percent Spent in Geography	75%	90%
Amount Spent in Region (75%)	\$11,540,783,082	\$13,848,939,698
Amount Taxable (25%)	\$2,885,195,770	\$3,462,234,924
Sales Tax Rate	4.25%	4.00%
<b>Total Contribution of Sales Tax Revenue</b>	<b>\$122,620,820</b>	<b>\$138,489,397</b>

**Note:** Nassau and Suffolk counties impose a 4.25% local sales tax

**Source:** Lightcast, Camoin Associates

Long Island communities also benefit from sales tax associated with builders, subcontractors and supporting industry members purchasing construction-related materials locally, however that is not captured in this analysis.

<sup>1</sup> Percentages of in-region spending are based on an analysis of available goods and services in the study areas (Source: Lightcast). It is assumed that the vast majority of spending will occur in New York State, with a portion reserved for travel or other out-of-state expenditures. Assumptions of the percent of purchases that are taxable are based on a breakdown of typical household spending (Source: BLS and Lightcast). Spending on services and groceries are some of the biggest categories of household expenditures and are non-taxable.



## PROPERTY TAX REVENUES

New homes increase a given property's taxable assessed value and contribute to local municipalities by increasing property tax revenue. However, identifying the property tax rate on Long Island can be challenging due to the various taxing jurisdictions and levels of government. A study by ATTOM Data Solutions found that in 2022, the effective tax rate for Suffolk County was 1.34% while the rate in Nassau County was approximately 1.48%. Results from this analysis are shown in the table below.

### Annual Property Tax Contribution from New Construction Homes

	Nassau County	Suffolk County Central	Suffolk County East End
New Homes	525	279	125
Average Price of New Homes	\$1,666,380	\$956,824	\$3,414,978
Property Tax Rate	1.48%	1.34%	1.34%
Average Property Tax Per House	\$24,662	\$12,821	\$45,761
<b>Total Tax Contribution of New Homes</b>	<b>\$12,947,772</b>	<b>\$3,577,184</b>	<b>\$5,720,087</b>
<b>Total Tax Contribution of New Homes on Long Island</b>			<b>\$22,245,043</b>

**Note:** New home sales shown for Sept. 2023-Sept. 2024. Town breakdowns are included in Attachment C

**Source:** OneKey MLS, ATTOM, Camoin Associates

In addition to new homes, new apartment complexes also increase property tax revenues. Data collected using CoStar provided the number of new apartment units as well as a per unit tax estimate. Details are outlined in the table below.<sup>2</sup>

### Property Tax Contribution from New Construction Apartments (2023)

	Nassau County	Suffolk County
New Apartment Units	223	2,196
Average Per Unit Tax	\$3,479	\$3,479
<b>Total</b>	<b>\$775,719</b>	<b>\$7,638,918</b>
<b>Total Tax Contribution of New Apartments</b>		<b>\$8,414,637</b>

**Note:** Tax contributions from new construction apartments assumes the new units were built on previously undeveloped land.

**Source:** CoStar, Camoin Associates

<sup>2</sup> CoStar accounts for property tax exemptions, abatements, and incentives which can significantly impact the effective tax rate for certain properties.



### Additional Apartment Considerations

On Long Island, rental unit developments are typically built with the assistance of a Payment in Lieu of Taxes (PILOT) program. In these situations, PILOTs initially allow for lower per-unit tax rates, gradually increasing to the full market tax rate over a given number of years. Because this analysis is interested in the one-year impact of home building, the average apartment tax rate accounts for these initial lower tax rates. However, it is important to note that the annual apartment tax contributions of apartments built in 2023 will continue to increase until the PILOT program has expired. Currently, average real estate taxes on rental units in Suffolk County range between \$4,000 and \$6,000, while taxes in Nassau County range between \$10,000 and \$12,000 per unit. The adjacent table estimates the fully assessed tax contribution of new construction apartments using current tax rates.

### Fully Assessed Tax Contribution of Apartments Constructed in 2023

	Nassau County	Suffolk County
New Apartment Units	62	2,196
Average Per Unit Tax Range	\$10,000-\$12,000	\$4,000-\$6,000
	<b>\$620,000-</b>	<b>\$8,784,000-</b>
<b>Total</b>	<b>\$744,000</b>	<b>\$13,176,000</b>
<b>Fully Assessed Tax Contribution (Current Rates)</b>		<b>\$9,404,000 - \$13,920,000</b>

Source: Camoin Associates, OneKey MLS, LIBI

## INCOME TAX REVENUE

Income tax revenue to New York State is estimated using total earnings. Workers in New York State pay an average of \$34.84 in income tax on every \$1,000 of earnings or 3.84%.<sup>3</sup> This tax rate was applied to total earnings to estimate income tax revenue attributed to Long Island's Home Building Sector.

### Annual Income Tax Revenue Attributable to Long Island Home Building Sector (2023)

	New York State
Earnings	\$15,387,710,775
NYS Average Income Tax Rate	3.84%
<b>Total, Annual Income Tax Revenue</b>	<b>\$590,888,094</b>

Source: Camoin Associates, Empire Center for Public Policy

<sup>3</sup> Source: The Empire Center. Accessed July 2, 2024. <https://www.empirecenter.org/publications/state-income-taxes-per-1000-of-personal-income/>



## TOTAL FISCAL IMPACT

The total annual fiscal contribution of the Home Building Sector to Long Island and New York State is outlined in the table below.

### Annual Fiscal Contribution of the Home Building Sector to Long Island's Economy

	Long Island	New York State
Sales Tax Contribution from Employee Earnings	\$122,620,820	\$138,489,397
Income Tax Contribution from Employee Earnings	--	\$590,888,094
Property Tax Contribution from New Construction Homes	\$22,245,043	--
Property Tax Contribution from New Construction Apartments	\$8,414,637	--
<b>Total Fiscal Contribution</b>	<b>\$153,280,500</b>	<b>\$729,377,491</b>

**Source:** Camoin Associates



## OTHER BUILDING RELATED FISCAL IMPACTS

Builders on Long Island contribute to local municipalities through the payment of fees and the purchase of building permits. While not all building permits and zoning fees are directly related to home building, towns would not be able to collect these revenues without Long Island's building industry. Using town budgets, we determined the actual building permits and fees collected in 2022. The majority of towns had individual line items for zoning fees and building permits. For budgets that didn't include these line items, the closest alternative was included.

In 2022, Nassau County collected more than \$27.5 million from zoning fees and building permit purchases. Suffolk County towns collected more than \$25.7 million during the same one-year period. Overall, in 2022, towns on Long Island received approximately \$53.2 million from building permit sales and zoning fees.

In addition to zoning and building permit fees outlined in the table, builders are also subject to additional county, town and village fees such as highway work permits, sewer connection fees, environmental fees, etc. These permits and associated fee requirements vary by project and location but they can be substantial. For example, the highway work permits and sewer connection fees for a larger multi-family development project can easily surpass \$1 million.

### Building Permit and Zoning Fees Collected by Long Island Towns, 2022

Town/ County	Budget Item Name	Amount Collected
<b>Nassau County</b>		
North Hempstead		
	Zoning Fees	\$186,050
	Building Permits	\$5,244,722
Hempstead*		
	Departmental Fees: Building Department	\$12,875,000
Oyster Bay		
	Zoning Fees	\$313,450
	Building and Alteration Permits	\$8,891,817
<b>Nassau Total</b>		<b>\$27,511,039</b>
<b>Suffolk County</b>		
Huntington*		
	Building and Housing Workload	\$4,081,618
Babylon		
	Plumbing and Permits, Other	\$110,750
Smithtown		
	Building and Occupancy Permits	\$2,099,838
Islip		
	Zoning Fees	\$200,200
	Building Permits: Planning	\$5,052,886
Brookhaven		
	Zoning Fees	\$934,763
	Building Department Fees	\$7,641,623
Riverhead		
	Zoning Fees	\$10,000
	Site Plan Fees	\$145,000
Southampton		
	Building Permit Fees	\$3,231,728
Southold		
	Zoning Fees	\$245,000
	Permits	\$515,300
East Hampton		
	Licenses, Permits and Fees	\$911,083
Shelter Island		
	Zoning Fees	\$17,560
	Building Permits	\$515,806
<b>Suffolk Total</b>		<b>\$25,713,155</b>
<b>Total (Suffolk + Nassau)</b>		<b>\$53,224,194</b>

\* Zoning fees included in line item

Source: LIBI, Camoin Associates, RS Means, Redfin



# WHAT WE HEARD: KEY THEMES FROM INTERVIEWS WITH LIBI MEMBERS

Camoin Associates spoke to 15 builders and associate members through 13 interviews. The goal of these interviews was to better understand Long Island's home building industry and identify its key challenges.

Interviewees agreed to speak with us on the promise of anonymity. Participants included builders of

- Single-Family Custom Homes
- Single-Family Community Developments
- Multi-Family Developments
- Affordable Housing
- 55+ Communities

Interviews were also conducted with associate members who work in the supporting industries. The following summary identifies the key themes and ideas that were echoed by multiple members throughout the interview process.

## 1. *Land Costs and Land Availability Concerns*

The cost of land on Long Island is quite high, which drives up the price of new homes. This makes it difficult for builders to keep prices affordable while still hitting the minimum return necessary to attract the capital investment required to build these projects. Several interviewees emphasized the need for or their reliance on PILOT programs in order for projects to be "remotely feasible".

## 2. *Municipal Delays*

Long Island has a patchwork of zoning laws and regulatory requirements that vary by municipality. This variation makes it challenging to apply for and receive the proper authorizations. Several builders mentioned that labor shortages at the town level contribute to this issue as new administrative personnel and inspectors take time to learn complex building codes and other requirements. Overall, this can lead to costly delays.

## 3. *Permit and Approval Timelines*

At the municipal level, the timeline to pull even standard permits is often long and lacks consistency. For example, during one interview a participant claimed to have a good relationship with local municipalities and a firm understanding of the application process. This individual still cited a 2 1/2-month timeline to acquire a "basic plumbing permit". Likewise, an interviewee mentioned that a simple

interior alteration project, adding partition walls, was a three-day construction job but had a three-month timeline due to "approval and inspection processes".

## 4. *Rise in Community Opposition*

According to interviewees, community opposition to new developments, especially in established neighborhoods, often stems from concerns about impacts on local schools, increased traffic, and changes to the community. This "not in my backyard" (NIMBY) mentality was cited by many as a significant challenge. However, interviewees noted their belief that in larger development projects, the anticipated negative effects rarely materialize once the projects were completed.

## 5. *Insurance Costs (Further explored in the Scaffold Law Analysis)*

The cost of construction insurance, including liability and workers' compensation, is high on Long Island. Builders mentioned turning away bids for simple landscaping jobs due to stringent insurance requirements. Additionally, Long Island is vulnerable to natural disasters like hurricanes, which can increase insurance premiums and add to the risk factors for builders.

## 6. *Moving To and Exploring Markets Outside of Long Island*

Multiple interviewees mentioned they were actively looking for opportunities to move their business off



of Long Island. Other interviewees mentioned they were already in the process of making the move. These interviewees primarily cited land costs, insurance costs, community opposition, and the Island's complex regulatory requirements as reasons behind their desire to no longer build on Long Island.

#### *7. No Room for the "Little Guy"*

All of the factors mentioned above ultimately result in increased costs. Only large, well-established developers can compete in this environment due to the large holding costs that the Long Island industry requires. Surprisingly, however, these barriers and the lengthy entitlement process also prevent large national developers from operating on the island.

#### *8. Consistent Supply of Local Subcontractor's*

Several builders mentioned they have a reliable network of subcontractors to work with on Long Island. Interviewees also mentioned seeing significant growth in a lot of their subcontractors over the years.

#### *9. Sentimental Feelings Toward Living and Developing on Long Island*

Several interviewees made it a point to mention that they consider Long Island to be their home. These interviewees also expressed a desire to improve their local communities through thoughtful, well-designed developments.



# LABOR LAW 240(1) "SCAFFOLD LAW" ANALYSIS

New York Labor Law 240(1), also known as the Scaffold Law, was examined using a two-pronged approach. First, through interviews with insurance companies, risk managers, and multi-state developers the Camoin Team gathered and compared actual cost figures that builders used when bidding on projects in New York and other states. Second, a team at Stony Brook's Real Estate Institute conducted a literature review that provides background information and examines current arguments supporting the law as well as arguments for legislative reform.

## BACKGROUND

New York's Scaffold Law (Labor Law 240(1)) holds owners, employers, and contractors fully liable for gravity-related accidents on construction sites, such as falls from scaffolding or objects falling from heights. Many U.S. states once had scaffold laws similar to New York's, but most repealed or reformed them during the 20th century with Illinois being the last state to repeal this type of legislation in 1995. New York remains the only state with a strict version still in place.

New York's Scaffold Law places significant financial burdens on taxpayers due to increased insurance premiums and legal costs tied to publically funded construction projects. Some of the more notable and heavily cited projects include the construction of the Tappan Zee Bridge (now Mario Cuomo Bridge) which saw an additional \$200 to \$400 million in costs due to the Scaffold Law. Similarly, the proposed Gateway Project, which involves replacing the Hudson River rail tunnel, could face \$180 to \$300 million in extra expenses.

While supporters of the law claim it increases worker safety, New York continually fails to receive high safety scores compared to other states. A 2024 study found that New York ranks 29<sup>th</sup> for construction worker safety.<sup>4</sup> More information on New York's Labor Law 240(1) is included in the literature review section of this report.

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<sup>4</sup> <https://www.onfocus.news/the-most-dangerous-states-for-construction-workers-ranked/>





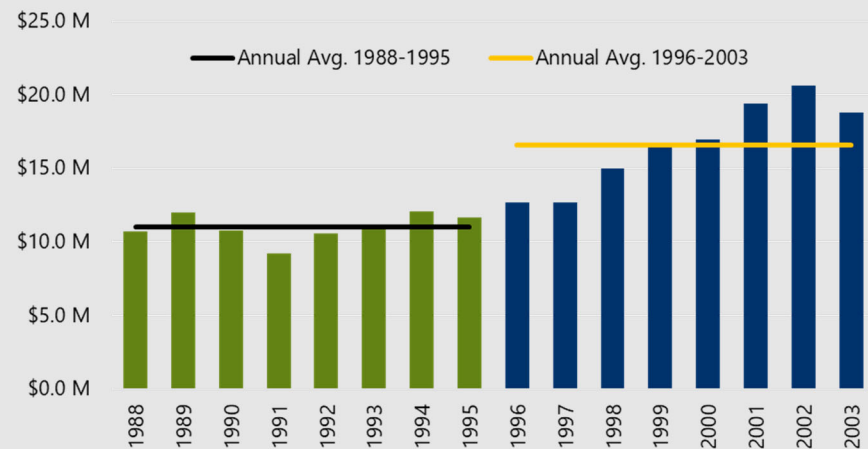
## A Closer Look at Illinois

After Illinois repealed its Structural Work Act (scaffold law) in 1995, several notable changes occurred in the state's construction industry:

**Construction-Related Fatalities:** In the years leading up to the repeal of Illinois' Structural Work Act (1993-1995), the three-year average for construction-related fatal falls was 20. Following the law's repeal, the three-year average (1996-1998) dropped to 17.<sup>5</sup> The nine-year average (1996-2004) following the removal of the law remained at 17.

**Construction Activity:** The chart illustrates Illinois Contracts for Future Construction before and after the repeal of the Structural Work Act. The pre-repeal trend (1988-1995) shows moderate fluctuation in the amount of contracts, with some years experiencing slight declines, suggesting that the Scaffolding Act may have contributed to stable but not substantial growth. Post-repeal trends (1996-2003) show a significant increase in the amount of contracts, indicating that the construction market in Illinois experienced a boost in contracts following the repeal of the act.

**Illinois Contracts for Future Construction 1988-2003**



Source: Illinois Department of Commerce and Economic Opportunity

**Balanced Responsibility:** The new system, based on comparative negligence, allowed for a more equitable distribution of liability. Workers, contractors, and property owners could all be held accountable based on their degree of fault in an accident, ensuring strong incentives for high safety measures on construction sites were still in place.

## INTERVIEW AND CASE STUDY ANALYSIS

Through a series of interviews with insurance companies, risk managers, and developers who regularly work in multiple states the Camoin team gathered actual insurance cost figures that builders considered when bidding on projects. Additionally, the team was able to gather information related to the actual costs paid for similar projects that took place on Long Island and in New Jersey. Like the interviews discussed in the What We Heard section, Scaffold Law interviews were also conducted with the promise of anonymity. The following case studies outline key findings from these interviews.

### Key Interview Findings

- Overall, participants who were interviewed for this analysis conservatively estimate that their insurance costs for any given project in New York are at least 50% higher than insurance costs they've encountered in other states.

<sup>5</sup> <https://centerjd.org/system/files/ILConstrSafetyFinal.pdf>

- Multiple risk managers and insurance providers repeatedly mentioned two problematic trends for construction insurance in New York State.
  - 41 The limited number of insurance companies who are willing write in New York. The few remaining insurance companies have a monopoly further increasing the price of insurance.
  - 51 Of the companies who are willing to write in New York, many have resorted to limiting their coverage to specifically exclude “Scaffold Law” claims. Due to the complexity of the insurance system, this second point leaves often leaves private contractors unknowingly open to bearing the entire burden of a “Scaffold Law” claim even though the contractor believes they are covered.

## Case Study 1

In 2023, a large New York based developer was interested in pursuing development projects estimated to cost around \$100,000,000 at locations in New York and in Connecticut. Their risk assessment team generated the following estimates for insurance costs given the cost of the projects and their proposed locations.

**Insurance Cost Estimates for \$100 Million Projects, 2023**

	New York	Connecticut
Job Cost	\$100,000,000	\$100,000,000
General Liability Limit	\$1,000,000	\$1,000,000
General Liability Rate of Job Costs	\$10/\$1,000 of job costs	\$3/\$1,000 of job costs
General Liability Premium	\$1,000,000	\$300,000
Umbrella Premiums		
Percentage for \$5 million umbrella	75% of General Liability Premium	60% of General Liability Premium
\$5 million umbrella premium	\$750,000	\$180,000
\$5 m x \$5 m umbrella percentage	50% of General Liability Premium	40% of General Liability Premium
\$5 m x \$5 m umbrella premium	\$500,000	\$120,000
\$10 m x \$10 m umbrella percentage	25% of General Liability Premium	20% of General Liability Premium
\$10 m x \$10 m umbrella premium	\$250,000	\$60,000
\$5 m x \$20 m umbrella percentage	18% of General Liability Premium	12% of General Liability Premium
\$5 m x \$20 m umbrella premium	\$180,000	\$36,000
<b>Total, Required Insurance Coverage</b>	<b>\$2,680,000</b>	<b>\$696,000</b>

Insurance estimates for the New York project are almost triple estimates for the Connecticut project. General liability premium costs in New York exceed Connecticut’s costs by 70%. Total insurance costs for the New York project are nearly \$2 million or approximately 74% higher than estimates for the Connecticut project. It is also important to consider that the table above only shows insurance estimates for the primary developer, it does not account for the variation in insurance costs that will exist at the general contractor and subcontractor levels. As a result, total insurance cost discrepancies between the projects will actually be significantly higher than what is shown in the table above.

## Case Study 2

In 2022, a risk assessment team put together estimates for two \$63 million projects taking place in New York City, NY and in Chicago, IL. At the time, liability rates in New York were approximately \$9 for every \$1,000 of job costs. In



Chicago liability rates were significantly lower at \$1.50 per \$1,000 of job costs. The table below breaks down the cost differences.

#### General Liability Insurance Cost Estimates for \$63 Million Projects, 2022

	New York City, NY	Chicago, IL
Job Cost	\$63,000,000	\$63,000,000
General Liability Rate of Job Costs	\$9/\$1,000 of job costs	\$1.5/\$1,000 of job costs
General Liability Premium	\$567,000	\$94,500

## Case Study 3

Between 2022 and 2023, a developer on Long Island renovated hotel rooms at a location in Nassau County, NY and a location in Bergen County, NJ. The hotels provide comparable amenities and similar renovations were conducted. The same general contractor (GC) was used for both projects. To be eligible for the New York renovation, however, the contractor was required to purchase job specific insurance. While the GC's standard insurance provided coverage in more than 30 states, it did not provide adequate coverage in New York. This job specific insurance increased the GC's costs by \$100,000. The difference in total renovation costs for the two projects is shown in the table below.

#### Total Cost for Hotel Room Renovations, 2022-2023

	Nassau County, NY	Bergen County, NJ
Number of Keys	153	167
All In Cost Per Key	\$1,200	\$750
<b>Total</b>	<b>\$183,600</b>	<b>\$125,250</b>

In total, the Bergen County renovation included 14 more rooms than the Nassau County project and was still 32% less expensive. Per key, the Nassau County Project was around 38% more expensive compared to the Bergen County project.

## LITERATURE REVIEW AND ANALYSIS

*The following literature review and analysis was conducted by the Real Estate Institute at Stony Brook University's College of Business. The "Reasonableness Checks" and related research were conducted by the team at Camoin Associates*

Attachment C includes a complete list of sources used in this analysis

Attachment D includes a summary of the sources used in this analysis

## Introduction and History of Labor Law 240

Labor Law 240(1), commonly known as the "Scaffold Law," was enacted in 1885 to protect construction workers from fall-related injuries. The law holds property owners, employers, and contractors 100% liable for any gravity-related injuries occurring on construction sites, leaving them virtually no defense against claims. Gravity-related injuries under this law are defined broadly, covering incidents involving scaffolding, hoists, stays, ladders, and other elevated work (Article 8). This can include a worker falling from an elevated height or an object falling on a worker from above.



As it stands, there are some parameters in place that protect contractors, agents, and their constituents, "Contractors, owners, and their agents cannot be liable when they provide the protections that are deemed necessary to protect the workers from every height-related risk associated with the work being performed. Therefore, "liability is contingent upon the existence of a hazard contemplated in 240(1) and the failure to use, or the inadequacy of, a safety device of the kind enumerated therein," and those general hazards associated with a construction site are not covered" (Article 8).

Reform proponents advocate for a shift to a shared liability framework, where responsibility is distributed based on each party's degree of fault. They argue this would lower insurance costs, stimulate economic growth, and minimize operational disruptions. However, such a change could compromise worker safety, lead to more legal disputes, and create staffing and project management challenges. This paper examines both sides of the debate, focusing on the potential unintended consequences that could arise from reforming the Scaffold Law.

## Arguments for Reform: Reducing Costs and Stimulating Development

### LOWERING INSURANCE COSTS

A key argument for reforming the Scaffold Law is the substantial financial burden it places on developers due to high insurance costs. The current absolute liability framework mandates that property owners and contractors are entirely liable for gravity-related injuries, even when a worker's actions—such as intoxication, distraction, or reckless behavior—contribute to an accident. As a result, insurance premiums have skyrocketed, and these costs are ultimately passed on to developers and consumers.

For example, a developer in Carle Place, Nassau, reported needing an additional insurance policy costing \$100,000 to cover potential Scaffold Law claims. These elevated insurance premiums act as a barrier to entry, particularly for smaller developers, who struggle to absorb these costs in an already expensive market like Long Island, where land prices, taxes, and regulatory expenses are considerable.

*Reasonableness Check: While the Scaffold Law imposes significant costs on developers through increased insurance premiums, The New York Committee for Occupational Safety and Health (NYCOSH) does not believe the law should disincentivize individuals from doing business in New York. Instead, NYCOSH believes the real problem lies with insurance companies and says "that insurance companies should open their books to the public so the public can determine if the premiums being charged to contractors are justified".*

### ENCOURAGING DEVELOPMENT AND ECONOMIC GROWTH

The existing Scaffold Law is often cited as a deterrent to new construction projects, particularly in the affordable housing sector and smaller developments. According to Rick Tannenbaum in "Adding a Comparative Negligence Standard Balances Worker Safety and Skyrocketing Insurance Costs," New York's Scaffold Law increases the cost of building each home by an average of \$10,000. This has impeded the state's capacity to provide affordable housing units and public schools. Reforming the law to a more balanced liability framework could reduce these financial barriers, making homebuilding more economically viable. This could incentivize developers to undertake new projects, increasing housing supply and driving economic growth. Similarly, reducing insurance costs would likely create jobs and stimulate related economic activities.

*Reasonableness Check: While reforming the Scaffold Law could lower costs for developers and potentially stimulate economic growth, it's essential to consider the broader implications for worker safety. The law's strict liability standard*



*serves as an incentive for property owners and contractors to maintain safe working conditions. Lowering these safety standards for the sake of economic growth could lead to more accidents.*

## MINIMIZING OPERATIONAL DISRUPTIONS

Under the current law, the potential for high liability often results in reduced transparency in project operations. For instance, developers may avoid hosting hard hat tours that are essential for investors and stakeholders to assess ongoing progress to avoid potential liability claims. Reforming the law to a shared liability standard could reduce these risks, encouraging more transparency in operations and enhancing market confidence.

*Reasonableness Check: While increased transparency in project operations is beneficial, reducing liability through reforming the Scaffold Law could have unintended consequences. Transparency should be achieved through improved safety protocols and clear communication. Hosting hard hat tours can still be done safely with proper precautions, without the need to dilute legal protections for workers.*

## Arguments Against Reform: Safeguarding Worker Safety and Ensuring Accountability

### COMPROMISING WORKER SAFETY

Opponents of reform emphasize that the Scaffold Law is critical in maintaining high safety standards on construction sites. By holding property owners and contractors strictly liable for fall-related injuries, the law provides a robust financial incentive to prioritize worker safety and invest in proper safety measures and equipment. A shift to a shared liability standard could weaken these incentives, as contractors and property owners might perceive a reduced threat of financial loss in the event of an accident. Labor unions and trial lawyers opposed to reform argue that any dilution of the current law would likely lead to cost-cutting on safety investments and a corresponding rise in workplace accidents.

*Reasonableness Check: According to the New York Committee for Occupational Safety and Health's 2024 Deadly Skyline report, "In 2022, construction deaths accounted for 22% of all worker deaths in New York City and 24% of all worker deaths in New York State, compared to 21% nationwide."<sup>6</sup> During the same period, the Union Labor Advisory Network "witnessed a consistent increase in construction-related injuries for the third consecutive year."<sup>7</sup> Is it fair to say the Scaffold Law provides superior protection for construction workers when death rates are above the national average and construction related injuries continue to increase?*

*Furthermore, the Scaffold Law does not actually include any type of workplace safety requirements. All construction sites in New York State are bound by federal Occupational Safety and Health Administration (OSHA) regulations. In other words, the Scaffold Law only covers who is at fault after a workplace accident has occurred, but it does not directly dictate requirements for running a safe construction site. Therefore, removing the Scaffold Law may in theory remove a safety incentive, but it will not change safety requirements for New York construction sites.*

### INCREASE IN LEGAL DISPUTES AND COSTS

Transitioning could result in a surge of legal disputes as parties argue over the degree of fault and seek to minimize their share of liability. This could lead to prolonged court battles, escalating legal costs, and potential delays in

<sup>6</sup> <https://nycosh.org/resource/2024-deadly-skyline-report/>

<sup>7</sup> <https://www.ulanetwork.com/blog/nyc-construction-safety-report-2024-release>



project timelines. The complexity of determining fault in construction-related accidents could create significant administrative burdens, potentially offsetting some of the anticipated savings from reduced insurance premiums. The uncertainty surrounding fault allocation could also dissuade developers, potentially weakening one of the main arguments for reform.

*Reasonableness Check: Under the current regulations, the private construction company is held liable for injuries even if they have taken all of the preventative measures. If an injury is determined to be gravity-related, the company's owner receives a summary judgment and is found guilty without the opportunity to defend themselves. While new regulations may shift the type of legal work required by builders and developers, is it reasonable to assume developers are better off receiving an immediate guilty verdict than they would be if they were allowed to argue their case?*

## STAFFING AND PROJECT MANAGEMENT CHALLENGES

Reforming the law could have unintended consequences on staffing decisions and site management practices. Contractors might become more cautious in hiring, avoiding workers with any history of negligent behavior to minimize the risk of liability disputes. This could result in a more selective hiring process, reducing job opportunities for certain workers and potentially leading to labor shortages. Additionally, increased legal ambiguity around shared negligence could pose more extensive safety documentation and monitoring, diverting time and resources from core construction activities and impacting overall productivity.

*Reasonableness Check: Under the current regulations, owners are incredibly cautious of the subcontractors they work with. More emphasis is placed on the subcontractor having complete and proper insurance coverage than is placed on their craftsmanship. Is it reasonable to assume developers and subcontractors will care more about negligent employees in the workplace if the regulations shift to a shared liability model than they do now when they are 100% liable? And if that is the case, shouldn't we want to enact the shared liability model to improve worker welfare?*

## POTENTIAL INCREASE IN PROJECT COSTS AND DELAYS

While reform advocates highlight the potential for reduced insurance premiums, opponents argue that increased costs in other areas could offset these savings. Developers might need to allocate more resources for legal support, comprehensive safety documentation, and enhanced site supervision to mitigate shared liability risks. These additional measures could extend project timelines, increase administrative costs, and create unforeseen disruptions in the development process.

*Reasonableness Check: If removing the law would potentially increase site supervision and spur builders to create comprehensive safety plans and documentation, wouldn't that potentially create a safer workplace for construction laborers?*

## Conclusion

The debate over reforming New York's Scaffold Law to adopt a shared liability standard involves a complex assessment of both economic and social implications. While reform could potentially lower insurance costs, encourage new development, and create a fairer system of liability distribution, it could also lead to unintended consequences such as reduced worker safety, increased legal disputes, staffing challenges, and potential project delays. Policymakers must carefully evaluate these multifaceted arguments to ensure that any amendments to the Scaffold Law balance worker safety with accountability and economic growth. A nuanced approach is needed to address the concerns of all stakeholders involved in the construction industry, ensuring that both economic interests and the welfare of workers are safeguarded.



# HOME BUILDING INDUSTRY PROFILE

## HOUSING<sup>8</sup>

### Housing Units by Type, Long Island, NY (2022)

Type	Number	% of Total
Single-Family	874,211	83%
2-4 Units	66,216	6%
5-9 Units	21,468	2%
10-19 Units	24,193	2%
20-49 Units	20,762	2%
50+ Units	40,406	4%
Other (Mobile Homes, Boats, RV, Etc.)	8,703	1%
<b>Total Units</b>	<b>1,055,959</b>	<b>100%</b>

Source: Esri

Referring to the adjacent table, 91% of housing units on Long Island are permanently occupied. While 9% of units are considered vacant, 5% of these vacant units are considered seasonal or occasional use homes. In addition to units for rent, the "Other Vacant" category (4% of total) also includes unoccupied units that are for sale, rented, recently sold, and units utilized by migrant workers. Overall, available units for rent and unoccupied homes for sale make up less than 2% of Long Island's total housing stock.

On Long Island, single-family homes make up the majority of the housing stock, accounting for 83% of Long Island's total units. Only 16% of housing units are in multi-unit structures, 4% of which are considered large (structures with 50+ units).

### Occupancy and Seasonal Status of Units on Long Island, NY (2022)

	Number	Percent
Occupied Housing Units	968,113	91%
Vacant Housing Units	91,791	9%
Seasonal Use	47,164	5%
Other Vacant	44,627	4%
<b>Total Housing Units</b>	<b>1,059,904</b>	<b>100%</b>

Source: American Community Survey, 2022 5-Year Estimates

### Building Permits by Housing Unit Type, Long Island, NY

Year	Total Units	Single-Family	Units in 2 to 4-Unit Structures	Units in 5+ Unit Structures	Total Multi-Family Units	Multi-Family % of Total Units
2013	2,176	1,659	24	493	517	24%
2014	2,122	1,824	18	280	298	14%
2015	2,304	1,736	14	554	568	25%
2016	1,796	1,517	22	257	279	16%
2017	2,625	1,785	52	788	840	32%
2018	1,986	1,614	76	296	372	19%
2019	2,324	1,417	44	863	907	39%
2020	1,928	1,244	12	672	684	35%
2021	2,824	2,011	15	798	813	29%
2022	2,270	1,910	63	297	360	16%
2023	2,364	1,561	35	768	803	34%

Source: SOCDS Building Permits Database

During the last 10 years, the majority of building permits issued on Long Island have been for single-family homes.

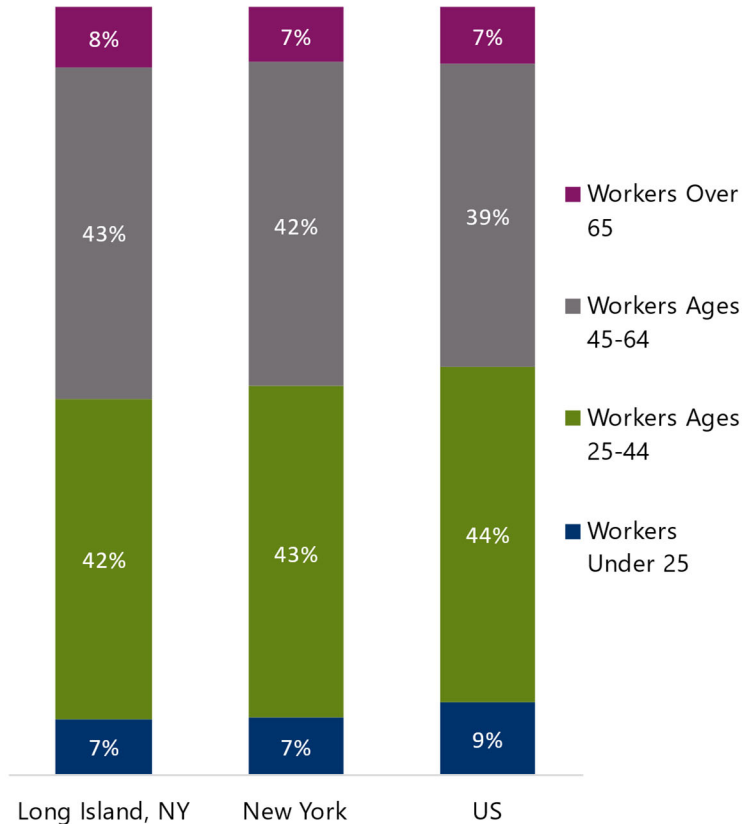
<sup>8</sup> Housing and permit totals will vary by data source





## INDUSTRY DEMOGRAPHICS

### Age Distribution of Workers in the Primary Building Cluster (2023)

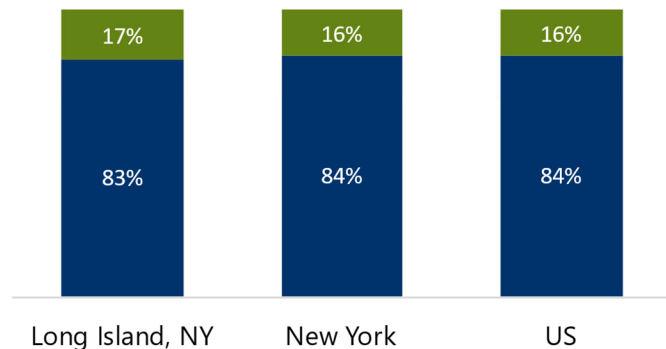


Compared to the state and the US, Long Island's Primary Home Building Cluster has a slightly larger share of workers ages 45+. Overall, the age distribution of workers in Long Island's Primary Home Building Cluster is in line with state and national trends.

Source: Lightcast

### Female vs Male Workers in the Primary Building Cluster (2023)

The majority of jobs in the Primary Home Building Cluster are held by males across all three geographies. Compared to the state and nation, however, Long Island has a slightly larger proportion of female workers (17%).



Source: Lightcast

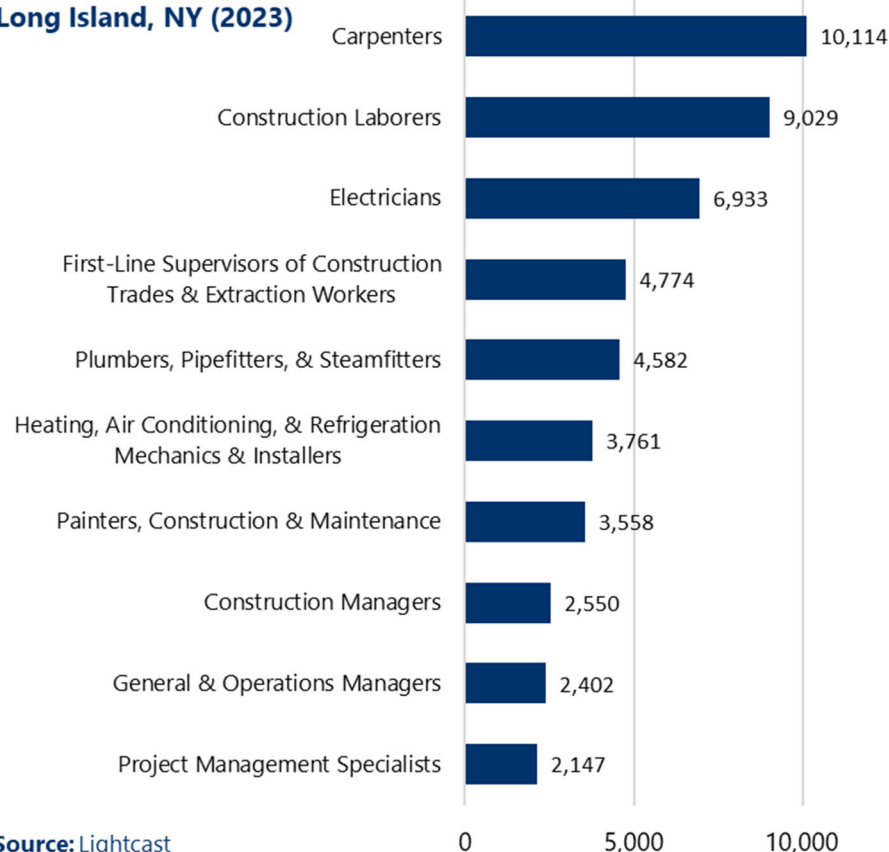
■ Male ■ Female





## OCCUPATIONS

**Top Home Building Occupations by Number of Jobs,  
Long Island, NY (2023)**



In 2023, top occupations within the Primary Home Building Cluster included Carpenters, Construction Labors, and Electricians. Between 2023 and 2028, these three occupations are also projected to experience the most job growth with Electricians increasing by approximately 750 jobs, Construction Labors increasing by around 700 jobs, and Carpenters increasing by around 400 jobs.

Of the top occupations, three require a bachelor's degree, while four occupations require an apprenticeship or long-term on-the-job training. Eight of the ten occupations provide some level of on-the-job training.

**Top Home Building Occupations by Number of Jobs, Long Island, NY (2023)**

Description	Jobs	Education Required	Experience Required	On-The-Job Training
Carpenters	10,114	High school or equiv.	None	Apprenticeship
Construction Laborers	9,029	No formal education	None	Short-term
Electricians	6,933	High school or equiv.	None	Apprenticeship
First-Line Supervisors of Construction Trades and Extraction Workers	4,774	High school or equiv.	5+ years	None
Plumbers, Pipefitters, and Steamfitters	4,582	High school or equiv.	None	Apprenticeship
Heating, Air Conditioning, and Refrigeration Mechanics and Installers	3,761	Postsecondary nondegree	None	Long-term
Painters, Construction and Maintenance	3,558	No formal education	None	Moderate
Construction Managers	2,550	Bachelor's	None	Moderate
General and Operations Managers	2,402	Bachelor's	5+ years	None
Project Management Specialists	2,147	Bachelor's	None	None

Source: Lightcast



## ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

An economic impact analysis describes how “new” money entering a region influences the local economy. This “new” money can be generated in two ways:

- 41 When an industry, event, or policy brings new revenue into the region that would otherwise not exist.
- 51 When an industry, event, or policy retains revenue that would have otherwise left the region.

Economic impact analyses can also assess the negative economic implications of “losing” a particular business, industry, or attraction, which results in money leaving the region.

Economic impacts do not occur when spending simply shifts from one business or industry to another because of a new facility. For example, town residents attending a game at a new football stadium instead of going to the local movie theater will not generate a new economic impact. However, if town leaders decide to host a concert series at the new football stadium, new visitation and spending related to the concert series would create an economic impact.

### Understanding Economic Impacts

Economic impacts are typically broken down into direct, indirect, and induced effects.

**Direct Effects** are the new activities under investigation.

- Example: The sale of RVs from a new manufacturer in Elkhart, IN, to the rest of the country

**Indirect Effects** reflect the extent of local supply chains for the activity being analyzed.

- Example: The steel, tires, and cabinets purchased by the RV manufacturer in Elkhart, IN, from local suppliers, the purchases made by those suppliers from their local suppliers, and so on

**Induced Effects** represent the actions of employees who are supported by direct and indirect activities.

- Example: An employee who works for the RV company’s primary tire supplier in Elkhart, IN, purchases groceries at the local supermarket.

Traditionally, the three types of effects are evaluated in terms of jobs, labor income or earnings, industry output or sales, and value-added or gross regional product. The sum of the direct, indirect and induced effects is equal to the total economic impact.

### Estimating Economic Impacts

An input-output (I-O) model is used to estimate these effects. In the US, I-O models are derived from the Bureau of Economic Analysis’ National Income and Product Accounts. These accounts provide the economic “recipe” each industry follows to produce its output. This includes the value of inputs purchased from other industries, as well as the contributions of labor, taxes paid, and a measure of profits.

I-O models also capture household spending patterns. All of these inputs are adjusted for each study area based on the estimated portion of goods and services that businesses and households purchase from local suppliers. Adjustments are also made for in-commuting by workers who then take their earnings home and spend them outside the region.

The resulting “multipliers” show, for each direct dollar spent in the region, how many additional dollars (or cents) are generated at local suppliers (indirect) and providers of goods and services to households (induced). For example, suppose an industry has a multiplier of 2.5, for every positive or negative change to that industry. In this case, the total effect on the regional economy will be 2.5 times the original change.

### Benefits of an Economic Impact Analysis

Economic impact analysis is a flexible tool that can be used to quantify the benefit/cost of a particular project, asset, or industry. To yield the most accurate results, studies of this nature rely heavily on high-quality data and research-based assumptions. A well-crafted economic impact analysis can be used by governments, businesses, and organizations to clearly tell a story about how a specific change will affect a given economic environment.



## ATTACHMENT B: HOME BUILDING SECTOR'S JOBS

## Home Building Sector's Share of Industry Jobs, 2023

Cluster Group	NAICS	Description	Total In Region Sales	In Region Purchases by Primary Industry	% Attributable to Home Building	Home Building Jobs
Primary	236115	New Single-Family Housing Construction (except For-Sale Builders)	\$184,098,619	\$155,366	100%	4,494
Primary	236116	New Multifamily Housing Construction (except For-Sale Builders)	\$16,232,055	\$20,026	100%	349
Primary	236117	New Housing For-Sale Builders	\$10,365,747	\$11,650	100%	298
Primary	236118	Residential Remodelers	\$510,458,450	\$246,719	100%	14,380
Primary	236210	Industrial Building Construction	\$9,569,769	\$8,818	100%	262
Primary	236220	Commercial and Institutional Building Construction	\$456,217,598	\$374,453	100%	7,225
Primary	237210	Land Subdivision	\$4,706,518	\$4,744	100%	131
Primary	238110	Poured Concrete Foundation and Structure Contractors	\$167,865,937	\$129,505	100%	3,084
Primary	238120	Structural Steel and Precast Concrete Contractors	\$57,013,510	\$52,267	100%	903
Primary	238130	Framing Contractors	\$27,819,838	\$34,296	100%	892
Primary	238140	Masonry Contractors	\$129,649,417	\$83,749	100%	3,303
Primary	238150	Glass and Glazing Contractors	\$59,674,239	\$44,903	100%	1,142
Primary	238160	Roofing Contractors	\$69,905,292	\$69,341	100%	1,486
Primary	238170	Siding Contractors	\$24,994,467	\$24,622	100%	847
Primary	238190	Other Foundation, Structure, and Building Exterior Contractors	\$36,825,408	\$30,398	100%	692
Primary	238210	Electrical Contractors and Other Wiring Installation Contractors	\$685,867,968	\$475,436	100%	13,361
Primary	238220	Plumbing, Heating, and Air-Conditioning Contractors	\$837,707,280	\$546,534	100%	16,160
Primary	238290	Other Building Equipment Contractors	\$130,342,080	\$90,219	100%	1,982
Primary	238310	Drywall and Insulation Contractors	\$194,597,795	\$134,531	100%	3,661
Primary	238320	Painting and Wall Covering Contractors	\$149,979,243	\$140,841	100%	4,167
Primary	238330	Flooring Contractors	\$57,195,800	\$66,118	100%	1,613
Primary	238340	Tile and Terrazzo Contractors	\$45,541,006	\$42,951	100%	1,313
Primary	238350	Finish Carpentry Contractors	\$204,870,843	\$124,780	100%	5,495
Primary	238390	Other Building Finishing Contractors	\$40,523,571	\$47,426	100%	941
Primary	238910	Site Preparation Contractors	\$189,096,805	\$165,649	100%	4,278
Primary	238990	All Other Specialty Trade Contractors	\$305,632,831	\$205,346	100%	7,840
Supporting	221320	Sewage Treatment Facilities	\$3,253,900	\$138,544	4%	3
Supporting	337110	Wood Kitchen Cabinet and Countertop Manufacturing	\$27,984,637	\$30,273,022	100%	897
Supporting	423310	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	\$117,696,470	\$55,879,482	47%	446



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		Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	\$117,696,470	\$55,879,482	47%	446
Supporting	423310	Brick, Stone, and Related Construction Material Merchant Wholesalers	\$102,271,456	\$32,660,115	32%	292
Supporting	423320	Roofing, Siding, and Insulation Material Merchant Wholesalers	\$50,276,475	\$22,921,443	46%	181
Supporting	423330	Other Construction Material Merchant Wholesalers	\$32,287,638	\$16,537,964	51%	176
Supporting	423390	Household Appliances, Electric Housewares, and Consumer Electronics Merchant Wholesalers	\$76,860,450	\$6,131,246	8%	34
Supporting	423620	Paint, Varnish, and Supplies Merchant Wholesalers	\$37,116,868	\$1,639,898	4%	15
Supporting	424950	Home Centers	\$276,540,144	\$209,483,089	76%	5,695
Supporting	444110	Hardware Retailers	\$45,285,288	\$47,082,742	100%	1,090
Supporting	444140	Insurance Agencies and Brokerages	\$1,837,647,696	\$1,374,755	0%	16
Supporting	524210	Lessors of Residential Buildings and Dwellings	\$3,103,321,656	\$47,073,952	2%	734
Supporting	531110	Offices of Lawyers	\$942,531,430	\$63,510,017	7%	1,587
Supporting	541110	Title Abstract and Settlement Offices	\$58,169,763	\$2,326,384	4%	63
Supporting	541191	Landscape Architectural Services	\$26,171,184	\$7,782,755	30%	280
Supporting	541320	Engineering Services	\$361,525,888	\$148,232,472	41%	2,571
Supporting	541330	Building Inspection Services	\$18,428,891	\$5,239,812	28%	209
Supporting	541350	Surveying and Mapping (except Geophysical) Services	\$26,529,651	\$8,127,393	31%	200
Supporting	541370	Environmental Consulting Services	\$51,627,125	\$1,270,046	2%	39
Supporting	541620	Solid Waste Collection	\$207,079,762	\$6,585,913	3%	68
Supporting	562111	Septic Tank and Related Services	\$38,543,297	\$996,091	3%	11
Supporting	562991					
<b>Total, All Industries</b>			<b>\$12,047,901,752</b>	<b>\$718,597,820</b>	<b>6%</b>	<b>114,906</b>

Source: Lightcast



## ATTACHMENT C: NEW HOMES AND PRICES BY TOWN

## New Homes and Prices by Town, Long Island Sept. 2023-Sept. 2024

Geography	Number	Average Closing Price	Total	County	East End
Hempstead Total	224	\$1,307,013	\$292,770,984	Nassau	NA
North Hempstead Tc	101	\$2,393,290	\$241,722,328	Nassau	NA
Oyster Bay	200	\$1,701,781	\$340,356,155	Nassau	NA
Babylon	36	\$761,317	\$27,407,412	Suffolk	No
Brookhaven Total	119	\$712,686	\$84,809,613	Suffolk	No
Huntington	63	\$1,671,717	\$105,318,171	Suffolk	No
Islip Total	41	\$768,483	\$31,507,822	Suffolk	No
Riverhead	20	\$895,550	\$17,911,000	Suffolk	No
East Hampton	18	\$4,524,722	\$81,444,996	Suffolk	Yes
Shelter Island	2	\$2,812,600	\$5,625,200	Suffolk	Yes
Smithtown	14	\$1,210,271	\$16,943,794	Suffolk	Yes
Southampton Total	69	\$4,039,104	\$278,698,208	Suffolk	Yes
Southold Total	22	\$2,007,272	\$44,159,993	Suffolk	Yes
<b>Nassau County</b>	<b>525</b>	<b>\$1,666,380</b>	<b>\$874,849,467</b>		
<b>Central Suffolk</b>					
<b>County</b>	<b>279</b>	<b>\$956,824</b>	<b>\$266,954,018</b>		
<b>East End Suffolk</b>					
<b>County</b>	<b>125</b>	<b>\$3,414,978</b>	<b>\$426,872,191</b>		
<b>All Long Island</b>	<b>929</b>	<b>\$1,688,564</b>	<b>\$1,568,675,676</b>		

Source: OneKey MLS



## ATTACHMENT D: SOURCES USED IN THE LABOR LAW 240(1) “SCAFFOLD LAW ANALYSIS”

- <sup>41</sup> Alonso, Andrea M, and Kevin G Faley. “Tightening the Labor Law: Falling Objects and 240(1).” *Mdarp*, mdafr, 1 Oct. 2009.
- <sup>51</sup> Godosky & Gentile, et al. “Trial Attorneys State the Case for Scaffold Law Reform.” *Www.Scaffoldlaw.Org*. Accessed 15 July 2024.
- <sup>61</sup> Hattery, Michael R. *The Costs of Labor Law 240 on New York’s Economy and Public Infrastructure*, The Nelson A. Rockefeller Institute of Government, 31 Dec. 2013.
- <sup>71</sup> *Impact Fee Handbook*, DPFG, 2016.
- <sup>81</sup> “New York Scaffolding Law Reform: A Step Backward In Worker Safety.” *Block, O’Toole & Murphy*. Accessed 20 Aug. 2024.
- <sup>91</sup> “One-of-a-Kind Labor Law Makes Insuring New York Construction Projects a Challenge.” *CRC Group*, CRC Group, 2019.
- <sup>:1</sup> “Quick Facts on Scaffold Law.” *Www.Scaffoldlaw.Org*, [www.scaffoldlaw.org](http://www.scaffoldlaw.org). Accessed 15 July 2024.
- <sup>;1</sup> Tannenbaum, Rick. “Adding a Comparative Negligence Standard Balances Worker Safety and Skyrocketing Insurance Costs.” *Rockland County Business Journal*, Rockland County Business Journal, 11 Dec. 2018, [rcbizjournal.com/2018/12/11/finding-balance-in-scaffold-law-reform/#:~:text=Adding%20a%20Comparative%20Negligence%20Standard%20Balances%20Worker%20Safety%20and%20Skyrocketing%20Insurance%20Costs&text=A%20law%20passed%20more%20than,injuries%20is%20ripe%20for%20reform](http://rcbizjournal.com/2018/12/11/finding-balance-in-scaffold-law-reform/#:~:text=Adding%20a%20Comparative%20Negligence%20Standard%20Balances%20Worker%20Safety%20and%20Skyrocketing%20Insurance%20Costs&text=A%20law%20passed%20more%20than,injuries%20is%20ripe%20for%20reform).
- <sup><1</sup> Zuccarini, Kristiana. “New Decisions Could Bring Big Changes: Recent Trends in New York Labor Law.” *Kennedys*, Kennedys, 20 Sept. 2023.



# ATTACHMENT E: SUMMARY OF SOURCES USED IN THE LABOR LAW 240(1) "SCAFFOLD LAW ANALYSIS"

## Article 1 - NAHB Impact Fee Handbook

### Chapter 1: Introduction

- **What are Impact Fees?:** Fees charged on new developments to fund public infrastructure necessitated by the development.
- **Purpose:** Mitigate the fiscal stress on local governments due to rapid development and population growth.
- **Historical Context:** Emerged as a response to the fiscal constraints faced by local governments starting in the late 20th century.

### Chapter 2: Legal Concepts of Impact Fees

- **Authority to Impose:** Municipalities need either explicit or implied authority from state laws to impose impact fees.
- **Unlawful Taxes:** Impact fees must not be disguised taxes.
- **Constitutional Issues:** Fees must comply with federal and state constitutional provisions, ensuring fairness and legal sufficiency.

### Chapter 3: Economic Implications of Impact Fees

- **Market Impact:** Impact fees alter the housing market by increasing the cost of development, often passed on to homebuyers.
- **Housing Affordability:** Impact fees can price out potential buyers by increasing housing costs.
- **Necessity:** Discusses whether impact fees are essential given existing fees and taxes in metropolitan areas.

### Chapter 4: A Closer Look at Impact Fees Technical Studies

- **Technical Studies:** Local governments typically prepare a detailed study to justify the need and amount of impact fees.
- **Components of Studies:** Methodology, population, and land use assumptions, levels of service, construction costs, and service areas.
- **Errors and Adjustments:** Identifies common mistakes and suggests revising state statutes to address jurisdictional overreach.

### Chapter 5: Administrative Issues

- **Ordinance Implementation:** Local impact fee ordinances should define capital costs, use of fees, accounting, and administrative procedures.
- **Procedures:** Include fee payment schedules, independent fee calculation procedures, refunds, appeals, and exemptions.



- **Legal Requirements:** Ordinances must comply with state enabling statutes and relevant court decisions.

#### Chapter 6: Alternatives to Impact Fees

- **Infrastructure Financing Objectives:** Explores various methods to finance infrastructure without impact fees.
- **Alternative Methods:** Taxes, general obligation bonds, revenue bonds, user fees, special taxing districts, local improvement districts, special service districts, tax increment financing, and private exemptions.

#### Chapter 7: Public Affairs Strategies

- **Defeating Fee Proposals:** Strategies to oppose impact fee proposals.
- **When Fees are Inevitable:** Tactics to minimize their impact if they cannot be defeated.
- **Stakeholder Analysis:** Identifies groups likely to support or oppose impact fees.

#### Article 2 - Cost of Labor Law 240

##### Executive Summary

- Labor Law 240 imposes absolute liability on employers for height-related workplace injuries.
- Insurance costs related to the law are significant, impacting construction costs and public sector budgets.
- Reforming the law could potentially redirect funds from the legal and insurance sectors to construction, boosting economic output and employment.

##### Section 1: An Empirical Analysis of Effects of New York's Labor Law

- Scaffold law has seen increasing citations in court cases over the years. This increase in citations is indicative of growing legal activity
- Enforcement of Labor Law 240 relates to higher costs for employers due to increased insurance premiums and legal settlements
- The average Annual growth of Labor Law 240 cases has outpaced the growth of NY construction GDP, leading to significant burdens on the sector

##### Section 2: Public Infrastructure Investment and Municipal Liability Costs in New York State

- Public capital investment in New York State has been substantial but constrained by rising costs and competing fiscal demands.
- Municipal liability costs, including those from Labor Law 240 claims, add financial pressure on local governments.
- Estimates indicate that local government liability expenses are nearly one billion dollars per year, not including school districts and special districts

##### Section 3: Economic Impact Analysis of Labor Law 240 in New York State

- Estimated annual costs of Labor Law 240 include \$800 million in public sector construction spending and \$1.5 billion in private sector construction costs, primarily due to insurance premiums and legal fees.





- An estimated \$110 million annually is spent on insurance claims and legal/administrative costs related to the law.
- Using an economic model, potential reforms to Labor Law 240 could result in a net gain of up to \$150 million in output, approximately 12,000 jobs, and \$480 million in labor income for New York State.

#### Conclusions

- Reforming Labor Law 240 could alleviate some financial burdens on both the public and private sectors.
- Redirecting funds from legal and insurance costs to infrastructure investment could stimulate economic growth and employment.
- Further research and data are needed to fully quantify the benefits and impacts of potential reforms.

#### Article 3 - One-of-a-Kind Labor Law

- Scaffold law has caused insurance premiums in NY to rise higher than those of others and also caused some major carriers to leave the market altogether
- According to this article NY Labor Law 240 was first enacted in 1885 and has seen revisions over the years since
- Labor Law 240 has a “companion” called Labor Law 241 that targets safety on the ground
- Trade contractors in NY may be paying 7%-10% of their revenue in insurance costs compared to a range of 3%-5% that others pay elsewhere in the US
- Excess carriers may be using the following costs regarding scaffold law cases
  - \$2 million per occurrence
  - \$4 million aggregate
  - \$4 million products and completed operations coverage
- Insurance carriers who remain in the market have become highly selective about the risks they are willing to insure and are imposing more coverage exclusions to limit the risk/exposure they take on
- To mitigate and reduce claims certain insurance carriers may start requiring full-time safety personnel on job sites
- Insurance carriers may also start requiring trade contractors to review the insurance coverage of the subcontractors they hire to make sure there is adequate coverage in the event of an accident

#### Article 4 - Labor Law Quick Facts

- Scaffold Law a.k.a (Labor Law 240) was first enacted in the 19th century
- It holds property owners, employers, & contractors 100% liable for “gravity-related injuries.”
- These types of claims have virtually no defense from a lawsuit, regardless of the worker's negligence
- Parties with no supervisory control over the work are also held liable
- The annual cost of The Scaffold Law on NYC schools is equal to...
  - 2-3 new schools



- 75 major renovations
- 1000 teachers hired
- Scaffold law costs taxpayers \$785 million annually
- More than half of the top 30 highest settlements resulted from scaffold law claims with 25% being against public entities
- Scaffold law added an estimated \$200-\$400 million in additional construction costs
- 33 county legislatures in NY (more than half the state) have passed scaffold law reform bills
- Scaffold law costs upstate schools \$200 million annually
- The New York School Construction Authority (SCA) increased insurance costs are equivalent to 8-10 new schools over 3 years, as of the article publication, there was a shortage of nearly 50,000 pre-K seats in NYC
- Even though injury rates have decreased since 1990, scaffold law cases have increased by 500%
- Scaffold law costs the private sector \$4.19 billion annually
- Scaffold law is associated with 670 additional construction injuries annually
- Scaffold law reform could potentially create over 27,000 jobs in the construction industry
- When the state of Illinois repealed its scaffold law in 1995, construction-related fatalities decreased by over 28% in the six years that followed

#### Article 5 - In Their Own Words, Trial Attorneys "State the Case"

- Injured workers in ... accidents do not need to establish that the contractor/owner was at fault
- NY labor law favors the victim
- Regardless of the negligence of the worker, the contractor or property owner may be held liable for total compensatory damages paid to the worker
- The injured worker doesn't have to prove that the contractor/owner was at fault and the contractor/owner can't prove that they were negligent
- The law creates a liability/right of recovery where none would otherwise exist. Liability is assumed
- Due to scaffold law, the following comparison of incurred insurance claim costs on joint NY-NJ bridge projects is as such
  - NJ: \$10.3 million
  - NY: \$22.7 million

#### Article 6 - Adding a Comparative Negligence Standard

- A quote stating how the injured worker's behavior does not matter when a Scaffold Law claim is made "It doesn't matter if the worker was inebriated, distracted, engaged in horseplay, carelessness or behaved in a way that invited injury."
- The Gateway Rail Tunnel Project could have an additional \$300 million added to construction costs as a result of the Scaffold Law



- Insurance costs on the Mario Cuomo Bridge topped over \$200 million
- New York's Scaffold Law adds an average of \$10,000 to the cost of every home built
- Scaffold law not only pertains to falls but also to falling objects
- There are no caps on liability and there are no workers comp limitations
- 5 of the top 20 verdicts in New York in 2016 were Scaffold Law cases, and these verdicts totaled \$53.3 million
- 1/3 of the 50 highest reported mediated settlements involve scaffold law claims
- Habitat for Humanity has struggled to find insurance after Superstorm Sandy. The organization claims that Scaffold Law hinders its ability to work in NY

#### Article 7 - New decisions could bring big changes: Recent trends in New York labor law

[Decisions upheld in favor of defendants as of 9/20/2023]

1. "Falls from heights may be insufficient to substantiate a 240(1) violation"
  - a. Using the example of the plumber who fell from this section, it was determined that another event/condition is what caused him to fall from the ladder, meaning that it was the electrocution that caused him to fall, not a deficiency on the part of the ladder that contributed to his injury
2. "Routine tasks do not constitute an enumerated activity"
  - a. Any of these seven "enumerated activities" fall within the parameters set out under 240(1)
    - i. Erection
    - ii. Demolition
    - iii. Repairing
    - iv. Altering
    - v. Painting
    - vi. Cleaning
    1. A reference to a case mentioned in the article, Healy v. EST Downtown, LLC., 2022 N.Y. Slip Opp. (April 28, 2022). In short, the plaintiff was a property manager who fell from a ladder while removing a bird nest from a gutter
    2. As determined from a prior, unrelated, case Soto v. J.Crew, Inc., 21 N.Y.3d 562 (2013) classified tasks that don't classify as cleaning are "(1) are routine; (2) do not require specialized equipment or expertise; (3) generally involve insignificant elevation risks; and (4) are unrelated to ongoing construction, renovation, painting, operation, and/or repair."
    3. The final result of the case was that the plaintiff was performing a routine task, and the defendant was not guilty



4. Going forward the outcome of the Healy case affirms that to involve classifying the accident as “cleaning” the work at issue must relate to ongoing construction, renovation, painting, operation, or repair.
    - vii. Pointing of a structure
  3. “Plaintiff’s failure to properly set up a ladder may trigger a sole proximate cause defense”
    - a. To establish a claim, plaintiffs are required to demonstrate “(1) that the statute was violated; and (2) that said violation was the proximate cause of his or her injury.”
    - b. In reference to the case, “Bonczar v. American Multi-Cinema, Inc., No. 2022-02835 (April 28, 2022)” mentioned in the article, the plaintiff was making a claim as a result of a fall from a ladder. The outcome of the case was in the defendant’s favor. The decision was made based on the court’s ruling that the fall occurred from the ladder due to the plaintiff’s acts or omissions concerning the positioning of the ladder as the sole cause of the incident.
    - c. Upon the case proceeding to trial, the court found that the plaintiff’s failure to properly and adequately secure the subject ladder was the sole cause of the injury
    - d. “The Fourth Department affirmed the verdict, which demonstrated that a Section 240(1) allegation may be overcome by showing that a defendant’s actions were not the sole proximate cause of a given accident. The Court of Appeals then upheld the Fourth Department’s decision.”
  4. Narrowing Scope of Labor Law 240(1) offenses
    - a. The points above are an indication that New York State is starting to narrow the scope of what can be classified as a violation of Labor Law 240(1)
    - b. Defendants now have greater grounds to defend their position
    - c. Plaintiffs must now have to identify and provide evidence of a failure or shortcoming of devices/safety devices OR that the activity in which an injury resulted was being performed directly related to construction or construction-related tasks.

## Article 8 - Tightening the Labor Law: Falling Objects & 240(1)

- New York's Labor Law 240(1) holds property owners and contractors liable for failing to provide proper safety devices, leading to worker injuries.
- Courts have narrowed its application to specific height-related risks, covering only injuries from falling objects or workers falling from heights.
- Recent cases emphasize that liability applies only if the object was inadequately secured and posed a foreseeable risk.
- The interpretation of what constitutes a "foreseeable risk" remains a key issue, influencing the scope of liability under the law.

## Article 9 - New York Scaffolding Law Reform

- New York's Scaffold Law, enacted in 1885, is designed to protect construction workers from falls, a leading cause of death in the industry.



- Recent efforts to reform this law are criticized as a step backward for worker safety.
- Opponents argue that reform would benefit contractors at the expense of workers, who rely on these protections.
- Supporters of the law believe that safety standards and legal accountability are crucial to preventing accidents and protecting workers.



## ATTACHMENT F: DATA SOURCES



**Lightcast** (formerly Emsi Burning Glass) is a global leader in labor market analytics, offering a data platform that gives a comprehensive, nuanced, and up-to-date picture of labor markets at all scales from national to local. Key components of the platform include traditional labor market information, job postings analytics, talent profile data, compensation data, and skills analytics. Lightcast integrates government data with information from online job postings, talent profiles, and resumes to produce timely intelligence on the state of the labor market. Job and compensation data is available by industry, occupation, educational program, and skill type. [Click to learn more.](#)



**Esri ArcGIS Business Analyst** combines proprietary statistical models covering demographic, business, and spending data with map-based analytics to offer insights on market opportunities for industries, businesses, and sites. Business Analyst integrates datasets covering a wide range of topics including demographics, consumer spending, market potential, customer segmentation, business locations, traffic counts, and crime indexes, which can be overlaid spatially to produce customizable maps and uncover market intelligence. Data can be pulled for standard and custom geographies, allowing for valuable comparison between places. [Click to learn more.](#)



**CoStar** is a comprehensive source of commercial real estate intelligence, offering an inventory of over 6.4 million commercial properties spanning 135 billion square feet of space in 390 markets across the US. CoStar covers office, retail, industrial, hospitality, and multifamily markets. Property- and market-level data on absorption, occupancy, lease rates, tenants, listings, and transactions are researched and verified through calls to property managers, review of public records, visits to construction sites, and desktop research to uncover nearly real-time market changes. [Click to learn more.](#)



**RSMMeans** data from Gordian provides up-to-date construction cost information for dozens of residential and commercial building types. Cost-per-square-foot data can be used to develop construction cost estimates for use in market analysis and financial feasibility analysis, incorporating estimates for material, labor, and equipment. National cost averages can be adjusted for 970+ specific geographies using location factors down to the city level, and historical cost indexes can be used to adjust costs over time. [Click to learn more.](#)



**Redfin** is a national real estate brokerage and analytics firm that offers access to its extensive for-sale residential property listings database. Data is aggregated from the hundreds of local multiple listings services (MLS) used by real estate agents in the markets where it operates. The data covers broker-listed homes from the MLS, homes in foreclosure, select for-sale by owner (FSBO) homes, and records of past sales. Redfin's downloadable data on market trends is released monthly and is available at the national, metro, state, county, city, ZIP code, and neighborhood level. [Click here to learn more.](#)



**Multiple Listings Services (MLS)** are individual private databases of for-sale residential property listings designed to consolidate property information and connect homebuyers and sellers. More than 500 MLSs exist in the US, covering different geographic regions and markets. Individual property listings are often publicly accessible, while aggregated data on sales prices and trends can typically only be accessed through direct cooperation with an MLS. Many MLSs also provide listing information to third-party aggregators such as Realtor.com or Zillow. [Click here to learn more.](#)





The **American Community Survey** (ACS) is an ongoing statistical survey by the US Census Bureau that gathers demographic and socioeconomic information on age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, commute patterns, and other topics. Mandatory to fill out, the survey is sent to a small sample of the population on a rotating basis. The questions on the ACS are different than those asked on the decennial census and provide ongoing demographic updates of the nation down to the block group level. [Click to learn more.](#)



The **American Housing Survey** (AHS) is sponsored by the Department of Housing and Urban Development (HUD) and conducted by the U.S. Census Bureau. The AHS is a longitudinal housing unit survey conducted biennially in odd-numbered years, with samples redrawn in 1985 and 2015. The survey provides information about the quality and cost of housing in the United States and major metropolitan areas including the physical condition of homes and neighborhoods, the costs of financing and maintaining homes, and the characteristics of people who live in these homes. [Click to learn more.](#)

## Building Permits Survey | US Census Bureau

The US Census Bureau's **Building Permits Survey** collects data on permits for new privately-owned residential construction issued by 21,000 jurisdictions, at the state, county, metro, and permit-issuing jurisdiction levels. Monthly data are available for nearly 9,000 jurisdictions, with the remaining jurisdictions reporting annual data only. The building permits database can be accessed via the State of the Cities Data Systems (SOCDS) from HUD. [Click to learn more.](#)



# ABOUT CAMOIN ASSOCIATES

As the nation's only full-service economic development and lead generation consulting firm, Camoin Associates empowers communities through human connection backed by robust analytics.

Since 1999, Camoin Associates has helped local and state governments, economic development organizations, nonprofit organizations, and private businesses across the country generate economic results marked by resiliency and prosperity.

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## The Project Team

Rachel Selsky  
Principal

Tom Dworetzky  
Senior Data and Research Advisor

Dawn Otterby  
Analyst

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Organizational  
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and Talent Retention



Entrepreneurship  
and Innovation







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TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY  
APPLICATION FOR CONSENT TO SUBLEASE

APPLICATION OF: Hawkins Ave Development RHP2, LLC ("Company")  
FOR CONSENT TO SUBLEASE TO  
Hammer and Stain Station Yards Inc. ("Subtenant")  
FACILITY/PROJECT: Hawkins Ave Development RHP2, LLC 2021 Facility - Ronk Hub Phase 2A  
DATE: October \_\_, 2024

Please respond to all items either by filing in blanks, by attachment (by marking space "see attachment number 1", etc.) or by N.A., where not applicable.

Application must be filed in one (1) original and one (1) electronic form.

A \$750.00 non-refundable application fee made payable to the Town of Brookhaven Industrial Development Agency is required at the time of submission to the Agency.

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

Please write or call:

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

(631) 406-4244

I. Company Data

A. Company: Hawkins Ave Development RH2, LLC  
Contact: Robert J. Coughlan  
Title/Position: Managing Member  
Address: aka Titenc Rest Estate Company, Inc. 55 Stony Brook Technology Center 45 Research Way, Suite 100, East Setauket, NY 11733  
Phone: [REDACTED]  
Federal Employer I.D.: 81-2508651

B. Related User of the Facility:

Name	Relationship
_____	_____
_____	_____
_____	_____

C. Company Counsel

Firm Name: Farrell Fritz, P.C.  
Individual Attorney: Peter L. Curry, Esq.  
Address: 400 RXR Plaza, Uniondale, NY 11556  
Phone: (516) 227-0772

II. Project/Facility Data

A. Location of Project: North Side of Railroad Avenue and East Side of Hawkins Avenue  
Address: Railroad Avenue and Hawkins Avenue, Ronkonkoma, NY 11779

S.C. Tax Map:  
District 0200 Section 799.00 Block 04.00 Lot 053.000 & 054.000  
0200 800.00 2 01.00 027.001



B. Current Occupants, Area Occupied, and Uses

Current Occupant	Area Occupied (Sq. Ft.)	Use	Current # of FTEs
Vacant	N/A	N/A	N/A

III. Proposed Subtenant

A. Name of Subtenant: Hammer and Stain Station Yards Inc.

B. Address: 15 Main St., Sayville, NY 11782

C. Contact:

Name: Sandra Bernius

Phone: [REDACTED]

D. Affiliates Names and Addresses: [REDACTED]

E. Current Location: 15 Main St., Sayville, NY 11782

F. Subtenant Counsel:

Firm Name: McGiff Halverson Dooley, LLP

Individual Attorney: Robert R. Dooley, Esq.

Address: 96 South Ocean Avenue, 2nd Floor, Patchogue, NY 11772

Phone: (631)730-8686

- G. Will the completion of the project or the subleasing to the Subtenant 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 X

- i. If no, explain how current facilities will be utilized

Current facilities will continue to operate regularly.

\_\_\_\_\_  
\_\_\_\_\_

- ii. If yes, please indicate whether the subleasing of the Facility to the Subtenant is reasonably necessary for the Subtenant to maintain its competitive position in its industry or remain in the State and explain in full:

N/A

\_\_\_\_\_  
\_\_\_\_\_

- H. Principal stockholders, members, or partners, if any, of Subtenant:

Name and Address

Sandra Bernius

Roy Winstanley

\_\_\_\_\_  
\_\_\_\_\_

Percent Owned

75

25

\_\_\_\_\_  
\_\_\_\_\_

I. Has the Subtenant, or any subsidiary or affiliate of the Subtenant, 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?

YES \_\_\_\_\_ NO ☒ \_\_\_\_\_

1. If yes, please explain

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ii. Been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)?

YES \_\_\_\_\_ NO ☒ \_\_\_\_\_

1. If yes, please explain

---

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J. Relationship of Subtenant to Company (e.g., affiliate, arm's-length tenant, etc.)

Arm's-length tenant

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K. Proposed area of the facility to be occupied by the Subtenant (Sq. Ft.) 2,463 sq. ft.

L. Describe the specific operations of the Subtenant or other users to be conducted at the project site:

A business consistent with the items and services typically offered in other Hammer and Stain DIY Workshops.

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- M. Does the proposed use and occupancy of the Subtenant conform with all applicable zoning, planning, building and Environmental Laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Facility?

YES X NO \_\_\_\_\_

i. If no, please explain

---

---

IV. Proposed Sublease Agreement Terms

- A. **Attach a copy of Executed Sublease Agreement (may be conditioned upon Agency approval)**

Term: 11 years  
Commencement Date: September 6, 2024  
Guarantors: Sandra Bernius  
Base Rent: 96,057.00 per annum  
Base Rent Increases and Intervals: 3% per annum  
Common Area Rent: Approximately \$8.77 per square foot

- B. Improvements to Proposed Demised Area to be Made by **Company**

Description: See attachment 1.  
\_\_\_\_\_  
\_\_\_\_\_  
Cost: \_\_\_\_\_

Source of Payment: Equity and construction loan.  
\_\_\_\_\_

- C. Improvements to Proposed Demised Area to be Made by **Subtenant**

Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Cost: \_\_\_\_\_

Source of Payment: Company allowance and Subtenant equity.

D. Fair Market Rent Evaluation

Is rent to be charged Fair Market? YES X NO \_\_\_\_\_

How was Fair Market rent determined? (Attach supporting documentation)

Company retained Long Island based commercial real estate broker.

E. Does or will any of the "Financial Assistance" provided by the Agency, including Real Estate Tax Exemption, Sales and Use Tax Exemption, benefit the Subtenant in any manner?

YES X NO \_\_\_\_\_

If yes, explain

The Subtenant will benefit because the tax payment Subtenant is responsible for is lower than if there was no Financial Assistance and the Company's work letter will benefit from the sales tax exemption.

F. How many Full-Time Equivalent Employees (FTEs) are there presently at the subtenant's current location: 0

How may additional FTEs are to be expected at the Facility regarding this application: 1

G. Salary and Fringe Benefits by Subtenant

Jobs To be Created:

	Average Salary	Average Fringe Benefits
Salary Wage Earners	0	0
Commission Wage Earners	0	0
Hourly Wage Earners	\$18/hour	0
1099/Contract Workers	0	0

What is the annualized salary range of jobs to be created?  
 \$30,000 to \$35,000

What is the number of construction jobs created as a result of this Subtenant Application? 1 Contractor responsible for subs (FTEs)

V. Mortgagees

Have the Holders of all mortgages or record consented to the proposed sublease?

YES \_\_\_\_\_ NO X

If yes, attach evidence thereof.




COMPANY CERTIFICATION

Robert J. Coughlan [Insert name of Chief Executive Officer/Manager/Partner of proposed Company] deposes and says that s/he is the Managing Member [insert title] of Hawkins Ave Development RHP2, LLC [insert name of Company], the company named in the attached application; that s/he has read the foregoing application and knows the contents thereof; that the same is true to her/his knowledge.

Deponent further says that the reason this verification is being made by the deponent and not by Hawkins Ave Development RHP2, LLC

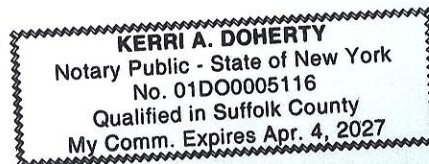
[insert name of Company] is because the said company is a limited liability company [insert type of entity]. The grounds of deponent's belief relative to all matters in the said application which are not stated upon her/his own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from books and papers of said company.

As an Managing Member [insert position, e.g., officer, member, manager, partner] of said company (hereinafter referred to as 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 and all matters relating to the proposed sublease, including the Agency's attorneys' fees, regardless of whether or not 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 consummate the sublease for any reason. upon presentation of invoices, applicant shall pay to the agency, its agents or assigns, all costs incurred with respect to the application, including fees to counsel for the agency and fees of general counsel for the agency.

  
\_\_\_\_\_  
Chief Executive Officer/Member/Manager/Partner of Company  
Robert J. Coughlan  
Managing Member

Sworn to before me this  
9<sup>th</sup> day of October 2024

Kerri A. Doherty  
\_\_\_\_\_  
NOTARY PUBLIC

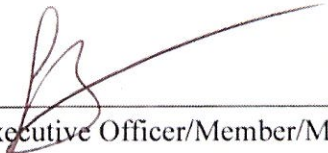




SUBTENANT CERTIFICATION

Sandra Bernius [Insert name of Chief Executive  
Officer/Manager/Partner of proposed Subtenant] deposes and says that s/he is the  
owner [insert title] of Hammer and Stain Station Yards Inc.  
[insert name of Subtenant], the proposed subtenant named in the attached application; that s/he  
has read the foregoing application and knows the contents thereof; that the same is true to  
her/his knowledge.

Deponent further says that the reason this verification is being made by the deponent and not  
by Hammer and Stain Station Yards Inc. [insert name of Subtenant] is because the said  
proposed subtenant is a corporation [insert type of entity]. The  
grounds of deponent's belief relative to all matters in the said application which are not stated  
upon her/his own personal knowledge, are investigations which deponent has caused to be made  
concerning the subject matter of this application as well as information acquired by deponent  
in the course of his duties as an officer of and from books and papers of said proposed subtenant.

  
\_\_\_\_\_  
Chief Executive Officer/Member/Manager/Partner of Subtenant

Sworn to before me this  
8 day of October 2014

  
\_\_\_\_\_  
NOTARY PUBLIC

**JASON MURIEL**  
NOTARY PUBLIC, STATE OF NEW YORK  
NO. 01MU6332858  
QUALIFIED IN SUFFOLK COUNTY  
COMMISSION EXPIRES NOVEMBER 09, 2027



I. Company Data

A. Company: Hawkins Ave Development RHP2, LLC  
Contact: Robert J. Coughlan  
Title/Position: Managing Member  
Address: 9 Hawkins Avenue, Suite 3500/5th Floor, Ronkonkoma NY 11779  
Phone: [REDACTED]  
Federal Employer I.D.: 81-2508651

B. Related User of the Facility:

Name	Relationship
<u>N/A</u>	<u>N/a</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

C. Company Counsel

Firm Name: Farrell Fritz, P.C.  
Individual Attorney: Peter L. Curry, Esq.  
Address: 400 RXR Plaza, Uniondale, NY 11556  
Phone: 516-227-0772

II. Project/Facility Data

A. Location of Project: North Side of Railroad Avenue & East Side of Hawkins Avenue  
Address: Railroad Avenue & Hawkins Avenue, Ronkonkoma, NY 11779  
S.C. Tax Map:  
District 0200 Section 799.00 Block 04.00 Lot 054.001

B. Current Occupants, Area Occupied, and Uses

Current Occupant	Area Occupied (Sq. Ft.)	Use	Current # of FTEs
Vacant	N/A	N/A	N/A

III. Proposed Subtenant

- A. Name of Subtenant: Cornucopia Natural Foods LLC
- B. Address: [REDACTED]
- C. Contact:
- Name: Drew Alexander
- Phone: [REDACTED]
- D. Affiliates Names and Addresses: \_\_\_\_\_
- E. Current Location: \_\_\_\_\_
- F. Subtenant Counsel:
- Firm Name: Rosenberg & Pittinsky, LLP
- Individual Attorney: Eric Rosenberg, Esq.
- Address: 232 Madison Avenue, Suite 906, New York, NY 10016
- Phone: (212) 286-6100



- G. Will the completion of the project or the subleasing to the Subtenant 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 X

- i. If no, explain how current facilities will be utilized

Current facilities will continue to operate regularly

- ii. If yes, please indicate whether the subleasing of the Facility to the Subtenant is reasonably necessary for the Subtenant to maintain its competitive position in its industry or remain in the State and explain in full:

- H. Principal stockholders, members, or partners, if any, of Subtenant:

Name and Address	Percent Owned
Drew Alexander, [REDACTED]	100%
Sayville, New York [REDACTED]	

- I. Has the Subtenant, or any subsidiary or affiliate of the Subtenant, 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?

YES \_\_\_\_\_ NO X \_\_\_\_\_

1. If yes, please explain

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---

- ii. Been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)?

YES \_\_\_\_\_ NO X \_\_\_\_\_

1. If yes, please explain

---

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- J. Relationship of Subtenant to Company (e.g., affiliate, arm's-length tenant, etc.)

Arm's-length tenant

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- K. Proposed area of the facility to be occupied by the Subtenant (Sq. Ft.) 6,948 sq ft

- L. Describe the specific operations of the Subtenant or other users to be conducted at the project site:

A health food grocery market.

---

---

---

- M. Does the proposed use and occupancy of the Subtenant conform with all applicable zoning, planning, building and Environmental Laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Facility?

YES X NO       

i. If no, please explain

\_\_\_\_\_  
\_\_\_\_\_

IV. Proposed Sublease Agreement Terms

- A. **Attach a copy of Executed Sublease Agreement (may be conditioned upon Agency approval)**

Term: 11 years  
Commencement Date: June 27, 2024  
Guarantors: Drew Alexander  
Base Rent: \$156,330.00  
Base Rent Increases and Intervals: 2% per annum  
Common Area Rent: approximately \$8.77 per square foot

- B. **Improvements to Proposed Demised Area to be Made by Company**

Description: See attached  
\_\_\_\_\_  
\_\_\_\_\_  
Cost: \_\_\_\_\_

Source of Payment: Equity and construction loan  
\_\_\_\_\_

- C. **Improvements to Proposed Demised Area to be Made by Subtenant**

Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Cost: \_\_\_\_\_

Source of Payment: \_\_\_\_\_

D. Fair Market Rent Evaluation

Is rent to be charged Fair Market? YES X NO \_\_\_\_\_

How was Fair Market rent determined? (Attach supporting documentation)

Company retained Long Island based commercial real estate broker

E. Does or will any of the "Financial Assistance" provided by the Agency, including Real Estate Tax Exemption, Sales and Use Tax Exemption, benefit the Subtenant in any manner?

YES X NO \_\_\_\_\_

If yes, explain

The Subtenant will benefit because the tax payment Subtenant is responsible for is lower than if there was no Financial Assistance and the Company's work letter will benefit from the sales tax exemption.

F. How many Full-Time Equivalent Employees (FTEs) are there presently at the subtenant's current location: 25

How many additional FTEs are to be expected at the Facility regarding this application: 25

G. Salary and Fringe Benefits by Subtenant

Jobs To be Created:

	Average Salary	Average Fringe Benefits
Salary Wage Earners	52,000	
Commission Wage Earners		
Hourly Wage Earners	33,000	
1099/Contract Workers		

What is the annualized salary range of jobs to be created? \$ 21,216 to \$ 75,000

What is the number of construction jobs created as a result of this Subtenant Application? \_\_\_\_\_ (FTEs)

V. Mortgagees

Have the Holders of all mortgages or record consented to the proposed sublease?

YES \_\_\_\_\_ NO \_\_\_\_\_

If yes, attach evidence thereof.

COMPANY CERTIFICATION

Robert J. Coughlan \_\_\_\_\_ [Insert name of Chief Executive  
Officer/Manager/Partner of proposed Company] deposes and says that s/he is the  
Managing Member \_\_\_\_\_ [insert title] of Hawkins Ave Development RHP2, LLC  
[insert name of Company], the company named in the attached application; that s/he has read the  
foregoing application and knows the contents thereof; that the same is true to her/his knowledge.

Deponent further says that the reason this verification is being made by the deponent and not by  
Hawkins Ave Development RHP2, LLC \_\_\_\_\_

[insert name of Company] is because the said company is a \_\_\_\_\_ limited liability company  
[insert type of entity]. The grounds of deponent's belief relative to all matters in the said application  
which are not stated upon her/his own personal knowledge, are investigations which deponent has  
caused to be made concerning the subject matter of this application as well as information acquired  
by deponent in the course of his duties as an officer of and from books and papers of said company.

As an \_\_\_\_\_ Managing Member [insert position, e.g., officer, member, manager, partner] of said  
company (hereinafter referred to as 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  
and all matters relating to the proposed sublease, including the Agency's attorneys' fees, regardless  
of whether or not 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  
consummate the sublease for any reason. upon presentation of invoices, applicant shall pay to the  
agency, its agents or assigns, all costs incurred with respect to the application, including fees to  
counsel for the agency and fees of general counsel for the agency.

  
\_\_\_\_\_  
Chief Executive Officer/Member/Manager/Partner of Company

Sworn to before me this  
1<sup>st</sup> day of October


  
\_\_\_\_\_  
NOTARY PUBLIC

LINDA M LOBIONDO  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01LO6187648  
Qualified in Suffolk County  
My Commission Expires 05-27-2028

SUBTENANT CERTIFICATION

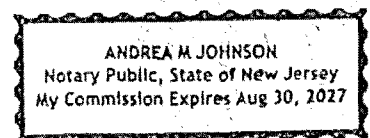
Orew Alexander [Insert name of Chief Executive Officer/Manager/Partner of proposed Subtenant] deposes and says that s/he is the Managing Member [insert title] of Cornucopia Natural Foods LLC [insert name of Subtenant], the proposed subtenant named in the attached application; that s/he has read the foregoing application and knows the contents thereof; that the same is true to her/his knowledge.

Deponent further says that the reason this verification is being made by the deponent and not by Cornucopia Natural Foods LLC [insert name of Subtenant] is because the said proposed subtenant is a LLC [insert type of entity]. The grounds of deponent's belief relative to all matters in the said application which are not stated upon her/his own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from books and papers of said proposed subtenant.

  
\_\_\_\_\_  
Chief Executive Officer/Member/Manager/Partner of Subtenant

Sworn to before me this  
26 day of August, 2024

  
\_\_\_\_\_  
NOTARY PUBLIC





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

DATE: \_\_\_\_\_

APPLICATION OF: \_\_\_\_\_  
Name of Owner and/or User of Proposed Project

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

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

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

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

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

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

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

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

## **INDEX**

**PART I      OWNER AND USER DATA**

**PART II     OPERATION AT CURRENT LOCATION**

**PART III    PROJECT DATA**

**PART IV    PROJECT COSTS AND FINANCING**

**PART V     PROJECT BENEFITS**

**PART VI    EMPLOYMENT DATA**

**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): \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Federal Employer ID #: \_\_\_\_\_ Website: \_\_\_\_\_

NAICS Code: \_\_\_\_\_

Owner Officer Certifying Application: \_\_\_\_\_

Title of Officer: \_\_\_\_\_

Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Limited Liability Company ☐

Privately Held ☐ Public Corporation ☐ Listed on \_\_\_\_\_

State of Incorporation/Formation: \_\_\_\_\_

C. Nature of Business:

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

\_\_\_\_\_

D. Owner Counsel:

Firm Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Individual Attorney: \_\_\_\_\_

Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

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

Name	Percent Owned
_____	_____
_____	_____
_____	_____

## 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)

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

---



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## 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.

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---

## 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:

---



---

## I. List parent corporation, sister corporations and subsidiaries:

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- 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:

---

---

- K. List major bank references of the Owner:

---

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2. User Data

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

- A. User (together with the Owner, the “Applicant”): \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Federal Employer ID #: \_\_\_\_\_ Website: \_\_\_\_\_

NAICS Code: \_\_\_\_\_

User Officer Certifying Application: \_\_\_\_\_

Title of Officer: \_\_\_\_\_

Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

- B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Privately Held ☐

Public Corporation ☐ Listed on \_\_\_\_\_

State of Incorporation/Formation: \_\_\_\_\_

- C. Nature of Business:

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

---

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

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of “F” below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User’s Counsel:

Firm Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Individual Attorney: \_\_\_\_\_

Phone Number: \_\_\_\_\_

E-mail: \_\_\_\_\_

F. Principal Stockholders or Partners, if any:

Name

Percent Owned

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

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

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

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

---

---

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

---

---

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

---

---

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

---

---

- L. List major bank references of the User:

---

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**Part II – Operation at Current Location**

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

1. Current Location Address: \_\_\_\_\_

2. Owned or Leased: \_\_\_\_\_

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

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

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

Yes ☐ No ☐

A. If yes, list the Address: \_\_\_\_\_

6. Will the completion of the project result in the removal of any facility or facilities of the Applicant from one area of the state to another OR in the abandonment of any facility or facilities of the Applicant located within the State? Yes ☐ No ☐

A. If no, explain how current facilities will be utilized: \_\_\_\_\_

---

- B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:

---

---

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

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

---

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

A. Please explain: \_\_\_\_\_

---

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

---

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### **Part III – Project Data**

1. Project Type:

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

Straight Lease ☐    Taxable Bonds ☐    Tax-Exempt Bonds ☐  
 Equipment Lease Only ☐

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

Sales Tax Exemption ☐    Mortgage Recording Tax Exemption ☐  
 PILOT Agreement: ☐

2. Location of project:

A. Street Address: \_\_\_\_\_

B. Tax Map: District \_\_\_\_\_ Section \_\_\_\_\_ Block \_\_\_\_\_ Lot(s) \_\_\_\_\_

C. Municipal Jurisdiction:

i. Town: \_\_\_\_\_  
 ii. Village: \_\_\_\_\_  
 iii. School District: \_\_\_\_\_

D. Acreage: \_\_\_\_\_

3. Project Components (check all appropriate categories):

A. Construction of a new building ☐ Yes ☐ No

i. Square footage: \_\_\_\_\_

B. Renovations of an existing building ☐ Yes ☐ No

i. Square footage: \_\_\_\_\_

C. Demolition of an existing building ☐ Yes ☐ No

i. Square footage: \_\_\_\_\_

D. Land to be cleared or disturbed ☐ Yes ☐ No

i. Square footage/acreage: \_\_\_\_\_

E. Construction of addition to an existing building ☐ Yes ☐ No

i. Square footage of addition: \_\_\_\_\_

ii. Total square footage upon completion: \_\_\_\_\_

F. Acquisition of an existing building ☐ Yes ☐ No

i. Square footage of existing building: \_\_\_\_\_

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

\_\_\_\_\_

4. Current Use at Proposed Location:

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

- i. If no, please list the present owner of the site: <sup>107 Northern Associates, Sifar</sup>  
Associates, Netjat Associates

B. Present use of the proposed location: \_\_\_\_\_

\_\_\_\_\_

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

- i. If yes, explain: \_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: \_\_\_\_\_

a 2,620 sf clubhouse. The community will be connected to a County sewage treatment plan per the Town's request, which the applicant has agreed to despite the incremental cost and additional affordability required in doing so (compared to on-site STP as originally intended). The 74 apartments will leased to residents (55+) and managed by the applicant. 12 of the units (16.2% of total) will be set aside as affordable apartments for low income Brookhaven residents.

B. Proposed product lines and market demands \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- 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:

---



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

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---



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- E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes ☐ No ☐

- i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? \_\_\_\_\_

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

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

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

## 6. Project Work:

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

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

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

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

Yes ☐ No ☐

D. If a change of zoning is required, please provide the details/status of the change of zone request: \_\_\_\_\_

---

---

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: \_\_\_\_\_

ii. Construction/Renovation/Equipping: \_\_\_\_\_

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: \_\_\_\_\_

---

## **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	\$ _____
Building(s) demolition/construction	\$ _____
Building renovation	\$ _____
Site Work	\$ _____
Machinery and Equipment	\$ _____
Legal Fees	\$ _____
Architectural/Engineering Fees	\$ _____
Financial Charges	\$ _____
Other (Specify)	\$ _____
Total	\$ _____

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

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:	\$ _____	_____ 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:	\$ _____	_____ years

Total Project Costs \$ \_\_\_\_\_

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

\_\_\_\_\_

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:

\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_



## **Part V – Project Benefits**

### 1. Mortgage Recording Tax Benefit:

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

\$ \_\_\_\_\_

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

\$ \_\_\_\_\_

### 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: \$ \_\_\_\_\_

ii. User: \$ \_\_\_\_\_

### 3. Real Property Tax Benefit:

- A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: \_\_\_\_\_

- B. Agency PILOT Benefit:

i. Term of PILOT requested: \_\_\_\_\_

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 \*\*: \_\_\_\_\_ 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: \_\_\_\_\_ **1**

Part-Time: \_\_\_\_\_ **1**

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

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

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

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

2. Salary and Fringe Benefits:

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

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

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

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

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

Yes ☐ No ☐

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

Yes ☐ No ☐

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

Yes ☐ No ☐

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

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

and permanent jobs. The applicant would not proceed with the project.

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

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

Initial 

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 h

10. The Applicant confirms and hereby acknowledges it has received the Agency's Construction Wage Policy attached hereto as Schedule B and agrees to comply with the same.

Initial h

11. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture and Termination Policy, attached hereto as Schedule C.

Initial h

12. The Applicant confirms and hereby acknowledges it has received the Agency's PILOT Policy attached hereto as Schedule D and agrees to comply with the same.

Initial h

13. The Company hereby authorizes the Agency, without further notice or consent, to use the Company's name, logo and photographs related to the Facility in its advertising, marketing, and communications materials. Such materials may include web pages, print ads, direct mail and various types of brochures or marketing sheets, and various media formats other than those listed (including without limitation video or audio presentations through any media form). In these materials, the Agency also has the right to publicize its involvement in the Project.

Initial h

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

Initial a

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

Initial h

### **Part VIII – Submission of Materials**

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

*(Remainder of Page Intentionally Left Blank)*



**Part IX – Special Representations**

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

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

Representative of the Applicant:  \_\_\_\_\_

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

Representative of the Applicant: \_\_\_\_\_

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

Representative of the Applicant:  \_\_\_\_\_

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

Representative of the Applicant:  \_\_\_\_\_

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

Representative of the Applicant:  \_\_\_\_\_

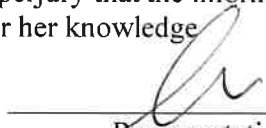
**Part X – Certification**

Scott Leyton (Name of representative of entities submitting application) deposes and says that he or she is the manager (title) of Ornstein Leyton Company, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

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

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

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

  
\_\_\_\_\_  
Representative of Applicant

Sworn to me before this 31  
Day of October, 20 24  
\_\_\_\_\_  
(seal)

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

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

## **EXHIBIT A**

### **Proposed PILOT Schedule**

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

**Town of Brookhaven Industrial Development**  
**Schedule of Fees**

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

The Agency reserves the right to adjust these fees.

Updated: November 17, 2020

## **SCHEDULE B**

### **CONSTRUCTION WAGE POLICY**

**EFFECTIVE January 1, 2005**

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

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

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

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

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

OR

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

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

Adopted: May 23, 2005

## **SCHEDULE C**

### **RECAPTURE AND TERMINATION POLICY**

**EFFECTIVE JUNE 8, 2016**

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

#### **I. Termination or Suspension of Financial Assistance**

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

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

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

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

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

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

## **II. Recapture of Financial Assistance**

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

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

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

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

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

## **III. Modification of Payment In Lieu of Tax Agreement**

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



## **SCHEDULE D**

### **Agency Payment in Lieu of Taxes (PILOT) Policy**

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

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

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



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

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

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

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

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

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

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

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

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

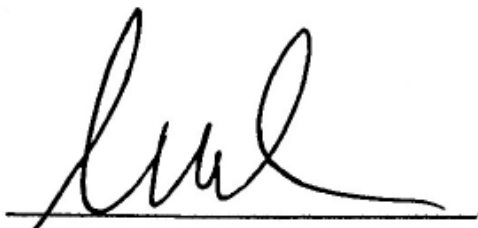
downsize and enjoy a maintenance-free, recreational lifestyle without having to leave their community of Brookhaven and Long Island while also freeing up existing housing stock.

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

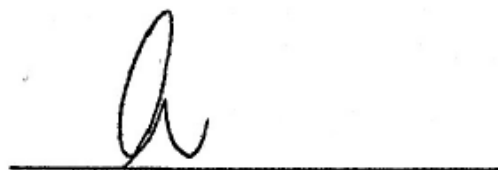
While the Applicant is confident that this luxurious development will be highly sought after, it cannot be built in the current macroeconomic environment without assistance from the Brookhaven IDA. Despite recent positive news on inflation and the prospect of rate cuts, the cost to construct, finance,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

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Alec', written over a horizontal line.

Alec Ornstein, Managing Member

A handwritten signature in black ink, appearing to read 'Scott', written over a horizontal line.

Scott Leyton, Managing Member

# Vineyards at Coram

Middle Country Road

Town of Brookhaven, Suffolk County

---

PREPARED FOR

**Orstein Leyton Company**

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

---

PREPARED BY



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

100 Motor Parkway  
Suite 350  
Hauppauge, NY 11788  
631.787.3440

November 2024

# Table of Contents

**1 Introduction.....1**

1.1 Project Overview ..... 1

1.2 Comprehensive Planning Documents ..... 4

1.2.1 1996 Town of Brookhaven Comprehensive Land Use Plan..... 4

1.2.2 2006 Middle Country Road Land Use Plan for Coram, Middle Island, and Ridge..... 6

1.3 Rental and Senior Housing Trends and Data..... 9

1.4 Local Trends in Senior Housing..... 11

**2 Anticipated Benefits of the Project .....12**

2.1 IDA Evaluation Criteria ..... 12

**3 Conclusions .....21**

## List of Tables

Table No.	Description	Page
Table 1	Rental Housing Units as Percentage of Total Occupied Housing Units.....	10
Table 2	Employment Impact (Construction Phase).....	13
Table 3	Employment Impact (Operational Phase).....	14
Table 4	Labor Income for Jobs Supported During Construction .....	14
Table 5	Labor Income for Jobs Generated During Operation .....	14
Table 6	Anticipated Retail Goods and Service Household Annual Spending of Proposed Project.....	16
Table 7	Existing Property Taxes for the Subject Property by Taxing Jurisdiction .....	19

## List of Figures

Figure No.	Description	Page
Figure 1	Site Location.....	2
Figure 2	Tax Map.....	3
Figure 3	Town of Brookhaven Comprehensive Land Use Plan .....	5
Figure 4	Coram Land Use Plan.....	8





# 1

## Introduction

### 1.1 Project Overview

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

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

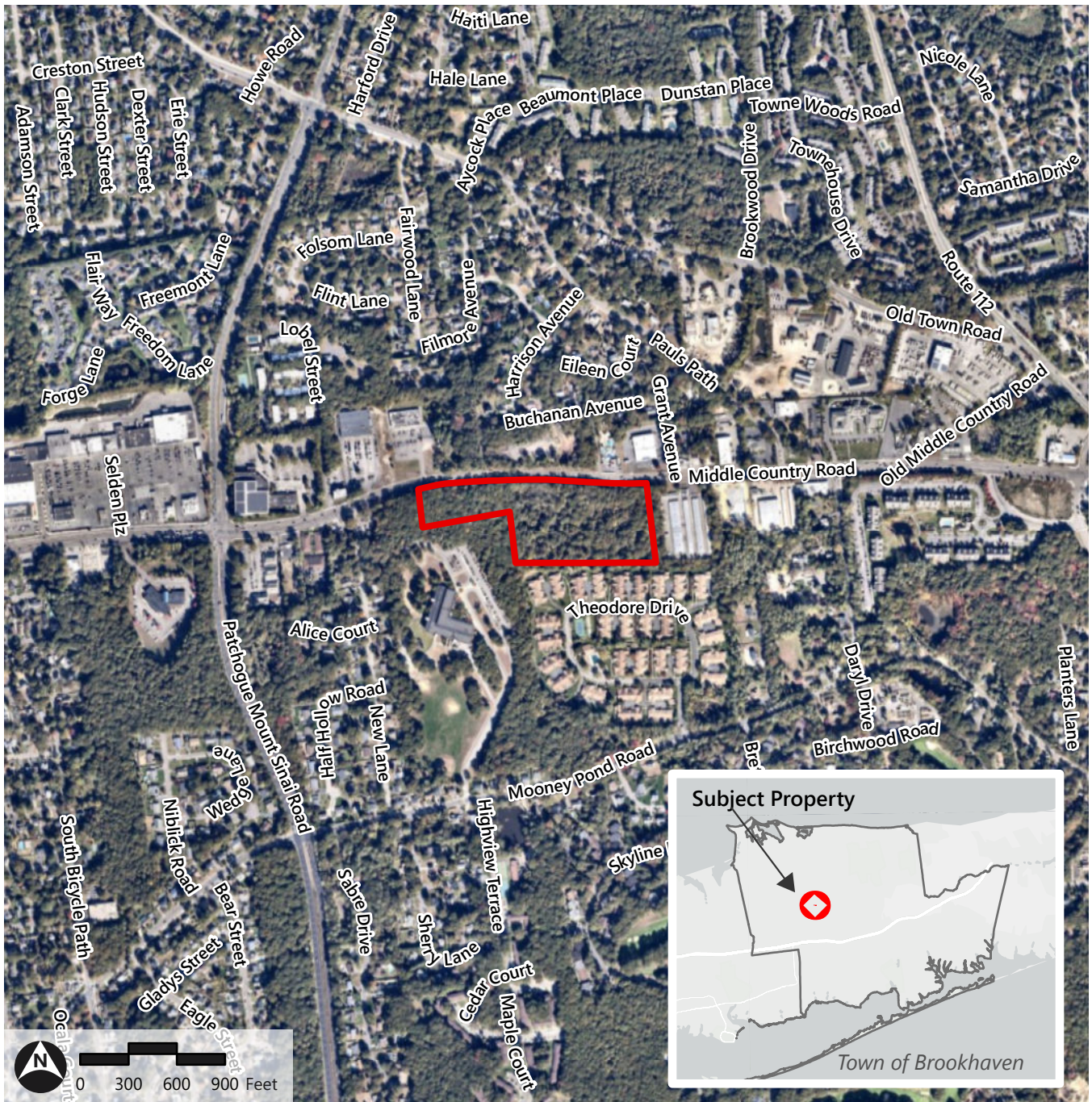
The Proposed Project involves a request for a change of zone to the PRC District to allow the construction of 74 rental residential units (including 12 affordable units), which would be age-restricted in accordance with the Town of Brookhaven Town Code (i.e., 55 years of age and older). The development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


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

## Figure 1: Site Location

Vineyards at Coram

Middle Country Road, Town of Brookhaven, Suffolk County



 Subject Property (boundaries are approximate)



## Figure 2: Tax Map

Vineyards at Coram

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



Subject Property (boundaries are approximate)

Suffolk County Tax Parcels

## 1.2 Comprehensive Planning Documents

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

### 1.2.1 1996 Town of Brookhaven Comprehensive Land Use Plan

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

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

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

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

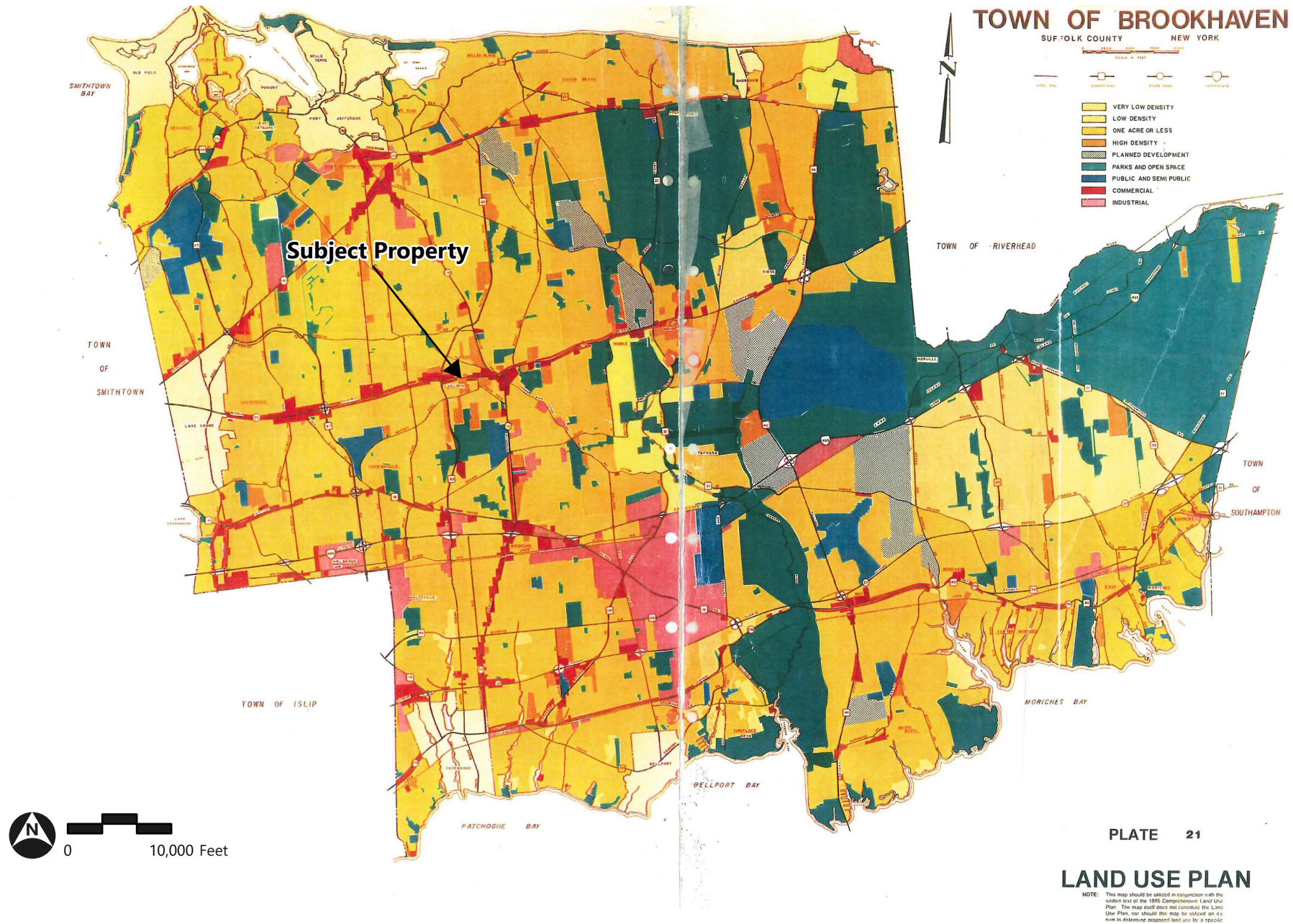
The proposed Vineyards at Coram would accomplish these Town-wide goals with respect to residential and commercial development.



### Figure 3: Town of Brookhaven Comprehensive Land Use Plan

Vineyards at Coram

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



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

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

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

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

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

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

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

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

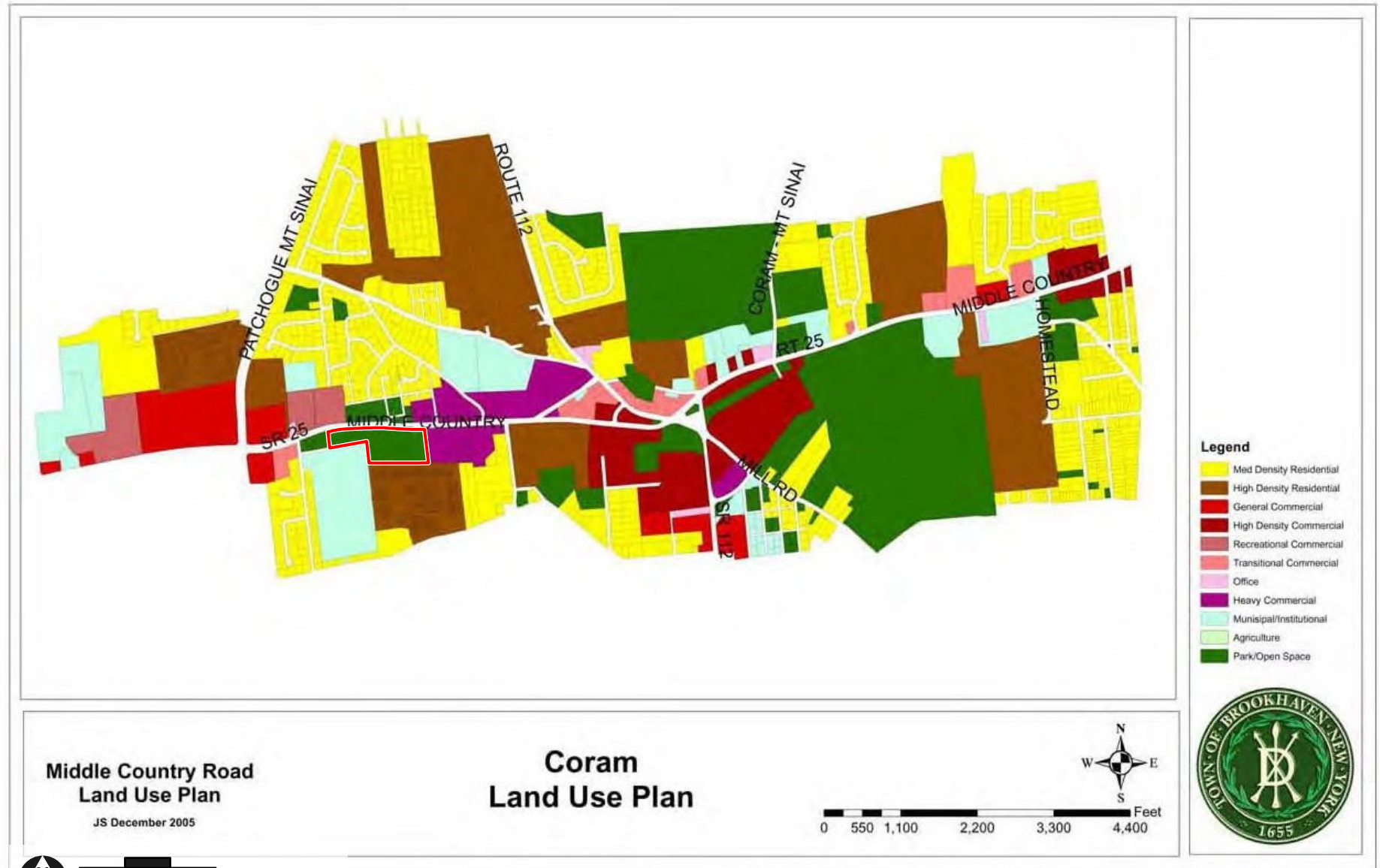
- › The proposed PRC development would be residential in nature and compatible with the existing established transitional land use pattern of the corridor, and would support the nearby Coram Hamlet Center with additional shoppers and patrons.
- › While the site was identified as “open space” in the *CMIR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



## Figure 4: Coram Land Use Plan

Vineyards at Coram

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



Subject Property (boundaries are approximate)

## 1.3 Rental and Senior Housing Trends and Data

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

With regard to the need for senior housing, according to the RPA,<sup>3</sup>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 1.4 Local Trends in Senior Housing

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

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

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

# 2

## Anticipated Benefits of the Project

### 2.1 IDA Evaluation Criteria

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

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

**Section 7(D)(1)(b):**

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

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

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

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

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

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

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

**Table 2 Employment Impact (Construction Phase)**

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

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

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

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

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



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

**Table 3 Employment Impact (Operational Phase)**

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

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

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

**Table 4 Labor Income for Jobs Supported During Construction**

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

**Table 5 Labor Income for Jobs Generated During Operation**

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

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

Data from the 2018-2022 American Community Survey 5-Year Estimates indicate that the per capita income in the Town of Brookhaven is approximately \$47,994.<sup>14</sup> Therefore, the jobs supported and generated by the Proposed Project are expected to have incomes above the

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



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

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

The Proposed Project would provide capital investment of approximately \$31.64 million<sup>15</sup> in development costs, resulting in an overall economic output<sup>16</sup> of approximately \$33.7 million during construction and \$3.9 million annually during operations.<sup>17</sup> The Proposed Project offers numerous benefits, including the better and more economically viable utilization of a current undeveloped property, increasing high-quality senior citizen housing stock, including affordable senior housing, and growth of the Town's economic base.

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

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

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

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

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

<sup>17</sup> Calculated through IMPLAN.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# 3

## Conclusions

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

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

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





223 Wall Street Box 393  
Huntington, New York 11743

November 13, 2024

Mr. Frederick C Braun III, Chairman  
Industrial Development Agency  
Town of Brookhaven  
One Independence Hill  
Farmingville, New York 11738  
Via Email and Regular Mail

Re: OL Shirley, LLC: Vineyards at Coram

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

We write to you with respect to the application before the Board seeking PILOT benefits for our new project consisting of 74 PRC rental apartment units to be built in Coram on Route 25/ Middle Country Rd. We understand that the Board recently adopted the elimination of mortgage recording tax benefits but providing exemptions for projects that are required to build a sewage treatment plant (STP). Our project initially proposed an on- site STP but now proposes a connection to the Suffolk County Selden Sewer District Plant #11, as an alternate means of providing sewage disposal at the project. We respectfully request that based on a number of reasons enumerated below, we be granted the MRT benefits.

First, during our many meetings of community outreach, we were specifically asked to eliminate an on-site STP from consideration for this project. Based on those discussions with the various civic entities and responding to those demands, we believe that connection to the county plant is the only possible and viable alternative.

Secondly, based on analysis that we have from our sanitary engineers, Nelson and Pope, the anticipation is that an on -site STP would cost roughly \$1,575,000, today - which is calculated at \$105 per gallon per day of capacity.

By comparison, connection to the County plant would cost approximately \$1,762,500. This includes the installation of a force- main sanitary line under Middle Country Rd., the construction of an on- site pump station at the project and the payment of a connection fee to the County. We are also anticipating that upgrades and repairs will likely be necessary to the County owned downstream pump station, which will be borne out after additional studies that will be required by the County. The cost is estimated to be about \$200,000 in additional to connect to the public sewer.

Next, local Suffolk County law requires new residential developments located outside of the sewer district to reserve a minimum of 15% of the units as affordable housing. This adds an additional four units of affordable/workforce housing units in addition to the 10% required by the Town, which impacts the financial projections further supporting the need for both PILOT and MRT benefits.

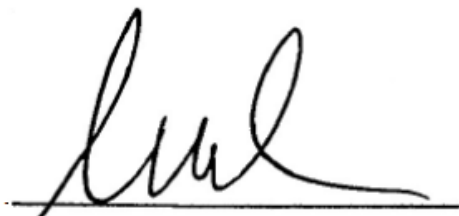
Finally, Suffolk County also has a policy of non- proliferation of privately owned sewage treatment facilities. Connection of this project will meet that policy goal as well as providing operational benefits to the existing connectees by decreasing the plants operational costs.

As this alternative is more costly, is required by the community and preferable to the County, we believe it meets the litmus test for MRT benefits.

We sincerely appreciate your consideration in this regard by granting us the STP exemption and granting us MRT benefits along with the PILOT benefits in our application. Connection to County Plant 11 is a far better alternative than construction of an on-site treatment plant.

Thank you.

Yours truly,

A handwritten signature in black ink, appearing to read 'Alec Ornstein', written over a horizontal line.

Alec Ornstein, Managing Member

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# ECONOMIC & FISCAL IMPACT ANALYSIS

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**RA Oak Run**  
**Multifamily PRC Development**

**SCTM#: 200-401-2-38.005**  
**Birchwood Park Drive and Middle Country Road**  
**Middle Island, NY**

NPV No.73023

**Prepared for:**  
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Port Jefferson Station, New York 11776  
c/o Daniel Scarda, Director, The Crest Group  
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**Prepared by:**



**NELSON POPE VOORHIS**  
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**August 8, 2024**

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TABLE OF CONTENTS

Executive Summary..... 1

1.0 Introduction and Purpose..... 3

2.0 Methodology ..... 6

3.0 Demographics and Local Trends ..... 9

    3.1 Demographics ..... 9

    3.2 National Regional and Local Housing Market Trends ..... 15

4.0 Consistency with Existing Comprehensive Planning Documents ..... 18

5.0 Summary of Economic and Fiscal Impacts..... 22

6.0 References..... 31

ATTACHMENTS

- A      NPV Qualifications

## EXECUTIVE SUMMARY

This analysis examines the economic and fiscal impacts that are anticipated to occur through the construction and annual operations of a multifamily residential development known as RA Oak Run. The report further includes demographic information and a review of planning documents that further support the need for the proposed project and its consistency with planning goals.

The subject site is located at the northeast corner of Birchwood Park Drive and Middle Country Road in the **hamlet of Middle Island**, Town of Brookhaven, Suffolk County, New York and is surrounded by multifamily residential developments to the north and east as well as a mix of commercial uses including a bank, restaurant, retail shops, and a car wash. The proposed project will provide a **74-unit age-restricted (55+) townhouse development**, consisting of all two-bedroom units, of which 8 units will be designated as affordable units and 7 units will be designated as workforce housing.

The proposed project responds to the public need for increased housing opportunities, including workforce and affordable housing opportunities, senior housing, and rental opportunities. Housing costs have skyrocketed, housing availability has fallen, and local businesses and institutions are no longer able to fill essential positions to meet customer demand during the post-pandemic recovery. The shortage of housing and demand for workers impacts many across the employment spectrum, especially essential lower- and middle-income workers such as retail and restaurant workers and hospital, school, and Town staff. Consumer activity from the increase in residents will ripple through the local community, creating beneficial economic and fiscal impacts throughout the hamlet of Middle Island, the Town of Brookhaven, Suffolk County, and the region as a whole. The proposed project will provide a solid tax base at the time of full occupancy and full taxation as quantified in this report.

Economic benefit includes direct economic impacts, as well as those indirect and induced impacts that are projected to occur – on output, employment and labor income – during both the 24-month construction period, and annually upon stabilized operations of the proposed project. During **construction**, direct, indirect, and induced impacts of the proposed project will result in **\$39,467,959 in total output**, **156.62 jobs** (total full-time equivalent [FTE] jobs), and **\$17,688,218 in labor income** (total wages). During **annual operations**, direct, indirect, and induced impacts of the proposed project will result in **\$3,727,487 in output** (total revenue), **4.12 jobs** (total FTE jobs), and **\$353,088 in labor income** (total wages).

The Applicant will be applying to the Town of Brookhaven to participate in its Payment in Lieu of Taxes (PILOT) program. IDA tax deferral promotes beneficial development/redevelopment and creates jobs while supplementing taxes and meeting other goals such as housing options including affordable housing. Since the exact terms of the PILOT have not yet been negotiated, this study analyzes the projected fiscal impacts based on a stabilized year of operations and full taxation based on current assessments and projected revenues.

This projection of tax revenues is useful in assisting with an understanding of existing and future taxes to help structure a PILOT agreement. Any tax deferral programs will delay and phase-in full taxation. At full build-out and during annual operations, the proposed project is projected to generate significantly more tax revenue than the current conditions of the property. It is estimated that the proposed project will generate **\$392,641** in **annual taxes** under full taxation of the property, of which approximately **\$266,521** would be allocated to the **Longwood Central School District**. The current taxes generated by property are \$23,482 in annual taxes, of which \$16,793 is allocated to the school district.

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

## 1.0 INTRODUCTION AND PURPOSE

Nelson Pope Voorhis (NPV) has been requested to prepare an economic and fiscal feasibility study for the proposed multifamily residential development, known as RA Oak Run, located at the northeast corner of Birchwood Park Drive and Middle Country Road in the hamlet of Middle Island, Town of Brookhaven, Suffolk County, New York. The location can be more specifically described as Suffolk County Tax Map District 200, Section 401, Block 2, Lot 38.005.

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

This analysis examines the fiscal and economic impacts that are anticipated to occur through the construction and annual operations of the proposed 74-townhouse multifamily residential development. All of the proposed units will contain two bedrooms. The proposed development will be age-restricted (55+) and is proposed to consist of 80% market rate units (59 two-bedroom market rate units) and 20% affordable and workforce units (8 two-bedroom affordable units (4 Town, and 4 County), 7 two-bedroom workforce units (4 Town, and 3 County)). RA Oak Run is proposed to include an outdoor pool and recreation area, an indoor fitness center, and a leasing office.

The proposed project responds to the public need for additional quality housing, including workforce and affordable housing opportunities in the hamlet of Middle Island and the Town of Brookhaven. The proposed project responds to the Town's desire to provide such rental housing opportunities in the area, as recognized in various comprehensive planning documents and evidenced by current conditions within the surrounding community. In addition, the percentage of population over 65 on Long Island is increasing rapidly with population projections estimating that the trend will continue. By 2040, the number of people over 65 is expected to increase by 40%. An aging population requires diverse housing options such as multifamily and rental options. The project provides a positive contribution toward addressing demand for such housing needs.

As economic stability returns following the coronavirus pandemic of 2020-22, the proposed project is expected to contribute to the long-term economic health of the community. More specifically, the proposed project will advance the planning goals of the Town and will establish many new construction jobs and housing opportunities for senior residents that will help in the post-pandemic recovery. Housing costs have skyrocketed and the shortage of housing and demand impacts many across the employment spectrum. The residents of the proposed housing units will support local businesses in the community, bringing increased patronage and spending power to the community. The proposed project will also create a short- and long-term economic benefit by providing revenue to taxing jurisdictions. Consumer activity will ripple through the



local community, creating beneficial fiscal and economic impacts throughout the hamlet of Middle Island, the Town of Brookhaven, Suffolk County, and the region as a whole.

The following analysis examines and quantifies the fiscal and economic impacts that are anticipated to result from the proposed RA Oak Run senior multifamily residential development. **Section 2.0** outlines the methodology and the sources of data used to project the fiscal and economic impacts generated in this analysis. **Section 3.0** examines and summarizes demographics and trends specific to the hamlet of Middle Island, the Town of Brookhaven and Suffolk County. In addition, this section examines trends among the local, regional and national housing market. **Section 4.0** analyzes relevant town and local planning documents specific to the community and summarizes the proposed project’s consistency with such reports.

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

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

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
<b><i>Economic Impacts during Construction</i></b>			
Direct Impact	\$26,930,000	92.30	\$13,465,000
Indirect Impact	\$3,478,114	15.87	\$1,164,431
Induced Impact	\$9,059,845	48.45	\$3,058,787
<b>Total Impact</b>	<b>\$39,467,959</b>	<b>156.62</b>	<b>\$17,688,218</b>
<b><i>Projected Economic Impacts during Annual Operations</i></b>			
Direct Impact	\$3,040,116	1.38	\$102,667
Indirect Impact	\$521,261	1.87	\$194,759
Induced Impact	\$166,109	0.87	\$55,662
<b>Total Impact</b>	<b>\$3,727,486</b>	<b>4.12</b>	<b>\$353,088</b>

Source: Data provided RA Oak Run LLC; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

**Section 5.0** also summarizes the existing fiscal conditions – including enrollment, budget, and current tax rates and levies for the Longwood Central School District. This section summarizes the land use and tax base composition, detailed budgets and the current tax rates and levies for the Town of Brookhaven and Suffolk County. Moreover, this section summarizes the fiscal impacts that are anticipated to result from the proposed project. These include tax revenues that would be allocated to each of the local taxing jurisdictions. This information is useful in understanding the future tax benefit and structuring a PILOT agreement.

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

At full build-out and during annual operations, the proposed project is projected to generate significantly more tax revenue than the current conditions of the property. It is estimated that the proposed project will generate \$392,641 in annual taxes under full taxation of the property, of which \$266,521 would be allocated to the Longwood Central School District. The current taxes generated by the property are \$23,482 in annual taxes, of which \$15,940 is allocated to the school district. The distribution of anticipated tax revenues is shown in **Table 2**.

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

Taxing Jurisdiction	Current Tax Revenue	Projected Tax Revenue	Tax Revenue Percent Distribution
<b>Total School Taxes</b>	<b>\$16,793</b>	<b>\$280,789</b>	<b>71.5%</b>
School District - Longwood CSD	\$15,940	\$266,521	67.9%
Library District - Longwood CSD	\$853	\$14,268	3.6%
<b>Total County Taxes</b>	<b>\$2,523</b>	<b>\$42,181</b>	<b>10.7%</b>
County of Suffolk	\$131	\$2,187	0.6%
County Police	\$2,392	\$39,995	10.2%
<b>Total Town Taxes</b>	<b>\$1,428</b>	<b>\$23,885</b>	<b>6.1%</b>
Town - Town Wide Fund	\$366	\$6,115	1.6%
Highway - Town Wide Fund	\$96	\$1,612	0.4%
Town - Part Town Fund	\$115	\$1,915	0.5%
Highway - Part Town Fund/Snow Removal	\$852	\$14,243	3.6%
<b>Other Taxes</b>	<b>\$2,738</b>	<b>\$45,786</b>	<b>11.7%</b>
New York State MTA Tax	\$8	\$131	0.0%
Open Space Preservation	\$124	\$2,071	0.5%
Fire Districts - Middle Island	\$2,268	\$37,922	9.7%
Lighting Districts - Brookhaven	\$69	\$1,158	0.3%
Real Property Tax Law	\$218	\$3,641	0.9%
Out of County Tuition	\$40	\$674	0.2%
Suffolk Community College Tax	\$11	\$189	0.0%
<b>TOTAL: ALL TAXING JURISDICTIONS</b>	<b>\$23,482</b>	<b>\$392,641</b>	<b>100%</b>

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

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

## 2.0 METHODOLOGY

Various data from federal, state, local, and commercial data sources was used to analyze the existing conditions and projected fiscal and economic impacts stemming from the construction and annual operation of the proposed development at RA Oak Run, Middle Island.

RA Oak Run LLC supplied information regarding the estimated rental rates, unit mix, construction cost and construction schedule, as well as the estimated employment and employee salaries during the annual operations of the proposed project.

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

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

New York State Education Department provided New York State District Report Cards and the Fiscal Accountability Summary reports specific to the Longwood Central School District. This information allows for an analysis of how the development may affect the school district's enrollment.

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

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

United States Census Bureau provided the latest population counts and other pertinent demographic data for Middle Island, the Town of Brookhaven, and Suffolk County.

Environmental Systems Research Institute, Inc. (ESRI) generated on-demand demographic reports specific to hamlet of Middle Island, the Town of Brookhaven and Suffolk County through their *Community Analyst Online* program. Specifically, data was collected for the 2010 Census, 2020 Census and 2023 estimates for population and housing characteristics, as well as five-year (2028) population and housing projections for the Middle Island hamlet, Town of Brookhaven and Suffolk County. All estimates and projections provided by ESRI draw upon data from sources

including the Current Population Survey, American Community Survey, Census of Retail Trade (all via the United States Census Bureau), Consumer Expenditure Survey (via the United States Bureau of Labor Statistics), United States Postal Service, Internal Revenue Service, National Bureau of Economic Research, and other commercial and federal data sources.

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

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

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

IMPLAN is widely accepted as the industry standard for estimating how much a one-time or sustained increase in economic activity in a particular region will be supplied by industries located in the region. Federal government agencies such as the Army Corps of Engineers, Bureau of Economic Analysis, Bureau of Land Management, Environmental Protection Agency, Federal Reserve Bank, Fish and Wildlife Service, and National Park Service have used the multipliers to study the local impact of government regulation on specific industries and to assess the local economic impacts of Federal actions. State and local governments including New York State Department of Labor, New York State Division of the Budget, New York State Office of the State Comptroller, New York State Assembly and New York City Economic Development Corporation,

have used the multipliers to estimate the regional economic impacts of government policies and projects and of events, such as the location of new businesses within their state, or to assess the impacts of tourism. Likewise, businesses, universities and private consultants have used the multipliers to estimate the economic impacts of a wide range of projects, such as building a new sports facility or expanding an airport; of natural disasters; of student spending; or of special events, such as national political conventions.

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

### 3.0 DEMOGRAPHICS AND HOUSING TRENDS

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

#### 3.1 Demographics

##### *Population*

Trends in the residential population and in the number of households were examined for Middle Island,<sup>1</sup> the Town of Brookhaven and Suffolk County. An analysis of past data, coupled with current estimates and projections, illustrates the changing needs of the community, and how such needs can be addressed within the local housing market – including the proposed RA Oak Run multifamily age-restricted townhome development.

As seen in **Table 3** and **Chart 1**, the populations within Middle Island, and Suffolk County all increased between 2010 and 2020, while the population within the Town of Brookhaven decreased slightly (by approximately 200 residents) in that same time period. Between 2010 and 2020, the population of Middle Island increased by .60%, or by approximately 63 persons. Suffolk County witnessed population growth of nearly 32,279 persons, increasing by approximately 2.16% between 2010 and 2020. The population within the Town of Brookhaven decreased slightly by .04%, or by 189 residents.<sup>2</sup>

Current estimates and projections suggest a slight decline in population for Middle Island, Town of Brookhaven and Suffolk County through 2028. Based on the available standard demographic references, population within the Middle Island community is expected to decrease by 276 persons, declining by 2.62% between 2020 and 2023, followed by a decline of 180 persons or 1.75% between 2023 and 2028. The population within the Town of Brookhaven is expected to decrease by 131 persons or 0.03% between 2020 and 2023, with an additional decline of 3,305 persons or 0.68% between 2023 and 2028. Population growth within Suffolk County is projected to decrease by 0.13% (1,984 persons) between 2020 and 2023, and 0.86% (13,030 persons) between 2023 and 2028.<sup>3</sup>

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

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<sup>1</sup> Middle Island demographics are based on the Middle Island Census Designated Place (CDP) per the US Census.

<sup>2</sup> ESRI, *Community Profile Report*. All reports accessed via ESRI Business Analyst Online, June 13, 2024.

<sup>3</sup> ESRI, *Community Profile Report*. All reports accessed via ESRI Business Analyst Online, June 13, 2024.

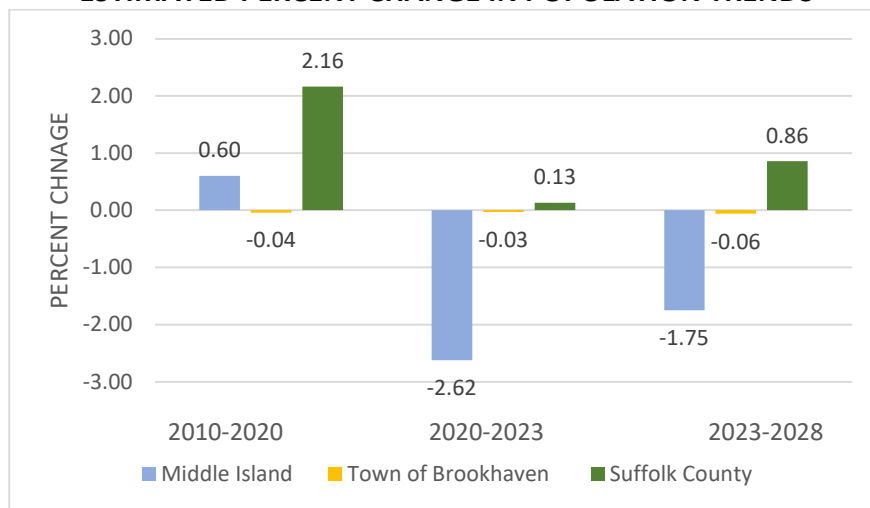
building permit data and residential postal delivery counts. Such data is supplemented with available information generated by nationwide databases, statistics providers and demographic and spatial analysis tools.

**TABLE 3**  
**POPULATION TRENDS**

Year	Middle Island	Town of Brookhaven	Suffolk County
<b>2010</b>	10,483	485,962	1,493,641
<b>2020</b>	10,546	485,773	1,525,920
<b>2023 (Estimate)</b>	10,270	485,642	1,523,936
<b>2028 (Projection)</b>	10,090	482,337	1,510,906

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

**CHART 1**  
**ESTIMATED PERCENT CHANGE IN POPULATION TRENDS**

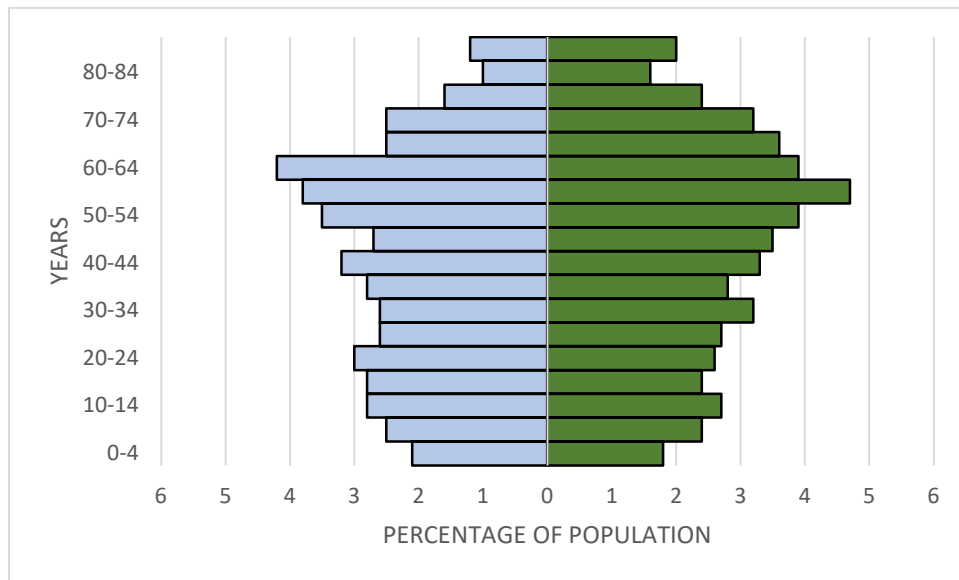


Source: ESRI Community Analyst; Analysis by Nelson, Pope & Voorhis, LLC.

Examining detailed age demographics of Middle Island indicates that there is a significant senior population residing within the hamlet. In Middle Island, the population of individuals 50+ is approximately 46%. In addition, Middle Island's median age of 46.6 as of 2020, is higher than the median age in both Brookhaven Town (41.2), and Suffolk County (42).



**CHART 2**  
**MIDDLE ISLAND AGE PYRAMID**



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

### ***Housing Units***

The number of housing units within each geographic area has witnessed an increase in each of the time periods analyzed since 2010 as seen in **Table 4** and **Chart 3**. However, the increase in housing units remains unable to sufficiently meet the needs of residents. In Middle Island, there is a projected increase of 135 units between 2010 and 2018, which averages to only 7.5 new housing units per year in the hamlet. The increase in housing units was greatest between 2010 and 2020 when the increases in population were also the greatest. The 2028 projections for number of housing units are 4,614 units, 181,334 units, and 586,903 units in Middle Island, Brookhaven, and Suffolk County, respectively.<sup>4</sup>

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

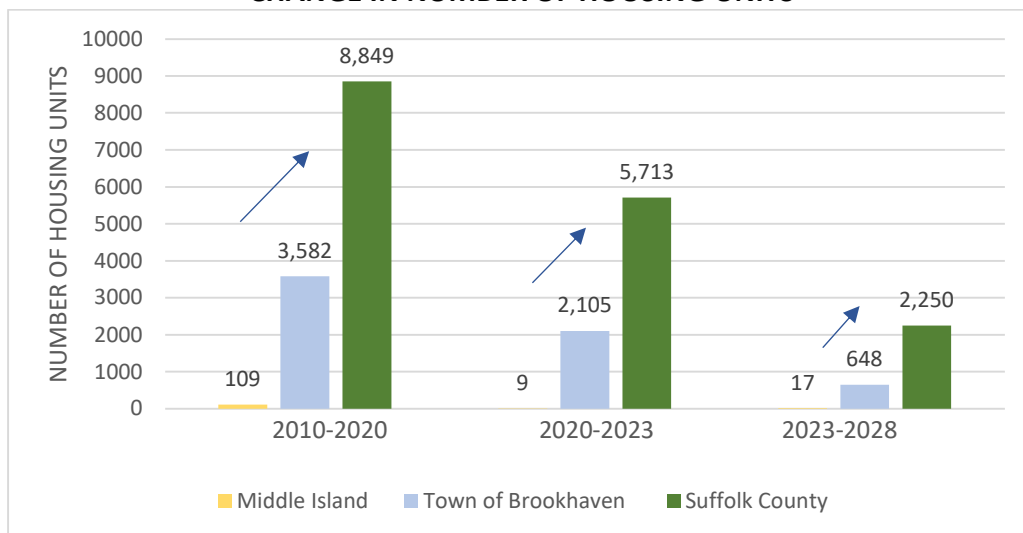
<sup>4</sup> ESRI, Community Profile Report. All reports accessed via ESRI Business Analyst Online, June 13, 2024.

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

Year	Middle Island	Town of Brookhaven	Suffolk County
2010	4,479	174,999	570,091
2020	4,588	178,581	578,940
2023 (Estimate)	4,597	180,686	584,653
2028 (Projection)	4,614	181,334	586,903

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

**CHART 3**  
**CHANGE IN NUMBER OF HOUSING UNITS**



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

As seen in **Table 5**, the 2023 estimated average household size in Middle Island is 2.28 persons.<sup>5</sup> This is lower than the average household size of that in the Town of Brookhaven, at 2.78 persons per household, and that of Suffolk County, at 2.87 persons per household. When compared to other parts of Suffolk County, the relatively smaller household size in Middle Island is reflective of the relatively greater number of single-person households, young professionals, young families, empty-nesters and seniors in the community.

<sup>5</sup> ESRI, *Community Profile Report*. All reports accessed via ESRI Business Analyst Online, June 13, 2024.

**TABLE 5**  
**AVERAGE HOUSEHOLD SIZE: 2023 (ESTIMATE)**

Geographic Area	Household Size
Middle Island	2.28
Town of Brookhaven	2.78
Suffolk County	2.87

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

There is currently a large percentage of householders that are 55+ in age for the three geographic areas analyzed as seen in **Table 6**. Between 2010 and 2020 Middle Island, the Town of Brookhaven, as well as Suffolk County all experienced a significant increase in the percentage of households 55+. Middle Island experienced an increase of 8.84%, Town of Brookhaven experienced an increase of 11.1% and Suffolk County experienced an increase of 10.7%.

**TABLE 6**  
**PERCENT HOUSEHOLDS 55+**

Year	Middle Island	Town of Brookhaven	Suffolk County
2010	46.06%	41.5%	43.7%
2020	54.9%	52.6%	54.4%
2023 (Estimate)	52.0%	50.7%	53.3%
2028 (Projection)	53.5%	52.0%	54.6%

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

### ***Tenure***

As seen in **Table 7**, the majority of the housing units in each geographic location are owner-occupied. Middle Island has the greatest share of rental properties when compared to the Town of Brookhaven and Suffolk County, with renter-occupied units comprising 24.8% of the housing stock. This is more than that of the Town of Brookhaven (19.0%) and Suffolk County (17.0%) as a whole.<sup>6</sup> Middle Island has lower vacancy rates at 5.0% than the Town (6.5%) and County (10.9%) indicating demand for such housing. It is noted that the information provided in **Table 7**

<sup>6</sup> ESRI, *Community Profile Report*. All reports accessed via ESRI Business Analyst Online, June 13, 2024.

represents total housing tenure and does not differentiate between different types of housing (i.e. single family, townhomes, apartments). It is estimated that the vacancy rates for apartment units is much lower than the averages presented below.

**TABLE 7**  
**HOUSING TENURE: 2023 (ESTIMATE)**

Housing Type	Middle Island	Town of Brookhaven	Suffolk County
<b>Total Housing Units</b>	4,597	180,686	584,653
<b>Owner-Occupied</b>	70.2%	74.5%	72.1%
<b>Renter-Occupied</b>	24.8%	19.0%	17.0%
<b>Vacant Housing Units</b>	5.0%	6.5%	10.9%

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

### **Income**

Household income serves as a primary measure in determining affordability among various housing options within a given community. As seen in **Table 8**, households in Middle Island have a median income of approximately \$85,373. The median household income within the Town of Brookhaven and Suffolk County is significantly higher than that of Middle Island – at \$108,596 and \$115,114, respectively.<sup>7</sup> The considerably lower median household income levels found in Middle Island are indicative of a population with a greater demand for affordable and workforce housing options.

**TABLE 8**  
**MEDIAN HOUSEHOLD INCOME: 2023 (ESTIMATE)**

Geographic Area	Household Income
<b>Middle Island</b>	\$85,373
<b>Town of Brookhaven</b>	\$108,596
<b>Suffolk County</b>	\$115,114

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

<sup>7</sup> ESRI, *Community Profile Report*. All reports accessed via ESRI Business Analyst Online, June 13, 2024.

### 3.2 National, Regional and Local Housing Market Trends

Current and projected local, regional and national housing conditions are an important component to understanding the market for new housing in Middle Island community. Many external economic forces are shaping the local housing market conditions in the community, Suffolk County and the Long Island region as a whole.

The housing market is impacted by many factors and can rapidly change in response to changing economic conditions. Over the past five years, the housing market has been impacted greatly by world-wide events, such as the Covid-19 pandemic. In December 2019, home construction was at its highest levels in 13 years.<sup>8</sup> Nationally, new housing had been demanded to meet the needs of the young workforce. Conversely, aging long-term residences were being developed as infill multi-family housing in many downtown settings. According to the National Association of Realtors, Long Island residential real estate ranks as the 9<sup>th</sup> highest-priced metropolitan area in the nation as of the third quarter of 2019.

However, the increased cost of building materials and recent supply chain issues have increased the cost of construction which has in turn negatively impacted housing affordability as prices of new and existing homes are soaring.<sup>9</sup> Additionally, as many first-time homebuyers are unable to purchase a home due to competition and surging home prices, these higher-income buyers are flooding the rental market and have created an unfavorable situation for lower- and moderate-income renters looking for apartments.<sup>10</sup>

These trends were greatly exacerbated during the Covid-19 pandemic as competition for a limited housing stock increased rapidly and significantly as residents of New York City and other nearby urban areas moved farther east to Long Island due to a desire for more space in response to the pandemic. The pandemic also impacted supply chains, with decreased availability and increased shipping times for building materials, causing delays and increasing overall costs.

More recent trends suggest a national housing market that is weaker overall than the spikes observed during the height of the pandemic as high mortgage rates, elevated home prices and constrained housing inventory (49% below historic averages) all contribute to the affordability crisis. Mortgage rates are higher than experienced in decades with the average 30-year fixed rates hovering at 6.62% in June 2024. This is down from early May 2024 when rates reached 7.11%.<sup>11</sup> The Federal Reserve recently approved a 0.25 percentage point rate hike in July in an

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<sup>8</sup> The Associated Press, "New US home construction dips again in February." March 18, 2020, accessed via Long Island Business News.

<sup>9</sup> Nasdaq. "Will Housing ETFs Suffer as New Home Sales Dip in February." March 24, 2022.

<https://www.nasdaq.com/articles/will-housing-etfs-suffer-as-new-home-sales-dip-in-february>

<sup>10</sup> Business Insider. "Owning a home is no longer the American dream." January 22, 2022.

<https://www.businessinsider.com/rent-prices-rising-high-demand-few-affordable-apartments-2022-1>

<sup>11</sup> Business Insider. "Mortgage Interest Rates Today." June 19, 2024. [Mortgage Interest Rates Today, June 19, 2024 | Rates Still Down From Early May \(businessinsider.com\)](https://www.businessinsider.com/mortgage-interest-rates-today-june-19-2024)

effort to control inflation resulting in a current 5.25%-5.5% interest rate. For a housing recovery to occur there would need to be an increase in inventory, lower interest rates, and lower mortgage rates; however, this is not predicted to occur in the near future.<sup>12</sup>

The housing market on Long Island is reflective of national trends, but there remain several issues and challenges specific to the region. Long Island faces several housing challenges including a shortage of rental housing, an exodus of young adults, and meeting the housing needs of a growing elderly population. The percentage of population over 65 on Long Island is increasing rapidly with population projections estimating that the trend will continue. By 2040, the number of people over 65 is expected to increase by 40%, while its population under 35 could shrink by 13%.<sup>13</sup> An aging population requires diverse housing options such as multifamily and rental options.

While single family homes dominate the landscape of Long Island, single family homes are often not a good fit for older residents due to the need for maintenance and upkeep. These residents often want to stay within their community but have limited opportunities. The availability of affordable multifamily units is essential in allowing aging residents, 71% of whom expressed a desire to age in place, to stay within their community. The Urban Institute predicts that the number of renters 65 and older will grow from 7.4 million in 2020 to 12.9 million in 2040.<sup>14</sup>

Long Island is largely built out or limited by zoning, and subsequently, is feeling the pressure of unmet housing demand. Long Island has fewer multifamily housing options, fewer rental options, and higher rents than other suburbs around New York City. Developing multifamily housing on Long Island is challenging due to many factors from zoning, permitting, and approvals. Therefore, developers choose to build this type of housing in other states. However, the availability of multifamily housing is crucial to the economic health and overall vitality of Long Island communities.

Rent increases, the cost of living, the disparity between supply and demand combined with the pandemic have intensified the affordable housing crisis on Long Island and in New York City. Overall, rental properties on Long Island and regionally remain limited, with an average vacancy rate of only 3.9% throughout the New York-Newark-Jersey City metropolitan area.<sup>15</sup> As of 2021, the median gross rent for the hamlet of Middle Island was \$1,996, which was more than the median gross rent in the Town of Brookhaven (\$1,951) and Suffolk County (\$1,895).

Long Island is experiencing a similar housing crisis with high home prices, low inventory, and high mortgage rates, all taking a toll on housing sales. Median price of closed home sales in Nassau County reached \$750,000 in May 2024 and \$635,000 in Suffolk County according to OneKey MLS.

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<sup>12</sup> Forbes Advisor, "Housing Market Predictions for 2023: When Will Home Prices Be Affordable Again." September 7, 2023.

<sup>13</sup> Regional Plan Association. "Long Island Housing Data Profiles"

<sup>14</sup> AARP. "Despite Pandemic, Percentage of Older Adults Who Want to Age in Place Stays Steady." November 18, 2022.

<sup>15</sup> <https://ipropertymanagement.com/research/rental-vacancy-rate#new-york>

These all-time high home prices can be directly attributed to severe lack of homes on the market with inventory at historically low levels. According to OneKey MLS there are currently approximately 2,836 homes for sale in Suffolk County which is down from 3,024 homes listed in January 2024.<sup>16</sup>

Therefore, there remains a high demand for housing including workforce and senior affordable housing throughout Long Island communities, including the Town of Brookhaven and the hamlet of Middle Island.

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<sup>16</sup> LI Business News, "LI Home Prices Hit New Highs Amid Scant Supply." September 13, 2023.



#### 4.0 CONSISTENCY WITH EXISTING COMPREHENSIVE PLANNING DOCUMENTS

As noted in **Section 1.0**, this section analyzes relevant town and local planning documents specific to the Middle Island community (where applicable) and summarizes the proposed project's consistency with such reports. This includes the *Town of Brookhaven Comprehensive Land Use Plan* (prepared in 1996) Suffolk County Planning Commission's *Smart Communities through Smart Growth* plan (2000), and Suffolk County's *Smart Growth Committee Report: Analysis and Prioritization of the Recommendations of the Smart Growth Policy Plan for Suffolk County* (2003).

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

The *Town of Brookhaven Comprehensive Land Use Plan* (1996 Comprehensive Plan) sets several general goals, identifies environmental resources, discusses existing land uses, provides broad policies and recommendations, and includes a land use map depicting recommended future land uses and development patterns.

The 1996 Comprehensive Plan notes that the Town created a variety of methods to promote multifamily housing. In addition, the Plan notes methods to increase affordable housing such as incentives to developers through the Department of Housing, Community Development and Governmental Affairs. This office has fast-tracked qualified affordable housing projects and worked with non-profit affordable housing entities to increase the pool of affordable housing. The 1996 Comprehensive Plan also recognized that the housing supply may create additional need for new development to meet future population demands.

Planning recommendations and goals in the 1996 Comprehensive Plan that are generally applicable to the proposed project are as follows:

- Consideration should be given to placement of high density residential rather than additional shopping centers along already congested highways and adjacent to activity centers to create a sense of place.
- There is a need to continue to provide a choice of housing types for an aging population desiring to remain in the community as well as affordable housing for the young.
- Higher density residential housing tends to be occupied by fewer people, therefore limiting population growth.

Overall, the proposed project complies with the intent and advances the recommendations provided in the *Town of Brookhaven Comprehensive Land Use Plan* as the RA Oak Run multifamily development will provide additional housing options specifically for an aging population, including some additional workforce and affordable housing units.

***§85-290 Planned Retirement Community (PRC) Residence District***

The existing zoning of the subject property is consistent with the proposed RA Oak Run development. The subject property has been rezoned to The Planned Retirement Community (PRC) Residence District. The PRC District was enacted in the Town of Brookhaven in order to provide a diversity of housing types to meet the economic needs of the Town of Brookhaven residents. Specifically, the provisions set forth for the PRC Residence District are intended to provide proper housing for the Town's senior citizens. The Town Board recognizes an existing and growing need for the provision of housing especially designed for senior citizens. Permitted uses in the PRC Residence District include rental or owner-occupied senior citizen housing units, attached or semi-attached single family senior citizen housing units, and detached single-family senior citizen housing units. The subject property has been rezoned to PRC and the proposed Oak Run multifamily 55+ development will help achieve the Town's goal to provide adequate housing for seniors within the Town.

***Smart Growth Policy Plan for Suffolk County (2000)***

The 2000 *Smart Growth Policy Plan for Suffolk County* (2000 Smart Growth Plan) was prepared as required by legislation adopted by the Suffolk County Legislature effective March 30, 2000 establishing a Smart Growth Policy for Suffolk County. The purpose of the 2000 Smart Growth Plan was to highlight and examine various laws, regulations, policies and programs of Suffolk County in order to recommend changes to encourage smart growth. The 2000 Smart Growth Plan discusses eight principles of "Smart Growth" development (that corresponds with Smart Growth Policy legislation) that can be used as guidelines for further development in communities. These principles include:

- Direct development to strengthen existing communities;
- Encourage consultation and collaboration between communities;
- Preserve open spaces, natural and historic resources and working farms;
- Encourage compact and orderly development;
- Provide transportation choices;
- Provide a variety of housing choices;
- Encourage permitted processes that are predictable, certain, efficient and final;
- Encourage consistency of government policies and programs;

The 2000 Smart Growth Plan provides 43 recommendations to implement and advance these eight principles throughout Suffolk County. The recommendations that are relevant to the proposed project include continuing county housing initiatives to promote affordably priced homes. In addition, in the Smart Growth Public Hearing Transcripts, there was a preference for higher density housing developments over commercial shopping centers.

The RA Oak Run residential development is consistent with these principles and recommendations in that the proposed project will provide additional housing opportunities.

***Suffolk County Smart Growth Committee Report: Analysis and Prioritization of the Recommendations of the Smart Growth Policy Plan for Suffolk County (2003)***

The Suffolk County Smart Growth Committee Report (Smart Growth Report) was prepared to prioritize the 43 recommendations provided in the 2000 *Smart Growth Policy Plan for Suffolk County* (2000 Smart Growth Plan). The Suffolk County Legislature assembled a Smart Growth Committee to review and prioritize the recommendations of the 2000 Smart Growth Plan. Of the five top priority recommendations endorsed by the Smart Growth Committee, one overall priority recommendation that relates to the proposed project was to “encourage the provision of a variety of housing choices.”

***Suffolk County Comprehensive Master Plan 2035 – Framework For The Future***

The Suffolk County Planning Commission drafted the “Suffolk County Comprehensive Master Plan 2035” in 2015 in order to create a blueprint for the future of Suffolk County. Long-term planning goals are intended to guide activities related to growth in Suffolk County. Suffolk County’s land use is largely comprised of low-density residential development with scattered single use commercial areas. This pattern of development can no longer be sustained by the network of transportation, water, and wastewater infrastructure and cannot easily accommodate further residential growth or economic development. Future planning in the region will require special attention to the relationship between land use, the overall economy, traffic and transportation systems, as well as natural and built resources.

Long term planning goals outlined in the Plan include (1) to provide the foundation for sustainable growth and resiliency of Suffolk County and (2) to encourage economic development that will help to retain and attract business and create jobs for Suffolk County residents. In order to attain these long-term aspirational goals, the Plan identifies six key objectives one of which is to provide equitable, affordable, and fair housing.

Many of the housing-related issues in Suffolk County, such as the shortfall in workforce and senior housing, as well as a lack of multi-family housing, have manifested themselves over the past several decades and are now posing an obstacle for the County on its path to continued, sustainable growth. The County identifies the need for increased affordable and fair housing. Lack of affordable housing means that existing as well as potential residents are priced out of the market. Demographic changes occurring within Suffolk County over the past two decades have created a new housing demand profile that includes a higher proportion of smaller, multi-family units, a higher proportion of rental units, and more units that are priced at levels that are affordable to households earning under \$75,000 annually. While the demand has shifted towards smaller multifamily units, single family homes continue to be built at a faster pace, and existing inventory of multifamily housing remains low.

***Middle Country Road Land Use Plan for Coram, Middle Island and Ridge (2006)***

In response to a planned NYSDOT Transportation Improvement Project proposed for Middle Country Road, State Route 25, between C.R. 83 and Mount Sinai-Coram Road, civic leaders held a community planning charette in 2003 to formulate a vision to guide land use in the hamlets of Coram and Middle Island.

The purpose of the Middle Country Road Land Use Plan is to examine the current land use and zoning trends, together with transportation and environmental needs in order to further the Town's and the community's development goals. The focus of this study and land use plan is the 6-mile section of Middle Country Road between C.R.83, Patchogue-Mt. Sinai Road and C.R. 46, William Floyd Parkway and beyond to the Town Line in the hamlets of Coram, Middle Island and Ridge.

The general goals of this plan are to promote development of traditional neighborhoods and hamlet centers that are better defined and compact. A traditional neighborhood is a comprehensive planning system that includes a variety of housing types and land uses in a defined area. The variety of uses permits civic buildings, commercial establishments and multi-family residential to be located within walking distance of private homes. Multi-family residential development is identified as a desirable land use to be incorporated along Middle Country Road in the hamlet of Middle Island in order to meet the needs of diverse residents with varied ages and incomes.

## 5.0 SUMMARY OF ECONOMIC AND FISCAL IMPACTS

As noted in **Section 1.0**, this analysis summarizes the existing conditions and the fiscal and economic impacts that are associated with the development of the proposed RA Oak Run, Middle Island. Fiscal impacts include the generation of property tax revenues and their distribution among local taxing jurisdictions, upon full taxation of the parcels. Economic impacts include direct, indirect and induced benefits on output, employment and associated labor income during the 24-month construction phase and during a stabilized year of annual operations.

The proposed project will increase the distribution of tax ratables throughout the Longwood CSD, the Town of Brookhaven and Suffolk County, upon full build-out and full-taxation of the development. Moreover, the proposed project will generate immediate construction jobs as well as permanent employment opportunities for Town and area residents. Such fiscal and economic benefits are most crucial for the economic well-being throughout the Middle Island community, the greater Long Island region and New York State.

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

### ***Definition of Economic Impacts***

A **direct impact** arises from the first round of buying and selling and includes the production of changes and expenditures made as a result of the proposed action. These direct impacts can be used to identify additional rounds of buying and selling for other sectors of the economy and to identify the impact of spending by local households. During construction, the direct impact includes the number of construction employees, their salaries, and most of the expenditures that are anticipated to be incurred by the developer. It generally includes expenditures related to demolition, site work, construction, purchase of materials, engineering, architecture, and environmental consultants. During operations, direct impacts include the salaries of employees of the residential development, and direct output would be in the form of rental revenue from the residential units.

An **indirect impact** refers to the increase in sales of other industry sectors stemming from business-to-business purchases in the supply chain due to the initial input purchases, which include further round-by-round sales. The indirect impacts on output related to construction include additional business to business rounds of buying and selling throughout the supply chain.

An **induced impact** accounts for the changes in household spending resulting from the labor income generated by the employees of the proposed action during construction and operations, resulting from direct and indirect impacts.

The **total impact** is the sum of the direct, indirect and induced impacts.

## ***Key Findings***

### Economic Impacts of Construction

A detailed analysis of direct, indirect and induced impacts generated during the 24-month construction period is outlined below. It is important to note that each of these impacts are temporary and are projected to occur only while the proposed project is being constructed.

- For the purpose of this analysis, it is anticipated that construction of the proposed project will commence in October 2024, with the construction period anticipated to occur over a period of approximately 24 months (with use expected to begin in month 18), culminating in October of 2026.<sup>17</sup>
- The proposed project is projected to represent approximately \$26.9 million<sup>18</sup> in construction costs over the 24-month construction period.<sup>19</sup> This \$26.9 million in direct annual output is projected to generate an indirect impact of over \$3.4 million, and an induced impact of nearly \$9.1 million, bringing the total economic impact on output to over \$39.4 million during the 24-month construction period.<sup>20</sup>
- During the construction period, direct employment refers to the number of short-term jobs necessary to complete the construction of the proposed project. The construction period is anticipated to generate 92.30 full-time equivalent (FTE) jobs, which are anticipated to last the entire duration of the 24-month construction period.
- The 92.30 FTE jobs created during the construction period will have an indirect impact of 15.87 FTE employees and an induced impact of 48.45 FTE employees in other industry sectors, bringing the total impact of the 24-month construction period to 156.62 FTE jobs.<sup>21</sup> This job creation – direct, as well as indirect and induced – is most crucial during Long Island’s present economic state, and presents opportunities for persons who remain unemployed throughout the region.
- During the construction period, direct labor income refers to the annual earnings, wages, or salary paid to each of the workers responsible for the construction of the proposed project. Labor income typically comprises approximately 50% of the cost of residential construction; the remaining portion represents the cost of materials.<sup>22</sup>

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<sup>17</sup> Construction schedule provided by RA Oak Run LLC, in June 2024.

<sup>18</sup> For the purpose of this analysis, this figure and all other figures in the construction portion of this analysis reflect 2024 dollars, the year in which construction is assumed to commence.

<sup>19</sup> Construction costs provided by RA Oak Run LLC, in June 2024. It is important to note that all costs are estimates based upon market conditions as of the date of preparation of this analysis.

<sup>20</sup> According to IMPLAN, a multiplier of 1.55819473 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand through the “Construction of new multifamily residential structures” (IMPLAN Sector 58) in Suffolk County, New York.

<sup>21</sup> According to IMPLAN, a multiplier of 10.01 represents the total change in the number of jobs that occurs in all industries for each additional one million dollars of output delivered to final demand through the “Construction of new multifamily residential structures” (IMPLAN Sector 58) in Suffolk County, New York.

<sup>22</sup> Construction/renovations labor and materials estimates per architectural design group Nelson + Pope.

- Labor income is projected to total \$70,831 per year, per employee.<sup>23</sup> When applied to the 24-month construction period, this represents approximately \$141,662 per employee, and over \$13.4 million in collective earnings among the 92.30 FTE employees. This labor income is projected to have an indirect impact of over \$1.1 million and an induced impact of over \$3.0 million, bringing the total economic impact of the 24-month construction period to over \$17.6 million in labor income.<sup>24</sup>

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

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

<b>Impact Type</b>	<b>Output (Total Revenue)</b>	<b>Employment (Total Number of FTE Jobs)</b>	<b>Labor Income (Total Wages)</b>
Direct Impact	\$26,930,000	92.30	\$13,465,000
Indirect Impact	\$3,478,114	15.87	\$1,164,431
Induced Impact	\$9,059,845	48.45	\$3,058,787
<b>Total Impact</b>	<b>\$39,467,959</b>	<b>156.62</b>	<b>\$17,688,218</b>

Source: Data provided by RA Oak Run LLC; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

#### Economic Impacts of Annual Operations

A detailed analysis of direct, indirect and induced impacts generated annually during operations is outlined below. It is important to note that each of these impacts is permanent and on-going and they are projected on an annual basis, assuming continued stabilized operations.

- It is assumed that the proposed project will begin the operational phase of development after 18 months of construction, anticipated to occur in-2026, although construction will not be complete until 24 months of construction. For the purpose of this analysis, the first year of stabilized operations is assumed to occur in 2027.

<sup>23</sup> New York State Department of Labor's Occupational Employment Statistics survey reports a median wage of \$68,768 among those employed within construction and extraction occupations in the Long Island labor market. The Occupational Employment and Wage Statistics (OEWS) program provides estimates of employment and wages for nearly 800 job titles across New York State. These are estimates of the number of workers by occupation and the typical wages paid to people in those jobs. Wage information has been updated to the first quarter of 2023 by making cost-of-living adjustments. An additional annual inflation factor of three percent (3%) was applied to the median wage, to reflect wages at the commencement of the construction period – estimated to occur in 2024 for the purpose of this analysis.

<sup>24</sup> According to IMPLAN, a multiplier of 0.82991701 represents the total dollar change in labor income of households employed by all industries for each additional dollar of output delivered to final demand through the "Construction of new multifamily residential structures" (IMPLAN Sector 58) in Suffolk County, New York.



- Annual output will be generated in the form of monthly rental income, which averages based on the following rates<sup>25</sup>:
  - \$3,648 for each two (2)-bedroom market-rate unit;
  - \$3,648 for each two (2) bedroom County workforce unit;
  - \$2,770 for each two (2)-bedroom County affordable unit;
  - \$2,286 for each two (2)-bedroom Town workforce unit; and
  - \$1,733 for each two (2)-bedroom Town affordable unit.
- Annual rental income is anticipated to total approximately \$3.0 million.
- The annual operational revenues are projected to generate an indirect impact of over \$521,000 and an induced impact of over \$166,000 per year. This additional output is generated through round-by-round sales made at various merchants in other sectors of the regional economy. These include local retailers, service providers, banks, grocers, restaurants, financial institutions, insurance companies, health and legal services providers, and other establishments in the region.
- The sum of the direct, indirect and induced impacts results in a total economic impact on output of over \$3.7 million during annual operations.<sup>26</sup>
- The proposed project is anticipated to generate 1.38 total jobs on site (1.5 FTE jobs after applying an IMPLAN multiplier of 0.917421417 to convert between total employment and full-time equivalency).<sup>27</sup>
- The 1.38 jobs will have an indirect impact of 1.87 employees and an induced impact of 0.87 employees in other industry sectors, bringing the total economic impact of employment to 4.12 total jobs during annual operations (4.49 FTE).<sup>28</sup>
- The 1.38 FTE jobs will generate a total of \$102,667 in collective labor income. This labor income includes an average employee salary of \$60,000<sup>29</sup> and benefits equal to approximately 14.1% of the total salaries for the residential positions.<sup>30</sup>
- The \$102,667 in labor income will have an indirect impact of over \$194,759 and an induced impact of over \$55,000, bringing the total economic impact of labor income to \$353,088 during annual operations.<sup>31</sup>

<sup>25</sup> Assumptions pertaining to monthly rental rates provided RA Oak Run LLC, in June 2024. It is important to note that all costs are estimates based upon market conditions as of the date of preparation of this analysis.

<sup>26</sup> According to IMPLAN, a multiplier of 1.221644 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the “Tenant-occupied housing” (IMPLAN Sector 448) industry, in Suffolk County, New York.

<sup>27</sup> Assumptions pertaining to the direct employment of the proposed project provided by RA Oak Run LLC, in June 2024.

<sup>28</sup> According to IMPLAN, a multiplier of 7.91 represents the total change in the number of jobs that occurs in all industries for each additional one million dollars of output delivered to final demand by “Tenant-occupied housing” (IMPLAN Sector 448) in Suffolk County, New York.

<sup>29</sup> Assumptions pertaining to the annual salaries within the residential component of the proposed project provided by RA Oak Run LLC, in June 2024.

<sup>30</sup> According to IMPLAN, a multiplier of 1.140749236 represents the total benefits specific to employee salaries among “Tenant-occupied housing” (IMPLAN Sector 448) in Suffolk County, New York.

<sup>31</sup> According to IMPLAN, a multiplier of 0.145668 represents the total dollar change in labor income of households employed by all industries for each additional dollar of output delivered to final demand by “Tenant-occupied housing” (IMPLAN Sector 448), in Suffolk County, New York.

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

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

<b>Impact Type</b>	<b>Output (Total Revenue)</b>	<b>Employment (Total Number of Jobs)</b>	<b>Labor Income (Total Wages)</b>
Direct Impact	\$3,040,116	1.38	\$102,667
Indirect Impact	\$521,261	1.87	\$194,759
Induced Impact	\$166,109	0.87	\$55,662
<b>Total Impact</b>	<b>\$3,727,486</b>	<b>4.12</b>	<b>\$353,088</b>

Source: Data provided by RA Oak Run LLC; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

#### Existing Fiscal Conditions

- The vast majority of assessed parcels in the Town of Brookhaven are residential properties, comprising 74.1% of the total number of parcels. However, such properties comprise 47.0% of the Town's tax base<sup>32</sup> and cause the greatest burden on community services.
- Student enrollment within the Longwood CSD has decreased by 276 students, or 3.1% – over the ten (10) years between the 2013-14 and 2022-23 academic years.<sup>33</sup>
- According to the New York State School Report Card Fiscal Accountability Summary for the Longwood CSD, expenditures averaged \$26,011 per student during the 2022-23 academic year.<sup>34</sup>
- Prior to the coronavirus pandemic of 2020-22, unemployment had been decreasing substantially since its peak in 2010-2012. Unemployment in the Town, County, Long Island and New York State increased significantly in 2020; but started to decline in 2021 and continued to decline in 2022. Annual unemployment rates in 2023 were slightly higher than unemployment rates for 2022 for the Town, County, and Long Island; but were slightly lower for New York State. As of April 2024, approximately 8,400 persons – 3.2% of the Town's labor force – were unemployed, which is the same percentage in 2022. While it is important to note that this data has not been seasonally adjusted, the April 2024 unemployment rate for the Town was equal to Long Island's unemployment rate (3.2% of the labor force – or 48,400 persons) and marginally lower than Suffolk County's unemployment rate (approximately 26,500 person or 3.3% of the County's labor force).

<sup>32</sup> New York State Office of Real Property Services, 2023 Annual Assessment Rolls, 2023 Parcel Counts by Individual Property Class Code.

<sup>33</sup> New York State Department of Education.

<sup>34</sup> New York State Department of Education.

However, the Town, County, and Long Island unemployment rates are all lower than New York State's overall unemployment rate of 3.9% (379,300 persons).

- The project site is currently taxed at a rate of 434.860 per \$100 of assessed valuation. This translates into a current generation of \$23,482 in property tax revenues for the subject property.<sup>35</sup> The existing distribution of tax revenues is shown in **Table 11**.
- The proposed project is an age-restricted senior housing development which is not anticipated to result in any additional school-aged children; but would provide additional revenue for the school district as compared to the existing use of the property, which could ease the burden among other taxpayers.

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<sup>35</sup> Town of Brookhaven Assessor's Office.

**TABLE 11**  
**EXISTING TAX REVENUES**

Taxing Jurisdiction	Current Tax Rate (per \$100 Assessed Valuation)	Projected Tax Revenue	Tax Revenue Percent Distribution
<b>Total School Taxes</b>	<b>310.981</b>	<b>\$280,789</b>	<b>71.5%</b>
School District - Longwood CSD	295.179	\$266,521	67.9%
Library District - Longwood CSD	15.802	\$14,268	3.6%
<b>Total County Taxes</b>	<b>46.717</b>	<b>\$42,181</b>	<b>10.7%</b>
County of Suffolk	2.422	\$2,187	0.6%
County Police	44.295	\$39,995	10.2%
<b>Total Town Taxes</b>	<b>26.453</b>	<b>\$23,885</b>	<b>6.1%</b>
Town - Town Wide Fund	6.773	\$6,115	1.6%
Highway - Town Wide Fund	1.785	\$1,612	0.4%
Town - Part Town Fund	2.121	\$1,915	0.5%
Highway - Part Town Fund/Snow Removal	15.774	\$14,243	3.6%
<b>Other Taxes</b>	<b>50.709</b>	<b>\$45,786</b>	<b>11.7%</b>
New York State MTA Tax	0.145	\$131	0.0%
Open Space Preservation	2.294	\$2,071	0.5%
Fire Districts - Middle Island	42.000	\$37,922	9.7%
Lighting Districts - Brookhaven	1.282	\$1,158	0.3%
Real Property Tax Law	4.033	\$3,641	0.9%
Out of County Tuition	0.746	\$674	0.2%
Suffolk Community College Tax	0.209	\$189	0.0%
<b>TOTAL: ALL TAXING JURISDICTIONS</b>	<b>434.860</b>	<b>\$392,641</b>	<b>100%</b>

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

#### Anticipated Fiscal Impacts

- For taxing purposes, the total estimated market valuation of the proposed project is based upon the total annual rental rates of the residential units, which is estimated at slightly over \$3.0 million.<sup>36</sup>
- After applying estimated loss from vacancies of 5%, as well as an expense ratio of 40%, a capitalization rate of 0.1 and a Town equalization rate of 0.54%, the estimated assessed valuation of the proposed project upon full build-out and occupancy is approximately \$90,291. This is shown in **Table 12**.

<sup>36</sup> Residential rental rates provided by RA Oak Run LLC in June 2024.

**TABLE 12**  
**ESTIMATED ASSESSED VALUATION**

Parameter	Value
Gross Annual Rents	\$3,404,116
Estimated Loss from Vacancies	5%
Expense Ratio	40%
Net Income	\$1,672,064
Capitalization Rate	0.1
Estimated Market Value	\$16,720,638
2021 Equalization Rate	0.54%
<b>Assessed Value</b>	<b>\$90,291</b>

- When the assessed valuation of \$90,291 is applied to the current tax rates, the proposed project is projected to generate \$392,641 in annual taxes under full build-out and full taxation of the property. This represents a net increase of over \$369,159 per year when compared to existing site conditions. The distribution of tax revenues is shown in **Table 13**.
- Fiscal impacts are projected based on full build-out and full taxation based on current assessments and projected revenues. It is noted that any tax deferral programs will delay and phase-in full taxation. The projection of tax revenues is useful in determining existing, PILOT and future taxation to assist with an understanding of existing and future taxes to assist the IDA in decision-making.

**TABLE 13**  
**ANTICIPATED TAX REVENUE GENERATION**

<b>Taxing Jurisdiction</b>	<b>Current Tax Revenue</b>	<b>Projected Tax Revenue</b>	<b>Change in Tax Revenue</b>	<b>Tax Revenue Percent Distribution</b>
<b>Total School Taxes</b>	<b>\$16,793</b>	<b>\$280,789</b>	<b>\$263,996</b>	<b>71.5%</b>
School District - Longwood CSD	\$15,940	\$266,521	\$250,582	67.9%
Library District - Longwood CSD	\$853	\$14,268	\$13,415	3.6%
<b>Total County Taxes</b>	<b>\$2,523</b>	<b>\$42,181</b>	<b>\$39,659</b>	<b>10.7%</b>
County of Suffolk	\$131	\$2,187	\$2,056	0.6%
County Police	\$2,392	\$39,995	\$37,603	10.2%
<b>Total Town Taxes</b>	<b>\$1,428</b>	<b>\$23,885</b>	<b>\$22,456</b>	<b>6.1%</b>
Town - Town Wide Fund	\$366	\$6,115	\$5,750	1.6%
Highway - Town Wide Fund	\$96	\$1,612	\$1,515	0.4%
Town - Part Town Fund	\$115	\$1,915	\$1,801	0.5%
Highway - Part Town Fund/Snow Removal	\$852	\$14,243	\$13,391	3.6%
<b>Other Taxes</b>	<b>\$2,738</b>	<b>\$45,786</b>	<b>\$43,048</b>	<b>11.7%</b>
New York State MTA Tax	\$8	\$131	\$123	0.0%
Open Space Preservation	\$124	\$2,071	\$1,947	0.5%
Fire Districts - Middle Island	\$2,268	\$37,922	\$35,654	9.7%
Lighting Districts - Brookhaven	\$69	\$1,158	\$1,088	0.3%
Real Property Tax Law	\$218	\$3,641	\$3,424	0.9%
Out of County Tuition	\$40	\$674	\$633	0.2%
Suffolk Community College Tax	\$11	\$189	\$177	0.0%
<b>TOTAL: ALL TAXING JURISDICTIONS</b>	<b>\$23,482</b>	<b>\$392,641</b>	<b>\$369,159</b>	<b>100.0%</b>

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

- As seen in **Table 13**, the proposed project is anticipated to levy tax revenues for the Longwood CSD, estimated to total \$266,521 per year, without any increase in school-aged children. This net revenue could ease the district's need to tap into additional fund balances and could also help alleviate an increased burden on other taxpayers throughout the district.

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

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# STATEMENT OF QUALIFICATIONS ECONOMIC AND FISCAL IMPACT ANALYSIS



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

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## TABLE OF CONTENTS

INTRODUCTION .....	1
KEY PERSONNEL.....	3
RELEVANT EXPERIENCE.....	5

## INTRODUCTION

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

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

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

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

NPV has the capabilities to provide the following services:

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

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

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

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

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

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



## KEY PERSONNEL

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

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

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

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

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

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

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

Detailed resumes can be provided upon request.



## RELEVANT EXPERIENCE

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

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

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

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

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

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

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

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

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

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

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

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

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

consumer buying power will be generated by the project.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Topgolf would provide a combined entertainment and recreation facility, that but for the project, would not be reasonably available to the residents of the Town of Brookhaven or Suffolk County, and therefore it was deemed eligible and appropriate for IDA assistance.

### *Economic Development Chapter of the Comprehensive Plan Update (Town of Southold)*

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In an effort to achieve the Town's vision, five goals and numerous objectives were formed to provide direction for future decision-making pertaining to the Town's economy. Much of the Town's economic vitality is based on the Town's unique rural, historic and maritime-based character as well as its natural resources. NP&V prepared the economic chapter of the Comprehensive Plan Update for the Town of Southold to allow for the formation of appropriate recommendations and implementation strategies focused on long-term economic sustainability throughout the Town.

One of the specific tasks involved with the economic chapter of the Town's Comprehensive Plan is the zoning/build-out analysis. The Town of Southold is facing development pressure and is concerned about the impact that the current zoning may have on the Town's resources. The Town of Southold prepared a build-out analysis of several zoning districts, and NP&V funneled these findings into a model to assess the regional impact of full build-out and modified development scenarios. Ensuring quality of life, protection of environmental resources, housing needs and maintenance of the tax base were key elements of the model. This project involved the creation of a model to synthesize multiple evaluation factors to analyze the impact of full build out of the Town of Southold under its current zoning.

### *Niche Market and Branding Plan & Build-Out/Tax Base Analysis(Bellport, NY)*

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NPV worked with the Town of Brookhaven on a niche market and branding plan for the Greater Bellport community. The focus of this plan was to form a set of recommendations that outlined the necessary steps that members in the Greater Bellport community can take in order to successfully create a sense of place, community pride and positive perceptions through a more niche-oriented position in the local market. NPV recommended various initiatives to make the Greater Bellport community unique and marketable, creating a place that people want to be, where people are comfortable, and a place that people remember and come back to time and again. The niche market and branding plan strives to promote the community's niche market to new residents, visitors and economic development opportunities alike, offering the Greater Bellport community the opportunity to develop a theme that they want to be known for. NPV worked with the Town of Brookhaven on a build-out/tax base analysis, to analyze how the local school district could be impacted by growth. NPV created a GIS model to compare tax assessments for various land use scenarios to ensure an adequate tax base to support increased growth in school population without disproportionate increases in residential tax rates. This model was used to test assumptions for future development and to analyze various alternatives in an automated fashion, allowing for easy comparison of scenarios and results. Ultimately, the model will provide a reality check for future planning with respect to provision of quality community services and may provide support for creating additional commercial tax base within the district.

Town of Brookhaven Industrial Development Agency

MRB Cost Benefit Calculator

Date 11.6.24  
Project Title RA Oak Run, LLC  
Project Location Northeast Corner of Birchwood Park Dr & Middle Country Rd Middle Island



Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

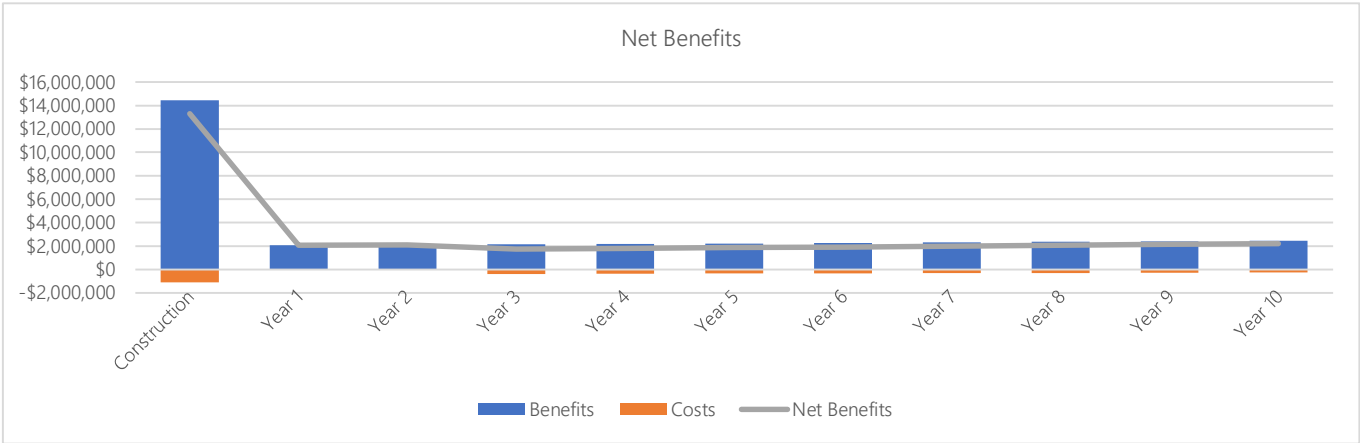
Project Total Investment  
\$35,100,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	185	39	224
Earnings	\$10,819,273	\$2,784,038	\$13,603,311
Local Spend	\$28,080,000	\$9,663,270	\$37,743,270

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	25	8	33
Earnings	\$22,014,025	\$8,614,255	\$30,628,280

Figure 1



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

Figure 2

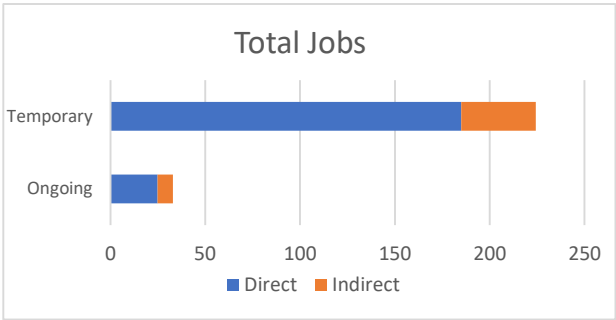
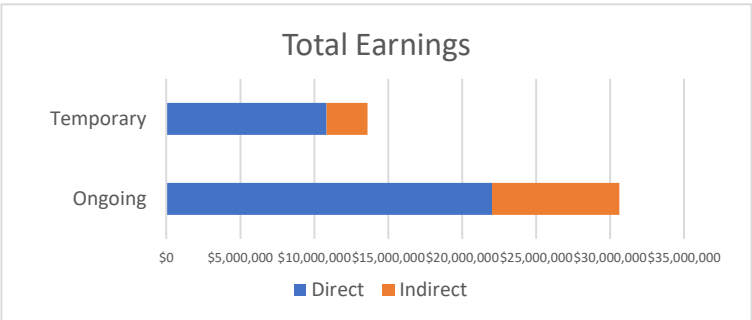


Figure 3



# Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

## Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$3,235,442	\$2,801,741
Sales Tax Exemption	\$934,260	\$934,260
Local Sales Tax Exemption	\$500,980	\$500,980
State Sales Tax Exemption	\$433,280	\$433,280
Mortgage Recording Tax Exemption	\$179,250	\$179,250
Local Mortgage Recording Tax Exemption	\$59,750	\$59,750
State Mortgage Recording Tax Exemption	\$119,500	\$119,500
<b>Total Costs</b>	<b>\$4,348,952</b>	<b>\$3,915,251</b>

## State and Local Benefits

	Nominal Value	Discounted Value*
<b>Local Benefits</b>	<b>\$47,377,255</b>	<b>\$42,517,777</b>
To Private Individuals	<b>\$44,231,591</b>	<b>\$39,921,564</b>
Temporary Payroll	\$13,603,311	\$13,603,311
Ongoing Payroll	\$30,628,280	\$26,318,253
Other Payments to Private Individuals	\$0	\$0
To the Public	<b>\$3,145,664</b>	<b>\$2,596,213</b>
Increase in Property Tax Revenue	\$2,638,807	\$2,145,194
Temporary Jobs - Sales Tax Revenue	\$110,102	\$110,102
Ongoing Jobs - Sales Tax Revenue	\$396,755	\$340,917
Other Local Municipal Revenue	\$0	\$0
<b>State Benefits</b>	<b>\$2,428,784</b>	<b>\$2,186,540</b>
To the Public	<b>\$2,428,784</b>	<b>\$2,186,540</b>
Temporary Income Tax Revenue	\$612,149	\$612,149
Ongoing Income Tax Revenue	\$1,378,273	\$1,184,321
Temporary Jobs - Sales Tax Revenue	\$95,223	\$95,223
Ongoing Jobs - Sales Tax Revenue	\$343,139	\$294,847
<b>Total Benefits to State &amp; Region</b>	<b>\$49,806,039</b>	<b>\$44,704,317</b>

## Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$42,517,777	\$3,362,471	13:1
State	\$2,186,540	\$552,780	4:1
<b>Grand Total</b>	<b>\$44,704,317</b>	<b>\$3,915,251</b>	<b>11:1</b>

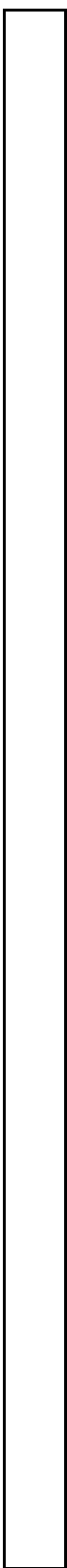
\*Discounted at 2%

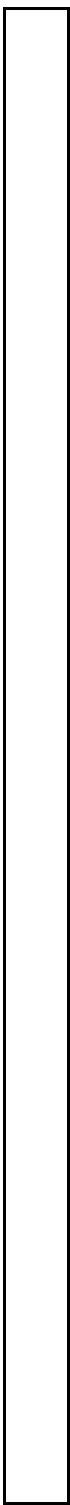
## Additional Comments from IDA

Applicant's proposed project includes 74 townhouse units of 55 and over housing on Montauk Highway on Middle Country Road. The facility will include 10% of the units set aside as affordable and 10% of the units set aside as workforce. The project will include a fitness center, outdoor pool and outdoor recreational area. 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 application and an increase in the number of affordable housing units.

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







PREPARED FOR:

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

**Commented [RS1]:** This is in good shape. When you send to Lisa, indicate that you have used the same exemption schedule as was provided in the previous report and ask her to confirm that there hadn't been any other discussions with the Developer about what that schedule should be.

# Reasonableness Assessment for Financial Assistance

RA OAK RUN, LLC

OCTOBER 2024

PREPARED BY:



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# CONTENTS

Executive Summary..... **1**

1. Operating Assumptions ..... **2**

2. PILOT Analysis ..... **3**

3. Operating Performance ..... **6**

4. Financing Plan ..... **7**

5. Rate of Return ..... **8**

Attachment 1: Pro Formas ..... **9**

Appendix A: Scope of Services ..... **11**

Appendix B: Definitions..... **12**

## EXECUTIVE SUMMARY

### Project Description

The Town of Brookhaven Industrial Development Agency (Agency) received an application from RA Oak Run LLC (Applicant) for financial assistance for the construction of a planned senior housing community consisting of seventy-four (74) townhomes. Twenty percent of the townhomes will be allocated for affordable and workforce housing. The property will include a leasing office, an outdoor swimming pool, an indoor fitness center, and an outdoor recreational area.

The Project represents a \$35.1 million investment and is anticipated by the Applicant to generate 1.5 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 market rent and vacancy rate. However, operating expenses and net operating income are more efficient than benchmarks.***
- ***Equity dividend rate benchmark is met with the PILOT scenario but is not met with the No PILOT scenario.***
- ***In both situations, cash flow is positive, but cumulative cash flow does not recoup the initial equity investment over the time period studied.***

# 1. OPERATING ASSUMPTIONS

The Applicant's operating assumptions are compared to CoStar estimates for rent in 2024 in Suffolk County and key metrics for workforce and affordable housing income limits as provided by the U.S. Department of Housing and Urban Development. 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. Actual rents will need to be adjusted to meet the requirements of HUD and adjusted annually.

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 Limits Workforce (3) (5)	Income Limits Affordable (5)	Benchmarks
Market Rate 2BR	58	\$3,648	\$43,776	\$145,920	n/a	n/a	Projected rent is 1.38 times higher than average current rent for Suffolk County (4)
Affordable 2BR (County)	4	\$2,770	\$33,240	\$110,800	n/a	\$112,500	Meets Benchmarks
Affordable 2BR (Town)	4	\$1,733	\$20,796	\$69,320	n/a	\$112,500	Meets Benchmarks
Workforce 2BR (County)	4	\$3,648	\$43,776	\$145,920	\$168,700	n/a	Meets Benchmarks
Workforce 2BR (Town)	4	\$2,286	\$27,432	\$91,440	\$168,700	n/a	Meets Benchmarks

(1) Source: Applicant

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

(3) Town of Brookhaven IDA Workforce housing income limit is 120% of Area Median Income (AMI) for Suffolk County, New York and affordable housing income limit is 80% of AMI for Suffolk County, New York

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

(5) Affordable Limit for 3 person family is \$112,500, and workforce is \$168,700. Source: Town of Brookhaven Uncapped FY 2024 Low Income Limits Effective May 1, 2024

## 2. PILOT ANALYSIS

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

PILOT Schedule - 14 Year						
Year	Property Without Project (1)	Plus: Improvements		Total PILOT (1)	Estimated PILOT Savings (2)	Project w/out PILOT (2)
		Projected Improvement Tax (2)	Proposed Exemption (1)			
Construction Year 1	\$23,482		100.00%	\$23,482	\$0	\$23,482
Construction Year 2	\$24,070		100.00%	\$24,070	\$0	\$24,070
PILOT/Tax Year 3	\$24,671	\$450,479	93.75%	\$52,826	\$422,324	\$475,150
PILOT/Tax Year 4	\$25,288	\$461,741	87.50%	\$83,006	\$404,023	\$487,029
PILOT/Tax Year 5	\$25,920	\$473,284	81.25%	\$114,661	\$384,543	\$499,204
PILOT/Tax Year 6	\$26,568	\$485,116	75.00%	\$147,847	\$363,837	\$511,684
PILOT/Tax Year 7	\$27,232	\$497,244	68.75%	\$182,621	\$341,855	\$524,476
PILOT/Tax Year 8	\$27,913	\$509,675	62.50%	\$219,041	\$318,547	\$537,588
PILOT/Tax Year 9	\$28,611	\$522,417	56.25%	\$257,169	\$293,860	\$551,028
PILOT/Tax Year 10	\$29,326	\$535,477	50.00%	\$297,065	\$267,739	\$564,804
PILOT/Tax Year 11	\$30,060	\$548,864	43.75%	\$338,796	\$240,128	\$578,924
PILOT/Tax Year 12	\$30,811	\$562,586	37.50%	\$382,427	\$210,970	\$593,397
PILOT/Tax Year 13	\$31,581	\$576,651	31.25%	\$428,029	\$180,203	\$608,232
PILOT/Tax Year 14	\$32,371	\$591,067	25.00%	\$475,671	\$147,767	\$623,438
<b>Total</b>	<b>\$387,905</b>				<b>\$3,575,795</b>	<b>\$6,602,506</b>

(1) Source: Town of Brookhaven

(2) Source: Applicant

Commented [RS2]: I think this is left over.

Commented [RS3]: Add Applicant as a Source, since they provided details on the Projected Improvement Tax



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Reasonableness Assessment for RA Oak Run, Town of Brookhaven Industrial Development Agency

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The PILOT agreement will abate 52.4% of the Applicant's taxes, resulting in \$3,575,795 in foregone tax revenue (benefit to the Project) to the municipality over the next 14 years. This amount is higher than the \$2,638,805 estimated new tax revenue (benefit to the municipality) the municipality stands to gain from the Project with the PILOT.

**Real Property Tax Comparison**

**14 Year PILOT**

Comparison of Taxes on Full Value of Project and with PILOT

Taxes without PILOT	\$6,602,506
Less: PILOT/Tax Payments	<u>(\$3,026,711)</u>
Foregone Revenue (Benefits to Project)	\$3,575,795
Abatement Percent	54.2%

Net New Taxes Compared with No Project

PILOT	\$3,026,711
Less: Estimated Taxes without Project	<u>(\$387,905)</u>
Estimated New Tax Revenue (Benefits to Municipalities)	\$2,638,805

# Reasonableness Assessment for RA Oak Run, Town of Brookhaven Industrial Development Agency

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 (14 year PILOT)								
Year	Benefits to Municipalities			Benefit to Project				Share of Estimated Taxes Owed
	PILOT Payments	Less: Current Tax Revenues (1)	Net New Tax Revenues	Taxes Owed after Project Completion (2)	Less: PILOT Payments	Estimated Savings to Project		
1	\$ 23,482	\$23,482	\$0	\$ 23,482	\$ 23,482	\$0		100.00%
2	\$ 24,070	\$24,070	\$0	\$ 24,070	\$ 24,070	\$0		100.00%
3	\$ 52,826	\$24,671	\$28,155	\$ 475,150	\$ 52,826	\$422,324		11.12%
4	\$ 83,006	\$25,288	\$57,718	\$ 487,029	\$ 83,006	\$404,023		17.04%
5	\$ 114,661	\$25,920	\$88,741	\$ 499,204	\$ 114,661	\$384,543		22.97%
6	\$ 147,847	\$26,568	\$121,279	\$ 511,684	\$ 147,847	\$363,837		28.89%
7	\$ 182,621	\$27,232	\$155,389	\$ 524,476	\$ 182,621	\$341,855		34.82%
8	\$ 219,041	\$27,913	\$191,128	\$ 537,588	\$ 219,041	\$318,547		40.75%
9	\$ 257,169	\$28,611	\$228,557	\$ 551,028	\$ 257,169	\$293,860		46.67%
10	\$ 297,065	\$29,326	\$267,739	\$ 564,804	\$ 297,065	\$267,739		52.60%
11	\$ 338,796	\$30,060	\$308,736	\$ 578,924	\$ 338,796	\$240,128		58.52%
12	\$ 382,427	\$30,811	\$351,616	\$ 593,397	\$ 382,427	\$210,970		64.45%
13	\$ 428,029	\$31,581	\$396,447	\$ 608,232	\$ 428,029	\$180,203		70.37%
14	\$ 475,671	\$32,371	\$443,300	\$ 623,438	\$ 475,671	\$147,767		76.30%
<b>Totals</b>	<b>\$ 3,026,711</b>	<b>\$387,905</b>	<b>\$2,638,805</b>	<b>\$ 6,602,506</b>	<b>\$ 3,026,711</b>	<b>\$3,575,795</b>		<b>45.8%</b>

(1) Assumes tax rate for Fiscal Year 2023/2024 of 434.86 and a current assessed value of \$5,400.

(2) Assumes a 2% annual increase in tax rate and a taxable value of \$104,000 upon project completion; Source: Town of Brookhaven, Applicant

### 3. OPERATING PERFORMANCE

The project's operating performance is measured using Year 5 of operations (Year 7 of the total PILOT period) from 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 5% 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 8% of project income, while debt service absorbs 50% of income, resulting in a positive cash flow of \$894,208. Without a PILOT, real property taxes absorb 17% of gross operating income, resulting in a positive cash flow of \$552,353.

Operations Snapshot, Year 7								
	14 Year PILOT				14 Year No-PILOT			
	Project	Share of Gross	Benchmark		Project	Share of Gross	Benchmark	
	Performance	Operating	Performance	Evaluation	Performance	Operating	Performance	Evaluation
	(1)	Income	(2)		(1)	Income	(2)	
<u>Calculation of Net Operating Income Residential</u>								
Gross Operating Income	\$ 3,290,576	100%	n/a	n/a	\$ 3,290,576	100%	n/a	n/a
Vacancy Rate and Concessions (4)	5.0%	n/a	5.8%	Within range	5.0%	n/a	5.8%	Within range
Effective Gross Income (EGI), All Uses (3)	\$ 3,174,108	96%	96%	Within range	\$ 3,174,108	96%	96%	Within range
Less: Operating Expenses and Reserve	(\$455,829)	14%	51%	More efficient	(\$455,829)	14%	51%	More efficient
<u>Less: Real Property Taxes</u>	<u>\$ (182,621)</u>	<u>6%</u>	<u>n/a</u>	<u>n/a</u>	<u>\$ (524,476)</u>	<u>16%</u>	<u>n/a</u>	<u>n/a</u>
Net Operating Income	\$ 2,535,657	77%	48%	More efficient	\$ 2,193,802	67%	48%	More efficient
Less: Debt Service	<u>(\$1,641,449)</u>	50%	n/a	n/a	<u>(\$1,641,449)</u>	50%	n/a	n/a
Cashflow after Operating Costs, Taxes, Debt	\$ 894,208	27%	n/a	n/a	\$ 552,353	17%	n/a	n/a

(1) Source: Applicant

(2) Source: RealtyRates Q3 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

Commented [RS4]: The chart says Year 8

Commented [RS5R4]: I think it's because of three years of construction, but just clarify.

Commented [TG6R4]: Correct. Year 5 of operations, or year 8 of total (3 construction and 5 operations)

Commented [RS7]: Might be interesting to include the No PILOT snapshot for a comparison.

## 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 positive, with bank financing making up 65% of the source of funds, below the 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	\$22,815,000	65%
Equity and Working Capital	<u>\$12,285,000</u>	<u>35%</u>
Total Sources	\$35,100,000	100%

### Uses of Funds

Acquisition and Transaction Costs	\$6,070,000	17%
Construction Costs	<u>\$29,030,000</u>	<u>83%</u>
Total Uses	\$35,100,000	100%

(1) Source: Applicant

Commented [RS8]: This needs to be updated

### Terms of the Senior (Long Term) Debt

	<u>Terms (1)</u>	<u>Benchmark (2)</u>	<u>Evaluation</u>
Amount Borrowed	\$22,815,000	n/a	n/a
Loan to Total Project Cost	65%	70% to 80%	Below 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 Q3 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 \$12,285,000. **The average equity dividend rate meets this criterion in year 7 for the Pilot Scenario and does not meet this benchmark in the No PILOT Scenario, indicating a PILOT is necessary for this project to meet this feasibility benchmark.**
- ♦ **Cash Flow** shows net cash flow to the Applicant over time. There are currently no cash flow benchmarks available. **Cumulative Cash Flow is positive for both scenarios but not sufficient to recoup the initial investment of \$12,285,000 in the period studied.**
- ♦ Debt Service Coverage estimates how well the Project's net income, after taxes, supports debt repayment. **Debt Service Coverage exceeds the benchmark in both scenarios in year 1.**

Comparison of Return on Investment			
	No PILOT	14 Year PILOT	Benchmarks (1)
<u>Equity Dividend Rates</u>			
Average	5.0%	6.65%	7.33% to 16.79%
Minimum	3.21%	6.65%	
Maximum	6.98%	8.18%	
Year Benchmarks Met	n/a	7	
<u>Cash Flow</u>			
Average	\$619,085	\$917,068	n/a
Minimum	\$394,670	\$816,994	
Maximum	\$857,560	\$1,005,327	
Cumulative	\$7,381,469	\$10,957,264	
Year Investment Recouped	n/a	n/a	
<u>Debt Service Coverage</u>			
Average	1.38	1.56	1.00 to 1.86
Minimum	1.24	1.50	
Maximum	1.52	1.61	
Years Benchmarks Met	1	1	

(1) Source: RealtyRates for Q3 2024

Commented [RS9]: I would take out the "Provided PILOT" because, did they provide it? You could just call it 15 Year PILOT.

## ATTACHMENT 1: PRO FORMAS

Oak Run (Middle Island, NY)	Date	10/31/2024																								
Annual Cashflows (Pro Forma) - No PILOT																										
	Construction	Year 1-2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14												
Operating Cash Flow																										
Residential Income																										
Gross Operating Income	\$	-	\$	3,039,984	\$	3,100,784	\$	3,162,799	\$	3,226,055	\$	3,290,576	\$	3,356,388	\$	3,423,516	\$	3,491,986	\$	3,561,826	\$	3,633,062	\$	3,705,724	\$	3,779,838
Less: Vacancy Allowance (enter as a negative number)	\$	-	\$	(151,999)	\$	(155,039)	\$	(158,140)	\$	(161,303)	\$	(164,529)	\$	(167,819)	\$	(171,176)	\$	(174,599)	\$	(178,091)	\$	(181,653)	\$	(185,286)	\$	(188,992)
Net Rental Income, Residential	\$	-	\$	2,887,985	\$	2,945,744	\$	3,004,659	\$	3,064,753	\$	3,126,048	\$	3,188,569	\$	3,252,340	\$	3,317,387	\$	3,383,734	\$	3,451,409	\$	3,520,437	\$	3,590,846
Commercial/Industrial Income																										
Gross Operating Income	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Less: Vacancy Allowance (enter as a negative number)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Net Rental Income, Commercial/Industrial	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other Income																										
Parking Income	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other Income	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other Income	\$	-	\$	44,400	\$	45,288	\$	46,194	\$	47,118	\$	48,060	\$	49,021	\$	50,002	\$	51,002	\$	52,022	\$	53,062	\$	54,123	\$	55,206
Net Income, Other	\$	-	\$	44,400	\$	45,288	\$	46,194	\$	47,118	\$	48,060	\$	49,021	\$	50,002	\$	51,002	\$	52,022	\$	53,062	\$	54,123	\$	55,206
Effective Gross Income (EGI)	\$	-	\$	2,932,385	\$	2,991,032	\$	3,050,853	\$	3,111,870	\$	3,174,108	\$	3,237,590	\$	3,302,342	\$	3,368,388	\$	3,435,756	\$	3,504,471	\$	3,574,561	\$	3,646,052
Operating Expenses (enter positive numbers)																										
Salaries and Wages	\$	-	\$	90,000	\$	91,800	\$	93,636	\$	95,509	\$	97,419	\$	99,367	\$	101,355	\$	103,382	\$	105,449	\$	107,558	\$	109,709	\$	111,904
Management Fee	\$	-	\$	86,640	\$	88,372	\$	90,140	\$	91,943	\$	93,781	\$	95,657	\$	97,570	\$	99,522	\$	101,512	\$	103,542	\$	105,613	\$	107,725
Maintenance	\$	-	\$	23,815	\$	24,291	\$	24,777	\$	25,273	\$	25,778	\$	26,294	\$	26,820	\$	27,356	\$	27,903	\$	28,461	\$	29,030	\$	29,611
Advertising	\$	-	\$	11,184	\$	11,408	\$	11,636	\$	11,869	\$	12,106	\$	12,348	\$	12,595	\$	12,847	\$	13,104	\$	13,366	\$	13,634	\$	13,906
Utilities	\$	-	\$	55,888	\$	57,006	\$	58,146	\$	59,309	\$	60,495	\$	61,705	\$	62,939	\$	64,198	\$	65,482	\$	66,792	\$	68,128	\$	69,490
Admin / Office	\$	-	\$	46,308	\$	47,235	\$	48,179	\$	49,143	\$	50,126	\$	51,128	\$	52,151	\$	53,194	\$	54,258	\$	55,343	\$	56,450	\$	57,579
Bank Charges	\$	-	\$	1,230	\$	1,254	\$	1,279	\$	1,305	\$	1,331	\$	1,358	\$	1,385	\$	1,413	\$	1,441	\$	1,470	\$	1,499	\$	1,529
Telephone	\$	-	\$	739	\$	754	\$	769	\$	785	\$	800	\$	816	\$	833	\$	849	\$	866	\$	884	\$	901	\$	919
Prof. Fees	\$	-	\$	5,721	\$	5,836	\$	5,953	\$	6,072	\$	6,193	\$	6,317	\$	6,443	\$	6,572	\$	6,704	\$	6,838	\$	6,974	\$	7,114
Deposit to replacement reserve	\$	-	\$	14,637	\$	14,930	\$	15,228	\$	15,533	\$	15,844	\$	16,161	\$	16,484	\$	16,813	\$	17,150	\$	17,493	\$	17,843	\$	18,199
Insurance	\$	-	\$	84,952	\$	86,651	\$	88,384	\$	90,152	\$	91,955	\$	93,794	\$	95,670	\$	97,583	\$	99,535	\$	101,526	\$	103,556	\$	105,627
Other	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Operating Expenses	\$	-	\$	421,116	\$	429,538	\$	438,129	\$	446,891	\$	455,829	\$	464,946	\$	474,245	\$	483,729	\$	493,404	\$	503,272	\$	513,338	\$	523,604
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$	-	\$	2,511,269	\$	2,561,495	\$	2,612,724	\$	2,664,979	\$	2,718,279	\$	2,772,644	\$	2,828,097	\$	2,884,659	\$	2,942,352	\$	3,001,199	\$	3,061,223	\$	3,122,448
Real Property Taxes (assuming no PILOT)	\$	47,552	\$	475,150	\$	487,029	\$	499,204	\$	511,684	\$	524,476	\$	537,588	\$	551,028	\$	564,804	\$	578,924	\$	593,397	\$	608,232	\$	623,438
Net Operating Income (NOI) after Taxes	\$	(47,552)	\$	2,036,119	\$	2,074,466	\$	2,113,520	\$	2,153,295	\$	2,193,802	\$	2,235,056	\$	2,277,069	\$	2,319,855	\$	2,363,428	\$	2,407,802	\$	2,452,991	\$	2,499,010
Loan or Mortgage (Debt Service)																										
Interest Payment	\$	-	\$	1,361,279	\$	1,343,998	\$	1,325,652	\$	1,306,174	\$	1,285,495	\$	1,263,541	\$	1,240,232	\$	1,215,486	\$	1,189,214	\$	1,161,321	\$	1,131,707	\$	1,100,268
Principal Payment	\$	-	\$	280,171	\$	297,451	\$	315,797	\$	335,275	\$	355,954	\$	377,909	\$	401,217	\$	425,963	\$	452,236	\$	480,129	\$	509,742	\$	541,182
Debt Service	\$	-	\$	1,641,449	\$	1,641,449	\$	1,641,449	\$	1,641,449	\$	1,641,449	\$	1,641,449	\$	1,641,449	\$	1,641,449	\$	1,641,449	\$	1,641,449	\$	1,641,449	\$	1,641,449
Cash Flow After Financing and Reserve	\$	(47,552)	\$	394,670	\$	433,017	\$	472,071	\$	511,845	\$	552,353	\$	593,606	\$	635,619	\$	678,406	\$	721,979	\$	766,353	\$	811,542	\$	857,560
Debt Service Coverage Ratio (DSCR)				1.24		1.26		1.29		1.31		1.34		1.36		1.39		1.41		1.44		1.47		1.49		1.52
Equity Dividend Rate				3.21%		3.52%		3.84%		4.17%		4.50%		4.83%		5.17%		5.52%		5.88%		6.24%		6.61%		6.98%

**Commented [RS10]:** You could hide the middle years to make it possible for this to be bigger, reduce the size of the first column, and make sure the column sizes are as small as can be.

**Commented [RS11]:** If we want Brookhaven, and other clients, to start using your template, we should get that to them so they can be distributing it. Is it ready?

# Reasonableness Assessment for RA Oak Run, Town of Brookhaven Industrial Development Agency

Oak Run (Middle Island, NY)	Date	10/31/2024												
Annual Cashflows (Pro Forma) - PILOT														
	Construction	Year 1-2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
Operating Cash Flow														
Residential Income														
Gross Operating Income	\$	-	\$ 3,039,984	\$ 3,100,784	\$ 3,162,799	\$ 3,226,055	\$ 3,290,576	\$ 3,356,388	\$ 3,423,516	\$ 3,491,986	\$ 3,561,826	\$ 3,633,062	\$ 3,705,724	\$ 3,779,838
Less: Vacancy Allowance (enter as a negative number)	\$	-	\$ (151,999)	\$ (155,039)	\$ (158,140)	\$ (161,303)	\$ (164,529)	\$ (167,819)	\$ (171,176)	\$ (174,599)	\$ (178,091)	\$ (181,653)	\$ (185,286)	\$ (188,992)
Net Rental Income, Residential	\$	-	\$ 2,887,985	\$ 2,945,744	\$ 3,004,659	\$ 3,064,753	\$ 3,126,048	\$ 3,188,569	\$ 3,252,340	\$ 3,317,387	\$ 3,383,734	\$ 3,451,409	\$ 3,520,437	\$ 3,590,846
Commercial/Industrial Income														
Gross Operating Income	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Vacancy Allowance (enter as a negative number)	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Rental Income, Commercial/Industrial	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income														
Parking Income	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	\$	-	\$ 44,400	\$ 45,288	\$ 46,194	\$ 47,118	\$ 48,060	\$ 49,021	\$ 50,002	\$ 51,002	\$ 52,022	\$ 53,062	\$ 54,123	\$ 55,206
Net Income, Other	\$	-	\$ 44,400	\$ 45,288	\$ 46,194	\$ 47,118	\$ 48,060	\$ 49,021	\$ 50,002	\$ 51,002	\$ 52,022	\$ 53,062	\$ 54,123	\$ 55,206
Effective Gross Income (EGI)	\$	-	\$ 2,932,385	\$ 2,991,032	\$ 3,050,853	\$ 3,111,870	\$ 3,174,108	\$ 3,237,590	\$ 3,302,342	\$ 3,368,388	\$ 3,435,756	\$ 3,504,471	\$ 3,574,561	\$ 3,646,052
Operating Expenses (enter positive numbers)														
Salaries and Wages	\$	-	\$ 90,000	\$ 91,800	\$ 93,636	\$ 95,509	\$ 97,419	\$ 99,367	\$ 101,355	\$ 103,382	\$ 105,449	\$ 107,558	\$ 109,709	\$ 111,904
Management Fee	\$	-	\$ 86,640	\$ 88,372	\$ 90,140	\$ 91,943	\$ 93,781	\$ 95,657	\$ 97,570	\$ 99,522	\$ 101,512	\$ 103,542	\$ 105,613	\$ 107,725
Maintenance	\$	-	\$ 23,815	\$ 24,291	\$ 24,777	\$ 25,273	\$ 25,778	\$ 26,294	\$ 26,820	\$ 27,356	\$ 27,903	\$ 28,461	\$ 29,030	\$ 29,611
Advertising	\$	-	\$ 11,184	\$ 11,408	\$ 11,636	\$ 11,869	\$ 12,106	\$ 12,348	\$ 12,595	\$ 12,847	\$ 13,104	\$ 13,366	\$ 13,634	\$ 13,906
Utilities	\$	-	\$ 55,888	\$ 57,006	\$ 58,146	\$ 59,309	\$ 60,495	\$ 61,705	\$ 62,939	\$ 64,198	\$ 65,482	\$ 66,792	\$ 68,128	\$ 69,490
Admin / Office	\$	-	\$ 46,308	\$ 47,235	\$ 48,179	\$ 49,143	\$ 50,126	\$ 51,128	\$ 52,151	\$ 53,194	\$ 54,258	\$ 55,343	\$ 56,450	\$ 57,579
Bank Charges	\$	-	\$ 1,230	\$ 1,254	\$ 1,279	\$ 1,305	\$ 1,331	\$ 1,358	\$ 1,385	\$ 1,413	\$ 1,441	\$ 1,470	\$ 1,499	\$ 1,529
Telephone	\$	-	\$ 739	\$ 754	\$ 769	\$ 785	\$ 800	\$ 816	\$ 833	\$ 849	\$ 866	\$ 884	\$ 901	\$ 919
Prof. Fees	\$	-	\$ 5,721	\$ 5,836	\$ 5,953	\$ 6,072	\$ 6,193	\$ 6,317	\$ 6,443	\$ 6,572	\$ 6,704	\$ 6,838	\$ 6,974	\$ 7,114
Deposit to replacement reserve	\$	-	\$ 14,637	\$ 14,930	\$ 15,228	\$ 15,533	\$ 15,844	\$ 16,161	\$ 16,484	\$ 16,813	\$ 17,150	\$ 17,493	\$ 17,843	\$ 18,199
Insurance	\$	-	\$ 84,952	\$ 86,651	\$ 88,384	\$ 90,152	\$ 91,955	\$ 93,794	\$ 95,670	\$ 97,583	\$ 99,535	\$ 101,526	\$ 103,556	\$ 105,627
Other	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses	\$	-	\$ 421,116	\$ 429,538	\$ 438,129	\$ 446,891	\$ 455,829	\$ 464,946	\$ 474,245	\$ 483,729	\$ 493,404	\$ 503,272	\$ 513,338	\$ 523,604
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$	-	\$ 2,511,269	\$ 2,561,495	\$ 2,612,724	\$ 2,664,979	\$ 2,718,279	\$ 2,772,644	\$ 2,828,097	\$ 2,884,659	\$ 2,942,352	\$ 3,001,199	\$ 3,061,223	\$ 3,122,448
Real Property Taxes (assuming PILOT)	\$	47,552	\$ 52,826	\$ 83,006	\$ 114,661	\$ 147,847	\$ 182,621	\$ 219,041	\$ 257,169	\$ 297,065	\$ 338,796	\$ 382,427	\$ 428,029	\$ 475,671
Net Operating Income (NOI) after Taxes	\$	(47,552)	\$ 2,458,443	\$ 2,478,489	\$ 2,498,063	\$ 2,517,132	\$ 2,535,657	\$ 2,553,603	\$ 2,570,928	\$ 2,587,594	\$ 2,603,556	\$ 2,618,772	\$ 2,633,195	\$ 2,646,777
Loan or Mortgage (Debt Service)														
Interest Payment	\$	-	\$ 1,361,279	\$ 1,343,998	\$ 1,325,652	\$ 1,306,174	\$ 1,285,495	\$ 1,263,541	\$ 1,240,232	\$ 1,215,486	\$ 1,189,214	\$ 1,161,321	\$ 1,131,707	\$ 1,100,268
Principal Payment	\$	-	\$ 280,171	\$ 297,451	\$ 315,797	\$ 335,275	\$ 355,954	\$ 377,909	\$ 401,217	\$ 425,963	\$ 452,236	\$ 480,129	\$ 509,742	\$ 541,182
Debt Service	\$	-	\$ 1,641,449	\$ 1,641,449	\$ 1,641,449	\$ 1,641,449	\$ 1,641,449	\$ 1,641,449	\$ 1,641,449	\$ 1,641,449	\$ 1,641,449	\$ 1,641,449	\$ 1,641,449	\$ 1,641,449
Cash Flow After Financing and Reserve	\$	(47,552)	\$ 816,994	\$ 837,040	\$ 856,614	\$ 875,682	\$ 894,208	\$ 912,153	\$ 929,479	\$ 946,144	\$ 962,107	\$ 977,322	\$ 991,745	\$ 1,005,327
Debt Service Coverage Ratio (DSCR)			1.50	1.51	1.52	1.53	1.54	1.56	1.57	1.58	1.59	1.60	1.60	1.61
Equity Dividend Rate			6.65%	6.81%	6.97%	7.13%	7.28%	7.42%	7.57%	7.70%	7.83%	7.96%	8.07%	8.18%

Commented [TG12R11]: I will schedule a call with Lisa to discuss the new template and get feedback. There may be other issues that we are unaware of that need addressing.



## 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 May 29<sup>th</sup>, 2024.
- ♦ Project financing and annual cashflow workbook submitted by the Applicant in June 2024, with submitted revisions.
- ♦ Assessed value estimates provided by the applicant in the cashflow workbook.
- ♦ 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](http://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.

Commented [RS13]: Double check these



## 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)

$\text{Equity Dividend} / \text{Equity Investment} = \text{Equity Dividend Rate}$ , where  $\text{Equity Dividend} = \text{Net Operating Income} - \text{Debt Service}$ .

**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](http://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*

RA Oak Run, LLC	
<u>Year</u>	<u>PILOT</u>
2025	\$23,482
2026	\$24,070
2027	\$52,826
2028	\$83,006
2029	\$114,661
2030	\$147,847
2031	\$182,621
2032	\$219,041
2033	\$257,169
2034	\$297,065
2035	\$338,796
2036	\$382,427
2037	\$428,029
2038	\$475,671
<p>Proposed PILOT benefits are for discussion purposes only and have not been approved by the Agency Board.</p>	



## Shipment Receipt

### Address Information

<b>Ship to:</b>	<b>Ship from:</b>
Ms. Lisa M. G. Mulligan, CEO	Laura Fallick, Esq.
Town of Brookhaven Industrial Devel	Farrell Fritz PC
One Independence Hill	400 RXR PLZ
	Lobby WEST
FARMINGVILLE, NY	UNIONDALE, NY
11738	11556
US	US
516-227-0735	5162270735

### Shipment Information:

Tracking no.: 779470052567  
Ship date: 10/23/2024  
Estimated shipping charges: 0.00

### Package Information

Pricing option: FedEx Standard Rate  
Service type: Standard Overnight  
Package type: FedEx Envelope  
Number of packages: 1  
Total weight: 0.50 LBS  
Declared Value: 0.00 USD  
Special Services:  
Pickup/Drop-off: Drop off package at FedEx location

### Billing Information:

Bill transportation to: Uniondale 2-391  
Your reference: 32630-100  
PO no.:  
Invoice no.:  
Department no.:

**Thank you for shipping online with FedEx ShipManager at [fedex.com](https://fedex.com).**

### Please Note

FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1000, e.g., jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits; Consult the applicable FedEx Service Guide for details. The estimated shipping charge may be different than the actual charges for your shipment. Differences may occur based on actual weight, dimensions, and other factors. Consult the applicable [FedEx Service Guide](#) or the FedEx Rate Sheets for details on how shipping charges are calculated.



**Laura K. Fallick**  
Associate

Direct Dial: 516.227.0735  
Direct Fax: 516.336.2225  
lfallick@farrellfritz.com

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

October 23, 2024

**VIA FEDERAL EXPRESS AND E-MAIL**

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

**Re: Middle Country Meadows, LLC**

Dear Ms. Mulligan and Members of the Board:

On December 1, 2021, the Town of Brookhaven Industrial Development Agency (the "Agency") entered into a Lease and Project Agreement with Middle Country Meadows, LLC ("MCM").

On or about December 28, 2021, the Agency and MCM granted mortgages to KHRE SMA Funding, LLC in the original principal amount of \$34,500,000.00, which has a current unpaid principal balance in the amount of \$28,545,000.00 (the "Existing Mortgage"). MCM now intends to refinance the Existing Mortgage with New York Life Insurance Company in the aggregate principal amount of \$40,100,000.00 (the "New Mortgage"), and requires a Resolution from the Agency authorizing the Agency to consent to and execute the New Mortgage.

Please note that MCM is not seeking any additional economic assistance beyond what has already been authorized.

We respectfully request that the foregoing matter be added to the agenda of the Agency's November board meeting.

Please do not hesitate to contact me with any questions.

Very truly yours,

*Laura K. Fallick*  
Laura K. Fallick

cc: Barry Carrigan, Esq.  
Mr. Jim Tsunis  
Peter L. Curry, Esq.



FORCHELLI  
DEEGAN  
TERRANA

DANIEL S. DORNFELD  
PARTNER  
DIRECT DIAL: (516) 812-6340  
DIRECT FACSIMILE: (866) 568-7067  
DDORNFELD@FORCHELLILAW.COM

October 25, 2024

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

Attn: Lisa MG Mulligan, Chief Executive Officer

Re: ***Request for Extension of Time***  
***Project: Research Property Holdings, LLC/Biocogent, LLC 2021 Facility***

Dear Ms. Mulligan:

As you are aware, this firm represents Research Property Holdings, LLC and its affiliated entity, Biocogent LLC., which acquired the property at 19 Pinehurst Drive, Bellport, NY (the “Property”), with the Town of Brookhaven Industrial Development Agency’s (“TOBIDA”) assistance.

As you may recall, the Property is an existing approximately 11,574 square foot industrial building. Applicant acquired the Property, and has begun equipping it to be able to house its manufacturing facility (the “Project”), and generally execute on its business plan, thanks to the assistance of the TOBIDA. As you may also recall Applicant requested and was granted a one-year extension of time due to the Pandemic, the resulting supply-chain issues, and the impact both had on Applicant’s industry. Pursuant to the amended Lease and Project Agreement (the “Lease”), the Project was supposed to be complete by the end of 2024. Unfortunately, Applicant will not be able to meet this deadline due to reasons described herein.

As you may remember, Applicant had the intension of building a “campus” to house its entire company in Bellport with the Project being the first step in moving and graduating Applicant from the Long Island High Technology Incubator (the “LIHTI”) in Stony Brook. While Applicant was working on the Project, an opportunity for a long-term lease (with right-of-first-refusal to purchase) of an adjacent property at 15 Pinehurst Drive (the “Adjacent Property”) became available. Since this was a unique opportunity, Applicant acquired the Adjacent Property and focused on renovating the Adjacent Property. Applicant wanted to relocate its warehouse and business offices to the Adjacent Property and by renovating it first, Applicant would save significant expenses in travel between facilities and rent at LIHTI. Although the Adjacent Property renovation was not added to the existing transaction with the TOBIDA, Applicant still views it as a part of the overall Project because it was creating a Bellport campus and spurring job creation

and economic development. Applicant planned on completing renovations of both buildings before the Project deadline, but as is common in most projects, delays and finances made that difficult to accomplish. Unanticipated work was needed to meet building codes that were updated subsequent to the completion of the Adjacent Property. One unanticipated project having a huge expense and time delay was increasing the size of the water main from the street to the building. However, Applicant feels it has made tremendous progress in achieving its ultimate goal. In addition to completing the unanticipated work, Applicant has completed the following work at the Adjacent Property: updated the fire sprinkler system, electrical system, HVAC system, hot water heater, and loading dock doors; designed and built the warehouse (including purchasing of a rack system, lighting system, and forklifts); designed and built offices for 20 people (including new flooring, ceilings, drywall, and firewall); installed new bathrooms, breakroom, kitchen, and warehouse epoxy floors; and purchased office furniture, a telephone system, a computer network system, a security system, office supplies, and all new landscaping for the building. In January of 2024 Applicant began relocating approximately 20 employees from LIHTI to the Adjacent Property and downsizing office space at LIHTI. In June, after shaking out transition problems and ensuring employees were functioning well in their new locations, Applicant has turned its focus to the Project. After learning a lot from renovating the Adjacent Property, architectural plans have been redrawn and permits are currently being written.

Fortunately, Applicant's business prospects remain good. In fact, Applicant was recognized by the Long Island Business Development Council for its dedication and commitment to LI's business community in 2023 and has won the following awards in 2024: One of the Best Companies to Work for in New York by the Rochester Business Journal (5<sup>th</sup> out of 33 chosen small companies); Corporate Citizen of the Year (small business) by the Long Island Business News; Joseph Ceccoli was selected for Leadership Excellence (For-Profit Individual) by the Long Island Business News; and Gold Sustainability Rating for its 2024 EcoVadis Assessment (ranked in the 97<sup>th</sup> percentile of all companies for sustainability management system). Finally, Applicant is currently negotiating for the purchase of an additional building, also adjacent to the Property, to house its research and development labs ("R&D"). Once Applicant has moved its R&D, it will have successfully graduated from LIHTI. The extension of this Project will simply allow Applicant to execute on its business plan. By virtue of this letter, we are requesting that TOBIDA extend Applicant's time to complete the Project and use of the sale tax exemption to December 31, 2026.

Thank you for your consideration. Should you wish to discuss, please do not hesitate to reach out.

Very truly yours,

**Forchelli Deegan Terrana LLP**

By: *Daniel S. Dornfeld*  
Daniel S. Dornfeld



# MS PACKAGING & SUPPLY CORP.

53 ZORN BLVD, YAPHANK, NY 11980 \* 631-821-6567 F-631-821-0935

November 13, 2024

Brookhaven IDA  
One Independence Hill  
2<sup>nd</sup> Floor  
Farmingville, NU 11738  
Attn: Lisa Mulligan

Re: Natcon Drive

The contractor is pushing to get the project completed but just to be safe so as not to go into default we would like to extend the completed project date and sales tax exemption date to 3/31/25.

Sincerely,

Dana Savino

## September Morning, LLC

---

5 Plant Avenue  
Hauppauge, NY 11788

Amy Illardo

Brookhaven IDA

One Independence Hill, 2<sup>nd</sup> floor

Farmingville, NY 11738

### **RE: September Morning Project**

Dear Ms. Illardo:

We are respectfully requesting an extension of the completion date for this project. The original completion date was December 31, 2024. We are requesting an extension of this completion date to April 15, 2025.

The reasons behind the request are as follows:

- Building permit documentation was filed on 10/20/23. The building permit was issued on 3/8/24. After submitting we were given the indication that we would have the permit by 12/31/23. This delayed the start of the project.
- The height of the building was lowered. Approval from the Town Board was received on April 25, 2024. An amended building plan permit was submitted on or about May 1, 2024. To date an amended permit has not been issued by the Building Department. This will hindered our ability to secure final sign-offs from the town.



- While the electrical switch gear was submitted, approved and ordered in a timely manner and in accordance with the project schedule, this equipment is still running on a 40-week lead time. It is due on site in mid-November. Once installed PSEG will need to inspect and then schedule the connection to permanent power. This is projected to occur in mid-December. After the permanent power is on, all final connections and equipment start up needs to take place.
- Subsequent to the above all final inspections and signoffs will need to occur. Upon completion of these all final paperwork will need to go to town for final processing for issuance of the C of O. This process alone can take 6-8 weeks.

There is no request for additional sales tax benefit. The cost of the project has remained constant. The delays outlined above are the basis for the request for additional completion time.

We would also like to ask for an extension of the sales tax exemption to April 15, 2025.

Thank you for your consideration with this matter.

Sincerely,

A handwritten signature in cursive script that reads "Ron Yakuel".

Ron Yakuel

September Morning, LLC

**FERRANDINO AND SON DEVELOPMENT GROUP, LLC**  
71 CAROLYN BOULEVARD  
FARMINGDALE, NEW YORK 11735

November 15, 2024

Mr. Frederick Braun, Chairman and  
Members of the Brookhaven Industrial Development Agency  
1 Independence Hill  
Farmingville, NY, 11738

Re: Ferrandino and Son Development Group, LLC ("FSDG")  
Brookhaven Town IDA Application

Dear Mr. Chairman and Members of the Brookhaven Town Industrial Development Agency:

I am writing this letter to support FSDG's prior request for a 20-year Payment in Lieu of Taxes (PILOT) for our proposed multi-family development project located at 214 West Main Street in Patchogue. As has been communicated to the IDA previously, a 20-year PILOT is being requested by us to ensure the financial viability of the project. Additionally, a 20-year PILOT aligns with the findings of the Grow America Feasibility Study, dated October 2, 2024, which has been provided to you and details the structure of the PILOT that we have requested of you.

In consultation with our outside legal counsel, we have thoroughly reviewed the Town of Brookhaven IDA's Uniform Tax Exemption Policy (UTEP); it is clear that our proposed development project well exceeds all of the stated requirements to qualify for a modified PILOT program. Our project effectively addresses all seven key requirements outlined in the Brookhaven Town UTEP, demonstrating the project's significant positive impact on the community and alignment with the Brookhaven Town IDA's goals.

As you are aware, Grow America is a respected third-party national not-for-profit economic development organization, with whom we engaged, at the request of the Brookhaven Town IDA to prepare a comprehensive feasibility report as the basis of the Brookhaven Town IDA Benefits Application. Grow America's analysis determined that a 20-year PILOT, inclusive of three (3) years for construction and seventeen (17) years for the proposed tax benefit will help establish the project's financial viability.

The Grow America report goes on to state that the projected "as-complete" tax burden is substantial, with figures anticipated to be approximately \$9,464.00 per unit in the stabilized year, which is one of the main reasons for our requested assistance from the IDA.

Grow America's recommended PILOT structure encompasses a complete 100% abatement during the first three (3) construction years and ensuing Operating Years 1-10, followed by a gradual reduction of 12.5% annually during Operating Years 11 through 17. Their phased approach is justified by the high development and extraordinary costs associated with the project, along with the significant community and civic improvements being provided to the on-site residents.

Lastly, the Grow America report goes on to state that the financial projections for the project indicate that returns from the project are marginal, with a stabilized Yield to Cost (YTC) of 5.0% and a pre-tax Internal Rate of Return (IRR) forecasted at 5%. In Year 3, the development achieves a debt coverage ratio (DCR) of just 1.07, which falls short of standard lender requirements that typically demand a DCR of at least 1.20.

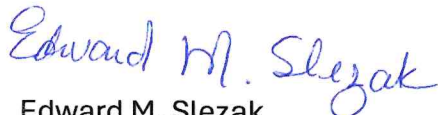
Given the current economic climate, coupled with extraordinarily high development and operating costs, and the projected high taxes on the property would unduly burden the project absent a 20-year Brookhaven Town PILOT program. Accordingly, such financial challenges would likely hinder our ability to attract the necessary funding to proceed with the project.

In summary, it is strongly urged and requested that the Brookhaven Industrial Development Agency consider and approve a 20-year PILOT program as proposed, following the schedule set forth by the Grow America Feasibility Study. We all firmly believe this project will enhance the community's growth, prosperity and Patchogue Village downtown area's stated goals of continued revitalization.

Thank you for your attention in this matter. We look forward to your positive response and are available to provide any additional information and documentation if needed and are always available to discuss this project further, if requested.

Sincerely,

Ferrandino and Son Development Group LLC



Edward M. Slezak  
Chief Legal Officer



## **Competitiveness Project**

The objective is to provide policy recommendations to the legislature and Governor that address New York's competitiveness, with the goal of making New York more affordable, reversing outmigration, and supporting economic growth and opportunity.

We have hired an economist (Ted Abernathy of Economic Leadership) to put together the data and assemble recommendations, with significant input from stakeholders, partner organizations (chambers, IDAs, trade associations) and selected investors.

The content will focus on current and future competitiveness and will cover job creation, innovation, research and development, education, entrepreneurial activity, business climate, infrastructure, exports, regulatory environment, energy, and other areas we identify.

Economic Leadership will produce a competitive analysis of New York which will include a deep dive assessment of the workforce issues facing the state, a national scan of best practices that could be appropriate for use in the state, and a strategic action agenda to improve the state's competitiveness and diversify the economy.

The project will include a review of existing state plans, reports, and existing and newly developed statistical data. It will also include an electronic survey of members and the members of partner organizations, to determine priorities for actions and areas of concern, and in-person and/or virtual interviews with CEO level stakeholders, partner organizations, and selected investors and focus groups to discuss the State's competitiveness.

Output will include:

- An extensive slide deck of recent economic performance and state-to-state comparisons. The content will focus on current and future competitiveness and will cover job creation, innovation, research and development, education, entrepreneurial activity, business climate, infrastructure, exports, FDI and other areas of interest.
- A "trends" section of the final report to frame New York's competitiveness in the coming years, including an assessment of the impacts of industry trends in those industries most important to the state's economy.
- A detailed workforce and industry assessment.
- A best practice report to choices.
- Policy and Program recommendations to improve economic activity and the business climate in New York State.

Economic Leadership will compile all the information and work with staff and convert everything into a document that summarizes the current situation, and the actions needed for improved competitiveness. Economic Leadership will deliver a final presentation at an event of the Client's choosing, anticipated to be in late-January 2025.

The initial cost of the project is approximately \$100,000; additional costs for production and marketing of the final recommendations may be incurred as well. The Public Policy Institute (PPI), a 501(c)(3) entity affiliated with the Business Council of NYS, Inc. will manage the contract and payments. PPI is a research and educational organization whose purpose is to formulate and promote public policies that will restore New York's economic competitiveness. PPI is a non-partisan organization.

All donations to PPI are tax deductible to the extent permissible by law. If you are interested in supporting the Competitiveness Report, checks can be made payable to The Public Policy Institute of NYS, Inc. and mailed, c/o The Business Council, 12 Corporate Woods Blvd., Ste 17, Albany, NY 12211.