

Town of Brookhaven
Industrial Development Agency
SPECIAL MEETING AGENDA
Monday, June 26, 2023 at 4:00 P.M.

1. ROLL CALL

2. APPLICATIONS

Ronk Hub Subtenant – VESPA
Ronk Hub Subtenant – Bethpage Federal Credit Union
Ronk Hub Subtenant – Great South Bay Brewery

3. RESOLUTIONS

American Organic Energy
GGV Grove Apartments, LLC
Ronk Hub Subtenant – VESPA
Ronk Hub Subtenant – Bethpage Federal Credit Union
Ronk Hub Subtenant – Great South Bay Brewery

4. CEO'S REPORT

Macedo Construction

5. EXECUTIVE SESSION

The next IDA meeting is scheduled for July 19, 2023 at 8:00 A.M.

ECONOMIC IMPACT ANALYSIS

The Grove Apartments Multifamily Residential

400 East Main Street
Hamlet of East Patchogue, Town of Brookhaven, New York

NPV No. 08262

Prepared for:

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December 6, 2022

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EXECUTIVE SUMMARY

This analysis examines the economic impacts that are anticipated to occur through the construction and annual operations of a multifamily residential development to be known as The Grove Apartments, located at 400 East Main Street, East Patchogue. The subject site is located on the southeast corner of East Main Street (also known as Montauk Highway and County Route 80) and Grove Avenue in the **Hamlet of East Patchogue**, Town of Brookhaven, Suffolk County, New York. The land uses surrounding the project site are generally comprised of commercial land uses along Montauk Highway with residential neighborhoods north of East Main Street and to the south of the property.

The proposed project will provide a **55-unit multifamily residential development** and associated amenities (leasing office, community room, fitness room, and kids playroom) in three detached 2-story buildings along with approximately 1,000 square feet (SF) of retail space and approximately 800 SF of non-profit space designated for New Ground, a Long Island-based non-profit organization with over 25 years of housing and supportive service experience. Out of the 55 housing units proposed, 17 would be designated as permanent supportive housing for victims/survivors of domestic violence through New Ground, who will provide services including, but not limited to domestic violence safety planning, housing stability, individual counseling, financial literacy, legal assistance, employment training, children and family services and community building. The potential employment benefits of the retail and nonprofit space were not evaluated in this economic analysis; the analysis focuses solely on the economic benefits related to construction and operations of the multifamily residential units.

The proposed development will provide 55 units at affordable rates for households earning between 50% and 90% of the area median income (AMI). The proposed development seeks to provide a variety of unit sizes to accommodate the diverse needs of the community including 21 one-bedroom apartments, 28 two-bedroom apartments, and 6 three-bedroom apartments.

The proposed project responds to the public need for increased housing opportunities, including affordable and workforce housing opportunities. Housing costs have skyrocketed, housing availability has fallen, and local businesses and institutions are no longer able to fill essential positions to meet customer demand during what should be a post-pandemic recovery. The shortage of housing and demand for workers impacts many across the employment spectrum.

The proposed multifamily residential development will support local businesses in East Patchogue and the surrounding areas, bringing increased patronage and spending power to the community. Consumer activity from the increase in residents will ripple through the local community, creating beneficial economic and fiscal impacts throughout East Patchogue, the Town of Brookhaven, Suffolk County, and the region as a whole. In addition, the proposed project will create strong economic activity by providing jobs during construction as quantified in this report.

Economic benefits include direct economic impacts, as well as those indirect and induced impacts that are projected to occur – on output, employment, and labor income – during both the 18-month construction period, and annually upon stabilized operations of the proposed project. During construction, direct, indirect, and induced impacts of the proposed project are estimated to result in **\$27,112,250** in **total output**, **139.30 jobs** (total full-time equivalent [FTE] jobs), and **\$12,446,434** in **labor income** (total wages). During annual operations, direct, indirect, and induced impacts of the proposed project are projected to total **\$1,165,860** in **output** (total revenue), **3.1 jobs** (total FTE jobs), and **\$234,670** in **labor income** (total wages).

In summary, the proposed project is beneficial to economic conditions of the hamlet of East Patchogue, the Town of Brookhaven, Suffolk County, and the region.

1.0 INTRODUCTION

Nelson, Pope & Voorhis, LLC (NPV) has been requested to prepare an economic impact analysis for a proposed multifamily residential development to be known as The Grove Apartments, 400 East Main Street in the Hamlet of East Patchogue, Town of Brookhaven. NPV is a professional environmental and planning firm with qualifications and expertise to prepare economic impact analyses, and has a track record of similar completed projects, as well as residential and commercial market analysis and related economic development services to private and municipal clients. The economic qualifications of the firm and personnel are provided in **Attachment A**.

1.1 Project Overview

This analysis examines the economic impacts that are anticipated to occur through the construction and annual operations of a 55-unit multifamily residential development comprised within three 2-story buildings. In addition, the proposed development includes approximately 1,000 SF of retail space and approximately 800 SF of non-profit space designated for New Ground, a Long Island-based non-profit organization with over 25 years of housing and supportive service experience.

The proposed development will primarily target the local workforce and family households by providing 55 affordable units for households earning between 50% and 90% of the area median income. More specifically, as proposed, 17 units will be targeted for households earning up to 50% of AMI, 26 units to households earning up to 60% of AMI, 7 units households earning up to 80% of AMI, and 5 units households earning up to 90% of AMI.

The proposed development seeks to provide a variety of unit sizes to accommodate the diverse needs of the community and includes 21 one-bedroom apartments, 28 two-bedroom apartments and 6 three-bedroom apartments. The anticipated monthly rental rates range between \$1,227-\$2,045 for the one-bedroom units, \$1,457-\$2,601 for the two-bedroom units, and \$1,671-\$2,994 for the three-bedroom units.

This proposal meets the New York State Housing Goal for an Integrated Supportive Housing Project that will provide 17 units of permanent supportive housing to victims/survivors of domestic violence (“DV”) through New Ground, a Long Island-based non-profit organization with over 25 years of housing and supportive service experience. Georgica Green Ventures, LLC (GGV) and New Ground have secured a conditional award letter from the Empire State Supportive Housing Initiative (ESSHI) for the proposed 17 supportive units (30% of total units). According to New Ground, the Suffolk County DV hotline receives over 4,000 calls annually from individuals and/or families in need. With only 2 Suffolk County emergency housing shelters, both at full capacity, there are over 100 households on the waitlist for immediate safe housing. The proposed development would be the first permanent rental housing available for victims/survivors of domestic violence and their families on Long Island. The site plan includes

non-profit space designated to New Ground which will be used to provide on-site supportive services to the 17 ESSHI units. Through an ESSHI funding award, New Ground will provide services including, but not limited to domestic violence safety planning, housing stability, individual counseling, financial literacy, legal assistance, employment training, children and family services and community building. The proposed development is in a market area that has significant unmet demand for affordable and DV supportive housing with a severely cost-burdened renter population. Providing secure, peaceful, and dignifying housing is a fundamental human right with affordability that will significantly improve economic stability while in a great location walkable to downtown with easy access to employment opportunities and transportation options.

The applicant is requesting a PILOT in the amount of \$600 per unit, or \$33,000 per year. After review and verification of the financial model and applicable term sheets, the PILOT amount requested by the applicant is necessary ensure the financial feasibility of the proposed housing development. The total governmental funds available to help finance affordable/supportive mixed income housing projects are limited by the federal, state and county term sheets which availability is compounded by rising interest rates. The Grove Apartments is currently requesting the maximum eligible funding allowances through New York State Homes and Community Renewal (NYSHCR) and Suffolk County Acquisition/Infrastructure Funding Program. If the annual PILOT payment is in excess of what is being requested, it will reduce the supportable debt for the property and the proposed development will not be financially feasible resulting in the inability to provide this community with a transformative, mixed-use, mixed income multifamily and supportive housing downtown development.

This proposed PILOT request is consistent with similarly situated affordable/supportive housing developments approved throughout Nassau and Suffolk County. As per NYSHCR affordable housing developments are required to demonstrate a PILOT agreement co-terminus with the NYSHCR regulatory period for at least 30 years and up to 50 years. The requested PILOT amount of \$33,000 per year is consistent with comparable affordable housing developments across Nassau and Suffolk County. A PILOT payment in excess of what is being requested would put the property in jeopardy of meeting NYSHCR Financial thresholds and ultimately make the development infeasible.

The subject site is located on the southeast corner of East Main Street and Grove Avenue in the **hamlet of East Patchogue**, Town of Brookhaven, Suffolk County, New York. The area surrounding the project site is primarily comprised of commercial land uses along East Main Street with residential neighborhoods to the north and south of properties fronting on the highway.

The following analysis examines and quantifies the economic impacts that are anticipated to result from the proposed development. **Section 2.0** outlines the methodology and the sources of data used to project the economic impacts generated in this analysis. **Section 3.0** summarizes the economic conditions related to the proposed project. **Section 3.1** defines

economic impacts for the purpose of the report, and **Section 3.2** presents the key findings of the direct economic impacts, as well as those indirect and induced impacts that are projected to occur – on output, employment, and labor income – during both the 18-month construction period, and annually upon stabilized operations of the proposed project. As previously noted, these projections anticipate stabilization of the economy in post-pandemic conditions. A summary of these key economic findings is provided in **Table 1**.

TABLE 1
SUMMARY OF KEY ECONOMIC FINDINGS

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
<i>Economic Impacts during Construction</i>			
Direct Impact	\$18,861,036	93.20	\$9,430,518
Indirect Impact	\$2,371,228	12.79	\$893,518
Induced Impact	\$5,879,986	33.31	\$2,122,398
Total Impact	\$27,112,250	139.30	\$12,446,434
<i>Economic Impacts during Annual Operations</i>			
Direct Impact	\$1,165,860	1.5	\$105,596
Indirect Impact	\$272,039	1.0	\$87,547
Induced Impact	\$114,718	0.6	\$41,526
Total Impact	\$1,552,617	3.1	\$234,670

Source: Data provided by Georgica Green Ventures, LLC; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

Lastly, **Section 4.0** outlines the references and sources of information utilized in this analysis, and as previously noted, the economic qualifications of the firm and personnel are provided in **Attachment A**.

1.2 Needs and Objectives

The proposed project responds to the public need for additional quality rental multifamily housing units in East Patchogue and the Town of Brookhaven. The project provides a positive contribution toward addressing demand for such housing needs. The residents of the proposed housing units will also support local businesses in the community, bringing increased patronage and spending power to the community. Consumer activity will ripple through the local community, creating beneficial economic impacts throughout East Patchogue, the Town of Brookhaven, Suffolk County, and the region as a whole.

The Town of Brookhaven’s Comprehensive Land Use Plan discusses the then-current residential demographics including household size, population density, dwelling unit type availability, and factors of wealth and age. Based on these demographics the plan lays out the then-existing

residential land use conditions, identifies the problems and needs in residential land use, and offers recommendations for satisfying these needs and fixing these problems. The plan specifically identifies the need for a greater amount and diversity of housing options. In 1996, when the Brookhaven Comprehensive Land Use Plan was published, certain trends are noted such as a decreasing average household size, an increasing need for smaller sized rental housing options, and an increase in population density. In the recommended residential land use and zoning changes section it is noted, *“...the siting of additional multi-family housing needs to be addressed. Consideration should be given to placement of such housing along major roadways in place of commercial zoning in some areas. They should also be considered for locations adjacent to activity centers to create a sense of place, and the need to continue to provide a choice of housing types for an aging population desiring to remain in the community as well as affordable housing for the young.”* The proposed multifamily development is sited along a major roadway in a commercially zoned district and is in an area adjacent to commercial uses and activity centers such as restaurants, pharmacies, banks, the Patchogue-Medford Library, retail establishments, and open space/recreation areas. In addition, the proposed project seeks to provide primarily affordable and workforce housing units in a variety of bedroom sizes to serve the needs of a wide variety of residents.

According to Suffolk County’s Framework for the Future – Comprehensive Plan 2035, *“demographic changes occurring within Suffolk County over the past two decades have created a new housing demand profile that includes a higher proportion of smaller, multi-family units, a higher proportion of rental units, and more units that are priced at levels that are affordable to households earning under \$75,000 annually.”* Nearly 80% of all residential units in Brookhaven are single family homes. The current housing stock in Brookhaven lacks a diversity which is essential to support a thriving diverse community and meet the needs of all residents. In addition to the overabundance of single-family homes in Brookhaven, there is also a shortage of rentals. The US Census Bureau estimates that over 80% of housing units are owner-occupied, while only approximately 20% of housing units are renter-occupied. There is significant need for multifamily residential developments in the local community. While the number of housing units has increased in Brookhaven, the majority of those units have been single family homes that are not attainable for low to moderate income households and the growing demand for affordable and workforce housing units.

A market study for the proposed project was prepared by Newmark Knight & Frank (NKF). The *“Comprehensive Market Study Proposed Affordable Family Housing Development at The Grove at Patchogue”* identified supply and demand trends in small affordable multifamily housing in the subject area of Suffolk County and demonstrates that there is sufficient demand for the proposed housing development in the area. In addition, the study concludes that the project will not cause undue economic harm to the existing rental stock in the area. Finally, the study evaluates the position of the proposed 55-unit multifamily housing development in the context of current market conditions. Trends identified in the NKF study support the conclusions of the aforementioned town and county comprehensive plans as they relate to the increasing demand for affordable rental housing and lack of supply. The conclusions identify a lack of new tax

credit affordable family housing in the subject area, the extensive waitlists for affordable units in the area, and data which indicates that over 40% of renters in the area a cost burdened as these households are currently paying more than 35% of their income on rent. The study concludes that strong support is anticipated *“for the project as intended with an advantage toward achievable market rents in an area where limited new affordable housing has been added for these household sizes and income tiers. There is clear demand in the area based on the low capture rate and the high number of income-qualified households not living in affordable tax credit housing that would support the project notwithstanding the superior quality, condition, and amenities.”*

As economic stability returns following the coronavirus pandemic of 2020-22, the proposed project is expected to contribute to the long-term economic health of the community. More specifically, the proposed project will advance the planning goals of the Town and will establish many new construction jobs and housing opportunities that will help in the post-pandemic recovery. The proposed project responds to the Town’s desire to provide such rental housing opportunities in the area, as recognized in various comprehensive planning documents and evidenced by current conditions within the surrounding community.

2.0 METHODOLOGY

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

Georgica Green Ventures, LLC supplied information regarding the construction cost and construction schedule, building size, unit mix, anticipated rental rates, and operations employees and salaries.

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

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

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

The IMPLAN model is a method for estimating local economic multipliers, including those pertaining to production, value-added, employment, wage, and supplier data. IMPLAN differentiates in its software and data sets between 576 sectors that are recognized by the United States Department of Commerce. Multipliers are available for all states, counties and zip codes, and are derived from production, employment and trade data from sources including the United States Census Bureau, County Business Patterns, Annual Survey of Government Employment, Annual Survey of Retail Trade; United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Consumer Expenditure Survey; United States Department of Labor; Office of Management and Budget; United States Department of Commerce; Internal Revenue Service; United States Department of Agriculture, National Agricultural Statistical Service; Federal Procurement Data Center; and United States Bureau of Economic Analysis, Regional Economic Information System, Survey of Current Business, among other national, regional, state and local data sources.

IMPLAN is widely accepted as the industry standard for estimating how much a one-time or sustained increase in economic activity in a particular region will be supplied by industries located in the region. Federal government agencies such as the Army Corps of Engineers, Bureau of Economic Analysis, Bureau of Land Management, Environmental Protection Agency, Federal Reserve Bank, Fish and Wildlife Service, and National Park Service have used the multipliers to study the local impact of government regulation on specific industries and to assess the local economic impacts of Federal actions. State and local governments including New York State Department of Labor, New York State Division of the Budget, New York State Office of the State Comptroller, New York State Assembly and New York City Economic Development Corporation, have used the multipliers to estimate the regional economic impacts of government policies and projects and of events, such as the location of new businesses within their state, or to assess the impacts of tourism. Likewise, businesses, universities and private consultants have used the multipliers to estimate the economic impacts of a wide range of projects, such as building a new sports facility or expanding an airport; of natural disasters; of student spending; or of special events, such as national political conventions.

NPV personnel have received formal IMPLAN training through IMPLAN and possess the qualifications to project economic impacts for a multitude of project types using this software. For the purpose of this analysis, multipliers specific to socio-economic data in Suffolk County's "Construction of new multifamily residential structures" industry, were analyzed to determine the direct, indirect, and induced economic impacts during the proposed project's construction period. Moreover, multipliers specific to socio-economic data in Suffolk County's "Tenant occupied housing" industry were analyzed to determine the direct, indirect, and induced economic impacts during the annual operations of the proposed project. A summary of these impacts can be found in **Section 3.2.1** and **Section 3.2.2** of this analysis.

3.0 ECONOMIC IMPACTS

As noted in **Section 1.0**, this analysis summarizes the existing conditions and the economic and fiscal impacts associated with the proposed multifamily residential development, consisting of 55 rental housing units for households earning 50% to 90% of the HUD guidelines for average median income for the Nassau-Suffolk Region (AMI). The project will consist of 21 one-bedroom apartments, 28 two-bedroom apartments and 6 three-bedroom apartments. Economic impacts include direct, indirect, and induced benefits on output, employment, and associated labor income during the construction phase and during a stabilized year of annual operations. It is noted that these analyses are based on conditions over 30 months into the coronavirus pandemic and therefore represent conditions as the construction industry regains momentum and the economy stabilizes in post-pandemic conditions.

The proposed project will generate immediate construction jobs, as well as increased job opportunities related to the operations and management of the facility. Such economic benefits are most crucial to the economic well-being throughout the East Patchogue community, the Town of Brookhaven, Suffolk County, and the region as a whole.

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

3.1 Definition of Economic Impacts

A **direct impact** arises from the first round of buying and selling and includes the production of changes and expenditures made as a result of the proposed action. These direct impacts can be used to identify additional rounds of buying and selling for other sectors of the economy and to identify the impact of spending by local households. During construction, the direct impact includes the number of construction employees, their salaries, and most of the expenditures that are anticipated to be incurred by the developer. It generally includes expenditures related to demolition, construction, purchase of materials, engineering, architecture, and environmental consultants. During operations, direct impacts include the salaries of employees of the development (such as maintenance and management), and direct output would be in the form of monthly rental revenue.

An **indirect impact** refers to the increase in sales of other industry sectors stemming from business-to-business purchases in the supply chain due to the initial input purchases, which include further round-by-round sales. The indirect impacts on output related to construction include additional business to business rounds of buying and selling throughout the supply chain.

An **induced impact** accounts for the changes in household spending resulting from the labor income generated by the employees of the proposed action during construction and operations, resulting from direct and indirect impacts. The total impact is the sum of the direct,

indirect and induced impacts.

3.2 Key Findings

3.2.1 Economic Impacts of Construction

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

- For the purpose of this analysis, it is anticipated that construction of the proposed project will commence in July 2023, with the construction period anticipated to occur over a period of 18 months.¹
- The proposed project is projected to represent over \$18.8 million² in construction costs over the 18-month construction period.³ This \$18.8 million investment in direct annual output is projected to generate an indirect impact of over \$2.3 million, and an induced impact of an additional \$5.8 million, bringing the total economic impact output to over \$27.1 million during the 18-month construction period.⁴
- During the construction period, direct employment refers to the number of short-term jobs necessary to complete the construction of the proposed project. The construction period is anticipated to generate 93.2 full time equivalent (FTE) jobs, which are anticipated to last the entire duration of the 18-month construction period.
- The 93.2 FTE jobs created during the construction period will have an indirect impact of 12.79 FTE jobs and an induced impact of 33.31 FTE jobs in other industry sectors, bringing the total impact of the 18-month construction period to 139.30 FTE jobs.⁵ This job creation – direct, as well as indirect and induced – presents opportunities for persons who remain unemployed throughout the region.
- During the construction period, direct labor income refers to the annual earnings, wages, or salary paid to each of the workers responsible for the construction of the proposed project. Labor income typically comprises approximately 50% of the cost of residential construction; the remaining portion represents the cost of materials.⁶

¹ Construction schedule provided by Georgica Green Ventures, LLC in November 2022.

² For the purpose of this analysis, this figure and all other figures in the construction portion of this analysis reflect 2023 dollars, the year in which construction is assumed to commence.

³ Construction costs provided by Georgica Green Ventures, LLC in November 2022. It is important to note that all costs are estimates based upon market conditions as of the date of preparation of this analysis.

⁴ According to IMPLAN, a multiplier of 1.521609 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand through the “Construction of new multifamily residential structures” (IMPLAN Sector 58) in Suffolk County, New York.

⁵ According to IMPLAN, a multiplier of 10.74 represents the total change in the number of jobs that occurs in all industries for each additional one million dollars of output delivered to final demand through the “Construction of multifamily residential structures” (IMPLAN Sector 58) in Suffolk County, New York.

⁶ Construction/renovations labor and materials estimates per design group Nelson + Pope.

- Labor income is projected to total \$97,749 per employee⁷ for the 18-month construction period, resulting in \$9.5 million in collective earnings among the 93.2 FTE employees. This labor income is projected to have an indirect impact of over \$890,000 and an induced impact of over \$2.1 million, bringing the total economic impact of the 18-month construction period to over \$12.4 million in labor income.⁸

A summary of key economic findings projected to occur during the 18-month construction period is provided in **Table 2**.

TABLE 2
SUMMARY OF KEY ECONOMIC FINDINGS DURING 18-MONTH CONSTRUCTION PERIOD

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
Direct Impact	\$18,861,036	93.20	\$9,430,518
Indirect Impact	\$2,371,228	12.79	\$893,518
Induced Impact	\$5,879,986	33.31	\$2,122,398
Total Impact	\$27,112,250	139.30	\$12,446,434

Source: Data provided by Georgica Green Ventures, LLC; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

3.2.2 Economic Impacts of Annual Operations

A detailed analysis of direct, indirect, and induced impacts generated annually during operations is outlined below. Each of these impacts is permanent and on-going and they are projected on an annual basis, assuming continued stabilized operations. As previously noted, these projections anticipate stabilization of the economy in post-pandemic conditions.

- It is assumed that the proposed project will begin the operational phase of development upon the completion of the 18-month construction period and achieve full occupancy in July 2025. For the purpose of this operations analysis, the first year of stabilized operations is assumed to occur in 2026.
- Annual output will be generated in the form of monthly rental revenue of the residential units totaling \$1,165,860.

⁷ New York State Department of Labor’s Occupational Employment Statistics survey reports a median wage of \$63,268 among those employed within construction and extraction occupations in the Long Island labor market. Data was collected between November 2018 and May 2021, and then updated to the first quarter of 2022 by making cost-of-living adjustments. An additional 3% per year increase was added to the average annual wage to approximate salaries in 2023, the year construction is anticipated to commence.

⁸ According to IMPLAN, a multiplier of 0.806574 represents the total dollar change in labor income of households employed by all industries for each additional dollar of output delivered to final demand through the “Construction of multifamily residential structures” (IMPLAN Sector 58) in Suffolk County, New York.

- The annual operational revenues are projected to generate an indirect impact of over \$272,000, and an induced impact of over \$114,000 per year. This additional output is generated through round-by-round sales made at various merchants in other sectors of the regional economy. These include local retailers, service providers, banks, grocers, restaurants, financial institutions, insurance companies, health and legal services providers, and other establishments in the region.
- The sum of the direct, indirect, and induced impacts results in a total economic impact on output of over \$1.55 million during annual operations.⁹
- The proposed operation of the project is anticipated to generate 1.5 FTE jobs on site.¹⁰
- The 1.5 FTE jobs will have an indirect impact of 1.0 FTE employees and an induced impact of 0.6 FTE employees in other industry sectors, bringing the total economic impact of employment to 3.1 FTE jobs during annual operations.¹¹
- The 1.5 FTE jobs will generate a total of \$105,596 in collective labor income (salaries and benefits).¹² This labor income will have an indirect impact of over \$87,000 and an induced impact of \$41,000, bringing the total economic impact of labor income to \$234,670 during a stabilized year of operations of the proposed project.¹³

A summary of key economic findings projected during annual operations is provided in **Table 3**.

TABLE 3
SUMMARY OF KEY ECONOMIC FINDINGS DURING ANNUAL OPERATIONS

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
Direct Impact	\$1,165,860	1.5	\$105,596
Indirect Impact	\$272,039	1.0	\$87,547
Induced Impact	\$114,718	0.6	\$41,526
Total Impact	\$1,552,617	3.1	\$234,670

Source: Data provided by Georgica Green Ventures, LLC; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN.

⁹ According to IMPLAN, a multiplier of 1.375349 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the “Tenant occupied housing” (IMPLAN Sector 448) in Suffolk County, New York.

¹⁰ Assumptions pertaining to the direct employment based on 0.04 employees per housing unit.

¹¹ According to IMPLAN, a multiplier of 7.88 represents the total dollar change in employment that occurs in all industries for each additional dollar of output delivered to final demand by the “Tenant occupied housing” (IMPLAN Sector 448) in Suffolk County, New York.

¹² Assumptions pertaining to the employment compensation provided by Georgica Green Ventures, LLC. It is important to note that all assumptions are estimates based upon market conditions as of the date of preparation of this analysis.

¹³ According to IMPLAN, a multiplier of 0.286447 represents the total dollar change in labor income of households employed by all industries for each additional dollar of output delivered to final demand of the “Tenant occupied housing” (IMPLAN Sector 448) in Suffolk County, New York.

4.0 REFERENCES

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ATTACHMENT A
Nelson Pope Voorhis
Economic Analysis Qualifications

STATEMENT OF QUALIFICATIONS ECONOMIC AND FISCAL IMPACT ANALYSIS



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environmental • land use • planning

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INTRODUCTION

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

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

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

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

NPV has the capabilities to provide the following services:

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

Economic and Fiscal Impact Analyses & Market Studies

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

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

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

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



KEY PERSONNEL

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

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

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

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

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

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

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

Detailed resumes can be provided upon request.

RELEVANT EXPERIENCE

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

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

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

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

Greybarn Sayville (Sayville, NY)

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

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

Concern for Independent Living (Southampton, NY)

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

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

Superblock Long Beach (Long Beach, NY)

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

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

consumer buying power will be generated by the project.

Storage Deluxe (Valley Stream, NY)

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

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

RD Industrial Site (Yaphank, NY)

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

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

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

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

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

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

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

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

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

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

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

TopGolf Market Feasibility Analysis (Holtsville, New York)

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

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

Topgolf would provide a combined entertainment and recreation facility, that but for the project, would not be reasonably available to the residents of the Town of Brookhaven or Suffolk County, and therefore it was deemed eligible and appropriate for IDA assistance.

Economic Development Chapter of the Comprehensive Plan Update (Town of Southold)

In an effort to achieve the Town's vision, five goals and numerous objectives were formed to provide direction for future decision-making pertaining to the Town's economy. Much of the Town's economic vitality is based on the Town's unique rural, historic and maritime-based character as well as its natural resources. NP&V prepared the economic chapter of the Comprehensive Plan Update for the Town of Southold to allow for the formation of appropriate recommendations and implementation strategies focused on long-term economic sustainability throughout the Town.

One of the specific tasks involved with the economic chapter of the Town's Comprehensive Plan is the zoning/build-out analysis. The Town of Southold is facing development pressure and is concerned about the impact that the current zoning may have on the Town's resources. The Town of Southold prepared a build-out analysis of several zoning districts, and NP&V funneled these findings into a model to assess the regional impact of full build-out and modified development scenarios. Ensuring quality of life, protection of environmental resources, housing needs and maintenance of the tax base were key elements of the model. This project involved the creation of a model to synthesize multiple evaluation factors to analyze the impact of full build out of the Town of Southold under its current zoning.

Niche Market and Branding Plan & Build-Out/Tax Base Analysis(Bellport, NY)

NPV worked with the Town of Brookhaven on a niche market and branding plan for the Greater Bellport community. The focus of this plan was to form a set of recommendations that outlined the necessary steps that members in the Greater Bellport community can take in order to successfully create a sense of place, community pride and positive perceptions through a more niche-oriented position in the local market. NPV recommended various initiatives to make the Greater Bellport community unique and marketable, creating a place that people want to be, where people are comfortable, and a place that people remember and come back to time and again. The niche market and branding plan strives to promote the community's niche market to new residents, visitors and economic development opportunities alike, offering the Greater Bellport community the opportunity to develop a theme that they want to be known for. NPV worked with the Town of Brookhaven on a build-out/tax base analysis, to analyze how the local school district could be impacted by growth. NPV created a GIS model to compare tax assessments for various land use scenarios to ensure an adequate tax base to support increased growth in school population without disproportionate increases in residential tax rates. This model was used to test assumptions for future development and to analyze various alternatives in an automated fashion, allowing for easy comparison of scenarios and results. Ultimately, the model will provide a reality check for future planning with respect to provision of quality community services and may provide support for creating additional commercial tax base within the district.

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

DATE: 11/29/22

APPLICATION OF: GGV Grove Apartments LLC c/o Georgica Green Ventures, LLC
Name of Owner and/or User of Proposed Project

ADDRESS: 50 Jericho Quadrangle, Suite 118
Jericho, NY 11753

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

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

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

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

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

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

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

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Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): GGV Grove Apartments LLC c/o Georgica Green Ventures, LLC

Address: 50 Jericho Quadrangle, Suite 118
Jericho, NY 11753

Federal Employer ID #: Website: www.georgicagreen.com

NAICS Code: N/A

Owner Officer Certifying Application: David Gallo

Title of Officer: Authorized Signatory

Phone Number: E-

B. Business Type:

Sole Proprietorship Partnership Limited Liability Company

Privately Held Public Corporation Listed on 10/18/2010

State of Incorporation/Formation: New York

C. Nature of Business:

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

Residential & mixed-use developer specializing in affordable/ tax credit developments in New York State.

D. Owner Counsel:

Firm Name: Certilman Calin Adler & Hyman, LLP

Address: 90 Merrick Avenue 9th Floor
East Meadow, NY 11554.

Individual Attorney: Timothy Shea, Jr.

Phone Number: 516-296-7885 E-mail: tshea@certilmanbalin.com.

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

Name	Percent Owned
Raymond James Tax Credit Investment Fund, Inc.	99.99%
GGV Grove Apartments MM LLC	0.01%

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

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

No

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

No

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

N/A

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

N/A

I. List parent corporation, sister corporations and subsidiaries:

GGV Grove Apartments MM LLC, G&G Property Holdings II LLC, Georgica Green Ventures, LLC

Georgica Construction LLC, Georgica Property Management LLC, Kulka LLC

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

No

K. List major bank references of the Owner:

1. Erin Galligan (Bank of America) 646-743-0442

2. Matthew Schatz (TD Bank) 212-651-2717

2. User Data

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

A. User (together with the Owner, the "Applicant"): N/A - Not applicable

Address: N/A

Federal Employer ID #: N/A Website: N/A

NAICS Code: N/A

User Officer Certifying Application: N/A

Title of Officer: N/A

Phone Number: N/A E-mail: N/A

B. Business Type:

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on N/A

State of Incorporation/Formation: N/A

C. Nature of Business:

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

N/A

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: N/A

Address: _____

Individual Attorney: _____

Phone Number: _____

E-mail: _____

F. Principal Stockholders or Partners, if any:

Name	Percent Owned
<u>N/A</u>	_____
_____	_____
_____	_____

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

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

N/A

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

N/A

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.

N/A

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:

N/A

J. List parent corporation, sister corporations and subsidiaries:

N/A

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:

N/A

L. List major bank references of the User:

N/A

Part II – Operation at Current Location

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

1. Current Location Address: 400 East Main Street, East Patchogue, NY

2. Owned or Leased: Contract Vendee

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

2.78 acres

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

Land to be used for the development of affordable, multifamily, housing.

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

Yes No

A. If yes, list the Address: Georgica Property Management LLC, Georgica Construction LLC (See 1I)

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: _____

N/A

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

N/A

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

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

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

A. Please explain: _____

N/A

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

N/A

- 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: 400 East Main Street Corp.

B. Present use of the proposed location: The site is currently improved with one-story commercial/ building and surface parking.

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

Yes, the PSA is executed with NRP Properties LLC& has been assigned to GGV Grove Apartments LLC.

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 project site will be a supportive housing downtown-oriented, mixed-use, mixed-income multifamily development. The project will include 55 income restricted apartments in a two-story 3 building garden style development with ground floor amenities, support services for victims/survivors of domestic violence, and commercial/non-profit space.

B. Proposed product lines and market demands: _____

N/A

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

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

7. Project Completion Schedule:

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

i. Acquisition: July 2023

ii. Construction/Renovation/Equipping: July 2023

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: 24 months (18 months construction + 6 months for rent-up

and conversion). Construction is planned to begin July 2023 and conclude January 2025. It is anticipated the first use is expected to occur at construction completion in January 2025.

Part IV – Project Costs and Financing

1. Project Costs:

A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ <u>3,200,000</u>
Building(s) demolition/construction	\$ <u>18,928,742</u>
Building renovation	\$ <u>N/A</u>
Site Work	\$ <u>Included in Construction</u>
Machinery and Equipment	\$ <u>Included in Construction</u>
Legal Fees	\$ <u>515,000</u>
Architectural/Engineering Fees	\$ <u>2,662,000 (Includes other soft costs/due diligence)</u>
Financial Charges	\$ <u>2,922,159</u>
Other (Specify)	\$ <u>4,487,484 (Reserves, Fees & Working Capital)</u> \$ <u>1,039,469 (Contingency)</u>
Total	\$ <u>33,754,854</u>

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

2. Method of Financing:

	<u>Construction</u>	<u>Term</u>	<u>Permanent</u>
	<u>Amount</u>		<u>Amount</u>
A. Tax-exempt bond financing:	\$ <u>N/A</u>	<u>N/A</u> years	\$ <u>0</u>
B. Taxable bond financing:	\$ <u>N/A</u>	<u>N/A</u> years	\$ <u>0</u>
C. Conventional Mortgage:	\$ <u>22,980,000</u>	<u>30</u> years	\$ <u>6,755,000</u>
D. SBA (504) or other governmental financing:	\$ <u>N/A</u>	<u>N/A</u> years	\$ <u>0</u>
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ <u>6,620,496</u>		\$ <u>23,913,739</u>
F. Other loans:	\$ <u>600,000</u>	<u>30</u> years	\$ <u>1,200,000</u>
G. Owner/User equity contribution:	\$ <u>3,554,358</u>	<u>30</u> years	\$ <u>1,886,115</u>
Total Project Costs	\$ <u>33,754,854</u>		\$ <u>33,754,854</u>

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

21% / 74%

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:

N/A

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

No

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

N/A

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

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

\$ 29,735,000

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

\$ 223,013

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):

\$ 10,557,127

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

\$ 910,552

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

i. Owner: \$ N/A

ii. User: \$ N/A

3. Real Property Tax Benefit:

A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency’s PILOT benefit: Sales Tax & Mortgage Recording Tax Exemption requests.

B. Agency PILOT Benefit:

i. Term of PILOT requested: 32 years (including construction)

ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and attach such information to Exhibit A hereto. Applicant hereby requests such PILOT benefit as described on Exhibit A.

*** This application will not be deemed complete and final until Exhibit A hereto has been completed. ***

Part VI – Employment Data

1. List the Applicant’s and each user's present employment and estimates of (i) employment at the proposed project location, not just new employment, at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area* (“LMA”) that would fill the full-time and part-time jobs at the end of the second year following completion:

Present number of FTEs **: 0 11/2022 N/A
 Date Average Annual Salary of Jobs to be Retained
 FTEs to be Created in First Year: 2025 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
FTE	3	1	3										7

FTEs to be Created in Second Year: 2026 (fill in year)

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

Number of Residents of LMA:

Full-Time: 3

Part-Time: 1

Cumulative Total FTEs ** After Year 2 +/- 7

Construction Jobs to be Created: +/- 150

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

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

2. Salary and Fringe Benefits:

Category of Jobs to be Created	Average Salary	Average Fringe Benefits
Salary Wage Earners	+/- \$68,000	+/- \$68,000 - 80,000
Commission Wage Earners		
Hourly Wage Earners	+/- \$35,000	
1099 and Contract Workers		

What is the annualized salary range of jobs to created? \$35,000 to \$80,000

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

Part VII – Representations, Certifications and Indemnification

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

Yes No

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

Yes No

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

Yes No

Considering the below market rentals/ reduced rent to be charged on 100% of the units in the Project, high sales taxes, limited availability of financing from New York State Department of Homes and Community

Renewal and high construction and maintenance costs. The Project would not be financially feasible without the requested assistance.

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

The project would not be able to move forward.

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 

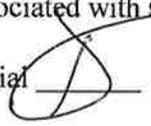
6. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement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

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

Initial D

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

Initial D

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

Initial D

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

Initial D

Part VIII – Submission of Materials

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

(Remainder of Page Intentionally Left Blank)

Part IX – Special Representations

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

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

Representative of the Applicant: _____


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

Representative of the Applicant: _____

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

Representative of the Applicant: _____


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

Representative of the Applicant: _____


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

Representative of the Applicant: _____


Part X – Certification

David Gallo (Name of representative of entities submitting application) deposes and says that he or she is the Member (title) of GGV Grove Apartments 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 29th
Day of November 2022
LISA KRONENBERG
NOTARY PUBLIC STATE OF NEW YORK
(seal) No. 01KR6326479
Qualified in Nassau County
My Commission Expires 06-15-2023

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

EXHIBIT A

Proposed PILOT Schedule

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

GGV Grove Apartments DRAFT PILOT

YEAR		PILOT
1	\$	55,000
2	\$	56,100
3	\$	57,222
4	\$	58,366
5	\$	59,534
6	\$	60,724
7	\$	61,939
8	\$	63,178
9	\$	64,441
10	\$	65,730
11	\$	67,045
12	\$	68,386
13	\$	69,753
14	\$	71,148
15	\$	72,571
16	\$	74,023
17	\$	75,503
18	\$	77,013
19	\$	78,554
20	\$	80,125
21	\$	81,727
22	\$	83,362
23	\$	85,029
24	\$	86,729
25	\$	88,464
26	\$	90,233
27	\$	92,038
28	\$	93,879
29	\$	95,756
30	\$	97,671

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

Town of Brookhaven Industrial Development
Schedule of Fees

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

The Agency reserves the right to adjust these fees.

Updated: November 17, 2020

SCHEDULE B

CONSTRUCTION WAGE POLICY

EFFECTIVE January 1, 2005

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

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

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

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

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

OR

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

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

Adopted: May 23, 2005

SCHEDULE C

RECAPTURE AND TERMINATION POLICY

EFFECTIVE JUNE 8, 2016

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

I. Termination or Suspension of Financial Assistance

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

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

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

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

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

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

II. Recapture of Financial Assistance

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

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

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

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

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

III. Modification of Payment In Lieu of Tax Agreement

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

SCHEDULE D

Agency Payment in Lieu of Taxes (PILOT) Policy

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

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

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

PREPARED FOR:

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

Reasonableness Assessment for Financial Assistance

GGV GROVE APARTMENTS LLC

MAY 2023

PREPARED BY:



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EXECUTIVE SUMMARY

Project Description

The Town of Brookhaven Industrial Development Agency (Agency) received an application from GGV Grove Apartments LLC (Applicant) for financial assistance for the construction of a mixed-use development (Project) at 400 East Main Street, East Patchogue, NY, featuring 55 income restricted apartments and commercial space leased to a local non-profit organization or small business retail. 17 of the units will be targeted to survivors of domestic violence. Commercial space is not eligible for financial assistance from the Agency and therefore is not considered in this analysis.

The Project represents a \$33.75 million investment and is anticipated by the Applicant to generate 7 jobs within two years. To support this project, the Applicant requests financial assistance in the form of a Payment In Lieu of Taxes agreement (PILOT).

Purpose of this Analysis

An objective, third-party review of the assumptions and estimated operating and financial performance of a project 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 norms for the region?
- ◆ 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:

- ***Assumptions are within norms for the region.***
- ***Assistance in the form of a PILOT is necessary to Project feasibility. The PILOT per unit should be at least \$775 to meet the current revenue generated by the site (excluding buildings on site) for municipalities.***
- ***The rate of return to the Applicant, at \$775 per unit PILOT, is similar to market expectations and therefore reasonable.***

1. OPERATING ASSUMPTIONS

The Applicant's operating assumptions are compared to CoStar estimates for rent in 2022 in Suffolk County. The ability of households in Suffolk County to afford these income limited apartments is estimated by calculating the income necessary to pay no more than 30% of income on rent. The household income required to support the Applicant's proposed rents falls below the maximum household income limits for the 50% and 60% household income units, but slightly above for the 80% and 90% household income units. As an affordable apartment complex project, the units must be made available to households meeting the required Area Median Income limits.

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)	Max Household Income (3)	Benchmarks (4)	
50%	1BR	5	\$1,227	\$14,724	\$49,080	\$58,150	Income required falls below max household income.
	2BR	10	\$1,457	\$17,484	\$58,280	\$65,400	Income required falls below max household income.
	3BR	2	\$1,671	\$20,052	\$66,840	\$78,500	Income required falls below max household income.
60%	1BR	14	\$1,500	\$18,000	\$60,000	\$69,780	Income required falls below max household income.
	2BR	11	\$1,784	\$21,408	\$71,360	\$78,480	Income required falls below max household income.
	3BR	1	\$2,048	\$24,576	\$81,920	\$94,200	Income required falls below max household income.
80%	1BR	2	\$2,045	\$24,540	\$81,800	\$77,050	Rent is lower than average rent for the county.
	2BR	4	\$2,438	\$29,256	\$97,520	\$86,700	Rent is slightly higher than average rent in the county.
	3BR	1	\$2,803	\$33,636	\$112,120	\$104,050	Rent is 1.2 times higher than average rent.
90%	1BR	-	-	-	-	-	
	2BR	3	\$2,601	\$31,212	\$104,040	\$86,700	Rent is 1.1 times higher than average rent.
	3BR	2	\$2,994	\$35,928	\$119,760	\$104,050	Rent is 1.25 times higher than average rent.

(1) Source: Applicant

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

(3) Using HOME Income Limits for New York State. Assuming 1.5 people per room, rounded up.

(4) Average monthly rent for 2022 in Suffolk County, NY is estimated at \$2,416; Source: CoStar

2. PILOT ANALYSIS

Camoin Associates analyzed three possible PILOT schedules plus a 10% Shelter Rent schedule in alignment with the Agency's Uniform Tax Exemption Policy (UTEP). The analysis considers a Low, Medium, and High scenario, each increasing by 2% per year, plus the Shelter Rent.

Year	PILOT Schedule			
	Low per Unit (1)	Medium per Unit (1)	High per Unit (1)	Shelter Rent
	\$ 600	\$ 775	\$ 1,000	NA
1 (Construction)	\$ -	\$ -	\$ -	\$ -
2 (Construction)	-	-	-	-
3	33,000	42,625	55,000	108,543
4	33,660	43,478	56,100	110,713
5	34,333	44,347	57,222	112,928
6	35,020	45,234	58,366	115,186
7	35,720	46,139	59,534	117,490
8	36,435	47,061	60,724	119,840
9	37,163	48,003	61,939	122,236
10	37,907	48,963	63,178	124,681
11	38,665	49,942	64,441	127,175
12	39,438	50,941	65,730	129,718
13	40,227	51,960	67,045	132,313
14	41,031	52,999	68,386	134,959
15	41,852	54,059	69,753	137,658
16	42,689	55,140	71,148	140,411
17	43,543	56,243	72,571	143,220
18	44,414	57,368	74,023	146,084
19	45,302	58,515	75,503	149,006
20	46,208	59,685	77,013	151,986
21	47,132	60,879	78,554	155,025
22	48,075	62,097	80,125	158,126
23	49,036	63,339	81,727	161,288
24	50,017	64,605	83,362	164,514
25	51,017	65,897	85,029	167,804
26	52,038	67,215	86,729	171,161
27	53,078	68,560	88,464	174,584
28	54,140	69,931	90,233	178,075
29	55,223	71,329	92,038	181,637
30	56,327	72,756	93,879	185,270
31	57,454	74,211	95,756	188,975
32	58,603	75,695	97,671	192,755
Total	\$ 1,338,747	\$ 1,729,214	\$ 2,231,244	\$ 4,403,361

(1) PILOT per unit, 55 units. 2% annual increase per year

Shelter Rent calculated as 10% of total revenue (without vacancy) minus unit utilities, increased at 2% per year.

This PILOT analysis uses an aggregated tax rate for the jurisdictions to calculate future taxes. Steps in this analysis include:

- ◆ Calculate current taxes on the assessed value of the property without the Project (\$85,833).
- ◆ Calculate current taxes on the property assuming the existing buildings are demolished (\$39,092).
- ◆ Estimate future taxes on the property with the completed project. The town of Brookhaven assessor estimates the assessed value upon completion of \$90,000, generating \$382,425 in taxes.
- ◆ Assess a PILOT schedule that reduces taxes to improve Project financial performance and induce construction.

Basic Assumptions for PILOT and Estimated Taxes

Current Assessed Value (1)	\$ 20,200
Times: Tax Rate (1)	\$ 424.92
Estimated Taxes on Current Assessed Value	\$ 85,833
Estimated Taxes on Current Land Value Only (2)	\$ 39,092
Assessed Value of Improvements (1)	\$ 69,800
Total Assessed Value Upon Completion	\$ 90,000
Times: Tax Rate (1)	\$ 424.92
Estimated Taxes on Assessed Value Upon Completion	\$ 382,425

(1) Source: Agency.

(2) Removes \$11,000 of building assessed value.

Under the three PILOT payment per unit scenarios plus the 10% Shelter Rent schedule, different portions of the Applicant's taxes will be abated.

Real Property Tax Comparison

32 Year PILOT

<u>Comparison of Taxes on Full Value of Project and with PILOT</u>	<u>\$600</u>	<u>\$775</u>	<u>\$1,000</u>	<u>Shelter Rent</u>
Taxes without PILOT	\$ 16,213,797	\$ 16,213,797	\$ 16,213,797	\$ 16,213,797
Less: PILOT/Tax Payments	<u>\$ (1,338,747)</u>	<u>\$ (1,729,214)</u>	<u>\$ (2,231,244)</u>	<u>\$ (4,403,361)</u>
Foregone Revenue (Benefits to Project)	\$14,875,050	\$14,484,582	\$13,982,552	\$11,810,436
Abatement Percent	92%	89%	86%	73%
 <u>Net New Taxes Compared with No Project</u>				
PILOT	\$ 1,338,747	\$ 1,729,214	\$ 2,231,244	\$ 4,403,361
Less: Estimated Taxes without Project	<u>\$ (1,728,939)</u>	<u>\$ (1,728,939)</u>	<u>\$ (1,728,939)</u>	<u>\$ (1,728,939)</u>
Estimated New Tax Revenue (Benefits to Municipalities)	(\$390,193)	\$275	\$502,305	\$2,674,422

The table on the following pages shows the timeline of PILOT scenarios and tax payments generated by the Project and calculates both the benefits to the municipalities and the benefits (or savings) to the Project.

Proposed PILOT and Tax Comparison (30 year PILOT), \$600 per unit							
Year	Benefits to Municipalities			Benefit to Project			
	Payments (\$600 per unit)	Less: Current Tax Revenues (1)	Net New Tax Revenues	Taxes Owed after Project Completion (2)	Less: PILOT Payments	Estimated Savings to Project	Share of Estimated Taxes Owed
1 (Construction)	\$ -	\$ 39,092	\$ (39,092.36)	\$ 39,092	\$ -	\$ 39,092	0%
2 (Construction)	-	39,874	(39,874.21)	39,874	-	\$39,874	0%
3	33,000	40,672	(\$7,672)	397,722	33,000	364,722	8%
4	33,660	41,485	(7,825)	405,677	33,660	372,017	8%
5	34,333	42,315	(7,982)	413,790	34,333	379,457	8%
6	35,020	43,161	(8,141)	422,066	35,020	387,046	8%
7	35,720	44,024	(8,304)	430,507	35,720	394,787	8%
8	36,435	44,905	(8,470)	439,118	36,435	402,683	8%
9	37,163	45,803	(8,640)	447,900	37,163	410,737	8%
10	37,907	46,719	(8,812)	456,858	37,907	418,951	8%
25	51,017	62,878	(11,860)	614,871	51,017	563,853	8%
26	52,038	64,135	(12,097)	627,168	52,038	575,130	8%
27	53,078	65,418	(12,339)	639,711	53,078	586,633	8%
28	54,140	66,726	(12,586)	652,506	54,140	598,366	8%
29	55,223	68,061	(12,838)	665,556	55,223	610,333	8%
30	56,327	69,422	(13,095)	678,867	56,327	622,540	8%
31	57,454	70,810	(13,357)	692,444	57,454	634,990	8%
32	58,603	72,227	(13,624)	706,293	58,603	647,690	8%
Totals	\$ 1,338,747	\$ 1,728,939	\$ (390,193)	\$ 16,213,797	\$ 1,338,747	\$ 14,875,050	8%

(1) Source: Town of Brookhaven (total AV Of \$90,000 upon completion)

(2) Assumes a 2% annual increase in tax rate and a taxable value of \$90,000 upon project completion; Source: Town of Brookhaven

Proposed PILOT and Tax Comparison (30 year PILOT), \$775 per unit

Year	<i>Benefits to Municipalities</i>			<i>Benefit to Project</i>			
	Payments (\$775 per unit)	Less: Current Tax Revenues (1)	Net New Tax Revenues	Taxes Owed after Project Completion (2)	Less: PILOT Payments	Estimated Savings to Project	Share of Estimated Taxes Owed
1 (Construction)	\$ -	\$ 39,092	\$ (39,092)	\$ 39,092	\$ -	\$ 39,092	0%
2 (Construction)	-	39,874	(39,874)	39,874	-	39,874	0%
3	42,625	40,672	1,953	397,722	42,625	355,097	11%
4	43,478	41,485	1,992	405,677	43,478	362,199	11%
5	44,347	42,315	2,032	413,790	44,347	369,443	11%
6	45,234	43,161	2,073	422,066	45,234	376,832	11%
7	46,139	44,024	2,114	430,507	46,139	384,369	11%
8	47,061	44,905	2,157	439,118	47,061	392,056	11%
9	48,003	45,803	2,200	447,900	48,003	399,897	11%
10	48,963	46,719	2,244	456,858	48,963	407,895	11%
25	65,897	62,878	3,020	614,871	65,897	548,973	11%
26	67,215	64,135	3,080	627,168	67,215	559,953	11%
27	68,560	65,418	3,142	639,711	68,560	571,152	11%
28	69,931	66,726	3,205	652,506	69,931	582,575	11%
29	71,329	68,061	3,269	665,556	71,329	594,226	11%
30	72,756	69,422	3,334	678,867	72,756	606,111	11%
31	74,211	70,810	3,401	692,444	74,211	618,233	11%
32	75,695	72,227	3,469	706,293	75,695	630,598	11%
Totals	\$ 1,729,214	\$ 1,728,939	\$ 275	\$ 16,213,797	\$ 1,729,214	\$ 14,484,582	11%

(1) Source: Town of Brookhaven (total AV Of \$90,000 upon completion)

(2) Assumes a 2% annual increase in tax rate and a taxable value of \$90,000 upon project completion; Source: Town of Brookhaven

Proposed PILOT and Tax Comparison (30 year PILOT), \$1,000 per unit							
Year	Benefits to Municipalities			Benefit to Project			
	Payments (\$1000 per unit)	Less: Current Tax Revenues (1)	Net New Tax Revenues	Taxes Owed after Project Completion (2)	Less: PILOT Payments	Estimated Savings to Project	Share of Estimated Taxes Owed
1 (Construction)	\$ -	\$ 39,092	\$ (39,092.36)	\$ 39,092	\$ -	\$ 39,092	0%
2 (Construction)	-	39,874	(39,874.21)	39,874	-	\$39,874	0%
3	55,000	40,672	14,328	397,722	55,000	342,722	14%
4	56,100	41,485	14,615	405,677	56,100	349,577	14%
5	57,222	42,315	14,907	413,790	57,222	356,568	14%
6	58,366	43,161	15,205	422,066	58,366	363,700	14%
7	59,534	44,024	15,509	430,507	59,534	370,974	14%
8	60,724	44,905	15,820	439,118	60,724	378,393	14%
9	61,939	45,803	16,136	447,900	61,939	385,961	14%
10	63,178	46,719	16,459	456,858	63,178	393,680	14%
25	85,029	62,878	22,151	614,871	85,029	529,842	14%
26	86,729	64,135	22,594	627,168	86,729	540,439	14%
27	88,464	65,418	23,046	639,711	88,464	551,247	14%
28	90,233	66,726	23,507	652,506	90,233	562,272	14%
29	92,038	68,061	23,977	665,556	92,038	573,518	14%
30	93,879	69,422	24,457	678,867	93,879	584,988	14%
31	95,756	70,810	24,946	692,444	95,756	596,688	14%
32	97,671	72,227	25,445	706,293	97,671	608,622	14%
Totals	\$ 2,231,244	\$ 1,728,939	\$ 502,305	\$ 16,213,797	\$ 2,231,244	\$ 13,982,552	14%

(1) Source: Town of Brookhaven (total AV Of \$90,000 upon completion)

(2) Assumes a 2% annual increase in tax rate and a taxable value of \$90,000 upon project completion; Source: Town of Brookhaven

Proposed PILOT and Tax Comparison (30 year PILOT), 10% Shelter Rent							
Year	Benefits to Municipalities			Benefit to Project			
	Payments (\$10% shelter rent per unit)	Less: Current Tax Revenues (1)	Net New Tax Revenues	Taxes Owed after Project Completion (2)	Less: PILOT Payments	Estimated Savings to Project	Share of Estimated Taxes Owed
1 (Construction)	\$ -	\$ -	\$ -	\$ 39,092	\$ -	\$ 39,092	0%
2 (Construction)	-	-	-	39,874	-	39,874	0%
3	108,543	39,874	68,668	397,722	108,542.5	289,180	27%
4	110,713	40,672	70,042	405,677	110,713.4	294,963	27%
5	112,928	41,485	71,442	413,790	112,927.6	300,863	27%
6	115,186	42,315	72,871	422,066	115,186.2	306,880	27%
7	117,490	43,161	74,329	430,507	117,489.9	313,018	27%
8	119,840	44,024	75,815	439,118	119,839.7	319,278	27%
9	122,236	44,905	77,332	447,900	122,236.5	325,663	27%
10	124,681	45,803	78,878	456,858	124,681.2	332,177	27%
25	167,804	61,645	106,160	614,871	167,804.5	447,066	27%
26	171,161	62,878	108,283	627,168	171,160.6	456,007	27%
27	174,584	64,135	110,449	639,711	174,583.8	465,128	27%
28	178,075	65,418	112,658	652,506	178,075.5	474,430	27%
29	181,637	66,726	114,911	665,556	181,637.0	483,919	27%
30	185,270	68,061	117,209	678,867	185,269.7	493,597	27%
31	188,975	69,422	119,553	692,444	188,975.1	503,469	27%
32	192,755	70,810	121,944	706,293	192,754.6	513,538	27%
Totals	\$ 4,403,361	\$ 1,617,620	\$ 2,785,741	\$ 16,213,797	\$ 4,403,361	\$ 11,810,436	27%

(1) Source: Town of Brookhaven (total AV Of \$90,000 upon completion)

(2) Assumes a 2% annual increase in tax rate and a taxable value of \$90,000 upon project completion; Source: Town of Brookhaven

3. OPERATING PERFORMANCE

The operating performance of the Project is measured using Year 5 of the Applicant’s Pro Forma. The Applicant assumes that gross revenue and expenses will escalate at 2% per year, and there will be a 5% vacancy rate once stabilized. Operating expenses are lower than the benchmarks.

All four scenarios deliver Net Operating Income as a percent of Gross Income that is within the range of benchmarks.

	Operations Snapshot, Year 5, 30 Year PILOT, \$600 per unit					Operations Snapshot, Year 5, 30 Year PILOT, \$775 per unit				
	Project Performance (1)	Share of Gross Operating Income		Benchmark Performance (2)	Evaluation	Project Performance (1)	Share of Gross Operating Income		Benchmark Performance (2)	Evaluation
		Income	Performance (2)				Income	Performance (2)		
Calculations of Net Operating Income Residential										
Gross Operating Income	\$1,267,918	98%	n/a	n/a	\$1,267,918	98%	n/a	n/a	n/a	n/a
Vacancy Rate and Concessions	5.0%	n/a	4.3%	Within range	5.0%	n/a	4.3%	Within range	4.3%	Within range
Calculations of Net Operating Income Non-Residential										
Gross Operating Income	\$24,448	2%	n/a	n/a	\$24,448	2%	n/a	n/a	n/a	n/a
Vacancy Rate	10%	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	n/a
Effective Gross Income (EGI), All Uses (3)	\$1,226,525	95%	96%	Within range	\$1,226,525	95%	96%	Within range	96%	Within range
Less: Operating Expenses and Reserve	(\$521,512)	40%	49%	More efficient	(\$521,512)	40%	49%	More efficient	49%	More efficient
Less: Real Property Taxes (with PILOT)	(\$35,720)	3%	n/a	n/a	(\$46,139)	4%	n/a	n/a	n/a	n/a
Net Operating Income	\$669,293	53%	49%	Within Range	\$658,875	52%	49%	Within Range	49%	Within Range
Less: Debt Service	(\$558,183)	46%	n/a	n/a	(\$558,183)	46%	n/a	n/a	n/a	n/a
Cashflow after Operating Costs, Taxes, Debt	\$111,110	9%	n/a	n/a	\$100,692	8%	n/a	n/a	n/a	n/a
Calculations of Net Operating Income Residential, 10% Shelter Rent										
Gross Operating Income	\$1,267,918	98%	n/a	n/a	\$1,267,918	98%	n/a	n/a	n/a	n/a
Vacancy Rate and Concessions	5.0%	n/a	4.3%	Within range	0.0%	n/a	4.3%	Within range	4.3%	Within range
Calculations of Net Operating Income Non-Residential, 10% Shelter Rent										
Gross Operating Income	\$24,448	2%	n/a	n/a	\$24,448	2%	n/a	n/a	n/a	n/a
Vacancy Rate	10%	n/a	n/a	n/a	0%	n/a	n/a	n/a	n/a	n/a
Effective Gross Income (EGI), All Uses (3)	\$1,226,525	95%	96%	Within range	\$1,226,525	95%	96%	Within range	96%	Within range
Less: Operating Expenses and Reserve	(\$521,512)	40%	49%	More efficient	(\$521,512)	40%	49%	More efficient	49%	More efficient
Less: Real Property Taxes (with PILOT)	(\$59,534)	5%	n/a	n/a	(\$117,490)	9%	n/a	n/a	n/a	n/a
Net Operating Income	\$645,480	51%	49%	Within Range	\$587,523	46%	49%	Within Range	49%	Within Range
Less: Debt Service	(\$558,183)	46%	n/a	n/a	(\$558,183)	46%	n/a	n/a	n/a	n/a
Cashflow after Operating Costs, Taxes, Debt	\$87,297	7%	n/a	n/a	\$29,341	2%	n/a	n/a	n/a	n/a

(1) Source: Applicant
 (2) Source: RealtyRates Q1 2023 for Northeast Region
 (3) Net of vacancy and concessions

4. FINANCING PLAN

- ◆ The Sources and Uses of Funds show the total project costs and capital structure of debt and equity.
- ◆ The Terms of the Senior (Long Term) Debt are within the range of benchmarks.

Sources and Uses of Funds		
<u>Sources of Funds</u>	<u>Amount (1)</u>	<u>Share</u>
First Mortgage (CPC)	\$ 6,730,000	20%
Second Mortgage (HTF)	6,875,000	20%
Third Mortgage (Suffolk County Acquisition)	625,000	2%
Fourth Mortgage (Suffolk County Infrastructure)	625,000	2%
Federal Tax Credit Equity (LIHTC)	13,216,177	39%
State Tax Credit Equity (SLIHC)	3,637,135	11%
Solar PV Tax Credit Equity	83,245	0%
<u>Deferred Developer's Fee</u>	<u>1,844,911</u>	<u>5%</u>
Total Sources	\$ 33,636,468	100%
<u>Uses of Funds</u>		
Acquisition Cost	\$ 3,200,000	10%
Construction Cost	18,861,036	56%
Soft Cost	6,026,058	18%
Contingency	1,109,153	3%
Developer's Fee	3,767,347	11%
Working Capital	147,250	0%
<u>Reserves</u>	<u>525,624</u>	<u>2%</u>
Total Uses	\$33,636,468	100%
(1) Source: Applicant		

Terms of the Senior (Long Term) Debt			
	<u>Terms (1)</u>	<u>Benchmark (2)</u>	<u>Evaluation</u>
Amount Borrowed	\$14,855,000	n/a	n/a
Loan to Total Project Cost	44%	55% to 90%	More Efficient
Annual Interest Rate	6.75%	4.59% to 8.77%	Within Range
Maturity in Years	30	15 to 40	Within Range

(1) Source: Applicant

(2) Source: RealtyRates Q1 2023

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 without a PILOT and under the three scenarios are analyzed over the full PILOT period (starting after construction). Three metrics are used to evaluate outcomes:

- ◆ **The Equity Dividend Rate** is net cashflow 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 that are close to the benchmarks indicate a Project outcome in line with the current market, which means the Applicant is earning a reasonable return. Very low or negative rates indicate the Project is unlikely to be undertaken if compared to other possible investments. Equity Dividend Rates are based on an initial equity investment of \$1,886,115 listed in the Application.

- ◆ **Cash Flow** shows net cashflow to the Applicant over time. Cashflow differences between No PILOT and the three scenarios indicate whether the Applicant is earning a return. There are currently no benchmarks for cash flow available. Cumulative Cash Flow and average cash flow are positive under the four scenarios. Note that this does not include the initial years of construction, but only once fully operational.

- ◆ **Debt Service Coverage** estimates how well the Project's net income, after taxes, supports the repayment of debt. Debt Service Coverage exceeds the benchmark by year 1 under all PILOT scenarios.

Comparison of Return on Investment

	No PILOT	30 Year (1)			Shelter Rent	Bench- marks (2)
		\$600	\$775	\$1,000		
<u>Equity Dividend Rates</u>						
Average	-7.13%	9.07%	8.38%	7.50%	3.66%	4.78% to 12.72%
Minimum	-15.95%	4.34%	3.83%	3.17%	0.34%	
Maximum	0.00%	12.09%	11.19%	10.04%	5.27%	
Year Benchmarks Met	NA	3	4	6	15	
<u>Cash Flow</u>						
Average	\$ (134,521)	\$171,144	\$158,129	\$141,395	\$68,991	n/a
Minimum	\$ (300,767)	\$81,872	\$72,247	\$59,872	\$6,329	
Maximum	10	\$228,112	\$211,020	\$189,382	\$99,304	
Cumulative	\$ (4,035,625)	\$5,134,333	\$4,743,866	\$4,241,836	\$2,069,719	
Year Investment Recouped	NA	15	16	17	25	
<u>Debt Service Coverage</u>						
Average	0.42	1.31	1.28	1.25	1.12	1.00 to 1.86
Minimum	0.25	1.15	1.13	1.11	1.01	
Maximum	0.49	1.41	1.38	1.34	1.18	
Years Benchmarks Met	NA	1	1	1	1	

(1) See Attachment 1

(2) Source: RealtyRates for Q1 2023 for Northeast Region

ATTACHMENT 1: PRO FORMAS

The Grove Apartments		Date	Annual Cashflows (Pro Forma)																		
			Construction	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	
Operating Cash Flow																					
Residential Income																					
Gross Operating Income	\$	-	\$ 1,165,860	\$ 1,189,177	\$ 1,212,961	\$ 1,237,220	\$ 1,261,964	\$ 1,287,204	\$ 1,312,948	\$ 1,339,207	\$ 1,365,991	\$ 1,393,311	\$ 1,875,213	\$ 1,912,717	\$ 1,950,971	\$ 1,989,991	\$ 2,029,790	\$ 2,070,386	\$ 2,111,811	\$ 2,154,066	
Less: Vacancy Allowance (enter as a negative number)	\$	-	\$ (58,293)	\$ (59,459)	\$ (60,648)	\$ (61,861)	\$ (63,098)	\$ (64,360)	\$ (65,647)	\$ (66,960)	\$ (68,300)	\$ (69,666)	\$ (93,761)	\$ (95,636)	\$ (97,549)	\$ (99,500)	\$ (101,490)	\$ (103,519)	\$ (105,587)	\$ (107,694)	
Net Rental Income, Residential	\$	-	\$ 1,107,567	\$ 1,129,718	\$ 1,152,313	\$ 1,175,359	\$ 1,198,866	\$ 1,222,843	\$ 1,247,300	\$ 1,272,246	\$ 1,297,691	\$ 1,323,645	\$ 1,781,452	\$ 1,817,081	\$ 1,853,423	\$ 1,890,491	\$ 1,928,301	\$ 1,966,867	\$ 2,005,224	\$ 2,043,372	
Commercial/Industrial Income																					
Gross Operating Income	\$	-	\$ 22,586	\$ 23,038	\$ 23,498	\$ 23,968	\$ 24,448	\$ 24,937	\$ 25,436	\$ 25,944	\$ 26,463	\$ 26,992	\$ 36,328	\$ 37,055	\$ 37,796	\$ 38,552	\$ 39,323	\$ 40,109	\$ 40,906	\$ 41,714	
Less: Vacancy Allowance (enter as a negative number)	\$	-	\$ (2,259)	\$ (2,304)	\$ (2,350)	\$ (2,397)	\$ (2,445)	\$ (2,494)	\$ (2,544)	\$ (2,594)	\$ (2,646)	\$ (2,699)	\$ (3,633)	\$ (3,705)	\$ (3,780)	\$ (3,855)	\$ (3,932)	\$ (4,011)	\$ (4,091)	\$ (4,171)	
Net Rental Income, Commercial/Industrial	\$	-	\$ 20,327	\$ 20,734	\$ 21,149	\$ 21,572	\$ 22,003	\$ 22,443	\$ 22,892	\$ 23,350	\$ 23,817	\$ 24,293	\$ 32,695	\$ 33,349	\$ 34,016	\$ 34,697	\$ 35,390	\$ 36,098	\$ 36,819	\$ 37,553	
Other Income																					
Laundry/Auxiliary	\$	-	\$ 5,500	\$ 5,610	\$ 5,722	\$ 5,837	\$ 5,953	\$ 6,072	\$ 6,194	\$ 6,318	\$ 6,444	\$ 6,573	\$ 8,846	\$ 9,023	\$ 9,204	\$ 9,388	\$ 9,576	\$ 9,767	\$ 9,960	\$ 10,157	
Less: Vacancy Allowance (enter as a negative number)	\$	-	\$ (275)	\$ (281)	\$ (286)	\$ (292)	\$ (298)	\$ (304)	\$ (310)	\$ (316)	\$ (322)	\$ (329)	\$ (442)	\$ (451)	\$ (460)	\$ (469)	\$ (479)	\$ (488)	\$ (497)	\$ (506)	
Net Income, Other	\$	-	\$ 5,225	\$ 5,330	\$ 5,436	\$ 5,545	\$ 5,656	\$ 5,769	\$ 5,884	\$ 6,002	\$ 6,122	\$ 6,244	\$ 8,404	\$ 8,572	\$ 8,744	\$ 8,918	\$ 9,097	\$ 9,279	\$ 9,462	\$ 9,648	
Effective Gross Income (EGI)	\$	-	\$ 1,133,119	\$ 1,155,782	\$ 1,178,897	\$ 1,202,475	\$ 1,226,525	\$ 1,251,055	\$ 1,276,076	\$ 1,301,598	\$ 1,327,630	\$ 1,354,183	\$ 1,822,551	\$ 1,859,002	\$ 1,896,183	\$ 1,934,106	\$ 1,972,788	\$ 2,012,244	\$ 2,052,481	\$ 2,093,514	
Operating Expenses (enter positive numbers)																					
Accounting & Audit	\$	-	\$ 14,000	\$ 14,420	\$ 14,852	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	\$ 33,969	\$ 34,963	
Legal	\$	-	\$ 9,900	\$ 10,197	\$ 10,503	\$ 10,818	\$ 11,143	\$ 11,477	\$ 11,821	\$ 12,176	\$ 12,541	\$ 12,917	\$ 20,125	\$ 20,728	\$ 21,350	\$ 21,991	\$ 22,650	\$ 23,330	\$ 24,029	\$ 24,747	
Benchmarking	\$	-	\$ 495	\$ 510	\$ 525	\$ 541	\$ 557	\$ 574	\$ 591	\$ 609	\$ 627	\$ 646	\$ 1,006	\$ 1,036	\$ 1,068	\$ 1,100	\$ 1,133	\$ 1,166	\$ 1,200	\$ 1,234	
Office Supplies & Equipment	\$	-	\$ 2,443	\$ 2,516	\$ 2,592	\$ 2,670	\$ 2,750	\$ 2,832	\$ 2,917	\$ 3,005	\$ 3,095	\$ 3,188	\$ 4,966	\$ 5,115	\$ 5,269	\$ 5,427	\$ 5,589	\$ 5,757	\$ 5,929	\$ 6,105	
Other Admin.	\$	-	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388	\$ 2,460	\$ 2,534	\$ 2,610	\$ 4,066	\$ 4,188	\$ 4,313	\$ 4,443	\$ 4,576	\$ 4,713	\$ 4,854	\$ 5,000	
Manager	\$	-	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,389	\$ 40,575	\$ 41,792	\$ 43,046	\$ 44,337	\$ 45,667	\$ 71,148	\$ 73,282	\$ 75,481	\$ 77,745	\$ 80,077	\$ 82,480	\$ 84,944	\$ 87,468	
Superintendent	\$	-	\$ 70,596	\$ 72,714	\$ 74,895	\$ 77,142	\$ 79,456	\$ 81,840	\$ 84,295	\$ 86,824	\$ 89,429	\$ 92,112	\$ 143,507	\$ 147,812	\$ 152,247	\$ 156,814	\$ 161,519	\$ 166,364	\$ 171,349	\$ 176,374	
Janitor and Cleaning Supplies	\$	-	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219	\$ 8,131	\$ 8,375	\$ 8,626	\$ 8,885	\$ 9,152	\$ 9,426	\$ 9,707	\$ 9,989	
Exterminating	\$	-	\$ 3,840	\$ 3,955	\$ 4,074	\$ 4,196	\$ 4,322	\$ 4,452	\$ 4,585	\$ 4,723	\$ 4,864	\$ 5,010	\$ 7,806	\$ 8,040	\$ 8,281	\$ 8,530	\$ 8,786	\$ 9,049	\$ 9,318	\$ 9,591	
Garbage and Trash Removal	\$	-	\$ 12,100	\$ 12,463	\$ 12,837	\$ 13,222	\$ 13,619	\$ 14,027	\$ 14,448	\$ 14,881	\$ 15,328	\$ 15,788	\$ 24,597	\$ 25,335	\$ 26,095	\$ 26,878	\$ 27,684	\$ 28,514	\$ 29,368	\$ 30,240	
Ground Expense	\$	-	\$ 9,000	\$ 9,270	\$ 9,548	\$ 9,835	\$ 10,130	\$ 10,433	\$ 10,746	\$ 11,069	\$ 11,401	\$ 11,743	\$ 18,295	\$ 18,844	\$ 19,409	\$ 19,992	\$ 20,591	\$ 21,209	\$ 21,842	\$ 22,490	
Maintenance and Repair Materials	\$	-	\$ 11,000	\$ 11,330	\$ 11,670	\$ 12,020	\$ 12,381	\$ 12,752	\$ 13,135	\$ 13,529	\$ 13,934	\$ 14,353	\$ 22,361	\$ 23,032	\$ 23,723	\$ 24,434	\$ 25,167	\$ 25,922	\$ 26,699	\$ 27,499	
Maintenance and Repair Contracts	\$	-	\$ 33,000	\$ 33,990	\$ 35,010	\$ 36,060	\$ 37,142	\$ 38,256	\$ 39,404	\$ 40,586	\$ 41,803	\$ 43,058	\$ 67,082	\$ 69,095	\$ 71,168	\$ 73,303	\$ 75,502	\$ 77,767	\$ 80,098	\$ 82,486	
Snow Removal	\$	-	\$ 14,000	\$ 14,420	\$ 14,852	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	\$ 33,969	\$ 34,963	
Painting/Carpet	\$	-	\$ 2,050	\$ 2,112	\$ 2,175	\$ 2,240	\$ 2,307	\$ 2,377	\$ 2,448	\$ 2,521	\$ 2,597	\$ 2,675	\$ 4,167	\$ 4,292	\$ 4,421	\$ 4,554	\$ 4,690	\$ 4,831	\$ 4,976	\$ 5,125	
Electricity (Common Areas/Site)	\$	-	\$ 20,011	\$ 20,611	\$ 21,230	\$ 21,867	\$ 22,523	\$ 23,198	\$ 23,894	\$ 24,611	\$ 25,349	\$ 26,110	\$ 40,678	\$ 41,899	\$ 43,156	\$ 44,450	\$ 45,784	\$ 47,157	\$ 48,569	\$ 50,020	
Water/Sewer	\$	-	\$ 12,232	\$ 12,599	\$ 12,977	\$ 13,366	\$ 13,767	\$ 14,180	\$ 14,606	\$ 15,044	\$ 15,495	\$ 15,960	\$ 24,865	\$ 25,611	\$ 26,379	\$ 27,171	\$ 27,986	\$ 28,826	\$ 29,691	\$ 30,581	
Broadband Internet	\$	-	\$ 14,586	\$ 15,024	\$ 15,474	\$ 15,939	\$ 16,417	\$ 16,909	\$ 17,416	\$ 17,939	\$ 18,477	\$ 19,031	\$ 29,650	\$ 30,540	\$ 31,456	\$ 32,400	\$ 33,372	\$ 34,373	\$ 35,403	\$ 36,462	
Property and Liability Insurance	\$	-	\$ 101,750	\$ 106,329	\$ 111,114	\$ 116,114	\$ 121,339	\$ 126,799	\$ 132,505	\$ 138,468	\$ 144,699	\$ 151,210	\$ 292,634	\$ 305,803	\$ 319,564	\$ 333,944	\$ 348,972	\$ 364,676	\$ 381,074	\$ 397,586	
Fidelity Bond Insurance	\$	-	\$ 792	\$ 808	\$ 865	\$ 904	\$ 944	\$ 987	\$ 1,031	\$ 1,078	\$ 1,126	\$ 1,177	\$ 2,278	\$ 2,380	\$ 2,487	\$ 2,599	\$ 2,716	\$ 2,839	\$ 2,966	\$ 3,097	
Management Fee	\$	-	\$ 66,768	\$ 68,103	\$ 69,465	\$ 70,855	\$ 72,272	\$ 73,717	\$ 75,192	\$ 76,695	\$ 78,229	\$ 79,794	\$ 107,392	\$ 109,540	\$ 111,721	\$ 113,965	\$ 116,245	\$ 118,570	\$ 120,940	\$ 123,354	
HCR Monitoring Fee	\$	-	\$ 6,752	\$ 6,887	\$ 7,025	\$ 7,165	\$ 7,309	\$ 7,455	\$ 7,604	\$ 7,756	\$ 7,911	\$ 8,069	\$ 10,860	\$ 11,077	\$ 11,299	\$ 11,525	\$ 11,755	\$ 11,991	\$ 12,232	\$ 12,478	
Replacement Reserve	\$	-	\$ 13,750	\$ 14,163	\$ 14,587	\$ 15,025	\$ 15,476	\$ 15,940	\$ 16,418	\$ 16,911	\$ 17,418	\$ 17,941	\$ 27,951	\$ 28,789	\$ 29,653	\$ 30,543	\$ 31,459	\$ 32,403	\$ 33,375	\$ 34,377	
Operating Expenses	\$	-	\$ 460,065	\$ 474,670	\$ 489,767	\$ 505,375	\$ 521,512	\$ 538,195	\$ 555,446	\$ 573,285	\$ 591,732	\$ 610,810	\$ 990,484	\$ 1,023,440	\$ 1,057,560	\$ 1,092,887	\$ 1,129,467	\$ 1,167,346	\$ 1,206,534	\$ 1,247,042	
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$	-	\$ 673,054	\$ 681,112	\$ 689,130	\$ 697,100	\$ 705,013	\$ 712,860	\$ 720,630	\$ 728,313	\$ 735,898	\$ 743,373	\$ 832,067	\$ 855,563	\$ 883,623	\$ 912,191	\$ 941,322	\$ 971,011	\$ 1,001,274	\$ 1,032,122	
Real Property Taxes (PILOT Payments)	\$	39,092	\$ 39,874	\$ 39,722	\$ 40,577	\$ 41,390	\$ 42,266	\$ 43,107	\$ 43,978	\$ 44,880	\$ 45,813	\$ 46,776	\$ 69,711	\$ 71,563	\$ 73,496	\$ 75,510	\$ 77,604	\$ 79,778	\$ 82,032	\$ 84,376	
Net Operating Income (NOI) after Taxes	\$	(39,092)	\$ (39,874)	\$ 275,332	\$ 275,435	\$ 275,340	\$ 275,034	\$ 274,506	\$ 273,742	\$ 272,730	\$ 271,455	\$ 269,903	\$ 192,356	\$ 183,057	\$ 173,067	\$ 162,352	\$ 150,877	\$ 138,605	\$ 126,648	\$ 115,746	
Loan or Mortgage (Debt Service)																					
1st Mortgage																					
Interest (Also Included in "Project Information")	\$	1,743,567	\$ 1,743,567	\$ 452,083	\$ 447,089	\$ 441,747	\$ 436,033	\$ 429,922	\$ 423,385	\$ 416,393	\$ 408,913	\$ 400,914	\$ 392,357	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	
Principal	\$	21,164,644	\$ 21,164,644	\$ 71,725	\$ 76,719	\$ 82,061	\$ 87,774	\$ 93,886	\$ 100,423	\$ 107,415	\$ 114,894	\$ 122,894	\$ 131,451	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	
2nd Mortgage																					
Interest Only	\$	-	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	
Debt Service	\$	22,908,211	\$ 22,908,211	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	
Cash Flow After Financing and Reserve	\$	(22,947,303)	\$ (22,948,085)	\$ (282,851)	\$ (282,748)	\$ (282,843)	\$ (283,149)	\$ (283,677)	\$ (284,440)	\$ (285,453)	\$ (286,723)	\$ (288,280)	\$ (290,125)	\$ 3	\$ 6	\$ 7	\$ 8	\$ 9	\$ 10	\$ 15	
Debt Service Coverage Ratio (DSCR)			0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.48	0.48	0.34	0.33	0.31	0.29	0.27	0.25	0.23	0.20	
Equity Dividend Rate			-15.00%	-14.99%	-15.00%	-15.01%	-15.04%	-15.08%	-15.13%	-15.20%	-15.28%	-15.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

Reasonableness Assessment for GGV Grove Apartments LLC, Town of Brookhaven Industrial Development Agency

The Grove Apartments		Date		4/26/2023															
		Annual Cashflows (Pro Forma), \$500 per unit																	
		Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	
Operating Cash Flow																			
Residential Income																			
Gross Operating Income	\$	-	\$ 1,165,860	\$ 1,188,177	\$ 1,212,961	\$ 1,237,220	\$ 1,261,964	\$ 1,287,204	\$ 1,312,948	\$ 1,339,207	\$ 1,365,991	\$ 1,393,311	\$ 1,875,213	\$ 1,912,717	\$ 1,950,871	\$ 1,989,991	\$ 2,029,790	\$ 2,070,396	
Less: Vacancy Allowance (enter as a negative number)	\$	-	\$ (58,293)	\$ (59,459)	\$ (60,648)	\$ (61,861)	\$ (63,098)	\$ (64,360)	\$ (65,647)	\$ (66,960)	\$ (68,300)	\$ (69,666)	\$ (93,761)	\$ (95,630)	\$ (97,549)	\$ (99,500)	\$ (101,480)	\$ (103,519)	
Net Rental Income, Residential	\$	-	\$ 1,107,567	\$ 1,128,718	\$ 1,152,313	\$ 1,175,359	\$ 1,198,866	\$ 1,222,843	\$ 1,247,300	\$ 1,272,246	\$ 1,297,691	\$ 1,323,645	\$ 1,781,452	\$ 1,817,087	\$ 1,853,423	\$ 1,890,491	\$ 1,928,301	\$ 1,966,867	
Commercial/Industrial Income																			
Gross Operating Income	\$	-	\$ 22,586	\$ 23,038	\$ 23,498	\$ 23,968	\$ 24,448	\$ 24,937	\$ 25,436	\$ 25,944	\$ 26,463	\$ 26,992	\$ 36,328	\$ 37,055	\$ 37,796	\$ 38,552	\$ 39,323	\$ 40,109	
Less: Vacancy Allowance (enter as a negative number)	\$	-	\$ (2,259)	\$ (2,304)	\$ (2,350)	\$ (2,397)	\$ (2,445)	\$ (2,494)	\$ (2,544)	\$ (2,594)	\$ (2,646)	\$ (2,699)	\$ (3,633)	\$ (3,705)	\$ (3,780)	\$ (3,855)	\$ (3,932)	\$ (4,011)	
Net Rental Income, Commercial/Industrial	\$	-	\$ 20,327	\$ 20,734	\$ 21,149	\$ 21,572	\$ 22,003	\$ 22,443	\$ 22,892	\$ 23,350	\$ 23,817	\$ 24,291	\$ 32,695	\$ 33,349	\$ 34,016	\$ 34,697	\$ 35,390	\$ 36,098	
Other Income																			
Laundry/Ancillary	\$	-	\$ 5,500	\$ 5,610	\$ 5,722	\$ 5,837	\$ 5,953	\$ 6,072	\$ 6,194	\$ 6,318	\$ 6,444	\$ 6,573	\$ 8,846	\$ 9,023	\$ 9,204	\$ 9,388	\$ 9,576	\$ 9,767	
Less: Vacancy Allowance (enter as a negative number)	\$	-	\$ (275)	\$ (281)	\$ (286)	\$ (292)	\$ (298)	\$ (304)	\$ (310)	\$ (316)	\$ (322)	\$ (329)	\$ (442)	\$ (451)	\$ (460)	\$ (469)	\$ (479)	\$ (488)	
Net Income, Other	\$	-	\$ 5,225	\$ 5,330	\$ 5,436	\$ 5,545	\$ 5,656	\$ 5,769	\$ 5,884	\$ 6,002	\$ 6,122	\$ 6,244	\$ 8,404	\$ 8,572	\$ 8,744	\$ 8,918	\$ 9,097	\$ 9,279	
Effective Gross Income (EGI)	\$	-	\$ 1,133,119	\$ 1,155,782	\$ 1,178,897	\$ 1,202,475	\$ 1,226,525	\$ 1,251,055	\$ 1,276,076	\$ 1,301,598	\$ 1,327,630	\$ 1,354,183	\$ 1,822,551	\$ 1,859,002	\$ 1,896,183	\$ 1,934,106	\$ 1,972,788	\$ 2,012,244	
Operating Expenses (enter positive numbers)																			
Accounting & Audit	\$	-	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	
Legal	\$	-	\$ 9,900	\$ 10,197	\$ 10,503	\$ 10,818	\$ 11,143	\$ 11,477	\$ 11,821	\$ 12,176	\$ 12,541	\$ 12,917	\$ 20,125	\$ 20,728	\$ 21,350	\$ 21,991	\$ 22,650	\$ 23,330	
Benchmarking	\$	-	\$ 495	\$ 510	\$ 525	\$ 541	\$ 557	\$ 574	\$ 591	\$ 609	\$ 627	\$ 646	\$ 1,006	\$ 1,036	\$ 1,068	\$ 1,100	\$ 1,133	\$ 1,166	
Office Supplies & Equipment	\$	-	\$ 2,443	\$ 2,516	\$ 2,592	\$ 2,670	\$ 2,750	\$ 2,832	\$ 2,917	\$ 3,005	\$ 3,095	\$ 3,188	\$ 4,966	\$ 5,115	\$ 5,269	\$ 5,427	\$ 5,589	\$ 5,757	
Other Admin.	\$	-	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388	\$ 2,460	\$ 2,534	\$ 2,610	\$ 4,066	\$ 4,188	\$ 4,313	\$ 4,443	\$ 4,576	\$ 4,713	
Manager	\$	-	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,393	\$ 40,575	\$ 41,792	\$ 43,046	\$ 44,337	\$ 45,667	\$ 71,148	\$ 73,282	\$ 75,481	\$ 77,745	\$ 80,077	\$ 82,480	
Superintendent	\$	-	\$ 70,596	\$ 72,714	\$ 74,895	\$ 77,142	\$ 79,456	\$ 81,840	\$ 84,295	\$ 86,824	\$ 89,429	\$ 92,112	\$ 143,507	\$ 147,812	\$ 152,247	\$ 156,814	\$ 161,519	\$ 166,364	
Janitor and Cleaning Supplies	\$	-	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219	\$ 8,131	\$ 8,375	\$ 8,626	\$ 8,885	\$ 9,152	\$ 9,426	
Exterminating	\$	-	\$ 3,840	\$ 3,955	\$ 4,074	\$ 4,196	\$ 4,322	\$ 4,452	\$ 4,585	\$ 4,723	\$ 4,864	\$ 5,010	\$ 7,806	\$ 8,040	\$ 8,281	\$ 8,530	\$ 8,786	\$ 9,049	
Garbage and Trash Removal	\$	-	\$ 12,100	\$ 12,463	\$ 12,837	\$ 13,222	\$ 13,619	\$ 14,027	\$ 14,448	\$ 14,881	\$ 15,328	\$ 15,788	\$ 24,597	\$ 25,335	\$ 26,095	\$ 26,878	\$ 27,684	\$ 28,514	
Ground Expense	\$	-	\$ 9,000	\$ 9,270	\$ 9,548	\$ 9,835	\$ 10,130	\$ 10,433	\$ 10,746	\$ 11,069	\$ 11,401	\$ 11,743	\$ 18,295	\$ 18,844	\$ 19,409	\$ 19,992	\$ 20,591	\$ 21,209	
Maintenance and Repair Materials	\$	-	\$ 11,000	\$ 11,330	\$ 11,670	\$ 12,020	\$ 12,381	\$ 12,752	\$ 13,135	\$ 13,529	\$ 13,934	\$ 14,351	\$ 22,361	\$ 23,022	\$ 23,723	\$ 24,454	\$ 25,167	\$ 25,922	
Maintenance and Repair Contracts	\$	-	\$ 33,000	\$ 33,990	\$ 35,010	\$ 36,060	\$ 37,142	\$ 38,256	\$ 39,404	\$ 40,586	\$ 41,803	\$ 43,058	\$ 67,082	\$ 69,095	\$ 71,168	\$ 73,303	\$ 75,502	\$ 77,767	
Snow Removal	\$	-	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	
Painting/Carpet	\$	-	\$ 2,050	\$ 2,112	\$ 2,175	\$ 2,240	\$ 2,307	\$ 2,377	\$ 2,448	\$ 2,521	\$ 2,597	\$ 2,675	\$ 4,167	\$ 4,292	\$ 4,421	\$ 4,554	\$ 4,690	\$ 4,831	
Electricity (Common Areas/Site)	\$	-	\$ 20,011	\$ 20,611	\$ 21,230	\$ 21,867	\$ 22,523	\$ 23,198	\$ 23,894	\$ 24,611	\$ 25,349	\$ 26,110	\$ 40,678	\$ 41,899	\$ 43,156	\$ 44,450	\$ 45,784	\$ 47,157	
Water/Sewer	\$	-	\$ 12,232	\$ 12,599	\$ 12,977	\$ 13,366	\$ 13,767	\$ 14,180	\$ 14,606	\$ 15,044	\$ 15,495	\$ 15,960	\$ 24,865	\$ 25,611	\$ 26,379	\$ 27,171	\$ 27,986	\$ 28,826	
Broadband/Internet	\$	-	\$ 14,586	\$ 15,024	\$ 15,474	\$ 15,939	\$ 16,417	\$ 16,909	\$ 17,416	\$ 17,939	\$ 18,477	\$ 19,031	\$ 29,550	\$ 30,540	\$ 31,456	\$ 32,400	\$ 33,372	\$ 34,373	
Property and Liability Insurance	\$	-	\$ 101,750	\$ 106,329	\$ 111,114	\$ 116,114	\$ 121,339	\$ 126,799	\$ 132,505	\$ 138,468	\$ 144,699	\$ 151,210	\$ 292,634	\$ 305,803	\$ 319,554	\$ 333,944	\$ 348,972	\$ 364,676	
Fidelity Bond Insurance	\$	-	\$ 792	\$ 828	\$ 865	\$ 904	\$ 944	\$ 987	\$ 1,031	\$ 1,078	\$ 1,126	\$ 1,177	\$ 2,278	\$ 2,380	\$ 2,487	\$ 2,599	\$ 2,716	\$ 2,839	
Management Fee	\$	-	\$ 66,768	\$ 68,103	\$ 69,465	\$ 70,855	\$ 72,272	\$ 73,717	\$ 75,192	\$ 76,695	\$ 78,229	\$ 79,794	\$ 107,392	\$ 109,540	\$ 111,731	\$ 113,965	\$ 116,245	\$ 118,570	
HCR Monitoring Fee	\$	-	\$ 6,752	\$ 6,887	\$ 7,025	\$ 7,165	\$ 7,309	\$ 7,455	\$ 7,604	\$ 7,756	\$ 7,911	\$ 8,069	\$ 10,860	\$ 11,077	\$ 11,299	\$ 11,525	\$ 11,755	\$ 11,991	
Replacement Reserve	\$	-	\$ 13,750	\$ 14,163	\$ 14,587	\$ 15,025	\$ 15,476	\$ 15,940	\$ 16,418	\$ 16,911	\$ 17,418	\$ 17,941	\$ 27,951	\$ 28,789	\$ 29,653	\$ 30,543	\$ 31,459	\$ 32,403	
Operating Expenses	\$	-	\$ 460,065	\$ 474,670	\$ 489,767	\$ 505,375	\$ 521,512	\$ 538,195	\$ 555,446	\$ 573,285	\$ 591,732	\$ 610,810	\$ 990,484	\$ 1,023,440	\$ 1,057,560	\$ 1,092,887	\$ 1,129,467	\$ 1,167,346	
Pre-Tax Operating Income (Revenue Less Operating Expenses)	\$	-	\$ 673,054	\$ 681,112	\$ 689,130	\$ 697,100	\$ 705,013	\$ 712,860	\$ 720,630	\$ 728,313	\$ 735,898	\$ 743,373	\$ 832,067	\$ 835,563	\$ 838,623	\$ 841,219	\$ 843,322	\$ 844,898	
Real Property Taxes (PILOT Payments)	\$600	\$	39,092	39,874	33,000	33,660	34,333	35,020	35,720	36,435	37,163	37,907	53,078	54,140	55,223	56,327	57,454	58,603	
Net Operating Income (NOI) after Taxes	\$	(39,092)	\$ (39,874)	\$ 640,054	\$ 647,452	\$ 654,797	\$ 662,080	\$ 669,293	\$ 676,425	\$ 683,467	\$ 690,407	\$ 697,233	\$ 778,989	\$ 781,423	\$ 783,400	\$ 784,892	\$ 785,868	\$ 786,295	
Loan or Mortgage (Debt Service)																			
1st Mortgage																			
Interest (Also Included in "Project Information")	\$	-	\$ 1,743,567	\$ 1,743,567	\$ 452,083	\$ 447,089	\$ 441,747	\$ 436,033	\$ 429,922	\$ 423,385	\$ 416,393	\$ 408,913	\$ 400,914	\$ 392,357	\$ 383,221	\$ 373,506	\$ 363,211	\$ 352,343	
Principal	\$	-	\$ 21,164,644	\$ 21,164,644	\$ 71,725	\$ 76,719	\$ 82,061	\$ 87,774	\$ 93,886	\$ 100,423	\$ 107,415	\$ 114,894	\$ 122,894	\$ 131,451	\$ 140,586	\$ 150,301	\$ 160,606	\$ 171,511	
2nd Mortgage																			
Interest Only	\$	-	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	
Debt Service	\$	22,908,211	\$ 22,908,211	\$ 558,183															
Cash Flow After Financing and Reserve	\$	(22,947,303)	\$ (22,948,085)	\$ 81,872	\$ 89,269	\$ 96,614	\$ 103,897	\$ 111,110	\$ 118,243	\$ 125,284	\$ 132,224	\$ 139,050	\$ 220,806	\$ 223,240	\$ 225,217	\$ 226,709	\$ 227,685	\$ 228,112	
Debt Service Coverage Ratio (DSCR)			1.15	1.16	1.17	1.19	1.20	1.21	1.22	1.24	1.25	1.26	1.40	1.40	1.40	1.41	1.41	1.41	
Equity Dividend Rate			4.34%	4.73%	5.12%	5.51%	5.89%	6.27%	6.64%	7.01%	7.37%	7.73%	11.71%	11.84%	11.94%	12.02%	12.07%	12.09%	

Reasonableness Assessment for GGV Grove Apartments LLC, Town of Brookhaven Industrial Development Agency

The Grove Apartments	Date	4/26/2023																
Annual Cashflows (Pro Forma), \$775 per unit																		
	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	
Operating Cash Flow																		
Residential Income																		
Gross Operating Income	\$ -	\$ 1,165,860	\$ 1,189,177	\$ 1,212,961	\$ 1,237,220	\$ 1,261,964	\$ 1,287,204	\$ 1,312,948	\$ 1,339,207	\$ 1,365,991	\$ 1,393,311	\$ 1,875,213	\$ 1,912,717	\$ 1,950,971	\$ 1,989,991	\$ 2,029,790	\$ 2,070,386	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (58,793)	\$ (59,459)	\$ (60,648)	\$ (61,861)	\$ (63,098)	\$ (64,360)	\$ (65,647)	\$ (66,960)	\$ (68,300)	\$ (69,668)	\$ (93,761)	\$ (95,636)	\$ (97,549)	\$ (99,500)	\$ (101,590)	\$ (103,719)	
Net Rental Income, Residential	\$ -	\$ 1,107,067	\$ 1,129,718	\$ 1,152,313	\$ 1,175,359	\$ 1,198,866	\$ 1,222,843	\$ 1,247,300	\$ 1,272,246	\$ 1,297,691	\$ 1,323,643	\$ 1,781,452	\$ 1,817,081	\$ 1,853,423	\$ 1,890,491	\$ 1,928,301	\$ 1,966,867	
Commercial/Industrial Income																		
Gross Operating Income	\$ -	\$ 22,586	\$ 23,038	\$ 23,498	\$ 23,968	\$ 24,448	\$ 24,937	\$ 25,436	\$ 25,944	\$ 26,463	\$ 26,992	\$ 36,328	\$ 37,055	\$ 37,796	\$ 38,552	\$ 39,323	\$ 40,109	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (2,259)	\$ (2,304)	\$ (2,350)	\$ (2,397)	\$ (2,445)	\$ (2,494)	\$ (2,544)	\$ (2,594)	\$ (2,646)	\$ (2,699)	\$ (3,633)	\$ (3,705)	\$ (3,780)	\$ (3,855)	\$ (3,932)	\$ (4,011)	
Net Rental Income, Commercial/Industrial	\$ -	\$ 20,327	\$ 20,734	\$ 21,149	\$ 21,572	\$ 22,003	\$ 22,443	\$ 22,892	\$ 23,350	\$ 23,817	\$ 24,293	\$ 32,695	\$ 33,349	\$ 34,016	\$ 34,697	\$ 35,390	\$ 36,098	
Other Income																		
Laundry/Ancillary	\$ -	\$ 5,500	\$ 5,610	\$ 5,722	\$ 5,837	\$ 5,953	\$ 6,072	\$ 6,194	\$ 6,318	\$ 6,444	\$ 6,573	\$ 8,846	\$ 9,023	\$ 9,204	\$ 9,388	\$ 9,576	\$ 9,767	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (275)	\$ (281)	\$ (286)	\$ (292)	\$ (298)	\$ (304)	\$ (310)	\$ (316)	\$ (322)	\$ (329)	\$ (442)	\$ (451)	\$ (460)	\$ (469)	\$ (479)	\$ (488)	
Net Income, Other	\$ -	\$ 5,225	\$ 5,330	\$ 5,436	\$ 5,545	\$ 5,656	\$ 5,769	\$ 5,884	\$ 6,002	\$ 6,122	\$ 6,244	\$ 8,404	\$ 8,572	\$ 8,744	\$ 8,918	\$ 9,097	\$ 9,279	
Effective Gross Income (EGI)	\$ -	\$ 1,133,119	\$ 1,155,782	\$ 1,178,897	\$ 1,202,475	\$ 1,226,525	\$ 1,251,055	\$ 1,276,076	\$ 1,301,598	\$ 1,327,630	\$ 1,354,183	\$ 1,822,551	\$ 1,859,002	\$ 1,896,183	\$ 1,934,106	\$ 1,972,788	\$ 2,012,244	
Operating Expenses (enter positive numbers)																		
Accounting & Audit	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	
Legal	\$ -	\$ 9,900	\$ 10,197	\$ 10,503	\$ 10,818	\$ 11,143	\$ 11,477	\$ 11,821	\$ 12,176	\$ 12,541	\$ 12,917	\$ 20,125	\$ 20,728	\$ 21,350	\$ 21,991	\$ 22,650	\$ 23,330	
Benchmarking	\$ -	\$ 495	\$ 510	\$ 525	\$ 541	\$ 557	\$ 574	\$ 591	\$ 609	\$ 627	\$ 646	\$ 1,006	\$ 1,036	\$ 1,068	\$ 1,100	\$ 1,133	\$ 1,166	
Office Supplies & Equipment	\$ -	\$ 2,443	\$ 2,516	\$ 2,592	\$ 2,670	\$ 2,750	\$ 2,832	\$ 2,917	\$ 3,005	\$ 3,095	\$ 3,188	\$ 4,966	\$ 5,115	\$ 5,269	\$ 5,427	\$ 5,589	\$ 5,757	
Other Admin.	\$ -	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388	\$ 2,460	\$ 2,534	\$ 2,610	\$ 4,066	\$ 4,188	\$ 4,315	\$ 4,443	\$ 4,576	\$ 4,713	
Manager	\$ -	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,389	\$ 40,575	\$ 41,792	\$ 43,046	\$ 44,337	\$ 45,667	\$ 71,148	\$ 73,282	\$ 75,481	\$ 77,745	\$ 80,077	\$ 82,400	
Superintendent	\$ -	\$ 70,596	\$ 72,714	\$ 74,895	\$ 77,142	\$ 79,456	\$ 81,840	\$ 84,295	\$ 86,824	\$ 89,429	\$ 92,112	\$ 143,507	\$ 147,812	\$ 152,247	\$ 156,814	\$ 161,519	\$ 166,364	
Janitor and Cleaning Supplies	\$ -	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219	\$ 8,131	\$ 8,375	\$ 8,626	\$ 8,885	\$ 9,152	\$ 9,426	
Exterminating	\$ -	\$ 3,840	\$ 3,955	\$ 4,074	\$ 4,196	\$ 4,322	\$ 4,452	\$ 4,585	\$ 4,723	\$ 4,864	\$ 5,010	\$ 7,806	\$ 8,040	\$ 8,281	\$ 8,530	\$ 8,786	\$ 9,049	
Garbage and Trash Removal	\$ -	\$ 12,100	\$ 12,463	\$ 12,837	\$ 13,222	\$ 13,619	\$ 14,027	\$ 14,448	\$ 14,881	\$ 15,326	\$ 15,783	\$ 24,597	\$ 25,335	\$ 26,095	\$ 26,878	\$ 27,684	\$ 28,514	
Ground Expense	\$ -	\$ 9,000	\$ 9,270	\$ 9,548	\$ 9,835	\$ 10,130	\$ 10,433	\$ 10,746	\$ 11,069	\$ 11,401	\$ 11,743	\$ 18,295	\$ 18,844	\$ 19,409	\$ 19,992	\$ 20,591	\$ 21,209	
Maintenance and Repair Materials	\$ -	\$ 11,000	\$ 11,330	\$ 11,670	\$ 12,020	\$ 12,381	\$ 12,752	\$ 13,135	\$ 13,529	\$ 13,934	\$ 14,353	\$ 22,361	\$ 23,032	\$ 23,723	\$ 24,434	\$ 25,167	\$ 25,922	
Maintenance and Repair Contracts	\$ -	\$ 33,000	\$ 33,990	\$ 35,010	\$ 36,060	\$ 37,142	\$ 38,256	\$ 39,404	\$ 40,586	\$ 41,803	\$ 43,057	\$ 67,082	\$ 69,095	\$ 71,168	\$ 73,303	\$ 75,502	\$ 77,767	
Snow Removal	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	
Painting/Carpet	\$ -	\$ 2,050	\$ 2,112	\$ 2,175	\$ 2,240	\$ 2,307	\$ 2,377	\$ 2,448	\$ 2,521	\$ 2,597	\$ 2,675	\$ 4,167	\$ 4,292	\$ 4,421	\$ 4,554	\$ 4,690	\$ 4,831	
Electricity (Common Areas/Site)	\$ -	\$ 20,011	\$ 20,611	\$ 21,230	\$ 21,867	\$ 22,523	\$ 23,198	\$ 23,894	\$ 24,611	\$ 25,349	\$ 26,110	\$ 40,678	\$ 41,899	\$ 43,156	\$ 44,450	\$ 45,784	\$ 47,157	
Water/Sewer	\$ -	\$ 12,232	\$ 12,599	\$ 12,977	\$ 13,366	\$ 13,767	\$ 14,180	\$ 14,606	\$ 15,044	\$ 15,495	\$ 15,960	\$ 24,865	\$ 25,611	\$ 26,379	\$ 27,171	\$ 27,986	\$ 28,826	
Broadband Internet	\$ -	\$ 14,586	\$ 15,024	\$ 15,474	\$ 15,939	\$ 16,417	\$ 16,915	\$ 17,416	\$ 17,939	\$ 18,477	\$ 19,031	\$ 29,650	\$ 30,540	\$ 31,456	\$ 32,400	\$ 33,372	\$ 34,373	
Property and Liability Insurance	\$ -	\$ 101,750	\$ 106,329	\$ 111,114	\$ 116,114	\$ 121,339	\$ 126,799	\$ 132,505	\$ 138,468	\$ 144,699	\$ 151,210	\$ 292,634	\$ 305,803	\$ 319,564	\$ 333,944	\$ 348,972	\$ 364,676	
Fidelity Bond Insurance	\$ -	\$ 792	\$ 828	\$ 865	\$ 904	\$ 944	\$ 987	\$ 1,031	\$ 1,078	\$ 1,126	\$ 1,177	\$ 2,278	\$ 2,360	\$ 2,487	\$ 2,599	\$ 2,716	\$ 2,839	
Management Fee	\$ -	\$ 66,768	\$ 68,103	\$ 69,465	\$ 70,855	\$ 72,272	\$ 73,717	\$ 75,192	\$ 76,695	\$ 78,229	\$ 79,794	\$ 107,392	\$ 109,540	\$ 111,731	\$ 113,965	\$ 116,245	\$ 118,570	
HCR Monitoring Fee	\$ -	\$ 6,752	\$ 7,165	\$ 7,607	\$ 8,077	\$ 8,569	\$ 9,084	\$ 9,624	\$ 10,189	\$ 10,775	\$ 11,384	\$ 10,860	\$ 11,077	\$ 11,299	\$ 11,525	\$ 11,755	\$ 11,991	
Replacement Reserve	\$ -	\$ 13,750	\$ 14,163	\$ 14,587	\$ 15,025	\$ 15,476	\$ 15,940	\$ 16,418	\$ 16,911	\$ 17,418	\$ 17,941	\$ 27,951	\$ 28,789	\$ 29,653	\$ 30,543	\$ 31,459	\$ 32,403	
Operating Expenses	\$ -	\$ 460,065	\$ 474,670	\$ 489,767	\$ 505,375	\$ 521,512	\$ 538,195	\$ 555,446	\$ 573,285	\$ 591,732	\$ 610,810	\$ 990,484	\$ 1,023,440	\$ 1,057,560	\$ 1,092,887	\$ 1,129,467	\$ 1,167,346	
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$ -	\$ 673,054	\$ 681,112	\$ 689,130	\$ 697,100	\$ 705,013	\$ 712,860	\$ 720,630	\$ 728,313	\$ 735,898	\$ 743,373	\$ 832,067	\$ 835,563	\$ 838,623	\$ 841,219	\$ 843,322	\$ 844,898	
Real Property Taxes (PILOT Payments)	\$ 775	\$ 39,092	\$ 39,874	\$ 42,625	\$ 43,478	\$ 44,347	\$ 46,139	\$ 47,061	\$ 48,003	\$ 48,963	\$ 49,942	\$ 50,941	\$ 68,560	\$ 69,931	\$ 71,329	\$ 72,756	\$ 74,211	\$ 75,695
Net Operating Income (NOI) after Taxes	\$ (39,092)	\$ (39,874)	\$ 630,429	\$ 637,634	\$ 644,783	\$ 651,866	\$ 658,759	\$ 665,799	\$ 672,628	\$ 679,351	\$ 685,956	\$ 763,508	\$ 765,632	\$ 767,293	\$ 768,463	\$ 769,110	\$ 769,203	
Loan or Mortgage (Debt Service)																		
1st Mortgage																		
Interest (Also Included in "Project Information")	\$ 1,743,567	\$ 1,743,567	\$ 452,083	\$ 447,089	\$ 441,747	\$ 436,033	\$ 429,922	\$ 423,385	\$ 416,393	\$ 408,913	\$ 400,914	\$ 392,357	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	
Principal	\$ 21,164,644	\$ 21,164,644	\$ 71,725	\$ 76,719	\$ 82,061	\$ 87,774	\$ 93,886	\$ 100,423	\$ 107,415	\$ 114,894	\$ 122,894	\$ 131,451	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	
2nd Mortgage																		
Interest Only	\$ -	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	
Debt Service	\$ 22,908,211	\$ 22,908,211	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	
Cash Flow After Financing and Reserve	\$ (22,947,303)	\$ (22,948,085)	\$ 72,247	\$ 79,452	\$ 86,600	\$ 93,683	\$ 100,692	\$ 107,616	\$ 114,445	\$ 121,168	\$ 127,773	\$ 205,325	\$ 207,449	\$ 209,111	\$ 210,280	\$ 210,928	\$ 211,020	
Debt Service Coverage Ratio (DSCR)		1.13	1.14	1.16	1.17	1.18	1.19	1.21	1.22	1.23	1.24	1.37	1.37	1.37	1.38	1.38	1.38	
Equity Dividend Rate		3.83%	4.21%	4.59%	4.97%	5.34%	5.71%	6.07%	6.42%	6.77%	7.12%	10.89%	11.00%	11.09%	11.15%	11.18%	11.19%	

Reasonableness Assessment for GGV Grove Apartments LLC, Town of Brookhaven Industrial Development Agency

The Grove Apartments		Date: 4/26/2023																
		Annual Cashflows (Pro Forma), \$1000 per unit																
		Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Operating Cash Flow																		
Residential Income																		
Gross Operating Income	\$ -	\$ 1,165,860	\$ 1,189,177	\$ 1,212,961	\$ 1,237,220	\$ 1,261,964	\$ 1,287,204	\$ 1,312,948	\$ 1,339,207	\$ 1,365,991	\$ 1,393,311	\$ 1,875,213	\$ 1,912,717	\$ 1,950,971	\$ 1,989,991	\$ 2,029,790	\$ 2,070,386	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (59,793)	\$ (59,459)	\$ (60,648)	\$ (61,861)	\$ (63,098)	\$ (64,360)	\$ (65,647)	\$ (66,960)	\$ (68,300)	\$ (69,665)	\$ (93,761)	\$ (95,636)	\$ (97,549)	\$ (99,500)	\$ (101,590)	\$ (103,719)	
Net Rental Income, Residential	\$ -	\$ 1,107,567	\$ 1,129,718	\$ 1,152,313	\$ 1,175,359	\$ 1,198,866	\$ 1,222,843	\$ 1,247,300	\$ 1,272,246	\$ 1,297,691	\$ 1,323,645	\$ 1,781,452	\$ 1,817,081	\$ 1,853,423	\$ 1,890,491	\$ 1,928,301	\$ 1,966,867	
Commercial/Industrial Income																		
Gross Operating Income	\$ -	\$ 22,586	\$ 23,038	\$ 23,498	\$ 23,968	\$ 24,448	\$ 24,937	\$ 25,436	\$ 25,944	\$ 26,463	\$ 26,992	\$ 36,328	\$ 37,055	\$ 37,796	\$ 38,552	\$ 39,323	\$ 40,109	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (2,259)	\$ (2,304)	\$ (2,350)	\$ (2,397)	\$ (2,445)	\$ (2,494)	\$ (2,544)	\$ (2,594)	\$ (2,646)	\$ (2,699)	\$ (3,633)	\$ (3,705)	\$ (3,780)	\$ (3,855)	\$ (3,932)	\$ (4,011)	
Net Rental Income, Commercial/Industrial	\$ -	\$ 20,327	\$ 20,734	\$ 21,149	\$ 21,572	\$ 22,003	\$ 22,443	\$ 22,892	\$ 23,350	\$ 23,817	\$ 24,293	\$ 32,695	\$ 33,349	\$ 34,016	\$ 34,697	\$ 35,390	\$ 36,098	
Other Income																		
Laundry/Ancillary	\$ -	\$ 5,500	\$ 5,610	\$ 5,722	\$ 5,837	\$ 5,953	\$ 6,072	\$ 6,194	\$ 6,318	\$ 6,444	\$ 6,573	\$ 8,846	\$ 9,023	\$ 9,204	\$ 9,388	\$ 9,576	\$ 9,767	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (275)	\$ (281)	\$ (286)	\$ (292)	\$ (298)	\$ (304)	\$ (310)	\$ (316)	\$ (322)	\$ (329)	\$ (442)	\$ (451)	\$ (460)	\$ (469)	\$ (479)	\$ (488)	
Net Income, Other	\$ -	\$ 5,225	\$ 5,330	\$ 5,436	\$ 5,545	\$ 5,656	\$ 5,769	\$ 5,884	\$ 6,002	\$ 6,122	\$ 6,244	\$ 8,404	\$ 8,572	\$ 8,744	\$ 8,918	\$ 9,097	\$ 9,279	
Effective Gross Income (EGI)	\$ -	\$ 1,133,119	\$ 1,155,782	\$ 1,178,897	\$ 1,202,475	\$ 1,226,525	\$ 1,251,055	\$ 1,276,076	\$ 1,301,598	\$ 1,327,630	\$ 1,354,183	\$ 1,822,551	\$ 1,859,002	\$ 1,896,183	\$ 1,934,106	\$ 1,972,788	\$ 2,012,244	
Operating Expenses (enter positive numbers)																		
Accounting & Audit	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	
Legal	\$ -	\$ 9,900	\$ 10,197	\$ 10,503	\$ 10,818	\$ 11,143	\$ 11,477	\$ 11,821	\$ 12,176	\$ 12,541	\$ 12,917	\$ 20,125	\$ 20,728	\$ 21,350	\$ 21,991	\$ 22,650	\$ 23,330	
Benchmarking	\$ -	\$ 495	\$ 510	\$ 525	\$ 541	\$ 557	\$ 574	\$ 591	\$ 609	\$ 627	\$ 646	\$ 1,006	\$ 1,036	\$ 1,068	\$ 1,100	\$ 1,133	\$ 1,166	
Office Supplies & Equipment	\$ -	\$ 2,443	\$ 2,516	\$ 2,592	\$ 2,670	\$ 2,750	\$ 2,832	\$ 2,917	\$ 3,005	\$ 3,095	\$ 3,188	\$ 4,966	\$ 5,115	\$ 5,269	\$ 5,427	\$ 5,589	\$ 5,757	
Other Admin.	\$ -	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388	\$ 2,460	\$ 2,534	\$ 2,610	\$ 4,066	\$ 4,188	\$ 4,315	\$ 4,443	\$ 4,576	\$ 4,713	
Manager	\$ -	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,393	\$ 40,575	\$ 41,792	\$ 43,046	\$ 44,337	\$ 45,667	\$ 71,148	\$ 73,282	\$ 75,481	\$ 77,745	\$ 80,077	\$ 82,400	
Superintendent	\$ -	\$ 70,596	\$ 72,714	\$ 74,895	\$ 77,142	\$ 79,456	\$ 81,840	\$ 84,295	\$ 86,824	\$ 89,429	\$ 92,112	\$ 143,507	\$ 147,812	\$ 152,247	\$ 156,814	\$ 161,519	\$ 166,364	
Janitor and Cleaning Supplies	\$ -	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219	\$ 8,131	\$ 8,375	\$ 8,626	\$ 8,885	\$ 9,152	\$ 9,426	
Exterminating	\$ -	\$ 3,840	\$ 3,955	\$ 4,074	\$ 4,196	\$ 4,322	\$ 4,452	\$ 4,585	\$ 4,723	\$ 4,864	\$ 5,010	\$ 7,806	\$ 8,040	\$ 8,281	\$ 8,530	\$ 8,786	\$ 9,049	
Garbage and Trash Removal	\$ -	\$ 12,100	\$ 12,463	\$ 12,837	\$ 13,222	\$ 13,619	\$ 14,027	\$ 14,448	\$ 14,881	\$ 15,326	\$ 15,783	\$ 24,597	\$ 25,335	\$ 26,095	\$ 26,878	\$ 27,684	\$ 28,514	
Ground Expense	\$ -	\$ 9,000	\$ 9,270	\$ 9,548	\$ 9,835	\$ 10,130	\$ 10,433	\$ 10,746	\$ 11,069	\$ 11,401	\$ 11,743	\$ 18,295	\$ 18,844	\$ 19,409	\$ 19,992	\$ 20,591	\$ 21,209	
Maintenance and Repair Materials	\$ -	\$ 11,000	\$ 11,330	\$ 11,670	\$ 12,020	\$ 12,381	\$ 12,752	\$ 13,135	\$ 13,529	\$ 13,934	\$ 14,353	\$ 22,361	\$ 23,032	\$ 23,723	\$ 24,434	\$ 25,167	\$ 25,922	
Maintenance and Repair Contracts	\$ -	\$ 33,000	\$ 33,990	\$ 35,010	\$ 36,060	\$ 37,142	\$ 38,256	\$ 39,404	\$ 40,586	\$ 41,803	\$ 43,058	\$ 67,082	\$ 69,095	\$ 71,168	\$ 73,303	\$ 75,502	\$ 77,767	
Snow Removal	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	
Painting/Carpet	\$ -	\$ 2,050	\$ 2,112	\$ 2,175	\$ 2,240	\$ 2,307	\$ 2,377	\$ 2,448	\$ 2,521	\$ 2,597	\$ 2,675	\$ 4,167	\$ 4,292	\$ 4,421	\$ 4,554	\$ 4,690	\$ 4,831	
Electricity (Common Areas/Site)	\$ -	\$ 20,011	\$ 20,611	\$ 21,230	\$ 21,867	\$ 22,523	\$ 23,198	\$ 23,894	\$ 24,611	\$ 25,349	\$ 26,110	\$ 40,678	\$ 41,899	\$ 43,156	\$ 44,450	\$ 45,784	\$ 47,157	
Water/Sewer	\$ -	\$ 12,232	\$ 12,599	\$ 12,977	\$ 13,366	\$ 13,767	\$ 14,180	\$ 14,606	\$ 15,044	\$ 15,495	\$ 15,960	\$ 24,865	\$ 25,611	\$ 26,379	\$ 27,171	\$ 27,986	\$ 28,826	
Broadband Internet	\$ -	\$ 14,586	\$ 15,024	\$ 15,474	\$ 15,939	\$ 16,417	\$ 16,909	\$ 17,416	\$ 17,939	\$ 18,477	\$ 19,031	\$ 29,650	\$ 30,540	\$ 31,456	\$ 32,400	\$ 33,372	\$ 34,373	
Property and Liability Insurance	\$ -	\$ 101,750	\$ 106,329	\$ 111,114	\$ 116,114	\$ 121,339	\$ 126,799	\$ 132,505	\$ 138,468	\$ 144,699	\$ 151,210	\$ 292,634	\$ 305,803	\$ 319,564	\$ 333,944	\$ 348,972	\$ 364,676	
Fidelity Bond Insurance	\$ -	\$ 792	\$ 828	\$ 865	\$ 904	\$ 944	\$ 987	\$ 1,031	\$ 1,078	\$ 1,126	\$ 1,177	\$ 2,278	\$ 2,360	\$ 2,487	\$ 2,599	\$ 2,716	\$ 2,839	
Management Fee	\$ -	\$ 66,768	\$ 68,103	\$ 69,465	\$ 70,855	\$ 72,272	\$ 73,717	\$ 75,192	\$ 76,695	\$ 78,229	\$ 79,794	\$ 107,392	\$ 109,540	\$ 111,731	\$ 113,965	\$ 116,245	\$ 118,570	
HCR Monitoring Fee	\$ -	\$ 6,752	\$ 7,165	\$ 7,605	\$ 8,077	\$ 8,581	\$ 9,117	\$ 9,685	\$ 10,285	\$ 10,917	\$ 11,581	\$ 10,860	\$ 11,077	\$ 11,299	\$ 11,525	\$ 11,755	\$ 11,991	
Replacement Reserve	\$ -	\$ 13,750	\$ 14,163	\$ 14,587	\$ 15,025	\$ 15,476	\$ 15,940	\$ 16,418	\$ 16,911	\$ 17,418	\$ 17,941	\$ 27,951	\$ 28,789	\$ 29,653	\$ 30,543	\$ 31,459	\$ 32,403	
Operating Expenses	\$ -	\$ 460,065	\$ 474,670	\$ 489,767	\$ 505,375	\$ 521,512	\$ 538,195	\$ 555,446	\$ 573,285	\$ 591,732	\$ 610,810	\$ 990,484	\$ 1,023,440	\$ 1,057,560	\$ 1,092,887	\$ 1,129,467	\$ 1,167,346	
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$ -	\$ 673,054	\$ 681,112	\$ 689,130	\$ 697,100	\$ 705,013	\$ 712,860	\$ 720,630	\$ 728,313	\$ 735,898	\$ 743,373	\$ 832,067	\$ 835,563	\$ 838,623	\$ 841,219	\$ 843,322	\$ 844,898	
Real Property Taxes (PILOT Payments)	\$ 1,000	\$ 39,092	\$ 39,874	\$ 55,000	\$ 56,100	\$ 57,222	\$ 58,366	\$ 59,534	\$ 60,724	\$ 61,939	\$ 63,178	\$ 88,464	\$ 90,233	\$ 92,038	\$ 93,879	\$ 95,756	\$ 97,671	
Net Operating Income (NOI) after Taxes	\$ (39,092)	\$ (39,874)	\$ 618,054	\$ 625,012	\$ 631,908	\$ 638,734	\$ 645,480	\$ 652,136	\$ 658,691	\$ 665,136	\$ 671,457	\$ 743,603	\$ 745,329	\$ 746,585	\$ 747,341	\$ 747,565	\$ 747,227	
Loan or Mortgage (Debt Service)																		
1st Mortgage																		
Interest (Also Included in "Project Information")	\$ 1,743,567	\$ 1,743,567	\$ 452,083	\$ 447,089	\$ 441,747	\$ 436,033	\$ 429,922	\$ 423,385	\$ 416,393	\$ 408,913	\$ 400,914	\$ 392,357	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	
Principal	\$ 21,164,644	\$ 21,164,644	\$ 71,725	\$ 76,719	\$ 82,061	\$ 87,774	\$ 93,886	\$ 100,423	\$ 107,415	\$ 114,894	\$ 122,894	\$ 131,451	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	
2nd Mortgage																		
Interest Only	\$ -	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	
Debt Service	\$ 22,908,211	\$ 22,908,211	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	
Cash Flow After Financing and Reserve	\$ (22,947,303)	\$ (22,948,085)	\$ 59,872	\$ 66,829	\$ 73,725	\$ 80,551	\$ 87,297	\$ 93,953	\$ 100,508	\$ 106,953	\$ 113,274	\$ 185,420	\$ 187,147	\$ 188,402	\$ 189,158	\$ 189,382	\$ 189,044	
Debt Service Coverage Ratio (DSCR)			1.11	1.12	1.13	1.14	1.16	1.17	1.18	1.19	1.20	1.33	1.34	1.34	1.34	1.34	1.34	
Equity Dividend Rate			3.17%	3.54%	3.91%	4.27%	4.63%	4.98%	5.33%	5.67%	6.01%	9.83%	9.92%	9.99%	10.03%	10.04%	10.02%	

Reasonableness Assessment for GGV Grove Apartments LLC, Town of Brookhaven Industrial Development Agency

Annual Cashflows (Pro Forma) - Shelter Rent																		
	Construction	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Operating Cash Flow																		
Residential Income																		
Gross Operating Income	\$ -	\$ -	\$ 1,165,860	\$ 1,189,177	\$ 1,212,961	\$ 1,237,220	\$ 1,261,964	\$ 1,287,204	\$ 1,312,948	\$ 1,339,207	\$ 1,365,991	\$ 1,393,311	\$ 1,875,213	\$ 1,912,717	\$ 1,950,971	\$ 1,989,991	\$ 2,029,790	\$ 2,070,386
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ -	\$ (58,293)	\$ (59,459)	\$ (60,648)	\$ (61,861)	\$ (63,098)	\$ (64,360)	\$ (65,647)	\$ (66,960)	\$ (68,300)	\$ (69,666)	\$ (93,761)	\$ (95,630)	\$ (97,549)	\$ (99,500)	\$ (101,490)	\$ (103,519)
Net Rental Income, Residential	\$ -	\$ -	\$ 1,107,567	\$ 1,129,718	\$ 1,152,313	\$ 1,175,359	\$ 1,198,866	\$ 1,222,843	\$ 1,247,300	\$ 1,272,246	\$ 1,297,691	\$ 1,323,645	\$ 1,781,452	\$ 1,817,087	\$ 1,853,423	\$ 1,890,491	\$ 1,928,301	\$ 1,966,867
Commercial/Industrial Income																		
Gross Operating Income	\$ -	\$ -	\$ 22,586	\$ 23,038	\$ 23,498	\$ 23,968	\$ 24,448	\$ 24,937	\$ 25,436	\$ 25,944	\$ 26,463	\$ 26,992	\$ 36,328	\$ 37,055	\$ 37,796	\$ 38,552	\$ 39,323	\$ 40,109
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ -	\$ (2,759)	\$ (2,804)	\$ (2,850)	\$ (2,897)	\$ (2,945)	\$ (2,994)	\$ (3,044)	\$ (3,094)	\$ (3,144)	\$ (3,194)	\$ (3,633)	\$ (3,705)	\$ (3,778)	\$ (3,852)	\$ (3,927)	\$ (4,011)
Net Rental Income, Commercial/Industrial	\$ -	\$ -	\$ 20,327	\$ 20,734	\$ 21,149	\$ 21,572	\$ 22,003	\$ 22,443	\$ 22,892	\$ 23,350	\$ 23,817	\$ 24,291	\$ 32,695	\$ 33,349	\$ 34,016	\$ 34,697	\$ 35,390	\$ 36,098
Other Income																		
Laundry/Ancillary	\$ -	\$ -	\$ 5,500	\$ 5,610	\$ 5,722	\$ 5,837	\$ 5,953	\$ 6,072	\$ 6,194	\$ 6,318	\$ 6,444	\$ 6,573	\$ 8,846	\$ 9,023	\$ 9,204	\$ 9,388	\$ 9,576	\$ 9,767
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ -	\$ (275)	\$ (281)	\$ (286)	\$ (292)	\$ (298)	\$ (304)	\$ (310)	\$ (316)	\$ (322)	\$ (329)	\$ (442)	\$ (451)	\$ (460)	\$ (469)	\$ (479)	\$ (488)
Net Income, Other	\$ -	\$ -	\$ 5,225	\$ 5,330	\$ 5,436	\$ 5,545	\$ 5,656	\$ 5,769	\$ 5,884	\$ 6,002	\$ 6,122	\$ 6,244	\$ 8,404	\$ 8,572	\$ 8,744	\$ 8,918	\$ 9,097	\$ 9,279
Effective Gross Income (EGI)	\$ -	\$ -	\$ 1,133,119	\$ 1,155,782	\$ 1,178,897	\$ 1,202,475	\$ 1,226,525	\$ 1,251,055	\$ 1,276,076	\$ 1,301,598	\$ 1,327,630	\$ 1,354,183	\$ 1,822,551	\$ 1,859,002	\$ 1,896,183	\$ 1,934,106	\$ 1,972,788	\$ 2,012,244
Operating Expenses (enter positive numbers)																		
Accounting & Audit	\$ -	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992
Legal	\$ -	\$ -	\$ 9,900	\$ 10,197	\$ 10,503	\$ 10,818	\$ 11,143	\$ 11,477	\$ 11,821	\$ 12,176	\$ 12,541	\$ 12,917	\$ 20,125	\$ 20,728	\$ 21,350	\$ 21,991	\$ 22,650	\$ 23,330
Benchmarking	\$ -	\$ -	\$ 495	\$ 510	\$ 525	\$ 541	\$ 557	\$ 574	\$ 591	\$ 609	\$ 627	\$ 646	\$ 1,006	\$ 1,036	\$ 1,068	\$ 1,100	\$ 1,133	\$ 1,166
Office Supplies & Equipment	\$ -	\$ -	\$ 2,443	\$ 2,516	\$ 2,592	\$ 2,670	\$ 2,750	\$ 2,832	\$ 2,917	\$ 3,005	\$ 3,095	\$ 3,188	\$ 4,966	\$ 5,115	\$ 5,269	\$ 5,427	\$ 5,589	\$ 5,757
Other Admin.	\$ -	\$ -	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388	\$ 2,460	\$ 2,534	\$ 2,610	\$ 4,066	\$ 4,188	\$ 4,313	\$ 4,443	\$ 4,576	\$ 4,713
Manager	\$ -	\$ -	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,393	\$ 40,575	\$ 41,792	\$ 43,046	\$ 44,337	\$ 45,667	\$ 71,148	\$ 73,282	\$ 75,481	\$ 77,745	\$ 80,077	\$ 82,480
Superintendent	\$ -	\$ -	\$ 70,596	\$ 72,714	\$ 74,895	\$ 77,142	\$ 79,456	\$ 81,840	\$ 84,295	\$ 86,824	\$ 89,429	\$ 92,112	\$ 143,507	\$ 147,812	\$ 152,247	\$ 156,814	\$ 161,519	\$ 166,364
Janitor and Cleaning Supplies	\$ -	\$ -	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219	\$ 8,131	\$ 8,375	\$ 8,626	\$ 8,885	\$ 9,152	\$ 9,426
Exterminating	\$ -	\$ -	\$ 3,840	\$ 3,955	\$ 4,074	\$ 4,196	\$ 4,322	\$ 4,452	\$ 4,585	\$ 4,723	\$ 4,864	\$ 5,010	\$ 7,806	\$ 8,040	\$ 8,281	\$ 8,530	\$ 8,786	\$ 9,049
Garbage and Trash Removal	\$ -	\$ -	\$ 12,100	\$ 12,463	\$ 12,837	\$ 13,222	\$ 13,619	\$ 14,027	\$ 14,448	\$ 14,881	\$ 15,328	\$ 15,788	\$ 24,597	\$ 25,335	\$ 26,095	\$ 26,878	\$ 27,684	\$ 28,514
Ground Expense	\$ -	\$ -	\$ 9,000	\$ 9,270	\$ 9,548	\$ 9,835	\$ 10,130	\$ 10,433	\$ 10,746	\$ 11,069	\$ 11,401	\$ 11,743	\$ 18,295	\$ 18,844	\$ 19,409	\$ 19,992	\$ 20,591	\$ 21,209
Maintenance and Repair Materials	\$ -	\$ -	\$ 11,000	\$ 11,330	\$ 11,670	\$ 12,020	\$ 12,381	\$ 12,752	\$ 13,135	\$ 13,529	\$ 13,934	\$ 14,353	\$ 22,361	\$ 23,032	\$ 23,723	\$ 24,434	\$ 25,167	\$ 25,922
Maintenance and Repair Contracts	\$ -	\$ -	\$ 33,000	\$ 33,990	\$ 35,010	\$ 36,060	\$ 37,142	\$ 38,256	\$ 39,404	\$ 40,586	\$ 41,803	\$ 43,058	\$ 67,082	\$ 69,095	\$ 71,168	\$ 73,303	\$ 75,502	\$ 77,767
Snow Removal	\$ -	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992
Painting/Carpet	\$ -	\$ -	\$ 2,050	\$ 2,112	\$ 2,175	\$ 2,240	\$ 2,307	\$ 2,377	\$ 2,448	\$ 2,521	\$ 2,597	\$ 2,675	\$ 4,167	\$ 4,292	\$ 4,421	\$ 4,554	\$ 4,690	\$ 4,831
Electricity (Common Areas/Site)	\$ -	\$ -	\$ 20,011	\$ 20,611	\$ 21,230	\$ 21,867	\$ 22,523	\$ 23,198	\$ 23,894	\$ 24,611	\$ 25,349	\$ 26,110	\$ 40,678	\$ 41,899	\$ 43,156	\$ 44,450	\$ 45,784	\$ 47,157
Water/Sewer	\$ -	\$ -	\$ 12,232	\$ 12,599	\$ 12,977	\$ 13,366	\$ 13,767	\$ 14,180	\$ 14,606	\$ 15,044	\$ 15,495	\$ 15,960	\$ 24,865	\$ 25,611	\$ 26,379	\$ 27,171	\$ 27,986	\$ 28,826
Broadband Internet	\$ -	\$ -	\$ 14,586	\$ 15,024	\$ 15,474	\$ 15,939	\$ 16,417	\$ 16,909	\$ 17,416	\$ 17,939	\$ 18,477	\$ 19,031	\$ 29,650	\$ 30,540	\$ 31,456	\$ 32,400	\$ 33,372	\$ 34,373
Property and Liability Insurance	\$ -	\$ -	\$ 101,750	\$ 106,329	\$ 111,114	\$ 116,114	\$ 121,339	\$ 126,799	\$ 132,505	\$ 138,468	\$ 144,699	\$ 151,210	\$ 292,634	\$ 305,803	\$ 319,564	\$ 333,944	\$ 348,974	\$ 364,676
Fidelity Bond Insurance	\$ -	\$ -	\$ 792	\$ 828	\$ 865	\$ 904	\$ 944	\$ 987	\$ 1,031	\$ 1,078	\$ 1,126	\$ 1,177	\$ 2,278	\$ 2,380	\$ 2,487	\$ 2,599	\$ 2,716	\$ 2,839
Management Fee	\$ -	\$ -	\$ 66,768	\$ 68,103	\$ 69,465	\$ 70,855	\$ 72,272	\$ 73,717	\$ 75,192	\$ 76,695	\$ 78,229	\$ 79,794	\$ 107,392	\$ 109,540	\$ 111,731	\$ 113,965	\$ 116,245	\$ 118,570
HCR Monitoring Fee	\$ -	\$ -	\$ 6,752	\$ 6,887	\$ 7,025	\$ 7,165	\$ 7,309	\$ 7,455	\$ 7,604	\$ 7,756	\$ 7,911	\$ 8,069	\$ 10,860	\$ 11,077	\$ 11,299	\$ 11,525	\$ 11,755	\$ 11,991
Replacement Reserve	\$ -	\$ -	\$ 13,750	\$ 14,163	\$ 14,587	\$ 15,025	\$ 15,476	\$ 15,940	\$ 16,418	\$ 16,911	\$ 17,418	\$ 17,941	\$ 27,951	\$ 28,789	\$ 29,653	\$ 30,543	\$ 31,459	\$ 32,403
Operating Expenses	\$ -	\$ -	\$ 460,065	\$ 474,670	\$ 489,767	\$ 505,375	\$ 521,512	\$ 538,195	\$ 555,446	\$ 573,285	\$ 591,732	\$ 610,810	\$ 990,484	\$ 1,023,440	\$ 1,057,560	\$ 1,092,887	\$ 1,129,467	\$ 1,167,346
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$ -	\$ -	\$ 673,054	\$ 681,112	\$ 689,130	\$ 697,100	\$ 705,013	\$ 712,860	\$ 720,630	\$ 728,313	\$ 735,898	\$ 743,373	\$ 832,067	\$ 835,563	\$ 838,623	\$ 841,219	\$ 843,322	\$ 844,898
Real Property Taxes (PILOT Payments)	\$ 39,092	\$ 39,874	\$ 108,543	\$ 110,713	\$ 112,928	\$ 115,186	\$ 117,490	\$ 119,840	\$ 122,236	\$ 124,681	\$ 127,175	\$ 129,718	\$ 174,584	\$ 178,075	\$ 181,637	\$ 185,270	\$ 188,975	\$ 192,755
Net Operating Income (NOI) after Taxes	\$ (39,092)	\$ (39,874)	\$ 564,512	\$ 570,399	\$ 576,202	\$ 581,914	\$ 587,523	\$ 593,020	\$ 598,394	\$ 603,632	\$ 608,723	\$ 613,655	\$ 657,484	\$ 657,487	\$ 656,986	\$ 655,950	\$ 654,346	\$ 652,143
Loan or Mortgage (Debt Service)																		
1st Mortgage																		
Interest (Also Included in "Project Information")	\$ 1,743,567	\$ 1,743,567	\$ 452,083	\$ 447,089	\$ 441,747	\$ 436,033	\$ 429,922	\$ 423,385	\$ 416,393	\$ 408,913	\$ 400,914	\$ 392,357	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121
Principal	\$ 21,164,644	\$ 21,164,644	\$ 71,725	\$ 76,719	\$ 82,061	\$ 87,774	\$ 93,886	\$ 100,423	\$ 107,415	\$ 114,894	\$ 122,894	\$ 131,451	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686
2nd Mortgage	\$ -	\$ -	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375
Interest Only	\$ -	\$ -	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375
Debt Service	\$ 22,908,211	\$ 22,908,211	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183
Cash Flow After Financing and Reserve	\$ (22,947,303)	\$ (22,948,085)	\$ 6,329	\$ 12,216	\$ 18,020	\$ 23,731	\$ 29,341	\$ 34,838	\$ 40,211	\$ 45,449	\$ 50,540	\$ 55,472	\$ 99,301	\$ 99,304	\$ 98,803	\$ 97,767	\$ 96,164	\$ 93,961
Debt Service Coverage Ratio (DSCR)																		
Debt Service Coverage Ratio (DSCR)			1.01	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.18	1.18	1.18	1.18	1.17	1.17
Equity Dividend Rate																		
Equity Dividend Rate			0.34%	0.65%	0.96%	1.26%	1.56%	1.85%	2.13%	2.41%	2.68%	2.94%	5.26%	5.27%	5.24%	5.18%	5.10%	4.98%

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 November 29, 2022.
- ◆ Project financing and annual cashflow workbook submitted by the Applicant in April 2022.
- ◆ Real estate tax information and estimates received from the Agency, including anticipated future assessed value of the Project.
- ◆ CoStar
- ◆ RealtyRates.com



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



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

APPENDIX B: DEFINITIONS

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

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

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

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

ABOUT CAMOIN ASSOCIATES

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

THE PROJECT TEAM

Rachel Selsky

Vice President, Project Principal

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR CONSENT TO SUBLEASE

APPLICATION OF: Hawkins Ave Development RHP2, LLC (“Company”)

FOR CONSENT TO SUBLEASE TO

Bethpage Federal Credit Union (“Subtenant”)

FACILITY/PROJECT: Hawkins Ave Development RHP2, LLC 2021 Facility - Ronk Hub Phase 2A

DATE: June 21, 2023

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

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

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

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

Please write or call:

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

(631) 406-4244

I. Company Data

A. Company: Hawkins Ave Development RH2, LLC

Contact: Robert J. Coughlan

Title/Position: Managing Member

Address: c/o Tritec Real Estate Company, Inc., , Stony Brook Technology Center, 45 Research Way, Suite 100, East Setauket, NY 11733

Phone: [REDACTED]

Federal Employer I.D.: [REDACTED]

B. Related User of the Facility:

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

C. Company Counsel

Firm Name: Farrell Fritz, P.C.

Individual Attorney: Peter L. Curry, Esq.

Address: 400 RXR Plaza, Uniondale, NY 11556

Phone: (516) 227-0772

II. Project/Facility Data

A. Location of Project: North Side of Railroad Avenue and East Side of Hawkins Avenue

Address: Railroad Avenue and Hawkins Avenue, Ronkonkoma, NY 11779

S.C. Tax Map: 044.000, 047.001, 048.000,
049.000, 051.001, 052.000,

District 0200 Section 799.00 Block 04.00 Lot 053.000 & 054.000

0200 800.00 2 01.00 027.001

B. Current Occupants, Area Occupied, and Uses

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

III. Proposed Subtenant

A. Name of Subtenant: Bethpage Federal Credit Union
B. Address: 899 South Oyster Bay Road, Bethpage, NY 11714

C. Contact:
Name: Anthony Edelman
Phone: [REDACTED]

D. Affiliates Names and Addresses:

E. Current Location: N/A

F. Subtenant Counsel:
Firm Name: Rivkin Radler LLP
Individual Attorney: Scott Feuer, Esq.
Address: 926 RXR Plaza, Uniondale NY 11556
Phone: (516) 357-3362

G. Will the completion of the project or the subleasing to the Subtenant result in the removal of any facility or facilities of the Applicant from one area of the State to another OR in the abandonment of any facility or facilities of the Applicant located within the State?

YES _____ NO X

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

Current facilities will continue to operate regularly.

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

N/A

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

Name and Address	Percent Owned
<u>N/A</u>	_____
_____	_____
_____	_____

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

i. Ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding?

YES _____ NO _____

1. If yes, please explain

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

YES _____ NO _____

1. If yes, please explain

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

Arm's-length tenant

K. Proposed area of the facility to be occupied by the Subtenant (Sq. Ft.) 1,705

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

Operation of a full service retail financial institution and related activity such as banking, mortgage, lending insurance, security services and ATM service.

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

YES X** NO _____

i. If no, please explain

**With respect to Subtenant, this statement is modified to provide that Subtenant agrees to comply with these _____ items to the extent applicable to Tenant's particular use or occupancy of the Premises (in contrast to retail use in general) _____

IV. Proposed Sublease Agreement Terms

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

Term:	<u>10 years and three months</u>
Commencement Date:	<u>April 1, 2024 or the date Subtenant opens for business, if earlier</u>
Guarantors:	<u>None</u>
Base Rent:	<u>\$72,462.50</u>
Base Rent Increases and Intervals:	<u>3%</u>
Common Area Rent:	<u>\$8.77 per square foot estimated common area costs</u>

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

Description: See attachment 1.

Cost: _____

Source of Payment: Equity and construction loan.

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

Description: Typical fit out for a full service retail financial institution.

Cost: \$650,000 for construction plus an additional \$200,000 for furniture, fixtures and equipment
Source of Payment: Company allowance and Subtenant equity.

D. Fair Market Rent Evaluation

Is rent to be charged Fair Market? YES NO

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

Company retained a Long Island based commercial real estate broker.

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

YES NO

If yes, explain

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

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

How may additional FTEs are to be expected at the Facility regarding this application: 2-3

G. Salary and Fringe Benefits by Subtenant

Jobs To be Created:

	Average Salary	Average Fringe Benefits
Salary Wage Earners	<u>\$97,500</u>	<u>\$31,200</u>
Commission Wage Earners	_____	_____
Hourly Wage Earners	_____	_____
1099/Contract Workers	_____	_____

What is the annualized salary range of jobs to be created?

\$ 85,000 to \$ 110,000

What is the number of construction jobs created as a result of this Subtenant Application? 20-25 (FTEs)

V. Mortgagees

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

YES _____ NO _____

If yes, attach evidence thereof.

COMPANY CERTIFICATION

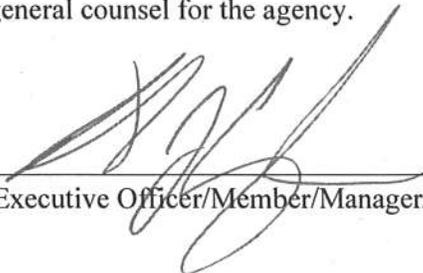
Robert J. Coughlan

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

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

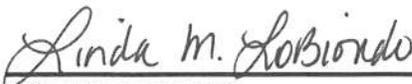
_____ [insert name of Company] is because the said company is a limited liability company [insert type of entity]. The grounds of deponent's belief relative to all matters in the said application which are not stated upon her/his own personal knowledge, are investigations which deponent has caused to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

As an Managing Member [insert position, e.g., officer, member, manager, partner] of said company (hereinafter referred to as the "applicant"), deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this application and all matters relating to the proposed sublease, including the Agency's attorneys' fees, regardless of whether or not the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels, or neglects the application or if the applicant is unable to consummate the sublease for any reason. upon presentation of invoices, applicant shall pay to the agency, its agents or assigns, all costs incurred with respect to the application, including fees to counsel for the agency and fees of general counsel for the agency.



Chief Executive Officer/Member/Manager/Partner of Company

Sworn to before me this
21 day of June 2023



NOTARY PUBLIC

LINDA M. LOBIONDO
NOTARY PUBLIC-STATE OF NEW YORK
No. 01LO6187648
Qualified in Suffolk County
My Commission Expires 05-27-2024

SUBTENANT CERTIFICATION

Anthony Edelman [Insert name of Chief Executive Officer/Manager/Partner of proposed Subtenant] deposes and says that s/he is the Vice President - Support Services [insert title] of Bethpage Federal Credit Union [insert name of Subtenant], the proposed subtenant named in the attached application; that s/he has read the foregoing application and knows the contents thereof; that the same is true to her/his knowledge.

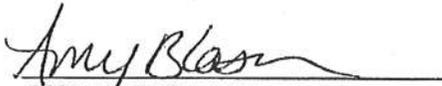
Deponent further says that the reason this verification is being made by the deponent and not by Bethpage Federal Credit Union [insert name of Subtenant] is because the said proposed subtenant is a federal credit union [insert type of entity]. The grounds of deponent's belief relative to all matters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



Anthony J. Edelman, Vice President - Support Services

Chief Executive Officer/Member/Manager/Partner of Subtenant

Sworn to before me this 21st day of JUNE, 2023


NOTARY PUBLIC

AMY BLASER
Notary Public, State of New York
No. 01BL6140116
Qualified in Nassau County
Commission Expires January 17, 2026

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR CONSENT TO SUBLEASE

APPLICATION OF: Hawkins Ave Development RHP2, LLC (“Company”)
FOR CONSENT TO SUBLEASE TO
Great South Bay Brewery Corp. (“Subtenant”)
FACILITY/PROJECT: Hawkins Ave Development RHP2, LLC 2021 Facility - Ronk Hub Phase 2A
DATE: June 21, 2023

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

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

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

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

Please write or call:

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

(631) 406-4244

I. Company Data

A. Company: Hawkins Ave Development RHP2, RH2, LLC

Contact: Robert J. Coughlan

Title/Position: Managing Member

Address: c/o Triosc Real Estate Company, Inc., Stony Brook Technology Center, 45 Research Way, Suite 100, East Setauket, NY 11733

Phone: [REDACTED]

Federal Employer I.D.: [REDACTED]

B. Related User of the Facility:

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

C. Company Counsel

Firm Name: Farrell Fritz, P.C.

Individual Attorney: Peter L. Curry, Esq.

Address: 400 RXR Plaza, Uniondale, NY 11556

Phone: (516) 227-0772

II. Project/Facility Data

A. Location of Project: North Side of Railroad Avenue and East Side of Hawkins Avenue

Address: Railroad Avenue and Hawkins Avenue, Ronkonkoma, NY

S.C. Tax Map: 044.000, 047.001, 048.000, 049.000, 051.001, 052.000, 053.000 and 054.000

District	<u>0200</u>	Section	<u>799.00</u>	Block	<u>04.00</u>	Lot	<u> </u>
	0200		800.00		01.00		027.001

2

B. Current Occupants, Area Occupied, and Uses

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

III. Proposed Subtenant

A. Name of Subtenant: Great South Bay Brewery Corp.

B. Address: 25 Drexel Drive, Bay Shore, NY 11706

C. Contact:

 Name: Brian Davis

 Phone: [REDACTED]

D. Affiliates Names and Addresses: n/a

E. Current Location: N/A

F. Subtenant Counsel:

 Firm Name:

 Individual Attorney: Ivette X Matos, Esq.

 Address: 5 Shore Lane, Bay Shore, NY 11706

 Phone: (631) 248-2772

G. Will the completion of the project or the subleasing to the Subtenant result in the removal of any facility or facilities of the Applicant from one area of the State to another OR in the abandonment of any facility or facilities of the Applicant located within the State?

YES _____ NO X

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

Current facilities will continue to operate regularly.

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

N/A

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

Name and Address	Percent Owned
<u>Douglas Davis 7 Gibb Lane, Islip, NY 11751</u>	<u>3%</u>
<u>Catherine Davis 7 Gibb Lane, Islip, NY 11751</u>	<u>3%</u>
<u>Richard Sobotka 8 Tern Court, Bay Shore, NY 11706</u>	<u>10%</u>
Brian Davis 81 St Marks Lane, Islip, NY 11751	28%
Christopher Davis, 9 Great Cove Lane, Islip, NY 11751	28%
William Davis. 199 East Bayberry Road, Islip, NY 11751	28%

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

i. Ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding?

YES _____ NO X

1. If yes, please explain

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

YES _____ NO X

1. If yes, please explain

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

Arm's-length tenant

K. Proposed area of the facility to be occupied by the Subtenant (Sq. Ft.) 8,428

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

The business of a brewery and food service substantially similar to all of Subtenant's other stores.

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

YES X NO _____

i. If no, please explain

IV. Proposed Sublease Agreement Terms

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

Term: 15 years and four months
Commencement Date: April 1, 2024 or the date Tenant opens for business if earlier
Guarantors: Doug Davis
Base Rent: \$286,552.00
Base Rent Increases and Intervals: 3% annually
Common Area Rent: 8.77 per square foot estimated common area costs

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

Description: See attachment 1.

Cost: _____

Source of Payment: Equity and construction loan.

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

Description: Typical fit up for a brewery and food service store.

Cost: 2M
Source of Payment: Company allowance and Subtenant equity.

D. Fair Market Rent Evaluation

Is rent to be charged Fair Market? YES NO

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

Company retained a Long Island based commercial real estate broker.

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

YES NO

If yes, explain

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

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

How may additional FTEs are to be expected at the Facility regarding this application: 12-15

G. Salary and Fringe Benefits by Subtenant

Jobs To be Created:

	Average Salary	Average Fringe Benefits
Salary Wage Earners	<u>60K</u>	<u>6K-8K</u>
Commission Wage Earners	<u>21K</u>	<u> </u>
Hourly Wage Earners	<u>40K</u>	<u>6K-8K</u>
1099/Contract Workers	<u> </u>	<u> </u>

What is the annualized salary range of jobs to be created?

\$21K to \$80K

What is the number of construction jobs created as a result of this Subtenant Application? 40 (FTEs)

V. Mortgagees

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

YES _____ NO _____

If yes, attach evidence thereof.

COMPANY CERTIFICATION

Robert J. Coughlan

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

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

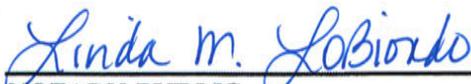
[insert name of Company] is because the said company is a _____ limited liability company [insert type of entity]. The grounds of deponent's belief relative to all matters in the said application which are not stated upon her/his own personal knowledge, are investigations which deponent has caused to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

As an _____ Managing Member [insert position, e.g., officer, member, manager, partner] of said company (hereinafter referred to as the "applicant"), deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this application and all matters relating to the proposed sublease, including the Agency's attorneys' fees, regardless of whether or not the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels, or neglects the application or if the applicant is unable to consummate the sublease for any reason. upon presentation of invoices, applicant shall pay to the agency, its agents or assigns, all costs incurred with respect to the application, including fees to counsel for the agency and fees of general counsel for the agency.



Chief Executive Officer/Member/Manager/Partner of Company

Sworn to before me this
21 day of June 2023



NOTARY PUBLIC

LINDA M. LOBIONDO
NOTARY PUBLIC-STATE OF NEW YORK
No. 01LO6187648
Qualified in Suffolk County
My Commission Expires 05-27-2024

SUBTENANT CERTIFICATION

Brian Davis _____ [Insert name of Chief Executive
Officer/Manager/Partner of proposed Subtenant] deposes and says that s/he is the
Vice President _____ [insert title] of Great South Bay Brewery Corp.

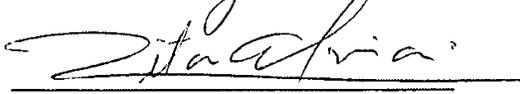
[insert name of Subtenant], the proposed subtenant named in the attached application; that s/he
has read the foregoing application and knows the contents thereof; that the same is true to
her/his knowledge.

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



Chief Executive Officer/Member/Manager/Partner of Subtenant

Sworn to before me this
21 day of June 2023.



NOTARY PUBLIC

42/11/1
46/11/1
NOTARY PUBLIC
COUNTY OF SHERIDAN
STATE OF ALABAMA
COUNTY OF SHERIDAN - STATE OF NEW YORK
NOTARY PUBLIC

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR CONSENT TO SUBLEASE

APPLICATION OF: Hawkins Ave Development RHP2, LLC (“Company”)
FOR CONSENT TO SUBLEASE TO
Vespa Ronkonkoma LLC (“Subtenant”)
FACILITY/PROJECT: Hawkins Ave Development RHP2, LLC 2021 Facility - Ronk Hub 2A
DATE: June 21, 2023

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

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

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

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

Please write or call:

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

(631) 406-4244

I. Company Data

A. Company: RHP2, Hawkins Ave Development RH2, LLC

Contact: Robert J. Coughlan

Title/Position: Managing Member

Address: cto Triac Real Estate Company, Inc., Stony Brook Technology Center, 45 Research Way, Suite 100, East Setauket, NY 11733

Phone: [REDACTED]

Federal Employer I.D.: [REDACTED]

B. Related User of the Facility:

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

C. Company Counsel

Firm Name: Farrell Fritz, P.C.

Individual Attorney: Peter L. Curry, Esq.

Address: 400 RXR Plaza, Uniondale, NY 11556

Phone: (516) 227-0772

II. Project/Facility Data

A. Location of Project: North Side of Railroad Avenue and East Side of Hawkins Avenue

Address: Railroad Avenue and Hawkins Avenue, Ronkonkoma, NY

S.C. Tax Map: 044.000, 047.001, 048.000, 049.000, 051.001, 052.000, 053.000 & 054.000

District 0200 Section 799.00 Block 04.00 Lot 053.000 & 054.000

0200 800.00 ² 01.00 027.001

B. Current Occupants, Area Occupied, and Uses

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

III. Proposed Subtenant

- A. Name of Subtenant: Vespa Ronkonkoma LLC
- B. Address: 323 Violet Street, Massapequa Park, NY 11762
- C. Contact:
- Name: Benedetto LoManto
- Phone: [REDACTED]
- D. Affiliates Names and Addresses: N/A
- E. Current Location: N/A
- F. Subtenant Counsel:
- Firm Name: Schwartz Ettenger, PLLC
- Individual Attorney: Ron Rolleri, Esq.
- Address: 445 Broad Hollow Road, Suite 205, Melville, NY 11747
- Phone: (631) 777-2401

G. Will the completion of the project or the subleasing to the Subtenant result in the removal of any facility or facilities of the Applicant from one area of the State to another OR in the abandonment of any facility or facilities of the Applicant located within the State?

YES _____ NO X

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

Current facilities will continue to operate regularly.

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

N/A

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

Name and Address	Percent Owned
<u>LoManto Restaurant Group LLC, 323 Violet Street, Massapequa Park, NY 11762</u>	<u>80</u>
<u>Another LLC to be determined</u>	<u>20</u>
_____	_____

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

i. Ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding?

YES _____ NO X

1. If yes, please explain

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

YES _____ NO X

1. If yes, please explain

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

Arm's-length tenant

K. Proposed area of the facility to be occupied by the Subtenant (Sq. Ft.) 5,940

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

Business of an Italian restaurant and bar substantially similar to the "Vespa" Italian restaurants
currently owned and operated by Subtenant.

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

YES X NO _____

i. If no, please explain

IV. Proposed Sublease Agreement Terms

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

Term:	<u>20 years and 6 months</u>
Commencement Date:	<u>April 1, 2024 or the date Subtenant opens for business if earlier</u>
Guarantors:	<u>Benedetto LoManto</u>
Base Rent:	<u>\$230,143.20</u>
Base Rent Increases and Intervals:	<u>3%</u>
Common Area Rent:	<u>\$8.77 per square foot estimated common area costs</u>

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

Description: See attachment 1.

Cost: _____

Source of Payment: Equity and construction loan.

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

Description: Typical fit up for a "Vespa" Italian restaurant and bar.

Cost:

Source of Payment: Company allowance and Subtenant equity.

D. Fair Market Rent Evaluation

Is rent to be charged Fair Market? YES NO

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

Company retained Long Island based commercial real estate broker.

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

YES NO

If yes, explain

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

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

How may additional FTEs are to be expected at the Facility regarding this application: 20

G. Salary and Fringe Benefits by Subtenant

Jobs To be Created:

	Average Salary	Average Fringe Benefits
Salary Wage Earners	<u>60,000</u>	<u>12,000</u>
Commission Wage Earners	<u>0</u>	<u>0</u>
Hourly Wage Earners	<u>\$15/hr</u>	<u>0</u>
1099/Contract Workers	<u>0</u>	<u>0</u>

What is the annualized salary range of jobs to be created?

\$ 48,000 to \$ 85,000

What is the number of construction jobs created as a result of this Subtenant Application? ⁸ _____ (FTEs)

V. Mortgagees

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

YES _____ NO _____

If yes, attach evidence thereof.

COMPANY CERTIFICATION

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

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

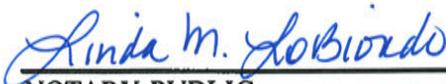
[*insert name of Company*] is because the said company is a limited liability company [*insert type of entity*]. The grounds of deponent's belief relative to all matters in the said application which are not stated upon her/his own personal knowledge, are investigations which deponent has caused to be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

As an Managing Member [*insert position, e.g., officer, member, manager, partner*] of said company (hereinafter referred to as the "applicant"), deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this application and all matters relating to the proposed sublease, including the Agency's attorneys' fees, regardless of whether or not the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels, or neglects the application or if the applicant is unable to consummate the sublease for any reason. upon presentation of invoices, applicant shall pay to the agency, its agents or assigns, all costs incurred with respect to the application, including fees to counsel for the agency and fees of general counsel for the agency.



Chief Executive Officer/Member/Manager/Partner of Company

Sworn to before me this
21 day of June 2023



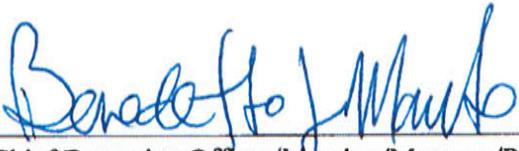
NOTARY PUBLIC

LINDA M. LOBIONDO
NOTARY PUBLIC-STATE OF NEW YORK
No. 01LO6187648
Qualified in Suffolk County
My Commission Expires 05-27-2024

SUBTENANT CERTIFICATION

Benedetto LoManto *[Insert name of Chief Executive Officer/Manager/Partner of proposed Subtenant]* deposes and says that s/he is the Chief Executive Officer *[insert title]* of Vespa Ronkonkoma LLC *[insert name of Subtenant]*, the proposed subtenant named in the attached application; that s/he has read the foregoing application and knows the contents thereof; that the same is true to her/his knowledge.

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



Chief Executive Officer/Member/Manager/Partner of Subtenant

Sworn to before me this
21st day of June, 2023


NOTARY PUBLIC

RONALD J. ROLLER
Notary Public, State of New York
No. 02RO6135670
Qualified in Nassau County
Term Expires 11/30/25
S. P. R. K.