Town of Brookhaven

Industrial Development Agency

Meeting Agenda

Friday, March 28, 2025 at 1:30 PM

1. Ferrandino & Sons Development Group, LLC

2. Executive Session

The next IDA meeting is scheduled for Wednesday, April 23, 2025.

Town of Brookhaven Industrial Development Agency
MRB Cost Benefit Calculator

MRB group
Cost-Benefit Analysis Tool powered by MRB Group

Date	3.18.25
Project Title	Ferrandino and Sons
Project Location	South side of Montauk Hwy between West Ave and Hammond St Patchogue

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment

$160,529,200

Temporary (Construction)

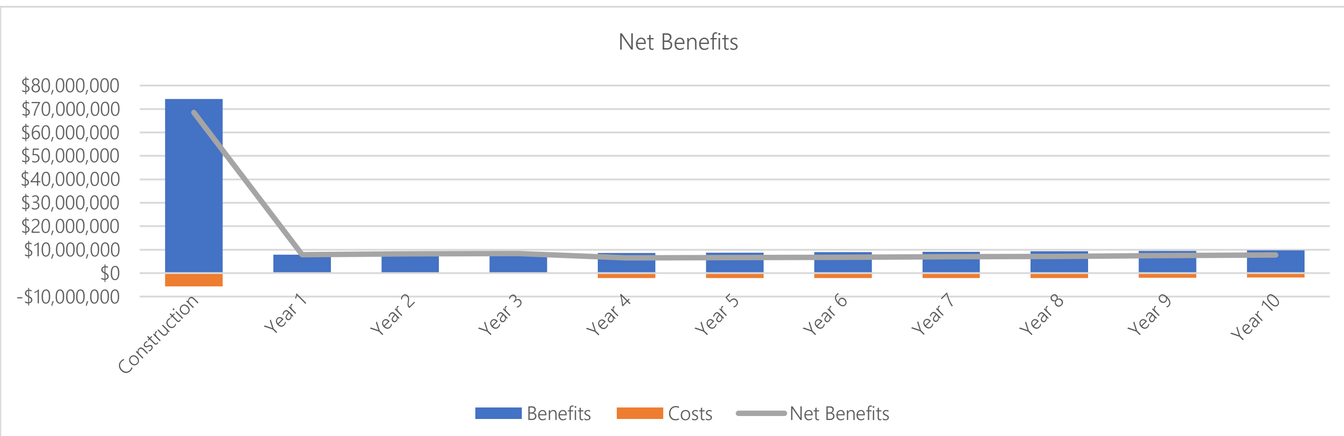
	Direct	Indirect	Total
Jobs	952	203	1154
Earnings	$55,666,963	$14,324,341	$69,991,304
Local Spend	$144,476,280	$49,719,133	$194,195,413

Ongoing (Operations)

Aggregate over life of the PILOT

	Direct	Indirect	Total
Jobs	97	31	128
Earnings	$108,853,929	$42,815,248	$151,669,177

Figure 1



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

Figure 2

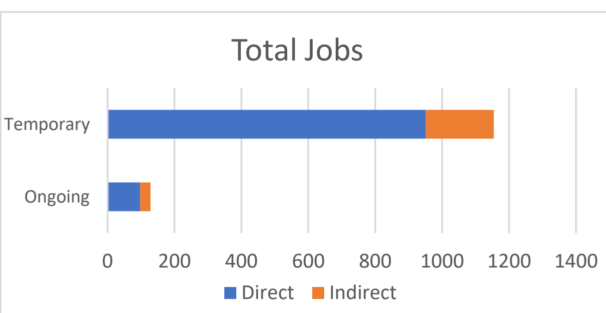
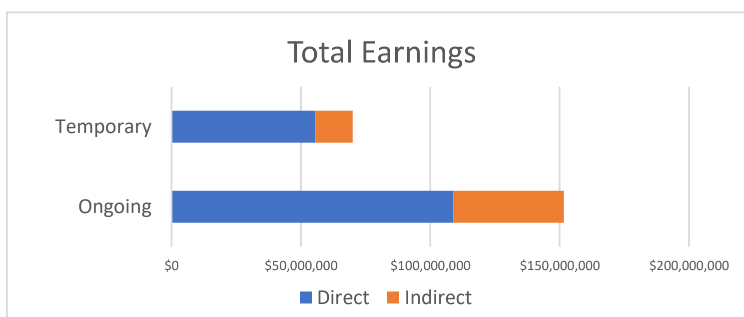


Figure 3



Ongoing earnings are all earnings over the life of the PILOT.

Fiscal Impacts

MRB group

Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	$24,601,355	$20,360,140
Sales Tax Exemption	$4,923,581	$4,923,581
Local Sales Tax Exemption	*$2,672,801*	*$2,672,801*
State Sales Tax Exemption	*$2,250,780*	*$2,250,780*
Mortgage Recording Tax Exemption	$772,381	$772,381
Local Mortgage Recording Tax Exemption	*$257,460*	*$257,460*
State Mortgage Recording Tax Exemption	*$514,921*	*$514,921*
Total Costs	**$30,297,317**	**$26,056,102**

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	$232,332,340	$204,621,041
To Private Individuals	$221,660,482	$196,273,655
Temporary Payroll	*$69,991,304*	*$69,991,304*
Ongoing Payroll	*$151,669,177*	*$126,282,351*
Other Payments to Private Individuals	*$0*	*$0*
To the Public	$10,671,859	$8,347,386
Increase in Property Tax Revenue	*$8,494,499*	*$6,437,030*
Temporary Jobs - Sales Tax Revenue	*$581,803*	*$581,803*
Ongoing Jobs - Sales Tax Revenue	*$1,595,558*	*$1,328,554*
Other Local Municipal Revenue	*$0*	*$0*
State Benefits	$11,808,288	$10,441,036
To the Public	$11,808,288	$10,441,036
Temporary Income Tax Revenue	*$3,149,609*	*$3,149,609*
Ongoing Income Tax Revenue	*$6,825,113*	*$5,682,706*
Temporary Jobs - Sales Tax Revenue	*$489,939*	*$489,939*
Ongoing Jobs - Sales Tax Revenue	*$1,343,627*	*$1,118,782*
Total Benefits to State & Region	$244,140,629	$215,062,077

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	$204,621,041	$23,290,402	9:1
State	$10,441,036	$2,765,701	4:1
Grand Total	$215,062,077	$26,056,102	8:1

*Discounted at 2%

Additional Comments from IDA

The applicant's proposed project includes 262 units of studio, one, and two bedroom unit housing on the south side of Montauk Highway between West Ave and Hammond Street in Patchogue Village. The facility will include 27 units that will be set aside as affordable and 26 units that will be set aside as workforce. The project will include two pools, two gyms, a public riverwalk, a pet spa, a lounge bar, and a golf simulator. The project will create five full time equivalent jobs. 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

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

November 6, 2023

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

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

Dear ~~Ms. Mulligan~~ Lisa:

As we discussed, enclosed herewith please find the following documents in connection with the above-referenced Brookhaven Town IDA Application for Ferrandino and Son Development Group, LLC:

1. Original and one (1) copy of the completed Brookhaven Town IDA Application for Financial Assistance, dated November 6, 2023, duly executed before a Notary Public by Edward M. Slezak, Senior Vice President, Ferrandino and Son Development Group, LLC;
2. LEAF, dated November 1, 2023, as prepared by VHB Engineering; and
3. Our client's Check No. 100033, dated November 1, 2023, in the amount of $4,000.00 made payable to the Town of Brookhaven Industrial Development Agency for the required Application Fee.

As you are aware, our law firm represents Ferrandino and Son Development Group, LLC, 71 Carolyn Boulevard, Farmingdale, New York 11735. Ferrandino and Son Development Group, LLC is the Contract Vendee of the above-referenced premises. Ferrandino and Son Development Group, LLC hereby requests that the Brookhaven Town Industrial Development Agency consider its project for the standard benefits package of real estate taxes and mortgage recording taxes as well as and sales and use taxes in connection with its property development in Patchogue Village on West Main Street, Hammond Street and West Avenue.

Ferrandino and Son Development Group, LLC proposes the demolition of the existing vacant buildings as well as the buildings currently used for steel manufacturing, auto repair and laundromat on site. The Trolley House building, the last remaining historical structure of the former Lace Mill previously located across the street, which currently operates as a custom iron works manufacturing facility, will not be demolished. The Trolley House will be refurbished and incorporated within the newly proposed project development. Ferrandino and Son Development Group, LLC proposes the construction of two (2) four-story mixed-use buildings with a total of 262 residential units, of which 49 are studios, 141 are one-bedroom units and 72 are two-bedroom units, with retail, office space, two (2) parking garages and outdoor parking on a total of 4.08 acres.

The proposed four-story mixed-use building on the western side of the development ("Building 1") measures approximately 186,632 gross square feet and consists of 154 residential units as well as 301 square feet "grab and go" retail space and 540 square feet community office space on the ground floor with a central courtyard and pool above the parking garage. The Trolley House will be refurbished and incorporated within the first floor façade of Building 1 to maintain this familiar structure within the existing community character of Patchogue Village. The Trolley House will be repurposed for community office space to be leased to and utilized by the Patchogue Village Chamber of Commerce. The proposed four-story building on the eastern side of the development ("Building 2") measures approximately 134,266 square feet and consists of 108 residential units with an outdoor courtyard on the second floor above the parking garage. It is contemplated that the project construction will be completed in two phases. Phase 1 will be the construction of Building 1 and it is anticipated to take twenty four (24) months to complete. Construction of Building 2 will occur in Phase 2 beginning twelve (12) months after the commencement of Phase 1 and is expected to be completed within twenty four (24) months.

The Patchogue River separates the two (2) proposed buildings. The wetlands area adjoining same will be revegetated and landscaped pursuant to NY DEC regulations and guidelines as public space.

The development proposes a total of 420 parking spaces. Building 1 provides a two-level parking garage at ground level with 282 parking spaces. Building 2 provides a one-level parking garage with 91 parking spaces at ground level. Additional 15 surface parking spaces are proposed on the west side of Building 1 as well as 32 surface parking spaces on the south side of Hammond Street (Lots 18 and 24), which is currently vacant land. Ingress and egress to the parking garages will be provided along West Main Street. Ingress and egress to the off-site parking lot will be provided from Hammond Street.

The proposed project will allow for Affordable/Workforce Housing consistent with Brookhaven Town IDA guidelines. The project will allocate twenty percent (20%) of the residential apartments, or approximately 53 units, as Affordable/Workforce Housing. Ten percent (10%) of the units will be allocated to residents who earn eighty percent (80%) of the Average Medium Income (AMI). The proposed monthly rent for a studio is $1,586.00; a one-bedroom unit is $1,812.00; and a two-bedroom unit is $2,040.00. The remaining ten percent

(10%) will be allocated for those residents earning one hundred twenty percent (120%) of AMI. The proposed monthly rent for a studio is $2,379.00; a one-bedroom unit is $2,718.00; and a two-bedroom unit is $3,060.00. The proposed rental rates will be further reviewed and adjusted, as needed, at the time of rental occupancy.

The proposed project will create a high quality multi-family residential development to address residential demands in Patchogue Village. This design will appeal to that segment of the population looking for a housing alternative other than single family residences and provides a broader range of housing options. The project is compatible with the established pattern of land use and development in Patchogue Village as it is located near other multi-family residential developments. The project redevelops an underutilized property at a prominent location which is in walking distance from several destinations including the retail shops and restaurants in downtown Patchogue Village, Great Patchogue Lake, Blue Point Brewing Company, YMCA and Carnegie Library. The premises is also located within one-half mile of the Long Island Railroad Station which will appeal to tenants, as commuters, and their visitors to Patchogue Village for accessible transportation oriented project development.

In addition, the development will provide economic benefits such as the increase of property taxes, sales and use tax generation, additional employment opportunities and the increased support of local businesses by adding more residents with purchasing power to the area. The project will also implement stormwater management infrastructure improvements by raising the base floodplain elevation of the building design to mitigate flooding potential.

Ferrandino and Son Development Group, LLC is finalizing its Patchogue Village Change of Use Petition for submission to the Patchogue Village Clerk with a copy to Patchogue Village Planning Board during the first week of November. The premises is currently zoned D2 Business District and E Industrial District. Ferrandino and Son Development Group, LLC is requesting a Change of Zone to D2 Business District to support the development. Much of the surrounding area along West Main Street is located within a D2 Business District. We anticipate a recommendation for approval to the Patchogue Village Board of Trustees from the Patchogue Village Planning Board at its public hearing on November 28, 2023. Review and approval of the Change of Zone from the Patchogue Village Board of Trustees is anticipated at its meeting on December 11, 2023. We will provide all required Village approvals and SEQRA Determination to the Brookhaven Town IDA upon receipt of same.

Thus, in summary, Ferrandino and Son Development Group, LLC hereby requests the Brookhaven Town Industrial Development Agency's consideration of its project for the standard benefits package of real estate taxes and mortgage recording taxes as well as sales and use taxes in connection with the development of the property in Patchogue Village. Furthermore, please note that Ferrandino and Son Development Group, LLC is seeking a **Twenty (20) Year PILOT Agreement** for the 262 residential rental apartments only as the benefits sought are needed to assist with anticipated increasing market construction costs. Please be further advised, but for the significant benefit assistance of the IDA, this proposed development may not go forward by the project principals.

Please review, process and schedule this Application for discussion with the Brookhaven Town IDA Board at its next meeting scheduled for November 15, 2023 at 12:30 pm. An economic feasibility study is presently being prepared by National Development Council (NDC) and will be provided to the Brookhaven Town IDA Board for review upon completion of same.

If you should have any further questions or require any additional information, please do not hesitate to contact our office. Thank you.

Very truly yours,

Van Brunt, Juzwiak & Russo, P.C.

Eric J. Russo, Esq.

EJR/tml
Encs.

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

PREPARED FOR:

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

Reasonableness Assessment for Financial Assistance

FERRANDINO AND SON DEVELOPMENT GROUP, LLC

MARCH 2025

PREPARED BY:

camoin associates

CONTENTS

EXECUTIVE SUMMARY

Project Description

The Town of Brookhaven Industrial Development Agency (Agency) received an application from Ferrandino and Son Development Group LLC (Applicant) for financial assistance for a 4.08-acre mixed-use project of 320,896 square feet consisting of two 4-story multifamily buildings with 2 parking garages, 262 total residential units, a 301-square-foot “Grab and Go” retail food location, and 540 square feet of ancillary office space. 10% of the units will be affordable (80% of AMI) and 10% of the units will be workforce (120% of AMI) per their application.

The Project represents a $177.6 million investment and is anticipated by the Applicant to generate 5 full-time equivalent permanent jobs within three years in addition to 310 estimated construction jobs. 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 the vacancy rate. However, certain segments of affordable and workforce housing are outside of 2024 benchmarks and certain market rent units are above that of comparable new construction projects (post 2020) in Suffolk County. Operating expenses/net operating income are more efficient than benchmarks.***
- ***The average equity dividend rate is below the benchmark (4.72%) for both the PILOT (3.58%) and No PILOT (0.90%) scenarios.***
- ***Debt service coverage ratio benchmark is met in year 1 in the PILOT scenario and year 9 in the No PILOT scenario.***

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.

Affordable/Workforce 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)	Income Limits Affordable (3)	Benchmarks
Affordable Studio	2	$1,914	$22,968	$76,560	n/a	$87,500	Meets Benchmark
Affordable Studio	3	$1,984	$23,808	$79,360	n/a	$87,500	Meets Benchmark
Workforce Studio	5	$2,298	$27,576	$91,920	$131,200	n/a	Meets Benchmark
Affordable 1BR	15	$2,210	$26,520	$88,400	n/a	$100,000	Meets Benchmark
Workforce 1BR	14	$2,903	$34,836	$116,120	$149,950	n/a	Meets Benchmark
Affordable 2BR	2	$2,534	$30,408	$101,360	n/a	$112,500	Meets Benchmark
Affordable 2BR	5	$2,585	$31,020	$103,400	n/a	$112,500	Meets Benchmark
Workforce 2BR	7	$3,990	$47,880	$159,600	$168,700	n/a	Meets Benchmark

(1) Source: Applicant

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

(3) Uncapped FY 2023 Low Income Limit Table By Family Size, Town of Brookhaven

Market Rate 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)	CoStar Market Rent (3)	Benchmarks (4)
Market Studio	1	$2,575	$30,900	$103,000	$2,793	Rent is 8% Lower Than Market- Meets Benchmark
Market Studio	6	$2,681	$32,172	$107,240	$2,793	Rent is 4% Lower Than Market - Meets Benchmark
Market Studio	10	$2,801	$33,612	$112,040	$2,793	Rent is at Market - Meets Benchmark
Market Studio	4	$2,704	$32,448	$108,160	$2,793	Rent is 3% Lower Than Market - Meets Benchmark
Market Studio	9	$2,726	$32,712	$109,040	$2,793	Rent is 2% Lower Than Market - Meets Benchmark
Market Studio	2	$2,806	$33,672	$112,240	$2,793	Rent is at Market - Meets Benchmark
Market Studio	2	$2,826	$33,912	$113,040	$2,793	Rent is 1% Higher Than Market - Meets Benchmark
Market Studio	2	$2,902	$34,824	$116,080	$2,793	Rent is 4% Higher Than Market - Meets Benchmark
Market Studio	3	$3,104	$37,248	$124,160	$2,793	Rent is 11% Higher Than Market - Meets Benchmark
Market 1BR	4	$2,787	$33,444	$111,480	$3,130	Rent is 11% Lower Than Market - Meets Benchmark
Market 1BR	40	$3,182	$38,184	$127,280	$3,130	Rents is 2% Higher Than Market - Meets Benchmark
Market 1BR	13	$3,305	$39,660	$132,200	$3,130	Rent is 6% Higher Than Market - Meets Benchmark
Market 1BR	4	$3,464	$41,568	$138,560	$3,130	Rent is 11% Higher Than Market - Meets Benchmark
Market 1BR	3	$3,360	$40,320	$134,400	$3,130	Rent is 7% Higher Than Market - Meets Benchmark
Market 1BR	3	$3,485	$41,820	$139,400	$3,130	Rent is 11% Higher Than Market - Meets Benchmark
Market 1BR	3	$3,550	$42,600	$142,000	$3,130	Rent is 13% Higher Than Market - Meets Benchmark
Market 1BR	2	$3,657	$43,884	$146,280	$3,130	Rent is 17% Higher Than Market - Meets Benchmark
Market 1BR	4	$3,674	$44,088	$146,960	$3,130	Rent is 17% Higher Than Market - Meets Benchmark
Market 1BR	4	$3,702	$44,424	$148,080	$3,130	Rent is 18% Higher Than Market - Meets Benchmark
Market 1BR	4	$3,878	$46,536	$155,120	$3,130	***Rent is 24% Higher Than Market - Exceeds Benchmark***
Market 1BR	4	$4,052	$48,624	$162,080	$3,130	***Rent is 29% Higher Than Market - Exceeds Benchmark***
Market 1BR	11	$4,052	$48,624	$162,080	$3,130	***Rent is 29% Higher Than Market - Exceeds Benchmark***
Market 1BR	4	$4,069	$48,828	$162,760	$3,130	***Rent is 30% Higher Than Market - Exceeds Benchmark***
Market 1BR	2	$4,191	$50,292	$167,640	$3,130	***Rent is 34% Higher Than Market - Exceeds Benchmark***
Market 1BR	2	$4,267	$51,204	$170,680	$3,130	***Rent is 36% Higher Than Market - Exceeds Benchmark***
Market 1BR	4	$4,323	$51,876	$172,920	$3,130	***Rent is 38% Higher Than Market - Exceeds Benchmark***
Market 1BR	1	$4,347	$52,164	$173,880	$3,130	***Rent is 39% Higher Than Market - Exceeds Benchmark***
Market 2BR	22	$3,988	$47,856	$159,520	$3,698	Rent is 8% Higher Than Market - Meets Benchmark
Market 2BR	11	$4,013	$48,156	$160,520	$3,698	Rent is 9% Higher Than Market - Meets Benchmark
Market 2BR	8	$4,261	$51,132	$170,440	$3,698	Rent is 15% Higher Than Market - Meets Benchmark
Market 2BR	4	$4,256	$51,072	$170,240	$3,698	Rent is 15% Higher Than Market - Meets Benchmark
Market 2BR	4	$4,128	$49,536	$165,120	$3,698	Rent is 12% Higher Than Market - Meets Benchmark
Market 2BR	3	$4,383	$52,596	$175,320	$3,698	Rent is 19% Higher Than Market - Meets Benchmark
Market 2BR	3	$4,278	$51,336	$171,120	$3,698	Rent is 16% Higher Than Market - Meets Benchmark
Market 2BR	3	$4,438	$53,256	$177,520	$3,698	***Rent is 20% Higher Than Market - Exceeds Benchmark***

(1) Source: Applicant
(2) Income needed to pay no more than 30% on rent
(3) 2024 Average monthly rent for newly built apartments (Post 2020) for Suffolk County, NY Source: CoStar
(4) Benchmark allowance of 20% used to account for new construction & amenities

2. PILOT ANALYSIS

Camoin Associates created a PILOT schedule in alignment with the Agency's Uniform Tax Exemption Policy (UTEP) and detailed in the Applicant's economic impact analysis.

PILOT Schedule - 17-Year Schedule

Year	As-Is Scenario Existing Town and Village Taxes Without Project (1)	Proposed Exemption (2)	Total PILOT (2)	Estimated PILOT Savings (2)	Project w/out PILOT (2)
Construction/ Tax Year 1	$184,361	-	$184,361	$0	$184,361
Construction/ Tax Year 2	$184,361	-	$184,361	$0	$184,361
Construction/ Tax Year 3	$184,361	-	$184,361	$0	$184,361
PILOT/Tax Year 4	$188,048	100.00%	$188,048	$2,025,859	$ 2,213,907
PILOT/Tax Year 5	$191,809	100.00%	$191,809	$2,066,376	$ 2,258,185
PILOT/Tax Year 6	$195,645	98.17%	$237,799	$2,065,549	$ 2,303,348
PILOT/Tax Year 7	$199,558	96.34%	$285,553	$2,063,863	$ 2,349,416
PILOT/Tax Year 8	$203,549	94.28%	$340,603	$2,055,801	$ 2,396,404
PILOT/Tax Year 9	$207,620	88.56%	$487,209	$1,957,123	$ 2,444,332
PILOT/Tax Year 10	$211,772	82.84%	$639,544	$1,853,675	$ 2,493,219
PILOT/Tax Year 11	$216,008	77.12%	$797,777	$1,745,306	$ 2,543,083
PILOT/Tax Year 12	$220,328	71.40%	$962,084	$1,631,860	$ 2,593,944
PILOT/Tax Year 13	$224,735	65.69%	$1,132,643	$1,513,181	$ 2,645,824
PILOT/Tax Year 14	$229,229	59.97%	$1,309,641	$1,389,100	$ 2,698,741
PILOT/Tax Year 15	$233,814	54.25%	$1,493,265	$1,259,450	$ 2,752,715
PILOT/Tax Year 16	$238,490	48.53%	$1,683,710	$1,124,060	$ 2,807,770
PILOT/Tax Year 17	$243,260	42.81%	$1,881,176	$982,748	$ 2,863,924
Total	**$3,556,946**	**66.1%**	**$ 12,183,942**	**$ 23,733,954**	**$ 35,917,897**

(1) Source: Calculated Full Land & Improvement Value From Existing Land Parcels, Excludes Village Sewer, BIDS - Statement of Taxes 2024-2025. Assumes 2% annual increase

(2) Source: Town of Brookhaven, Village of Patchogue

The PILOT agreement will abate 66.1% of the Applicant's taxes, resulting in $23,733,954 in foregone tax revenue (benefit to the Project) to the municipality over the next 17 years. This amount is higher than the $8,626,997 in estimated new tax revenue (benefit to the municipality) the municipality stands to gain from the Project with the PILOT.

Real Property Tax Comparison

17 Year PILOT	
Comparison of Taxes on Full Value of Project and with PILOT	
Taxes without PILOT	$35,917,897
Less: PILOT/Tax Payments	($12,183,943)
Foregone Revenue (Benefits to Project)	$23,733,954
Abatement Percent	66.1%
Net New Taxes Compared with No Project	
PILOT	$12,183,943
Less: Estimated Taxes without Project	($3,556,946)
Estimated New Tax Revenue (Benefits to Municipalities)	$8,626,997

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 (17 year PILOT)

	Benefits to Municipalities			***Benefit to Project***			
Year	PILOT Payments	Less: Current Tax Revenues (1)	Net New Tax Revenues	Taxes Owed after Project Completion (2)	Less: PILOT Payments	Estimated Savings to Project	PILOT's Share of Estimated Taxes Owed
1	$ 184,361	$ 184,361	$ -	$ 184,361	$ 184,361	$ -	100.0%
2	$ 184,361	$ 184,361	$ -	$ 184,361	$ 184,361	$ 0	100.0%
3	$ 184,361	$ 184,361	$ -	$ 184,361	$ 184,361	$ 0	100.0%
4	$ 188,048	$ 188,048	$ -	$ 2,213,907	$ 188,048	$ 2,025,859	8.5%
5	$ 191,809	$ 191,809	$ -	$ 2,258,185	$ 191,809	$ 2,066,376	8.5%
6	$ 237,799	$ 195,645	$ 42,154	$ 2,303,348	$ 237,799	$ 2,065,549	10.3%
7	$ 285,553	$ 199,558	$ 85,995	$ 2,349,416	$ 285,553	$ 2,063,863	12.2%
8	$ 340,603	$ 203,549	$ 137,054	$ 2,396,404	$ 340,603	$ 2,055,801	14.2%
9	$ 487,209	$ 207,620	$ 279,589	$ 2,444,332	$ 487,209	$ 1,957,123	19.9%
10	$ 639,544	$ 211,772	$ 427,772	$ 2,493,219	$ 639,544	$ 1,853,675	25.7%
11	$ 797,777	$ 216,008	$ 581,769	$ 2,543,083	$ 797,777	$ 1,745,306	31.4%
12	$ 962,084	$ 220,328	$ 741,756	$ 2,593,944	$ 962,084	$ 1,631,860	37.1%
13	$ 1,132,643	$ 224,735	$ 907,908	$ 2,645,824	$ 1,132,643	$ 1,513,181	42.8%
14	$ 1,309,641	$ 229,229	$ 1,080,412	$ 2,698,741	$ 1,309,641	$ 1,389,100	48.5%
15	$ 1,493,265	$ 233,814	$ 1,259,451	$ 2,752,715	$ 1,493,265	$ 1,259,450	54.2%
16	$ 1,683,710	$ 238,490	$ 1,445,220	$ 2,807,770	$ 1,683,710	$ 1,124,060	60.0%
17	$ 1,881,176	$ 243,260	$ 1,637,916	$ 2,863,924	$ 1,881,176	$ 982,748	65.7%
Totals	**$ 12,183,942**	**$ 3,556,946**	**$ 8,626,997**	**$ 35,917,897**	**$ 12,183,942**	**$ 23,733,955**	**33.9%**

(1) Assumes no development at the project site with taxes based on 2023-2024 State of Property Tax Table - Town of Brookhaven & Village of Patchogue

(2) Assumes a 2% annual increase in tax rate and an assessed value of $1,809,500 for the Village of Patchogue and an assessed value of $490,000 for the Town of Brookhaven upon project completion; Source: Village of Patchogue, Town of Brookhaven, Applicant

3. OPERATING PERFORMANCE

The project's operating performance is measured using Year 8 of the Applicant's Pro Forma. The Applicant assumes that gross revenue and expenses will escalate at 2% per year and that there will be a 6% vacancy rate once stabilized, within the range for Suffolk County, NY. Operating expenses are lower than the benchmarks. With a 17 year PILOT, real property taxes absorb 3% of project income, while debt service absorbs 58% of income, resulting in a positive cash flow of $1,787,447. Without a PILOT, cashflow is negative $268,354.

Operations Snapshot, Year 8

	17 Year PILOT				17 Year No PILOT			
	Project Performance (1)	Share of Gross Operating Income	Benchmark Performance (2)	Evaluation	Project Performance (1)	Share of Gross Operating Income	Benchmark Performance (2)	Evaluation
Calculation of Net Operating Income Residential								
Gross Operating Income	$13,080,631	100%	n/a	n/a	$13,080,631	100%	n/a	n/a
Vacancy Rate and Concessions (4)	6.0%	n/a	5.8%	Within range	6.0%	n/a	5.8%	Within range
Effective Gross Income (EGI), All Uses (3)	$13,303,434	102%	96%	Within range	$13,303,434	102%	96%	Within range
Less: Operating Expenses and Reserve	($3,607,506)	28%	51%	More efficient	($3,607,506)	28%	51%	More efficient
Less: Real Property Taxes	$ (340,603)	3%	n/a	n/a	$ (2,396,404)	18%	n/a	n/a
Net Operating Income	$ 9,355,325	72%	48%	More efficient	$ 7,299,524	56%	48%	More efficient
Less: Debt Service	($7,567,878)	58%	n/a	n/a	($7,567,878)	58%	n/a	n/a
Cashflow after Operating Costs, Taxes, Debt	$ 1,787,447	14%	n/a	n/a	$ (268,354)	-2%	n/a	n/a

(1) Source: Applicant

(2) Source: RealtyRates Q2 2024 for Northeast Region

(3) Net of vacancy and concessions and including parking and other revenue

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

4. FINANCING PLAN

- The Sources and Uses of Funds show the total project costs and debt and equity capital structure.
- The Senior (Long Term) Debt Terms are mixed. Loan to Total Project Costs is 60%, which meets the industry benchmarks of 55-90%. The annual interest rate for long-term debt is within range, and the maturity term is within acceptable limits.

Sources and Uses of Funds

Sources of Funds	Amount (1)	Share
Bank Financing	$96,317,520	60.0%
Other	$945,000	0.6%
Equity and Working Capital	$63,266,680	39.4%
Total Sources	$160,529,200	100%
Uses of Funds		
Acquisition and Transaction Costs	$28,202,805	18%
Construction Costs	$132,326,395	82%
Total Uses	$160,529,200	100%

(1) Source: Applicant

Terms of the Senior (Long Term) Debt

	Terms (1)	Benchmark (2)	Evaluation
Amount Borrowed	$96,317,520	n/a	n/a
Loan to Total Project Cost	60.00%	55% to 90%	Within Range
Annual Interest Rate	7.65%	4.39% to 8.69%	Within Range
Maturity in Year	30	15 to 40	Within Range

(1) Source: Applicant

(2) Source: RealtyRates Q4 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 the 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 **The average equity dividend rate does not meet this criterion in either scenario but is much higher in the PILOT Scenario.**

  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 insufficient to recoup the initial investment.**

  Debt Service Coverage estimates how well the Project's net income, after taxes, supports debt repayment. **Debt Service Coverage does not meet this benchmark in the No PILOT scenario but meets this criteria in the PILOT Scenario.**

Comparison of Return on Investment

	No PILOT	17 Year Provided PILOT	**Benchmarks (1)**
Equity Dividend Rates			
Average	0.90%	3.58%	4.72% to 13.59%
Minimum	-1.15%	2.11%	
Maximum	3.50%	5.05%	
Year Benchmarks Met	n/a	16	
Cash Flow			
Average	$570,312	$2,265,594	n/a
Minimum	($729,841)	$1,335,708	
Maximum	$2,212,426	$3,195,174	
Cumulative	$7,984,364	$31,718,318	
Year Investment Recouped	n/a	n/a	
Debt Service Coverage			
Average	1.08	1.31	1.00 to 1.86
Minimum	0.90	1.18	
Maximum	1.29	1.42	
Years Benchmarks Met	9	1	

(1) Source: RealtyRates for Q4 2024

ATTACHMENT 1: PRO FORMAS

Ferrandino and Sons Development Group LLC **Date** 3/18/2025

Annual Cashflows (Pro Forma) - 17 Year PILOT

	Construction Year 1-3	Year 4 (Stabilized)	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Cash Flow								
Residential Income								
Gross Operating Income	$ -	$ 11,693,461	$ 12,025,586	$ 12,367,301	$ 12,718,886	$ 13,080,631	$ 13,452,831	$ 13,835,793
Less: Vacancy Allowance (enter as a negative number)	$ -	$ (701,608)	$ (721,535)	$ (742,038)	$ (763,133)	$ (784,838)	$ (807,170)	$ (830,148)
Net Rental Income, Residential	$ -	$ 10,991,853	$ 11,304,051	$ 11,625,263	$ 11,955,753	$ 12,295,793	$ 12,645,661	$ 13,005,645
Commercial/Industrial Income								
Gross Operating Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy Allowance (enter as a negative number)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Rental Income, Commercial/Industrial	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income								
Parking Income	$ -	$ 388,963	$ 400,632	$ 412,651	$ 425,030	$ 437,781	$ 450,915	$ 464,442
Other Income	$ -	$ 506,313	$ 521,502	$ 537,147	$ 553,262	$ 569,860	$ 586,955	$ 604,564
Other Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Income, Other	$ -	$ 895,276	$ 922,134	$ 949,798	$ 978,292	$ 1,007,641	$ 1,037,870	$ 1,069,006
Effective Gross Income (EGI)	**$ -**	**$ 11,887,129**	**$ 12,226,185**	**$ 12,575,061**	**$ 12,934,045**	**$ 13,303,434**	**$ 13,683,531**	**$ 14,074,651**
Operating Expenses (enter positive numbers)								
General	$ -	$ 3,196,960	$ 3,276,884	$ 3,358,806	$ 3,442,776	$ 3,528,846	$ 3,617,067	$ 3,707,493
Reserves	$ -	$ 71,262	$ 73,044	$ 74,870	$ 76,741	$ 78,660	$ 80,626	$ 82,642
Operating Expenses	**$ -**	**$ 3,268,222**	**$ 3,349,928**	**$ 3,433,676**	**$ 3,519,517**	**$ 3,607,506**	**$ 3,697,693**	**$ 3,790,135**
Pre-Tax Operating Income (Revenue less Operating Expenses)	**$ -**	**$ 8,618,907**	**$ 8,876,257**	**$ 9,141,385**	**$ 9,414,528**	**$ 9,695,928**	**$ 9,985,838**	**$ 10,284,516**
Real Property Taxes (assuming 17 Year PILOT**)**	$ -	$ 188,048	$ 191,809	$ 237,799	$ 285,553	$ 340,603	$ 487,209	$ 639,544
Net Operating Income (NOI) after Taxes	**$ -**	**$ 8,430,859**	**$ 8,684,448**	**$ 8,903,586**	**$ 9,128,975**	**$ 9,355,325**	**$ 9,498,629**	**$ 9,644,972**
Loan or Mortgage (Debt Service)								
I.O. Period	$ -	$ 6,501,433	$ 6,501,433	$ -	$ -	$ -	$ -	$ -
Mortgage Payment	$ -	$ -	$ -	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878
Debt Service	$ -	$ 6,501,433	$ 6,501,433	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878
Cash Flow After Financing and Reserve	**$ -**	**$ 1,929,426**	**$ 2,183,015**	**$ 1,335,708**	**$ 1,561,097**	**$ 1,787,447**	**$ 1,930,751**	**$ 2,077,094**
Debt Service Coverage Ratio (DSCR)		1.30	1.34	1.18	1.21	1.24	1.26	1.27
Equity Dividend Rate		3.05%	3.45%	2.11%	2.47%	2.83%	3.05%	3.28%

Ferrandino and Sons Development Group LLC

Annual Cashflows (Pro Forma) - 17 Year PILOT

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
Operating Cash Flow							
Residential Income							
Gross Operating Income	$ 14,229,830	$ 14,635,269	$ 15,052,441	$ 15,481,691	$ 15,923,373	$ 16,377,848	$ 16,845,496
Less: Vacancy Allowance (enter as a negative number)	$ (853,790)	$ (878,116)	$ (903,146)	$ (928,901)	$ (955,402)	$ (982,671)	$ (1,010,731)
Net Rental Income, Residential	$ 13,376,040	$ 13,757,153	$ 14,149,295	$ 14,552,790	$ 14,967,971	$ 15,395,177	$ 15,834,765
Commercial/Industrial Income							
Gross Operating Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy Allowance (enter as a negative number)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Rental Income, Commercial/Industrial	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income							
Parking Income	$ 478,375	$ 492,727	$ 507,508	$ 522,734	$ 538,416	$ 554,568	$ 571,205
Other Income	$ 622,702	$ 641,382	$ 660,624	$ 680,442	$ 700,855	$ 721,882	$ 743,538
Other Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Income, Other	$ 1,101,077	$ 1,134,109	$ 1,168,132	$ 1,203,176	$ 1,239,271	$ 1,276,450	$ 1,314,743
Effective Gross Income (EGI)	**$ 14,477,117**	**$ 14,891,262**	**$ 15,317,427**	**$ 15,755,966**	**$ 16,207,242**	**$ 16,671,627**	**$ 17,149,508**
Operating Expenses (enter positive numbers)							
General	$ 3,800,181	$ 3,895,185	$ 3,992,565	$ 4,092,379	$ 4,194,689	$ 4,299,556	$ 4,407,045
Reserves	$ 84,708	$ 86,826	$ 88,996	$ 91,221	$ 93,502	$ 95,839	$ 98,235
Operating Expenses	**$ 3,884,889**	**$ 3,982,011**	**$ 4,081,561**	**$ 4,183,600**	**$ 4,288,191**	**$ 4,395,395**	**$ 4,505,280**
Pre-Tax Operating Income (Revenue less Operating Expenses)	**$ 10,592,228**	**$ 10,909,251**	**$ 11,235,866**	**$ 11,572,366**	**$ 11,919,051**	**$ 12,276,232**	**$ 12,644,228**
Real Property Taxes (assuming 17 Year PILOT**)**	$ 797,777	$ 962,084	$ 1,132,643	$ 1,309,641	$ 1,493,265	$ 1,683,710	$ 1,881,176
Net Operating Income (NOI) after Taxes	**$ 9,794,451**	**$ 9,947,167**	**$ 10,103,223**	**$ 10,262,725**	**$ 10,425,786**	**$ 10,592,522**	**$ 10,763,052**
Loan or Mortgage (Debt Service)							
I.O. Period	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mortgage Payment	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878
Debt Service	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878
Cash Flow After Financing and Reserve	**$ 2,226,573**	**$ 2,379,289**	**$ 2,535,345**	**$ 2,694,847**	**$ 2,857,908**	**$ 3,024,644**	**$ 3,195,174**
Debt Service Coverage Ratio (DSCR)	1.29	1.31	1.34	1.36	1.38	1.40	1.42
Equity Dividend Rate	3.52%	3.76%	4.01%	4.26%	4.52%	4.78%	5.05%

Ferrandino and Sons Development Group LLC **Date** 3/18/2025

Annual Cashflows (Pro Forma) - 17 Year No PILOT

	Construction Year 1-3	Year 4 (Stabilized)	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Cash Flow								
Residential Income								
Gross Operating Income	$ -	$ 11,693,461	$ 12,025,586	$ 12,367,301	$ 12,718,886	$ 13,080,631	$ 13,452,831	$ 13,835,793
Less: Vacancy Allowance (enter as a negative number)	$ -	$ (701,608)	$ (721,535)	$ (742,038)	$ (763,133)	$ (784,838)	$ (807,170)	$ (830,148)
Net Rental Income, Residential	$ -	$ 10,991,853	$ 11,304,051	$ 11,625,263	$ 11,955,753	$ 12,295,793	$ 12,645,661	$ 13,005,645
Commercial/Industrial Income								
Gross Operating Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy Allowance (enter as a negative number)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Rental Income, Commercial/Industrial	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income								
Parking Income	$ -	$ 388,963	$ 400,632	$ 412,651	$ 425,030	$ 437,781	$ 450,915	$ 464,442
Other Income	$ -	$ 506,313	$ 521,502	$ 537,147	$ 553,262	$ 569,860	$ 586,955	$ 604,564
Other Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Income, Other	$ -	$ 895,276	$ 922,134	$ 949,798	$ 978,292	$ 1,007,641	$ 1,037,870	$ 1,069,006
Effective Gross Income (EGI)	**$ -**	**$ 11,887,129**	**$ 12,226,185**	**$ 12,575,061**	**$ 12,934,045**	**$ 13,303,434**	**$ 13,683,531**	**$ 14,074,651**
Operating Expenses (enter positive numbers)								
General	$ -	$ 3,196,960	$ 3,276,884	$ 3,358,806	$ 3,442,776	$ 3,528,846	$ 3,617,067	$ 3,707,493
Reserves	$ -	$ 71,262	$ 73,044	$ 74,870	$ 76,741	$ 78,660	$ 80,626	$ 82,642
Operating Expenses	**$ -**	**$ 3,268,222**	**$ 3,349,928**	**$ 3,433,676**	**$ 3,519,517**	**$ 3,607,506**	**$ 3,697,693**	**$ 3,790,135**
Pre-Tax Operating Income (Revenue less Operating Expenses)	**$ -**	**$ 8,618,907**	**$ 8,876,257**	**$ 9,141,385**	**$ 9,414,528**	**$ 9,695,928**	**$ 9,985,838**	**$ 10,284,516**
Real Property Taxes (assuming No PILOT**)**	$ -	$ 2,213,907	$ 2,258,185	$ 2,303,348	$ 2,349,416	$ 2,396,404	$ 2,444,332	$ 2,493,219
Net Operating Income (NOI) after Taxes	**$ -**	**$ 6,405,000**	**$ 6,618,072**	**$ 6,838,037**	**$ 7,065,112**	**$ 7,299,524**	**$ 7,541,506**	**$ 7,791,297**
Loan or Mortgage (Debt Service)								
I.O. Period	$ -	$ 6,501,433	$ 6,501,433	$ -	$ -	$ -	$ -	$ -
Mortgage Payment	$ -	$ -	$ -	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878
Debt Service	$ -	$ 6,501,433	$ 6,501,433	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878
Cash Flow After Financing and Reserve	**$ -**	**$ (96,433)**	**$ 116,639**	**$ (729,841)**	**$ (502,766)**	**$ (268,354)**	**$ (26,372)**	**$ 223,419**
Debt Service Coverage Ratio (DSCR)		0.99	1.02	0.90	0.93	0.96	1.00	1.03
Equity Dividend Rate		-0.15%	0.18%	-1.15%	-0.79%	-0.42%	-0.04%	0.35%

Ferrandino and Sons Development Group LLC

Annual Cashflows (Pro Forma) - 17 Year No PILOT

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
Operating Cash Flow							
Residential Income							
Gross Operating Income	$ 14,229,830	$ 14,635,269	$ 15,052,441	$ 15,481,691	$ 15,923,373	$ 16,377,848	$ 16,845,496
Less: Vacancy Allowance (enter as a negative number)	$ (853,790)	$ (878,116)	$ (903,146)	$ (928,901)	$ (955,402)	$ (982,671)	$ (1,010,731)
Net Rental Income, Residential	$ 13,376,040	$ 13,757,153	$ 14,149,295	$ 14,552,790	$ 14,967,971	$ 15,395,177	$ 15,834,765
Commercial/Industrial Income							
Gross Operating Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy Allowance (enter as a negative number)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Rental Income, Commercial/Industrial	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income							
Parking Income	$ 478,375	$ 492,727	$ 507,508	$ 522,734	$ 538,416	$ 554,568	$ 571,205
Other Income	$ 622,702	$ 641,382	$ 660,624	$ 680,442	$ 700,855	$ 721,882	$ 743,538
Other Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Income, Other	$ 1,101,077	$ 1,134,109	$ 1,168,132	$ 1,203,176	$ 1,239,271	$ 1,276,450	$ 1,314,743
Effective Gross Income (EGI)	**$ 14,477,117**	**$ 14,891,262**	**$ 15,317,427**	**$ 15,755,966**	**$ 16,207,242**	**$ 16,671,627**	**$ 17,149,508**
Operating Expenses (enter positive numbers)							
General	$ 3,800,181	$ 3,895,185	$ 3,992,565	$ 4,092,379	$ 4,194,689	$ 4,299,556	$ 4,407,045
Reserves	$ 84,708	$ 86,826	$ 88,996	$ 91,221	$ 93,502	$ 95,839	$ 98,235
Operating Expenses	**$ 3,884,889**	**$ 3,982,011**	**$ 4,081,561**	**$ 4,183,600**	**$ 4,288,191**	**$ 4,395,395**	**$ 4,505,280**
Pre-Tax Operating Income (Revenue less Operating Expenses)	**$ 10,592,228**	**$ 10,909,251**	**$ 11,235,866**	**$ 11,572,366**	**$ 11,919,051**	**$ 12,276,232**	**$ 12,644,228**
Real Property Taxes (assuming No PILOT)	$ 2,543,083	$ 2,593,944	$ 2,645,824	$ 2,698,741	$ 2,752,715	$ 2,807,770	$ 2,863,924
Net Operating Income (NOI) after Taxes	**$ 8,049,145**	**$ 8,315,307**	**$ 8,590,042**	**$ 8,873,625**	**$ 9,166,336**	**$ 9,468,462**	**$ 9,780,304**
Loan or Mortgage (Debt Service)							
I.O. Period	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mortgage Payment	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878
Debt Service	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878	$ 7,567,878
Cash Flow After Financing and Reserve	**$ 481,267**	**$ 747,429**	**$ 1,022,164**	**$ 1,305,747**	**$ 1,598,458**	**$ 1,900,584**	**$ 2,212,426**
Debt Service Coverage Ratio (DSCR)	1.06	1.10	1.14	1.17	1.21	1.25	1.29
Equity Dividend Rate	0.76%	1.18%	1.62%	2.06%	2.53%	3.00%	3.50%

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 11/9/2023.
- Project financing and annual cashflow workbook submitted by the Applicant in August 2024, with submitted revisions.
- Updated assessed value provided on August 22nd, 2024.
- Real estate tax information and estimates received from the Agency, including anticipated future assessed value of the Project.
- CoStar
- RealtyRates.com

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

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APPENDIX B: DEFINITIONS

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

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

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

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

ABOUT CAMOIN ASSOCIATES

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

THE PROJECT TEAM

Rachel Selsky
Vice President, Project Principal

Thomas Galvin
Senior Real Estate Specialist, Project Analyst

GrowAmerica
Formerly NDC | Partners in Community Development

FEASIBILITY STUDY

SUBSTANTIATION OF NEED FOR TOWN OF BROOKHAVEN IDA FINANCIAL ASSISTANCE

INDUSTRIAL DEVELOPMENT AGENCY
Town Of Brookhaven

Rendering of the Proposed Mixed-Use, Mixed-Income, Transit-Oriented Development

PROJECT APPLICANT AND NAME

Ferrandino and Son Development Group LLC
214 West Main Street Project

LOCATION

214, 210, 200, 192-198, 188 West Main Street
14, 21, 25 Hammond Street
26 West Avenue
Patchogue, NY 11772

PROJECT DESCRIPTION

New Construction of a 262-Unit Mixed-Use, Mixed-Income, Transit-Oriented Development

REQUESTED FINANCIAL ASSISTANCE

Payment in Lieu of Taxes (PILOT)
Sales Tax Exemption on Building Materials and Equipment
Mortgage Recording Tax Exemption

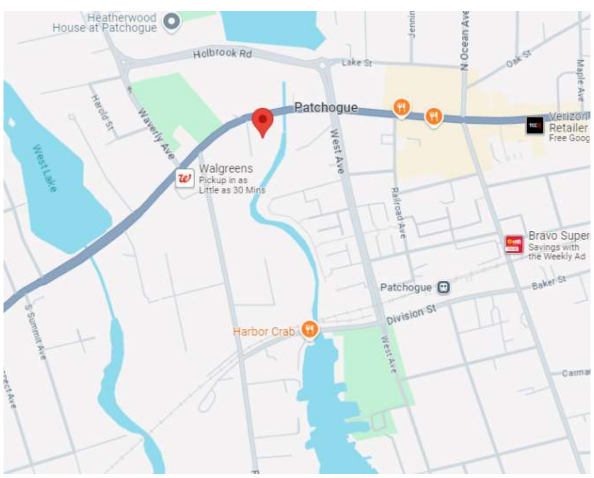
November 15, 2024
[Updated March 11, 2025]

I. ASSIGNMENT

Grow America (formerly National Development Council or NDC) is a national not-for-profit economic development organization that provides development finance advisory services to municipalities and public benefit agencies throughout the country. Grow America is often requested to analyze financial structures of proposed developments and determine the appropriateness of financial assistance or incentives. The Town of Brookhaven IDA (the IDA) requested that Ferrandino and Son Development Group LLC and its counsel arrange for the completion of a feasibility report that demonstrates that the tax assistance package requested of the IDA is necessary for the proposed project to be financially feasible. The purpose of this memo is to describe Grow America's project understandings and findings related to the mixed-use, mixed-income rental housing development at 214 West Main Street.

II. PROJECT SUMMARY

Ferrandino and Son Development Group LLC (the "Applicant" and/or "Developer") has applied for financial assistance for a proposed mixed-use, mixed-income, transit-oriented development on West Main Street in the Village of Patchogue, Town of Brookhaven. The application requests a sales tax exemption on building materials and equipment, mortgage recording tax exemption, and property tax abatement in the form of a payment in-lieu of taxes (PILOT). The Applicant is owned 100% by Peter Ferrandino, an accomplished Long Island -based contractor and developer. Mr. Ferrandino is the founder and CEO of numerous entities including Ferrandino and Son Inc. and Nord Development Group. In over 30 years of work, Mr. Ferrandino has led Ferrandino and Son through exponential growth and directed its evolution from a regional organization to a nationally recognized company managing over 80,000 properties across the United States. The project lead is Joseph Rossi of Nord Development Group, a senior real estate executive who has successfully led many highly complex, award-winning, transformative mixed-use and mixed-income developments.



Project Location

Satellite Image of Site

The subject site, totaling 4.08 acres, is strategically located less than a half mile from the Patchogue Long Island Railroad Station, qualifying it as a transit-oriented development (TOD). The subject development site consists of 9 properties that presently contain a steel manufacturing building, an auto repair shop, a laundromat, and a custom iron works manufacturing facility called "The Carriage House." After acquisition of the properties, the Developer plans to demolish all buildings except for the Carriage House and redevelop the site by constructing two four-story mixed-use buildings totaling 444,000± gross square feet (GSF). The project will include 262 residential units, 300± SF of "grab and go" retail space, 540± SF of office space, a public riverwalk, two parking garages, and additional outdoor parking.

The project construction will feature a one-level Type 1 concrete and steel superstructure with a poured-in-place podium. Building 1 will include a two-level parking deck, with the second level lined with residential units to conceal the parking structure from the property's facade. Above the concrete podium, four levels of Type 5 wood-frame construction will house the residential portions of the buildings. The facade incorporates a tasteful combination of brick and EIFS, enhancing the property's aesthetic appeal from the street and throughout the development.

Approximately 80% of the units will feature large inset balconies. The building offers an extensive array of amenities, including two pools, two gyms, two lobbies, a pet spa, a lounge bar, and a golf simulator, with nearly 18,000 square feet of total amenity space. Building and amenity renderings are shown in **Appendix VI (Page 23).**

The residential units will feature a mix of studio, one-bedroom, and two-bedroom apartments of various sizes. Of the total units, 209 will be market-rate, while 26 workforce units will be reserved for individuals earning less than 120% of the area median income (AMI) and 27 affordable units will be designated for individuals earning less than 80% of AMI in accordance with the IDA's Uniform Tax Exemption Policy (UTEP).

Building 1 will feature 154 residential units, along with the proposed retail and office space. The ground floor will include a central courtyard and a pool, situated above a two-level parking garage with 282 spaces. The office space, housed within the refurbished Carriage House and incorporated into the first floor, will reportedly be leased to the Patchogue Chamber of Commerce for $1 per year as a community benefit.

Building 2 will include 108 residential units and an outdoor courtyard located on the second floor, above a single-level parking garage with 91 spaces. Additionally, 15 surface parking spaces will be created on the west side of Building 1, along with 32 surface parking spaces on the south side of Hammond Street. Altogether, the development will offer parking for 420 vehicles, with 372 spaces in covered structured garages and 48 spaces at surface level.

In addition to the above, the Developer intends to clean up and restore the Patchogue River to its natural state by removing pollutants, debris, and invasive plant species that currently affect the river. The Developer also plans to redevelop the 7,000 SF (0.16 acre) Suffolk County Parks parcel located at the front of the site along West Main Street. This parcel will be integrated into the project's riverwalk design, which encompasses approximately 26,000 SF surrounding the river between the two buildings. This area will be landscaped with native plants, enhanced with a six-foot-wide boardwalk extending from West Main to Hammond Street, and will be a community benefit accessible to the public and maintained by the Developer.

The project aims to create a high-quality multi-family residential development to meet the growing housing demand in the Village of Patchogue. This design will attract residents seeking alternatives to single-family homes, offering a broader range of housing options. The project aligns with the established land use and development patterns in Patchogue Village, being situated near other multi-family residential developments. It will revitalize a highly underutilized property at a prime location within walking distance of several key destinations, including retail shops and restaurants in downtown Patchogue Village, Great Patchogue Lake, Blue Point Brewing Company, the YMCA, and the Carnegie Library.

The project will be constructed in two phases. Phase 1, which involves the construction of the western side of the river, is expected to take twenty-four (24) months to complete. Phase 2, focusing on the construction of the eastern side, will begin twelve (12) months after the start of Phase 1 and is also anticipated to take twenty-four (24) months to finish. Altogether, the construction is expected to span three (3) years across both phases.

The IDA is considering a 17-year property tax abatement through a PILOT agreement. After reviewing the application, Grow America has determined that the proposed 17-year PILOT, including three years of construction, is necessary for financial viability. The "as-complete" taxes, estimated at $2,213,907 annually ($8,4350 per unit annually), are very high. With full taxes the project is not feasible. The 17-year schedule is a deviation to the IDA’s Uniform Tax Exemption Policy (UTEP). The longer and steeper abatement schedule is justified by the significant development costs. There are numerous extraordinary costs beyond those typical of standard developments, as covered more thoroughly in **Section II and outlined in Appendix III (Pages 18-20)**.

The proposed schedule offers a 100% abatement during the three construction years. The first two years of operations have abatement percentages of 98% and 96%. In operating years 3-14, the abatement percentage will be reduced by 6.25% annually, ending with a 25% abatement in operating year 14.

A detailed breakdown of the proposed PILOT schedule can be found in **Appendix I (Page 16)**.

III. SOURCES & USES

The sources and uses are outlined on the following page. The development budget is $160.5 million, equal to $362 per gross square foot and $613K per unit, both of which are high. The Applicant attributes these high costs to several factors, including steep acquisition costs ($66K per unit) for land assemblage, elevated interest rates that have doubled the capitalized interest carry during construction, and the significant rise in building material and labor costs. The project parking needs cannot be accommodated with surface lots; the structured parking garages add approximately $15 million to the budget. The Applicant highlights substantial extraordinary expenses, including $4.8 million for sewer infrastructure, $7.0 million for the rehabilitation of the surrounding river area and the construction of a public riverwalk, and $4.0 million for the preservation of the historic Carriage House. The latter will be donated to the Patchogue Village Chamber of Commerce to support local economic development and benefit the community. These costs are outlined in more detail by the Applicant in **Appendix III (Pages 18 – 20).**

The Applicant intends to finance the project primarily through a fairly traditional capital structure of debt (60% of cost) and equity (40% of cost) for a complex mixed-use mixed-income development. The Applicant also has applied for approximately $1 million from the Suffolk County Workforce Housing Fund to subsidize the residential units priced at less than 80% of area median income.

To address the difference between the construction and permanent financing, the $7 million gap between the construction and permanent loan is not profit for the developer. Most refinance proceeds are retained in the project as lender-required reserves, with any excess converting equity to debt. This is a common industry practice since debt is cheaper than equity, limiting the need for additional investor contributions. The final permanent loan amount is subject to market conditions at the time of conversion, and construction loans typically have terms of around 36 months. The developer would like to convert to construction loan ($96.3 million) to a higher permanent loan ($103.4 million) after it reaches stabilization, however; the permanent loan amount will be subject to market conditions at the time of conversion and all metrics must be achieved for converting to a larger amount.

SOURCES & USES				
USES OF FUNDS	**$**	**Per Unit**	**Per GSF**	**%**
Property Acquisition Cost	$17,350,000	$66,221	$39	11%
Closing and bank fees	$233,240	$890	$1	0%
Insurance	$3,438,500	$13,124	$8	2%
Legal fees	$841,500	$3,212	$2	1%
Required interest reserves or escrows	$5,851,287	$22,333	$13	4%
Other (excess parcel tax; transfer tax; RE Tax)	$488,278	$1,864	$1	0%
Total Acquisition & Transaction Costs	**$28,202,805**	**$107,644**	**$64**	**18%**
Hard Costs				
Building demolition and construction	$75,004,331	$286,276	$169	47%
Site work (paving, etc.)	$22,095,000	$84,332	$50	14%
Infrastructure (sewer, e.g.)	$6,691,573	$25,540	$15	4%
Amenities/FF&E	$1,327,000	$5,065	$3	1%
Soft Costs				
Architecture and engineering fees	$3,752,821	$14,324	$8	2%
Marketing & Dev Fee (3%)	$5,622,462	$21,460	$13	4%
Permits, inspections	$5,216,212	$19,909	$12	3%
Other (Financing Fees; Operating Deficit; Contingency)	$12,616,996	$48,156	$28	8%
Total Construction Costs	**$132,326,395**	**$505,063**	**$298**	**82%**
Total Project Costs	**$160,529,200**	**$612,707**	**$362**	**100%**
SOURCES OF FUNDS *	**Construction $**	**%**	**Perm $**	**%**
Private Mortgage	**$96,317,520**	**60%**	$103,434,000	64%
Suffolk County Workforce Fund	**$945,000**	**1%**	$945,000	1%
Equity	**$63,266,680**	**39%**	$56,150,200	35%
Total	**$160,529,200**	**100%**	$160,529,200	100%

**** GA assumes the permanent loan sized at same amount as construction loan as metrics do not support the larger amount.***

Grow America's analysis does not assume the $7 million gap. Instead, GA assumes conversion to permanent debt as the same amount as the construction loan, as the lender ratios are still tight assuming the lower construction loan amount. This further supports the need for a 17-year PILOT, as the project would not be sustainable when factoring in the conversion to the higher permanent loan amount. This means the project would not be hitting the required debt coverage ratios (DCR) when calculating debt service on the $103.4 million loan. From a lending standpoint, the permanent lender would not convert to the higher dollar amount, as the required DCR metrics would not be met.

IV. SUMMARIZED BENEFITS PACKAGE

The Applicant obtained estimated "as complete" tax assessments from the respective assessor offices of the Village of Patchogue and the Town of Brookhaven. The estimated as complete tax for the proposed development is $2,213,907 annually, equivalent to over $8,450 per unit. Grow America used these assessments and resulting taxes in its analysis. The Tax Benefit Summary below includes the PILOT as proposed as part of this analysis, the estimated sales tax exemption on building materials and equipment, and mortgage recording tax exemption.

IDA TAX BENEFITS				
IDA RELATED PROPERTY TAXES		**SALES TAX EXEMPTION**		
Current Taxes	$184,361	Construction Hard Cost		$103,790,904
Starting PILOT	$184,361	Value of Building Materials*	50%	$51,895,452
Tax Savings Over Term	$23,733,953	Sales Tax		8.630%
PILOT Payments Over Term	$11,630,860	Value of Exemption		$4,478,578
Average PILOT Payments Over Term	**$830,776**			
Multiplier Over Current Taxes	**4.5 X**	FF&E		$1,327,000
		Sales Tax		8.630%
		Value of Exemption		$114,520
		Total Sales Tax Exemption		$4,593,098
MORTGAGE RECORDING TAX		**FINANCIAL ASSISTANCE SUMMARY**		
Mortgage	$103,434,000	Real Estate Tax Savings Over PILOT Term		$23,733,953
Mortgage Recording Tax	1.05%	Mortgage Recording Tax Savings		$775,755
Transit District Exclusion	-0.30%	Sales Tax Exemption		$4,593,098
Mortgage Recording Tax Savings	0.75%	IDA Financial incentive Package		$29,102,806
Value of Exemption	$775,755			
		Total Project Cost		$160,529,200
		Benefits as a % of Total Project Cost		18%

The analysis reflects the 17-year proposed PILOT schedule. Grow America has reviewed the development program, as detailed in **Section V,** and concludes that the 17-year PILOT (inclusive of three construction years) is suitable to help meet lender and investor metrics. The PILOT schedule is detailed in **Appendix I (Page 16).**

Based upon the proposed PILOT schedule, the total project savings from the three level of IDA tax assistance are $29,102,806, which is approximately 18% of total project costs ($160,529,200). Grow America typically sees project savings from IDA assistance in New York fall anywhere between 15-25% of total project costs, meaning the assistance for this development is reasonable and within range of assistance for other projects.

V. SUMMARY OF GROW AMERICA ANALYSIS

Grow America based its analysis on the revenue, expense, and costs assumptions provided by the Developer in its IDA application. For consistency with other IDA reviews, Grow America created its pro forma with the following assumptions:

- Projecting market rent growth at 3.0% annually.

- Projecting workforce rent growth at 2.0% annually.
- Projecting expense growth at 2.50% annually
- Projecting the terminal value of the project using a 5.50% capitalization (cap) rate

Rent Roll

The unit mix and proposed rents are shown on the table below. The market rate rents range from $4.07 per square foot for studio units to $3.14 per square foot for two-bedroom units and are consistent with the market. The affordable and workforce units are priced for households earning less than 80% and 120% AMI. Of note, the 120% AMI studio and one-bedroom units are priced closer to 100% AMI rent limits.

RENT ROLL							
Unit Description	*%*	*Units*	*Avg NSF*	*Total NSF*	*Mo Rent*	*Rent/SF*	*Annual Rent*
Market							
Studio	15%	39	682	26,598	$2,773	$4.07	$1,297,764
One Bedroom	43%	112	990	110,880	$3,498	$3.53	$4,701,312
Two Bedroom / Two Bathroom	22%	58	1,326	76,908	$4,167	$3.14	$2,900,232
Workforce (120% AMI)							
Studio	2%	5	628	3,140	$2,298	$3.66	$137,880
One Bedroom	5%	14	816	11,424	$2,903	$3.56	$487,704
Two Bedroom / Two Bathroom	3%	7	1,254	8,778	$3,990	$3.18	$335,160
Affordable (80% AMI)							
Studio	2%	5	606	3,030	$1,956	$3.23	$117,360
One Bedroom	6%	15	776	11,640	$2,210	$2.85	$397,800
Two Bedroom / One Bathroom	1%	2	1,036	2,072	$2,534	$2.45	$60,816
Two Bedroom / Two Bathroom	2%	5	1,254	6,270	$2,585	$2.06	$155,100
Super's Unit							
Two Bedroom	0%	0	0	0	$0		$0
Total / Average	**100%**	**262**	**995**	**260,740**	**$3,369**	**$3.38**	**$10,591,128**

INCOME SUMMARY			
Market Income	$8,899,308	*$3,548 avg. rent*	*209 units*
Workforce Income (120% AMI)	$960,744	*$3,079 avg. rent*	*26 units*
Workforce Income (80% AMI)	$731,076	*$1,965 avg. rent*	*27 units*
Other Income	$809,140		
Total	**$11,400,268**		

UNIT BREAKDOWN		
Studio	49	19%
One Bedroom	141	54%
Two Bedroom / One Bath	2	1%
Two Bedroom / Two Bath	70	27%
Total	**262**	**100%**

Stabilized Operating Pro Forma

The table on the following page illustrates financial performance with the PILOT in the first stabilized year of operations (Year 3). In addition to high development and operating costs, the development would not be financially feasible without the assistance of the IDA as the estimated full taxes are very high at $8,791 per unit in the stabilized year. When full taxes are plugged into the operating pro forma in the stabilized year, projected cash flow is negative.

Even with the proposed PILOT schedule, the project is challenged to meet lender and investor thresholds. Returns from the project, even with the proposed PILOT schedule, are quite marginal, with stabilized Yield to Cost (YTC) at 5.5%. Pre-tax Internal Rates of Return (IRR) is projected to be 8%. In Year 3, the development achieves a debt coverage ratio (DCR) of 1.18, meaning there is only a 18% cushion of net operating income over project debt service. This is a low cushion, as most lenders require at least a 1.20 DCR. Financial challenges lie in high development costs caused by today's economic environment, high operating costs associated with the management of the properties and public spaces maintained by the Developer, and high as-complete taxes between the Village, Town, and County.

STABILIZED OPERATING PRO FORMA (YEAR 3)						
		(1) WITHOUT PILOT		(2) WITH 3RD YEAR PILOT		
	262 units	$	Per Unit	$	Per Unit	
Market Income	209 units	$10,423,931	*$4,156 per month*			
Workforce Income (120% AMI)	26 units	$1,103,593	*$3,537 per month*			
Workforce Income (80% AMI)	27 units	$839,777	*$2,592 per month*			
Other Income		$949,798				
Gross Income		$13,317,099				
Residential Vacancy		($742,038)	*6.50% vacancy*			
Effective Gross Income		**$12,575,061**		**$12,575,061**		
General Expenses		($3,358,806)	*$12,820*	($3,358,806)	*$12,820*	
Reserves		($74,870)	*$286*	($74,870)	*$286*	
RE Taxes/PILOT		($2,303,349)	*$8,791*	($237,799)	*$908*	
Total Expenses		($5,737,025)	*$21,897*	($3,671,475)	*$14,013*	
Net Operating Income		$6,838,036		$8,903,586		
Debt Service (First Mortgage)		($7,567,875)		($7,567,875)		
Cash Flow		($729,839)		$1,335,711		
METRICS						**Market**
Debt Coverage Ratio (DCR)		-0.90		1.18		>1.20
Cash on Cash		-1.2%		2.1%		>4.7%
Yield to Cost		4.3%		5.5%		>6.5%
Internal Rate of Return (IRR)		4%		8%		>10%

Without the proposed financial incentive package and PILOT schedule, the project would not be financially viable, as the Developer would be unable to generate sufficient returns to attract the necessary construction and permanent financing. The proposed PILOT schedule is essential for the project's financial feasibility.

15-Year vs. 17-Year PILOT Comparison

The financial analysis demonstrates that a 17-year PILOT is essential for ensuring the long-term feasibility of the proposed development while maintaining reasonable returns that do not constitute undue enrichment for the applicant.

Under the 15-year PILOT scenario analyzed by Camoin Associates, the projected financial performance falls significantly below *the Camoin-reported industry benchmarks*. The average cash-on-cash return is

2.72%, with a high of 3.68% and a low of 1.70%, compared to industry benchmarks ranging from 4.72% to 9.60%. Additionally, the debt coverage ratio (DCR) under this scenario averages 1.25, with a minimum of 1.15 and a maximum of 1.39—figures that, while above the 1.00 threshold, leave little margin for financial stability, particularly during economic downturns or periods of operational challenges. While the Camoin report presents these financial metrics, it does not provide a specific recommendation regarding the appropriate PILOT term. Additionally, Grow America considers a 1.00 DCR unrealistic, as most lenders require a minimum DCR of 1.20.

15-Year vs 17-Year PILOT Comparison

	15-Year PILOT (Camoin Study)	17-Year PILOT (Grow America Study)	Camoin Study Benchmarks
Cash-on-Cash (Equity Dividend Rates)			
Average	2.72%	3.58%	-
Minmum	1.70%	2.11%	4.72%
Maximum	3.68%	5.05%	9.60%
Debt Service Coverage			
Average	1.25	1.31	-
Minmum	1.15	1.18	1.00
Maximum	1.39	1.42	1.86

Extending the PILOT term to 17 years improves these financial metrics, bringing them closer to sustainable levels. Under this 17-year structure, the projected average cash-on-cash return increases to 3.58%, with a high of 5.05% and a minimum of 2.11%. While this remains on the lower end of the industry benchmark range, it provides a more viable return for investors, making the project financially feasible. Similarly, the DCR improves to an average of 1.31, with a minimum of 1.18 and a maximum of 1.42—enhancing financial strength while remaining within industry standards.

Even with the 17-year PILOT, the project's returns are not excessive. The adjusted financials allow the project to meet debt obligations and maintain reasonable investor returns, but they do not yield excess profits. Instead, the 17-year PILOT ensures that the project can secure necessary financing, sustain operations, and deliver the intended public benefits, including job creation, increased tax revenue, and economic development.

Without the 17-year PILOT, the financial viability of the project remains uncertain, as the 15-year scenario does not provide a sufficient return to attract and retain investment. Given these considerations, approving the extended PILOT is a necessary step to ensure the project moves forward.

VI. STUDENT IMPACT

The Real Estate Institute (REI) at Stony Brook University conducted a study in 2019 that evaluated the impact of residential development on local school districts. REI evaluated fourteen (14) residential developments and surveyed the residents and local school districts to determine new net students to the school districts. On average, one (1) student per eleven (11) units, or 9.09%, was identified as the impact on public school enrollment from the multi-family projects surveyed.

As it relates to the subject 262-unit development, the 9.09% multiplier against the 262 units results in an estimated nineteen (19) new students being added to the Patchogue school district from the development, as follows.

SCHOOL IMPACT	
Units	262
Less Studios	(49)
Less Senior Units	0
Adjusted Unit Count	213
Multiplier (1 student for every 11 units)	9.09%
Estimated Number of Net New Students	19
Impact of Market Rate Apartments on School District Enrollment, per Real Estate Institute Study at Stony Brook University	

VII. PILOT CRITERIA REVIEW

As outlined in Section 7(D)(1)(k) of the IDA's Uniform Tax Exemption Policy (UTEP), applicants for Market Rate Housing Projects must demonstrate "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 demonstrate that the housing project complies with the Act." Grow America has determined the following:

Need for the Project

- The project will eliminate nine (9) blighted parcels and replace them with much-needed market-rate and workforce and affordable rental units.
    - 26 workforce housing units will be reserved for individuals earning less than 120% of AMI and 27 affordable housing units will be designated for individuals earning less than 80% of AMI.
- The project will revitalize a highly underutilized property at a prime location within walking distance of downtown Patchogue Village and Long Island Railroad station.
- The project aligns with the established land use and development patterns in Patchogue Village, being situated near other multi-family residential developments.
- The Applicant has engaged in discussions with several major regional employers, including NYU Langone, Stony Brook University, and Brookhaven National Laboratory. These employers have expressed an urgent need for more housing in the area to help address workforce retention challenges.
- The project provides numerous public benefits, including a public riverwalk, community park, and donated office space.
- According to the *Village of Patchogue Economic and Fiscal Impact Analysis* Study (prepared for Long Island Regional Planning Council in 2018), between 2000 and 2017 large residential developments like Copper Beech, Artspace Lofts, and New Village attracted 211 new non-local households, which generated $10.2 million in economic output.
    - Future projects are expected to continue this trend, with new non-local households further contributing to local spending and job creation.

Existing Housing Projects

- **New Village**
  - Type: Multifamily Rental Building
  - Address: 1 Village Green, Patchogue, NY 11772
  - Developer: Tritec
  - Units: 291 units + 62,000 sq. ft. retail & office
  - Built: 2014
  - Stories: 5
- **River Walk**
  - Type: For Sale Condominiums/Townhouses
  - Address: 72 West Ave, Patchogue, NY 11772
  - Developer: Michael Kelly
  - Units: 163 units
  - Built: Dec 2011
  - Stories: 2.5
- **Heatherwood House at Patchogue**
  - Type: Garden Style Rental Apartments
  - Address: 99 Waverly Ave, Patchogue, NY 11772
  - Developer: Heatherwood
  - Units: 272 units
  - Built: 1965
  - Stories: 2
- **Tiffany Apartments**
  - Type: Multifamily Rental Building
  - Address: 1 Maple Ave, Patchogue, NY 11772
  - Units: 102 units
  - Stories: 5
- **Terry Apartments**
  - Type: Multifamily Rental Building
  - Address: 38 Rider Ave, Patchogue, NY 11772
  - Units: 65 units
  - Built: 1970
  - Stories: 5

Planned Housing Projects

- **238 W Main**
  - Type: Multifamily Rentals
  - Address: 238-254 W Main St, Patchogue, NY 11772
  - Developer: Michael Kelly
  - Units: 26 units
  - Stories: 3
- **Greybarn**
  - Type: Multifamily Rentals
  - Address: 304 E Main St, Patchogue, NY 11772
  - Developer: Rechler Equities
  - Units: 91 units

  - Stories: 3
- **80 Division St (In Construction)**
  - Type: Multifamily Rentals
  - Address: 80 Division St, Patchogue, NY 11772
  - Developer: RAIA 80 LLC
  - Units: 16 units
  - Stories: 3.5

Impact on Local Taxing Jurisdictions (Quantified in Grow America's Economic Analysis Report)

- The development of a new multifamily housing project will generate significant annual property tax revenue for local jurisdictions, delivering tangible benefits to the community. The project will enrich the tax base by repositioning currently underutilized properties into higher-value residential buildings, providing a greater stream of recurring revenue. The project's contribution to property tax rolls represents meaningful growth to the jurisdiction's revenue base, while not overburdening municipal services. The added value to the tax base will help distribute the cost of government services across a broader population, easing the burden on existing taxpayers.

Impact on Local School District and Expected Number of Children

- The impact on the local school district and expected number of children is calculated on **Page 9** of this report.
- An estimated nineteen (19) new students will be added to the Patchogue school district from the development.
- According to the *Village of Patchogue Economic and Fiscal Impact Analysis* Study, an analysis of seven (7) multi-family residential projects in Patchogue—Copper Beech, Condos on Waverly, Riverview Condos, Bay Village Condos, Artspace Lofts, New Village Apartments, and Riverwalk Condos—revealed a positive fiscal impact on the Patchogue-Medford School District.
  - These projects, which collectively housed 40 public school-age children, generated approximately $6.6 million in school property tax revenue over a ten-year period, while the estimated educational costs associated with these students totaled just $1.18 million. This resulted in a net fiscal surplus of $5.4 million for the school district, demonstrating that the revenue from these developments far exceeded the costs of accommodating the additional students.

General Compliance with Article 18-A of the New York State General Municipal Law (the "Act")

The 214 West Main Street project complies with Article 18-A of the New York State General Municipal Law, which governs the actions of IDAs, by fulfilling key public policy goals, as outlined below:

- **Public Purpose**
  - The project serves a clear public purpose by addressing housing needs and revitalizing an underutilized property in Patchogue. It provides much-needed mixed-income housing, including 53 units designated for affordable and workforce housing, meeting the community's demand for affordable living options. Additionally, the project will clean and restore the Patchogue River, contributing to environmental sustainability.
- **Job Creation and Economic Development**

    - The project will create 310 temporary construction jobs and five permanent jobs, contributing to local employment opportunities.
    - The development is expected to generate significant local spending. The inclusion of affordable housing units will also support workforce retention for major regional employers such as NYU Langone, Stony Brook University, and Brookhaven National Laboratory, which have identified the need for housing to support their employees.
- **Environmental Impact**
    - The development includes several environmentally beneficial components, including restoring the Patchogue River, removing pollutants, and creating a public riverwalk. This commitment to improving the local environment aligns with the goals of sustainable development.
- **Financial Suitability**
    - The project has demonstrated through its financial analysis that it would not proceed except for with the financial assistance provided by the IDA.
    - High development costs, including extraordinary expenses such as river restoration and public improvements, make the project financially unfeasible without a PILOT agreement, sales tax exemption, and mortgage recording tax relief.
- **Alignment with Enhanced PILOT Criteria**
    - As outlined in Section 7(D)(1)(i) of the IDA's Uniform Tax Exemption Policy (UTEP), in order to be eligible for an enhanced PILOT agreement, market rate housing projects must be located in one of the following areas: a Community Development Block Grant area, an Opportunity Zone, a revitalization area, a Transit Oriented Development, a Highly Distressed Area (as defined in the Act), an established downtown, a blighted area or parcel of land as per the Town's Code, or if such Market Rate Housing Project is part of a Town or Village planned development zone or an incentive zoning program. The proposed project fits all the following:
        - *Community Development Block Grant Area:* Patchogue qualifies as it has received Community Development Block Grant funds and aligns with the Town of Brookhaven's 2023-2027 consolidated plan. The Patchogue Community Development Agency anticipates receiving a total of $750,000 over the five-year period.
        - *Transit-Oriented Development:* The subject site is strategically located less than a half mile (approximately 0.25 miles) from the Patchogue Long Island Railroad Station (LIRR), qualifying it as a transit-oriented development (TOD).
        - *Established Downtown:* The subject site is located at a prime location within walking distance of several key destinations, including retail shops and restaurants in downtown Patchogue Village, Great Patchogue Lake, Blue Point Brewing Company, the YMCA, and the Carnegie Library. It is accessible via the Patchogue Long Island Railroad Station (approximately 0.25 miles), numerous buses stops within a half-mile radius, and a 6-mile drive from MacArthur Airport. It is also located near with several major regional employers, including NYU Langone, Stony Brook University, and Brookhaven National Laboratory.
        - *Blighted Area per Town Code:* The project will aid in cleaning up and redeveloping over 4 acres along West Main Street, addressing the currently

poor condition per Town Code. The property exceeds the necessary point value of 100 for blight designation, totaling 190 points, which is quantified in **Appendix IV (Page 21).**

- *Town or Village Planned Development Zone or an Incentive Zoning Program:* The Long Island Regional Planning Council has recognized Downtown Patchogue as a region of significance for redevelopment efforts. The Village has engaged in New York State's Downtown Revitalization Initiative process since February 2017, applying for the West Main Street area. The criteria for DRI funding were fulfilled, but the Village opted to withdraw from the process to retain oversight of their planning.

VIII. COST BENEFIT ANALYSIS

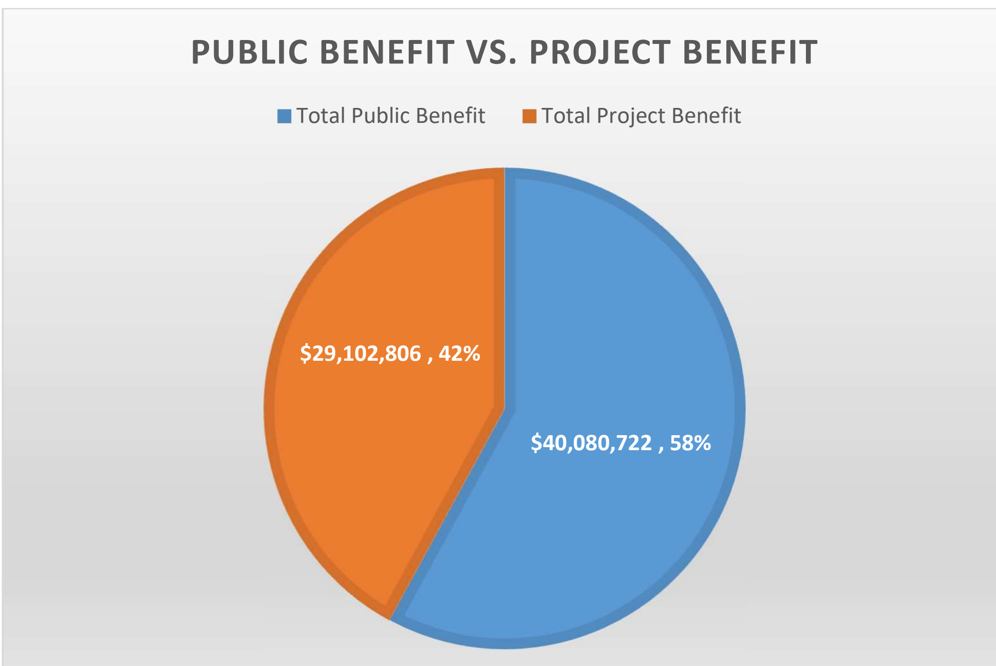
The analysis on the following page shows a net positive public value. The public benefit factors the PILOT increment, Town fees, and IDA fees, as well as the values of the fifty-three (53) workforce and affordable housing units, riverwalk improvements, and carriage house preservation and donation. The project benefit factors savings realized from the PILOT, exemption on the mortgage recording tax, and exemption on the sales tax on building materials. In addition to the analysis below, Grow America included a municipal tax collection comparison in **Appendix V (Page 22)**, illustrating projected tax revenue over a 20-year period with and without the proposed development. The analysis estimates an increase of approximately $16.6 million in new municipal taxes over two decades if the project proceeds, alongside approximately $28.5 million in public benefits, resulting in a total of approximately $40 million in public benefits. These benefits are detailed individually **on the following page (Page 15).**

The Developer will realize $23,733,953 in savings during the 20-year PILOT term, $4,593,098 in savings through the sales tax exemption, and $775,755,381 in savings through the mortgage recording tax exemption. The aggregate PILOT payment is $11,630,860, an average of $830,776 annually, a 4.5X multiple over the current taxes. The development will pay approximately $4,124,995 in reported one-time fees in addition to IDA fees. The additional public benefit is the value attributed to the workforce housing units ($11.9 million) and the civic improvements ($11 million) that the developer will undertake at its own cost.

Not captured in the graph are the new jobs to be created and intangible benefits of the proposed project. The Applicant expects 310 temporary construction jobs and five (5) full-time equivalent permanent jobs for the development. The project will maximize land use with an improved mixed-income, mixed-use, and transit-oriented community within walking distance of key destinations, such as downtown Patchogue Village's retail shops and restaurants, Great Patchogue Lake, Blue Point Brewing Company, the YMCA, and the Carnegie Library. Additionally, the aggregate disposable income from the residential base of 262 households, estimated at over $10 million, will further strengthen the retail base in the continuing evolving market in the Village of Patchogue.

PUBLIC AND PROJECT BENEFIT SUMMARY	
Full IDA Taxes Over PILOT Term	$11,630,860
Estimated Value of Affordable Housing*	$11,986,813
Riverwalk Improvements	$7,011,960
Carriage House Preservation	$3,993,271
Carriage House Office Donation	$806,500
Town Building Fees	$4,124,995
IDA Fees	$526,323
Total Public Benefit	**$40,080,722**
Tax Savings Over Term	$23,733,953
Mortgage Recording Tax Exemption	$775,755
Sales Tax Exemption	$4,593,098
Total Project Benefit	**$29,102,806**
Net Public Benefit	**$10,977,917**

ESTIMATED VALUE OF AFFORDABLE HOUSING*	
Average Market Rate Rents	$3,548
Average 120% Workforce Rents	$3,079
Delta	$469
# of Units	26
Loss of Annual Income	$146,347
Cap Rate	5.50%
Value of 120% AMI Workforce Units	$2,660,854
Average Market Rate Rents	$3,548
Average 80% Affordable Rents	$1,965
Delta	$1,583
# of Units	27
Loss of Annual Income	$512,928
Cap Rate	5.50%
Value of 80% AMI Affordable Units	$9,325,959
Total Value of Affordable / Workforce Units	**$11,986,813**



APPENDIX I: PILOT SCHEDULE

PILOT SCHEDULE

214 W Main Street

Current Taxes	$184,361
Improvement Taxes	$2,029,546
"As Improved" (Full) Taxes	$2,213,907
Units	262
Estimated Taxes/Unit	**$8,450**
Annual Escalator	2.00%

PILOT Year	Operating Year	Base Taxes	Improvement Taxes	"As Improved" Full Taxes	Abatement	Savings	PILOT	Increment Over Base Taxes
1	Construction	$184,361	N/A	$184,361	100.00%	$0	$184,361	$0
2	Construction	$184,361	N/A	$184,361	100.00%	$0	$184,361	$0
3	Construction	$184,361	N/A	$184,361	100.00%	$0	$184,361	$0
4	1	$188,048	$2,025,859	$2,213,907	98.00%	($2,025,859)	$188,048	$0
5	2	$191,809	$2,066,376	$2,258,185	96.00%	($2,066,376)	$191,809	$0
6	3	$195,645	$2,107,703	$2,303,349	93.75%	($2,065,549)	$237,799	$42,154
7	4	$199,558	$2,149,858	$2,349,416	87.50%	($2,063,863)	$285,553	$85,994
8	5	$203,549	$2,192,855	$2,396,404	81.25%	($2,055,801)	$340,603	$137,053
9	6	$207,620	$2,236,712	$2,444,332	75.00%	($1,957,123)	$487,209	$279,589
10	7	$211,773	$2,281,446	$2,493,219	68.75%	($1,853,675)	$639,544	$427,771
11	8	$216,008	$2,327,075	$2,543,083	62.50%	($1,745,306)	$797,777	$581,769
12	9	$220,328	$2,373,616	$2,593,945	56.25%	($1,631,861)	$962,084	$741,755
13	10	$224,735	$2,421,089	$2,645,824	50.00%	($1,513,180)	$1,132,643	$907,908
14	11	$229,230	$2,469,511	$2,698,740	43.75%	($1,389,100)	$1,309,641	$1,080,411
15	12	$233,814	$2,518,901	$2,752,715	37.50%	($1,259,450)	$1,493,265	$1,259,450
16	13	$238,491	$2,569,279	$2,807,769	31.25%	($1,124,059)	$1,683,710	$1,445,219
17	14	$243,260	$2,620,664	$2,863,925	25.00%	($982,749)	$1,881,176	$1,637,915
Total		**$3,003,871**	**$32,360,943**	**$35,364,813**		**($23,733,953)**	**$11,630,860**	**$8,626,990**
						67% of full taxes	33% of full taxes	
							$830,776 avg. annually	
							$3,171 per unit annually	
							4.5 multiplier	

FIRST 3 YEARS OF FULL TAXES

PILOT Year	Operating Year	Base Taxes	Improvement Taxes	"As Improved" Full Taxes	Abatement	Savings	Taxes Paid	Increment Over Base Taxes
N/A	15	$248,126	$2,673,078	$2,921,203	0.00%	$0	$2,921,203	$2,673,078
N/A	16	$253,088	$2,726,539	$2,979,627	0.00%	$0	$2,979,627	$2,726,539
N/A	17	$258,150	$2,781,070	$3,039,220	0.00%	$0	$3,039,220	$2,781,070
Total Operating Years 15-17		**$759,364**	**$8,180,687**	**$8,940,050**		**$0**	**$8,940,050**	**$8,180,687**

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APPENDIX II: Pro Forma

214 W Main Project

14-YEAR PRO FORMA (PILOT TERM DURING OPERATING YEARS)

		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Vacancy		*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*
Revenue															
Market Income	3.00%	9,825,555	10,120,322	10,423,931	10,736,649	11,058,749	11,390,511	11,732,227	12,084,193	12,446,719	12,820,121	13,204,724	13,600,866	14,008,892	14,429,159
Workforce Income (120% AMI)	2.00%	1,060,739	1,081,954	1,103,593	1,125,665	1,148,178	1,171,142	1,194,564	1,218,456	1,242,825	1,267,681	1,293,035	1,318,896	1,345,274	1,372,179
Workforce Income (80% AMI)	2.00%	807,167	823,310	839,777	856,572	873,703	891,178	909,001	927,181	945,725	964,639	983,932	1,003,611	1,023,683	1,044,157
Other Income	3.00%	895,276	922,134	949,798	978,292	1,007,641	1,037,870	1,069,006	1,101,077	1,134,109	1,168,132	1,203,176	1,239,271	1,276,450	1,314,743
Gross Income		12,588,737	12,947,720	13,317,099	13,697,178	14,088,271	14,490,701	14,904,799	15,330,907	15,769,378	16,220,574	16,684,868	17,162,644	17,654,298	18,160,238
Vacancy		(701,608)	(721,535)	(742,038)	(763,133)	(784,838)	(807,170)	(830,148)	(853,790)	(878,116)	(903,146)	(928,901)	(955,402)	(982,671)	(1,010,730)
Effective Gross Income		11,887,129	12,226,185	12,575,061	12,934,045	13,303,434	13,683,531	14,074,651	14,477,117	14,891,262	15,317,427	15,755,966	16,207,242	16,671,627	17,149,508
Operating Expenses															
General	2.50%	(3,196,960)	(3,276,884)	(3,358,806)	(3,442,776)	(3,528,846)	(3,617,067)	(3,707,493)	(3,800,181)	(3,895,185)	(3,992,565)	(4,092,379)	(4,194,689)	(4,299,556)	(4,407,045)
Reserves	2.50%	(71,262)	(73,044)	(74,870)	(76,741)	(78,660)	(80,626)	(82,642)	(84,708)	(86,826)	(88,996)	(91,221)	(93,502)	(95,839)	(98,235)
PILOT		(188,048)	(191,809)	(237,799)	(285,553)	(340,603)	(487,209)	(639,544)	(797,777)	(962,084)	(1,132,643)	(1,309,641)	(1,493,265)	(1,683,710)	(1,881,176)
Total Expenses		(3,456,270)	(3,541,737)	(3,671,475)	(3,805,070)	(3,948,108)	(4,184,903)	(4,429,680)	(4,682,666)	(4,944,095)	(5,214,205)	(5,493,241)	(5,781,455)	(6,079,105)	(6,386,456)
Net Operating Income		**8,430,859**	**8,684,448**	**8,903,586**	**9,128,975**	**9,355,325**	**9,498,628**	**9,644,972**	**9,794,451**	**9,947,167**	**10,103,222**	**10,262,725**	**10,425,786**	**10,592,522**	**10,763,052**
Debt Service (First Mortgage)		(6,501,433)	(6,501,433)	(7,567,875)	(7,567,875)	(7,567,875)	(7,567,875)	(7,567,875)	(7,567,875)	(7,567,875)	(7,567,875)	(7,567,875)	(7,567,875)	(7,567,875)	(7,567,875)
Cash Flow		**1,929,427**	**2,183,016**	**1,335,711**	**1,561,100**	**1,787,450**	**1,930,753**	**2,077,096**	**2,226,576**	**2,379,292**	**2,535,347**	**2,694,850**	**2,857,911**	**3,024,647**	**3,195,177**
Metrics															
DCR (First Mortgage)		1.30	1.34	1.18	1.21	1.24	1.26	1.27	1.29	1.31	1.34	1.36	1.38	1.40	1.42
Cash on Cash		3.05%	3.45%	2.11%	2.47%	2.83%	3.05%	3.28%	3.52%	3.76%	4.01%	4.26%	4.52%	4.78%	5.05%
Yield to Cost		5.25%	5.41%	5.55%	5.69%	5.83%	5.92%	6.01%	6.10%	6.20%	6.29%	6.39%	6.49%	6.60%	6.70%
Valuation Cap Rate	5.50% cap rate														195,691,856
Outstanding Loan Balance															(70,355,197)
Net Sale Proceeds															125,336,658
	Equity														
Benefit Stream	(63,266,680)	1,929,427	2,183,016	1,335,711	1,561,100	1,787,450	1,930,753	2,077,096	2,226,576	2,379,292	2,535,347	2,694,850	2,857,911	3,024,647	128,361,305
IRR	8%														

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APPENDIX III: Applicant-Submitted Itemized Civic Improvements & Extraordinary Costs

Riverwalk Costs

Construction Bridge	848,000
Erosion Control	177,020
Clearing, Excavation, Backfill, Base Course	1,391,250
Shoring & Dewatering Elevator Pit	275,600
Water, Sewer, Drainage	798,575
Bulkhead New & Repairs	333,900
Retaining Wall	401,635
Steps, Curbs, Sidewalk	456,885
Asphalt	241,600
Decking	1,170,185
Water Feature	79,500
Landscaping & Irrigation	837,810
Total Calculated Cost	**7,011,960**

Sewer Costs

Abandon / Fill of Existing Sewer	47,560
Trenching Associated w/ existing Sewer	87,799
New Sewer Pipe	1,259,035
Trenching Associated with Installation of Pipe	428,287
OSHA Compliant Shoring for Trench	289,710
Well Points	91,833
Riser Pipe	179,075
Header Pipe	
Demolition existing Sidewalk	97,801
New Sidewalk	385,700
Allowance on Pump Station	
Sewer Odor Mitigation	
Allowance on Soft Cost	230,000
Impact Fee	1,369,500
Application & Inspection Fee	1,300
Floor Area	130,148
LF of Sewer Pipe Installed	475
Permanent Sewer Design	205,000

Total Calculated Cost	**4,803,223**

Carriage House Preservation Costs

Site Logistics	35,100
General Requirements	295,300
Existing Conditions	918,300
Excavations & Foundations	901,500
Masonry	24,500
Brick	308,800
Structural Steel	37,800
Carpentry, Drywall & Insulation	63,600
Architectural Woodwork	7,500
Roofing	172,800
Doors & Hardware	1,600
Storefronts	84,000
Windows	29,800
Ceramic/ Stone	3,000
Flooring	4,400
Painting	9,600
Specialties	1,200
Kitchen Cabinets & Vanities	2,500
Plumbing	15,000
Plumbing Fixtures	900
HVAC	61,600
Electric	67,200
Light Fixtures	1,400
Construction Contingency	152,370
General Conditions	454,983
Insurance	146,190
Overhead	76,019
Fee	116,309
Total Calculated Cost	**3,993,271**

Carriage House Office Donation

Turn Key Buildout for Tenant	27,000

Common Area Maintenance - 20 Year Term	54,000
Rent Valuation - 20 Year Term	725,500
Total Calculated Cost	**806,500**

Municipal Permits & Fees

Building Permit	1,836,000
Building Permit Renewal Fee	
Commercial Fire Alarm	357
Building & Housing Fee	40,086
Sewer Fees	172,954
Water and Sewer	1,603,440
Certifcate of Occupancy	408
Fire Alarm Application Fee	714
3rd Party Special Inspector	255,000
Plan Review Fee	10,200
Pool fee	357
Village Board of Trustees (Change of Zone)	1,020
Village Planning Board (Site Plan)	612
Village Planning Board ZBA - Variance Relief	510
Village Sewer District (Map & Plan Study)	15,300
Suffolk Planning Commission	204
Suffolk Water Authority Tap Fees	66,300
SCDH Wastewater Mgmt Application	5,610
SCDH Board of Review	255
PSEG	102,000
ARB for Design	255
Plan Review Fee	1,020
demo permit	7,140
Sidewalk encumbrance	4,080
Generator	510
Natural Gas	357
Gas fireplaces	306
Total Calculated Fees	**4,124,995**

APPENDIX IV: Blighted Property Designation

Blighted Property Designation		
§ 88-3 Blighted Property Designation	<--- Town Code Link	**Blighted Property** = "An improved or vacant property which meets or exceeds a point value of **100 points** as set forth within this chapter."
Description	Total Eligible Points	Carriage House Project Points
Determination by Town Attorney that condition is a serious threat to health safety	50	0
Owner Violations Issued	50	0
Property attracted illegal, noxious activity	50	50
Determination of fire hazard by Fire Marshal	50	0
Boarded eindows, doors, entry/exits	5	5
Broken or unsecured windows	10	10
Broken or unsecured doors, entry/exits	10	10
Excessive litter / debris	10	10
Overgrown grass 12 inches or higher	10	10
More than 1 unregistered vehicle	5	5
Broken, unsecured Roof	10	0
Broken, unsecured Gutters	5	5
Broken, unsecured Siding shingles	10	0
Broken, unsecured Chimeny	10	0
Broken, unsecured Shutters	5	0
Broken, unsecured accessory structures	15	0
Junk Vehicles (2 pts per vehicle)	2	10
Damaged/unsightly/unsecured signage or awnings	15	0
Presence of graffiti	10	10
Broken outdoor light fixtures	5	5
Broken fencing and gates	10	10
Broken/exposed electrical wires and equipment	15	0
Unfinished construction	20	0
Damaged, dead or fallen trees	10	10
Evidence of unrepaired fire damage	30	0
Peeling paint	5	0
Stagnant water	10	0
Unsecured wells / cesspools	10	0
Presence of Vermin	30	30
Presence of indoor appliances, furniture or equipment in outdoor area	10	10
Lumber/construction materials or debris outdoors	10	0
Totals	497	**190**

APPENDIX V: Municipal Tax Collection Comparison Over 20 Years

Municipal Tax Collection		
Year	**If Project is Built**	**If Current Properties Remain**
1	$184,361	$184,361
2	$184,361	$188,048
3	$184,361	$191,809
4	$188,048	$195,645
5	$191,809	$199,558
6	$237,799	$203,549
7	$285,553	$207,620
8	$340,603	$211,773
9	$487,209	$216,008
10	$639,544	$220,328
11	$797,777	$224,735
12	$962,084	$229,230
13	$1,132,643	$233,814
14	$1,309,641	$238,491
15	$1,493,265	$243,260
16	$1,683,710	$248,126
17	$1,881,176	$253,088
18	$2,921,203	$258,150
19	$2,979,627	$263,313
20	$3,039,220	$268,579
TOTAL	$21,123,994	$4,479,487
Municipal Gain to Tax		**$16,644,507**

APPENDIX VI: Additional Renderings

GROW AMERICA DISCLAIMER

Standard disclaimer regarding Grow America's compliance with Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") and amended Section 15B of the Securities and Exchange Act of 1934 ("Exchange Act"):

Grow America is not a Registered Municipal Advisor as defined in Dodd-Frank and the Exchange Act and therefore cannot provide advice to a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including structure, timing, terms, or other similar matters concerning such financial products or issues.

The general information contained in this document is factual in nature and consistent with current market conditions and does not contain or express subjective assumptions, opinions, or views, or constitute a recommendation, either express or implied, upon which a municipal entity or obligated person may rely with respect to municipal products or the issuance of municipal securities.

In connection with these matters, it is expressly understood by all parties that Grow America is not acting as your agent, advisor, municipal advisor, or fiduciary. Grow America may have financial and other interests that differ from yours. You should discuss the information contained herein with your own municipal, financial, legal, accounting, tax, and/or other advisors, as applicable, to the extent that you deem appropriate.

Ferrandino and Sons DRAFT PILOT	
YEAR	**PILOT**
1	$184,361
2	$184,361
3	$184,361
4	$188,048
5	$191,809
6	$237,799
7	$285,553
8	$340,603
9	$487,209
10	$639,544
11	$797,777
12	$962,084
13	$1,132,643
14	$1,309,641
15	$1,493,265
16	$1,683,710
17	$1,881,176

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

REVISED 11/14/23

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

DATE: 11/06/2023

APPLICATION OF: Ferrandino and Son Development Group LLC, as Contract Vendee
Name of Owner and/or User of Proposed Project

ADDRESS: 71 Carolyn Boulevard
Farmingdale, New York 11735

Type of Application:

- ☐ Tax-Exempt Bond
- ☐ Taxable Bond
- ■ Straight Lease
- ☐ Refunding Bond

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

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

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

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

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

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

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Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): Ferrandino and Son Development Group LLC, as Contract Vendee

Address: 71 Carolyn Boulevard
Farmingdale, New York 11735

Federal Employer ID #: [redacted] Website: https://ferrandinoandson.com/

NAICS Code: 531390

Owner Officer Certifying Application: Edward M. Slezak

Title of Officer: Senior Vice President

Phone Numb[redacted] E-mai[redacted]

B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Limited Liability Company ☒

Privately Held ☒ Public Corporation ☐ Listed on ____________

State of Incorporation/Formation: New York

C. Nature of Business:
(e.g., "manufacturer of _____ for ____ industry"; "distributor of _____"; or "real estate holding company")

Real Estate Development and Holding Company

D. Owner Counsel:

Firm Name: VanBrunt, Juzwiak & Russo P.C

Address: 140 N Main Street
Sayville, NY 11782

Individual Attorney: Eric J. Russo

Phone Number: 631-589-5000 E-mail: eric@vbjr.com

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

Name	Percent Owned
Peter Ferrandino	100%

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

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

No

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

No

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

See Exhibit 1(G)

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

See Exhibit 1(G)

I. List parent corporation, sister corporations and subsidiaries:

None.

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

No.

K. List major bank references of the Owner:

See Exhibit 1(K)

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"): Not Applicable

Address: ____________________

Federal Employer ID #: ____________ Website: ____________

NAICS Code: ____________

User Officer Certifying Application: ____________

Title of Officer: ____________

Phone Number: ____________ E-mail: ____________

B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Privately Held ☐

Public Corporation ☐ Listed on ____________

State of Incorporation/Formation: ____________

C. Nature of Business:
(e.g., "manufacturer of _____ for ____ industry"; "distributor of _____"; or "real estate holding company")

____

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

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

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: ______________________

Address: ______________________

____

Individual Attorney: ______________________

Phone Number: ______________________ E-mail: ______________________

F. Principal Stockholders or Partners, if any:

Name	Percent Owned

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

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

____

____

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

____

____

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

____

____

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

____

____

J. List parent corporation, sister corporations and subsidiaries:

____

____

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

____

____

L. List major bank references of the User:

____

____

Part II – Operation at Current Location

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

1. Current Location Address: 214, 210, 200, 192-198, 188 West Main Street, 25, 21, 14 Hammond, 26 West Ave, Patchogue NY 11772
2. Owned or Leased: Contract Vendee to purchase the above properties
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):
   4.08 Acres mixed used and industrial lots with six (6) buildings totaling approximately 41,000 square feet, to be demolished.

   ____

4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:
   Heavy Industrial, Automotive Mechanic, Auto-body shop service, mixed-use office and a laundromat

5. Are other facilities or related companies of the Applicant located within the State?
   Yes ■ No ☐
   A. If yes, list the Address: 71 Carolyn Blvd, Farmingdale, NY 11735

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: The property will become multi-family housing, specifically rental apartments with amenities for residents, as well as a "Grab and Go" retail food location and some office space.
   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: Tennessee, among other states, if we are unable to secure IDA benefits for this location.

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes ■ No ☐
   A. Please explain:
   We will be unable to proceed with this project in NY from a financial perspective if the IDA benefits are not secured.

9. Number of full-time equivalent employees (FTE's) at current location and average salary (indicate hourly or yearly salary):
   Based upon conversations with the Sellers, there are approximately 5 full time employees at current location(s). Seller didn't provided salaries as businesses will be closed and buildings demolished.

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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: 214, 210, 200, 192-198, 188 West Main Street, 25, 21, 14 Hammond, 26 West Ave, Patchogue NY 11772

   B. Tax Map: District 204 Section 9 Block 6 Lot(s) 1.6, 1.9, 3, 4, 5, 13, 14, 18, 24

   C. Municipal Jurisdiction:

   i. Town: Brookhaven
   ii. Village: Patchogue
   iii. School District: Patchogue-Medford Union Free School District

   D. Acreage: 4.08

3. Project Components (check all appropriate categories):

A. Construction of a new building ■ Yes ☐ No
   i. Square footage: 320,898

B. Renovations of an existing building ■ Yes ☐ No
   i. Square footage: 540

C. Demolition of an existing building ■ Yes ☐ No
   i. Square footage: 41,000

D. Land to be cleared or disturbed ■ Yes ☐ No
   i. Square footage/acreage: 4.08

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: 41,000

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: * see below

   B. Present use of the proposed location: Heavy Industrial, Automotive Mechanic

      Auto-body shop service, mixed-use office, laundromat

   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

      All nine parcels are under contract to be purchased contingent upon municipal and IDA approvals

   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: ____________

   The site will be redeveloped as two 4-story multifamily buildings with 2 parking garages. In total, the development will provide 262 residential units, with 154 units proposed in the western building and 108 provided in the eastern. Additionally, 301 SF of 'grab and go' retail space will be incorporated into the development along with 540 SF of ancillary office space.

   B. Proposed product lines and market demands: ____________

   Multifamily rental units, with a 20% affordable and workforce component. 10% of the units will be allocated to residents who earn 80% of AMI. The remaining 10% will be for residents who earn 120% AMI.

*Jennair Solutions LLC, 188 West Main LLC, 204 Hamilton LLC, Rossi Capital Ventures LLC, SMA Consulting Group LLC, Tora Enterprises Inc, West Main Development Corp

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:

Residential units will be leased to tenants with individual leases for each unit.

The 540 SF office space will be leased to the Patchogue Chamber of Commerce at $1 per annum

The office space, which will be the refurbished Trolley House, will be for the exclusive use of the Chamber of Commerce for general office use.

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

The project will provide necessary housing supply to Patchogue and the surrounding areas. This development will create 262 units to house the existing workforce of the area, those who wish to downsize their home, employees of the upcoming medical facilities of the area, and anyone else wishing to live within the Village. This project is also located within 1/2 mile from the Patchogue LIRR station.

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? 301 SF 'grab and go' retail use, which is 0.01% of the gross building area

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

Installing continuous insulation barrier between parking and residential units and on the exterior wall to control heat loss and gain. Sourcing most building materials from within a 500-mile radius of the site to minimize fuel consumption and fossil fuel fumes. Installing 40 KWD solar array to provide the electric needs for common areas and parking garage. Installing highly reflective white TPO roofing to avoid heat absorption. Blue roof recapturing storm-water to use for irrigation. Clean use upzone from historic dirty environmentally unfriendly use. Our building will host a bike share program as well as an electric club car shuttle which will transport residents to LIRR Patchogue Train Station, Watch Hill Ferry Terminal and Downtown, reducing the overall numbers of cars on the road. Utilizing high efficiency windows to reduce energy usage. Elimination of gas from all residential units and using high efficiency electric VRF units.

6. Project Work:

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

i.	Site Clearance:	Yes ☐	No ■	% COMPLETE
ii.	Foundation:	Yes ☐	No ■	% COMPLETE
iii.	Footings:	Yes ☐	No ■	% COMPLETE
iv.	Steel:	Yes ☐	No ■	% COMPLETE
v.	Masonry:	Yes ☐	No ■	% COMPLETE
vi.	Other:			

B. What is the current zoning? D2 Business and E Industrial

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

Yes ■ No ☐

D. If a change of zoning is required, please provide the details/status of the change of zone request: The site is currently split zoned, and is located within both the D2 Business and E Industrial districts.

The application for the change of zone will be submitted in November of 2023 requesting that the entire site be rezoned to D2 Business.

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: June 2024

ii. Construction/Renovation/Equipping: June 2024

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: The total construction period is expected to be 36 months separated into two phases. First units being leased February 2026.

Phase 1 (Western building) is expected to be 24 months, Phase 2 (Eastern building) is expected to be 24 months. Phase 2 will commence 12 months after the start of Phase 1.

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:

Description	Amount
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.* **

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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 **: 5   11/1/2023 (Date)   51,000 (Average Annual Salary of Jobs to be Retained)

FTEs to be Created in First Year: 2024 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	**Total**
FTE													3

FTEs to be Created in Second Year: 2025 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	**Total**
FTE													2

Number of Residents of LMA:
Full-Time: 5
Part-Time: ______

Cumulative Total FTEs ** After Year 2 5

Construction Jobs to be Created: 310

*** 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	52K-110K	20k-52K
Commission Wage Earners	n/a	
Hourly Wage Earners	n/a	
1099 and Contract Workers	n/a	

What is the annualized salary range of jobs to created? 52K to 110K

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 ■

   Without receiving the PILOT program's benefits this project is not financially feasible.

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

   The project will not be developed as outlined in this application and the applicant will seek to relocate project out of state.

   The impact on the Patchogue community will be substantial.

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 AL

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 AL

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 AL

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 AL

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 AL

Part VIII – Submission of Materials

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).

2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.

3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.

4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.

5. Completed Environmental Assessment Form.

6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

(Remainder of Page Intentionally Left Blank)

Part IX – Special Representations

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

Edward Slezak (Name of representative of entities submitting application) deposes and says that he or she is the SVP (title) of F&S Development LLC, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entities named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as 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 6th
Day of November, 2023
Meredith A. LaBarbera
(seal)

Meredith A. LaBarbera
Notary Public, State of New York
No. 01LA6337486
Qualified in Nassau County
Commission Expires February 29, 2024

**** 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 <u>must be completed</u> 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. <u>Recapture of Financial Assistance</u>

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. <u>Modification of Payment In Lieu of Tax Agreement</u>

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

SCHEDULE D

Agency Payment in Lieu of Taxes (PILOT) Policy

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

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

2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31st of each year, or in two equal payments due January 31st and May 31st of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.

3. The Town of Brookhaven IDA shall establish a separate, interest-bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).

4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.

5. Payments in lieu of taxes which are delinquent under the agreement shall be subject to a late payment penalty of five percent (5%) of the amount due. For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made.

6. If a PILOT payment is not received by **January 31st** of any year or **May 31st** of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may give the lessee notice of said default. If the payment is not received within thirty (30) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.

7. The CEO shall maintain records of the PILOT accounts at the Agency office.

8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.

9. Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the Applicant.

10. This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.

REVISED 11/14/23

Exhibit 1(G) to

FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

Ferrandino and Son Development Group, LLC

Related Entities

Peter Ferrandino, the Sole member and 100% owner of Ferrandino and Son Development Group, LLC also owns the following entities (either directly or through Ferrandino and Son, Inc.):

1.	Ferrandino and Son, Inc.	100% ownership
2.	The Peter Ferrandino Group, Inc.	100% ownership
3.	901 Jefferson Realty LLC	100% ownership
4.	904 Jefferson Avenue, LLC	100% ownership
5.	PF Air, LLC	100% owned by Ferrandino and Son, Inc.
6.	PJF Air, LLC	100% owned by Ferrandino and Son, Inc.
7.	718 Medford, LLC	100% ownership
8.	Giavanna Realty, Inc.	100% ownership
9.	PF Autos, LLC	100% ownership
10.	Nord Development Group, LLC	100% ownership
11.	East Lake Marina Holdings, LLC	100% ownership
12.	2nd House Inv. 2021, LLC	100% ownership
13.	Ferrandino and Son Realty, LLC	100% ownership
14.	11 Roma, LLC	100% ownership
15.	314 Norris Hall Lane LLC	100% ownership
16.	205-205 Broadway Amityville LLC	100% ownership
17.	36 Hampton St, LLC	100% ownership

REVISED 11/14/23

Exhibit 1(K) to
FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

Ferrandino and Son Development Group, LLC

Banking References

Banking references for Ferrandino and Son, Inc. and Peter Ferrandino:

1. **PNC Business Credit**

   Tim Gallagher
   Senior Vice President | Relationship Manager
   PNC Business Credit
   340 Madison Ave. 11th Floor
   New York, NY 10173
   (p) 212.878.8932 | (c) 516.662.7497
   tim.gallagher@pnc.com

2. **M&T Bank**

   Thomas J Crane
   Senior Vice President
   Commercial Banking
   M&T Bank
   100 Motor Parkway, *6th* Floor
   Hauppauge, NY 11788
   516-391-7613 office
   631-456-3234 Cell
   631-501-9856 Fax

Exhibit IV(1) to

FORM APPLICATION FOR FINANCIAL ASSISTANCE

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

Ferrandino and Son Development Group, LLC

Anticipated Other Project Costs

$15,247,803 in Other costs listed on Pg. 14, is broken down into the following categories:

1. Insurance - $3,438,500
2. Permits, Inspections, Municipal / Utility fees - $4,859,841
3. Amenities / FFE - $1,327,000
4. Marketing & Development Fee - $5,622,462

REVISED 11/14/23

Exhibit IV(2) to
FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

Ferrandino and Son Development Group, LLC

Anticipated Equity Structure

It is anticipated that the equity investment into the project will equate to approximately forty percent (40%) of the total cost of the project and the incurring of debt financing will equate to approximately 60% of the overall remaining capitalization of the project cost, with the debt financing having an anticipated term of not less than five (5) years from origination. The specific terms and conditions of the debt and equity financing to be determined.

Once those terms and conditions of the debt and equity financings are finalized, Owner will be in a better position to identify a specific dollar amount for its contribution to the overall project costs.

Exhibit IV(3) to

FORM APPLICATION FOR FINANCIAL ASSISTANCE

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

Ferrandino and Son Development Group, LLC

Project Costs Incurred to Date

Description	Cost Incurred to Date
Land Purchase Price	500,000.00
Land Carry Costs	1,109,872.27
Contract Assignment Fee	-
Site Work	-
Scheduling Consultant	-
Architecture - Design	594,000.00
Landscape Architecture	113,661.57
Civil Engineering	201,364.83
Mechanical Engineering	325,393.75
Structural Engineering	264,734.50
Presentation Materials	-
Pool Consultant	39,000.00
Renderings / Presentations	10,544.59
Interior Design	198,709.30
Appraisal	4,250.00
Legal - Land Use / Approvals	313,874.41
Legal - Environmental	25,687.50
Legal - Joint Venture	15,000.00
Project Accounting Fee	-
Analytical Support	12,150.00
Project Accounting Fee	39,887.50
Other Administrative Costs	694.77
ALTA / Boundary Survey	34,270.00
Phase I/II Environmental	85,113.00
Market Studies	18,361.45
Geotechnical Testing	26,136.00
Estimating / PreConstruction	450,500.00
Regulatory Environmental Studies	10,000.00
Plan Check Fees	16,600.00
Building Permits / Fees	165,500.00
Water / Wastewater Fees	990.00
Other Permit / Fees	355,500.00
Low Voltage Consultant	46,000.00
Travel	1,340.97
Meals	2,366.33
County Fees	44,009.99
Digital Marketing	3,056.44
TOTALS	**$ 5,028,569.17**

INCORPORATED
VILLAGE OF PATCHOGUE

November 27, 2024

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

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

Dear Ms. Mulligan:

It is my understanding that the Brookhaven Town Industrial Development Agency (IDA) is to approve and will be holding a public hearing on the above-referenced application submitted by Ferrandino and Son Development Group, LLC for the project known as 214 West Main Street. The focus of the hearing is for financial assistance and the need for the PILOT benefit package for a 20 year period. The project will include the development of 262 apartment units on 4.08 acres of blighted property on West Main Street in our downtown.

Twenty years ago, when I came into office as a Mayor, I looked at what assets the Village had: a sewer plant that needed an up-grade, an empty downtown, blighted properties and a once busy LIRR Station. I knew that for the Village to prosper we needed to put "feet on the streets." And we did. We built over 700 multi-family housing units with over 30% affordable in our downtown and within walking to the LIRR. The inclusion of the housing units started the revitalization of our downtown and a stabilization of residential neighborhoods. Because of the growth we were able to up-grade our sewer to allow additional construction of new housing.

The 214 West Main Street project will be constructed on what is the last major blighted property on Main Street. I would like to request that the IDA approve a benefit package for a 20 year PILOT

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www.patchoguevillage.org

to help ensure the success of the project and the continued renaissance and the growth of the Village of Patchogue.

Thank you.

Respectfully Submitted,

Paul Pontieri, Mayor

cc: Eric J. Russo, Esq., VanBrunt, Juzwiak & Russo, P.C.
Edward Slezak, Esq., Chief Legal Officer, Ferrandino and Son Development Group, LLC