

Town of Brookhaven

Industrial Development Agency

Meeting Agenda

Wednesday, August 21, 2024 at 9:05 AM

1. Roll Call
2. Minutes
 - a. July 17, 2024
3. CFO'S Report
 - a. Actual vs. Budget Report – July 31, 2024
Timely Payments
Insurance
Budget
4. Applications
 - a. Port Jefferson Commons, LLC – Updated Application
 - b. Hawkins Ave. Development RHP2 Subtenant – Lucharito's Station Yards, Inc.
 - c. Hawkins Ave. Development RHP2 Subtenant – Toast Coffee Seven, LLC
 - d. Hawkins Ave. Development RHP2 Subtenant – Noble Experiment, LLC DBA Artemis
5. Resolutions
 - a. United Meat Products, Inc.
Hawkins Ave. Development RHP2 Subtenant – Lucharito's Station Yards, Inc.
Hawkins Ave. Development RHP2 Subtenant – Toast Coffee Seven, LLC
Hawkins Ave. Development RHP2 Subtenant – Noble Experiment, LLC DBA Artemis
6. CEO's Report
 - a. Scalamander Cove Request
Office Artwork
Breakfast Event
CDLI Luncheon
7. Executive Session

The next IDA meeting is scheduled for Wednesday, September 18, 2024.

Town of Brookhaven

Industrial Development Agency

July 17, 2024

Meeting Minutes

Members Present: Frederick C. Braun, III
Felix J. Grucci, Jr. (via Zoom)
Mitchell H. Pally
John Rose
Ann-Marie Scheidt
Frank C. Trotta

Excused Member: Martin Callahan

Also Present: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
Amy Illardo, Director of Marketing
Jocelyn Linse, Executive Assistant
Micah Avery, Intern
Annette Eaderesto, IDA Counsel
Barry Carrigan, Nixon Peabody, LLP
Howard Gross, Weinberg, Gross & Pergament (via Zoom)
Andrew Komoromi, Harris Beach, PLLC
John Gordon, Forchelli Deegan Terrana
Dan Deegan, Forchelli Deegan Terrana
Peter Florey, D & F Development

Chairman Braun opened the IDA meeting at 9:47 A.M. on Wednesday, July 17, 2024, in the Agency's Office on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

At 9:48 A.M., Mr. Grucci made a motion to enter executive session to discuss proposed, pending or current litigation. The motion was seconded by Ms. Scheidt and unanimously approved.

At 10:34 A.M., Mr. Trotta made a motion to resume the regular agenda. The motion was seconded by Ms. Scheidt and all voted in favor. No action was taken in executive session.

D & F Alegria South – Application

This application is for a 96-unit 100% affordable housing development on 5.7 acres on Montauk Highway in North Bellport. The affordable rates are at 30, 50, 60 and 65% of the area median income. The units will consist of 48 one-bedroom units and 47 three-bedroom units and one unit set aside for a building superintendent. Two full-time equivalent positions are expected to be created with a salary range of \$31,000 to \$38,000. This approximately 106,000 square foot project is expected to cost \$70 million to complete. A sewage treatment plant will be constructed and excess gallonage will be available for other uses. Bethpage Federal Credit Union will have a branch onsite to assist with the lack of banking access in the area. Exemptions from mortgage recording tax, sales tax, and a 30-year shelter rent PILOT have been requested.

Mr. Florey and Mr. Deegan gave a brief presentation to the Board. This project will be funded through a combination of state, federal and county tax credits.

The motion to accept the application was made by Ms. Scheidt and seconded by Mr. Rose. All voted in favor.

Meeting Minutes of July 17, 2024

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

CFO's Report

Ms. LaPonte presented the Operating vs. Budget Report for the period ending June 30, 2024. There were three closings in June as well as document processing and application fees received. The Agency vehicle has been sold at a net profit of \$9,000. Earnings are up and expenses are in line with the budget.

All PILOT payments have been received and have been disbursed within the required 30-day deadline. All payroll taxes and related withholdings have been paid timely in accordance with Federal and State guidelines. All regulatory reports have been filed in a timely fashion.

The motion to accept the CFO's Report was made by Mr. Trotta and seconded by Ms. Scheidt. All voted in favor.

Shoreham Solar Commons – Application & Resolution

Brookfield Renewable is seeking an assignment and assumption of this 150-acre solar farm on Cooper Street in Shoreham. Brookfield Renewable purchased the renewable division from Duke Energy. There are 13 years left remaining of the 20-year PILOT.

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

Holtsville Energy Storage, LLC – Updated Application & Resolution

The cost benefit analysis, PILOT and an updated application were included in the meeting packets. Project costs have increased by \$47 million to just under \$208 million and membership interest in this project may be sold to East Point Energy, LLC. This 110-megawatt battery energy storage system is proposed to be constructed on the South Service Road of the Long Island Expressway west of Morris Avenue in Holtsville. Exemptions from sales tax, mortgage recording tax and a 25-year PILOT have been requested. A public hearing was held yesterday; there was participation and comments received at yesterday's public hearing as well as written comments provided prior to the hearing.

The motion to accept the updated application and approve the final authorizing resolution was made by Ms. Scheidt and seconded by Mr. Pally. All voted in favor.

Agilitas Manorville 2, LLC – Resolution

This solar array and battery energy storage system project to be located at the compost facility in Manorville is requesting an extension on the acceptance of their final authorizing resolution until December 31, 2025.

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

AE-ESS Cassel, LLC/CVI AGL TE HoldCo II, LLC – Resolution

A request was received to transfer ownership of this 2-megawatt battery energy storage system project on North Ocean Avenue to CVI AGL HoldCo II, LLC to secure tax equity financing.

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

United Meat Products, Inc. – Resolution

This matter will be deferred until the August meeting.

Resolution #14 – Appointment of Website Design & Maintenance Consultant

The IDA contracted with Cybernet, LLC in 2016 to maintain the IDA website. The cost has been \$500 every month, they are currently upgrading their servers and the cost will now be \$550 per month.

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

CEO's Report

On the Common at Rocky Point, LLC

The Agency has been working with this project to be more affordable as was the original understanding.

Mr. Trotta made a motion to terminate this project. The motion was seconded by Ms. Scheidt and all voted in favor.

Job Creation Numbers

There were about 10 projects that did not meet their job creation requirements. All will be sent a letter seeking further information.

The motion to close the IDA meeting at 11:03 A.M. was made by Mr. Trotta, seconded by Ms. Scheidt and unanimously approved.

The next IDA meeting is scheduled for August 21, 2024 at 9:00 A.M.

DRAFT

July 1, 2024

Town of Brookhaven Industrial Development Agency
Brookhaven Town Hall
1 Independence Hill
Farmingville, New York 11738
Attn: Board Members

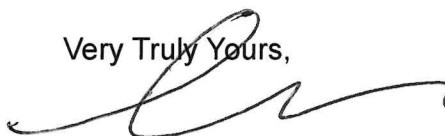
Re: The 2019 United Meat Products Inc. Facility and Bellport Fortune, LLC

Dear Board Members:

This letter shall serve as the undersigned's formal request for relief to extend certain time periods: (i) to complete the acquisition, renovation and equipping of the 2019 United Meat Products Inc. Facility, (ii) to create, maintain, and fulfill obligations related to the hiring of employees at said facility, and (iii) in certain agreements entered into with respect to said facility.

Thank you, in advance, for your consideration on this matter.

Very Truly Yours,

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

Richard Lin

United Meat Products, Inc. and Bellport Fortune, LLC

c.c. Matthew C. Lamstein, Esq.

July 2, 2024

VIA FIRST CLASS MAIL

Brookhaven Industrial Development Agency
1 Independence Hill
2nd Floor
Farmingville, New York 11738

Re: 50 Sawgrass Drive, Bellport, New York

Dear Sir/Madam:

We are writing to you on behalf of our companies, United Meat Products Inc. and Bellport Fortune LLC. We entered into a Lease and Project Agreement dated as of January 1, 2019 with the Brookhaven Industrial Development Agency (the "IDA"). Because of reasons that were completely out of our control including COVID, construction and equipment purchase issues and the impact it all had on our production of our specialty food items, faced delay after delay. However, the construction at the property is finally completed, we are in the process of obtaining the approvals that are required for our specialty food products and we truly believe we are back on track for what should be the successful business venture we had always planned for.

First, a little background on what we had to face starting with the construction of the property. The initial renovation was to begin in late 2019/early 2020. Although it commenced fairly quickly, almost immediately we were faced with material, equipment and labor delays. By way of example, a critical component to our building renovation was the purchase and installation of fire protection equipment specific for our type of production. Unfortunately, almost as soon as COVID occurred, the one factory in the United States where this equipment was manufactured closed down and we were forced to look not only elsewhere, but outside the United States for its purchase. This resulted in significant delays in our construction. In fact, it was not until this past February that we received final approval for all that was constructed and installed at the property.

As, if not more important, the substantial delays on the construction side severely impacted us on our product approval and manufacturing. A number of the specialty food products we intended on making at this location required approval of the USDA. We could not formally request approval until we knew we would be in a position to produce such specialty food products at the property. Formal submission for these USDA approvals, through by the way an expeditor who specializes in this area, commenced earlier this year (when it appeared the construction and the approvals were forthcoming). The expectation is that we will have the necessary USDA approvals and be able to move into

Brookhaven Industrial Development Agency
July 2, 2024
Page 2

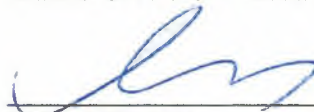
full production mode within 4-6 weeks. In light of this now positive news, we now have several employees working at the property and expect to add several more employees, with increased production, over the next 6 to 12 months.

We hope this background summary gives the IDA some sense of what we have had to face. We are very optimistic that we have finally turned the corner and will be able to make this a successful business venture. Given all of the above, this letter is to formally request a modification of the current IDA documentation to keep the incentive terms as they currently are, but to extend the term (not the benefits) to enable us to make up for the lost time and ensure compliance going forward.

We look forward to hearing from you with what will hopefully be a positive response to this request. Should there be any questions or should any members of the IDA wish to discuss this further, please do not hesitate to contact us.

Very truly yours,

UNITED MEAT PRODUCTS INC. and
BELLPORT FORTUNE LLC



RICHARD LIN

Cc: Howard Gross, Esq.
Matthew C. Lamstein, Esq.

SAMUEL I. GLASS

ATTORNEY-AT-LAW

249-12 JERICHO TURNPIKE SUITE 230

FLORAL PARK NY 11001-4020

PHONE: (516) 481-7617

CELLULAR: (516) 236-9595

FACSIMILE: (516) 481-0477

E-MAIL: sam@samglasslaw.com

July 13, 2024

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

Sent by email to LMulligan@Brookhavenida.org

Attn: Lisa M.G. Mulligan, CEO

Dear Ms. Mulligan:

As you are aware, I am the managing member of Scalamander Cove, LLC (“Scalamander”). I am requesting that the Town of Brookhaven Industrial Development Agency (“Agency”) grant us an additional six (6) months extension to close for the reasons set forth below, until February 27, 2025.

On February 27, 2024, the Agency issued an authorizing resolution approving certain financial assistance for Scalamander’s proposed 96-unit residential rental development project at Middle Country Road in Middle Island (the “Project”).

The Agency has a policy requiring an extension of the closing date if the closing for the financial assistance from the Agency has not occurred within six (6) months of the authorizing resolution.

For us to tap into the existing sewer treatment plant (“STP”) required for the Project, we have to pay the holder of the STP. The terms are still being negotiated. We did not resolve this earlier because we wanted to be certain that we could move ahead and start construction before executing an agreement.

We are pursuing site plan approval and have received a request for additional information from the Town’s engineer relating to the Storm Water Pollution Prevention Plan. We are currently putting together a response.

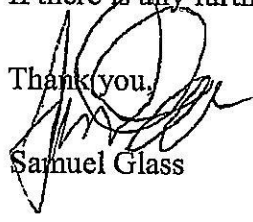
NYS Department of Environmental Conservation has approved the standby bond and our application for a permit. We expect to receive the permit within the next month.

The only other item is financing of the Project. As you are aware, presently the interest rate for construction financing is quite high and we hope that it will be reduced substantially within the next six months.

We therefore request an extension to close with the Agency on the financial assistance until February 27, 2025.

If there is any further information you require, please contact me at your convenience.

Thank you,



Samuel Glass

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR CONSENT TO SUBLEASE

APPLICATION OF: Hawkins Ave Development RHP2, LLC (“Company”)
FOR CONSENT TO SUBLEASE TO
Lucharitos Station Yards Inc. (“Subtenant”)
FACILITY/PROJECT: Hawkins Ave Development RHP2, LLC 2021 Facility - Ronk Hub
DATE: July 12, 2024

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

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

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

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

Please write or call:

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

(631) 406-4244

I. Company Data

A. Company: Hawkins Ave Development RHP2, LLC
Contact: Robert J. Coughlan
Title/Position: Managing Member
Address: 9 Hawkins Avenue, Suite 3500/5th Floor, Ronkonkoma, NY 11921
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 & East Side of Hawkins Avenue
Address: Railroad Avenue & Hawkins Avenue, Ronkonkoma, NY 11921
S.C. Tax Map:
District 0200 Section 799.00 Block 04.00 Lot 054.001

B. Current Occupants, Area Occupied, and Uses

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


III. Proposed Subtenant

A. Name of Subtenant: Lucharitos

B. Address: 8 Mystic Court, Riverhead NY, 11901

C. Contact:

Name: Marc LaMaina

Phone: 

D. Affiliates Names and Addresses: n/a

E. Current Location: 7 Hawkins Ave, Ronkonkoma

F. Subtenant Counsel:

Firm Name: Law offices of James J. Symancyk, P.C.

Individual Attorney: James Symancyk

Address: 20 W. Main Street, Suite 204. Riverhead NY 11901

Phone: 631 201-0084

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

YES _____ NO X

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

Current facilities will continue to operate regularly

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

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

Name and Address	Percent Owned
Marc LaMaina 8 Mystic Court, Riverhead NY 11901	100
_____	_____
_____	_____
_____	_____

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.) 1500

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

full service restaurant

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:	12 Yrs + 4 Months
Commencement Date:	May 1, 2024
Guarantors:	Marc LaMaina
Base Rent:	\$4,625.00
Base Rent Increases and Intervals:	3% Annually
Common Area Rent:	\$1,096.25 / \$28.75

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

Description: See attached

Cost: _____

Source of Payment: Equity and construction loan

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

Description: full restaurant and bar build out. exhaust and HVAC system

Cost: 850,000
Source of Payment: personel investment

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: 0

How may additional FTEs are to be expected at the Facility regarding this application: 22

G. Salary and Fringe Benefits by Subtenant

Jobs To be Created:

	Average Salary	Average Fringe Benefits
Salary Wage Earners	80,000	15,000
Commission Wage Earners		
Hourly Wage Earners	\$20	5000
1099/Contract Workers		

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

\$ 55,000 to \$ 140,000

What is the number of construction jobs created as a result of this Subtenant Application? ³⁰ _____ (FTEs)

V. Mortgagees

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

YES _____ NO X

If yes, attach evidence thereof.

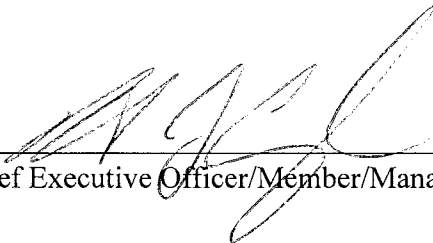
COMPANY CERTIFICATION

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

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

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

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



Chief Executive Officer/Member/Manager/Partner of Company

Sworn to before me this 26 day of June 2024

Linda M. Lobiondo

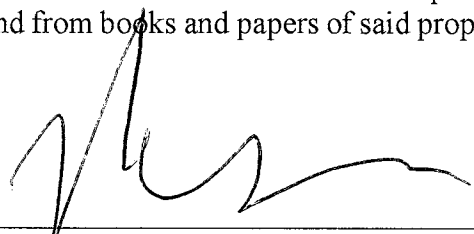
NOTARY PUBLIC

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

SUBTENANT CERTIFICATION

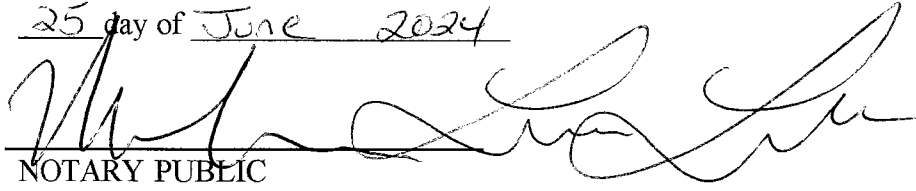
Marc LaMaina [Insert name of Chief Executive Officer/Manager/Partner of proposed Subtenant] deposes and says that s/h e is the Owner [insert title] of Lucharitos Station Yards Inc. [insert name of Subtenant], the proposed subtenant named in the attached application; that s/he has read the foregoing application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

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



Marc LaMaina
Chief Executive Officer/Member/Manager/Partner of Subtenant

Sworn to before me this 25 day of June 2024



NOTARY PUBLIC

LINDA LOMBARDI
Notary Public, State of New York
No. 01L06184443
Qualified in Suffolk County
Commission Expires April 07, 2028

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR CONSENT TO SUBLEASE

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

FOR CONSENT TO SUBLEASE TO
Toast Coffee Seven LLC (“Subtenant”)

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

DATE: July 12, 2024

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

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

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

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

Please write or call:

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

(631) 406-4244

I. Company Data

A. Company: Hawkins Ave Development RH2, LLC
 Contact: Robert J. Coughlan
 Title/Position: Managing Member
 Address: do Title 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
N/A	

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, 053.000 & 054.000
 District 0200 Section 799.00 Block 04.00 Lot 027.001
 0200 800.00 2 01.00

B. Current Occupants, Area Occupied, and Uses

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

III. Proposed Subtenant

A. Name of Subtenant: Toast Coffee Seven LLC
B. Address: 46 E. Main Street, Patchogue, NY 11722
C. Contact:

Name: Terence Scarletos
Phone: [REDACTED]

D. Affiliates Names and Addresses: TOAST Coffee + Kitchen Patchogue, Bay Shore Long Beach Port Jeff
E. Current Location: 46 E. main ST, Patchogue, NY 11722

F. Subtenant Counsel:
Firm Name: N/A
Individual Attorney: Raymond Negron, Esq.
Address: 234 North Country Road, Mount Sinai, NY 11766
Phone: 631-379-0387

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>Terence Scurlatos</u>	<u>100%</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.) 5,004

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

Operation of a restaurant serving early morning coffee, breakfast and brunch and extending into cocktails and small plates during the evening hours.

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>15 years and 1 month</u>
Commencement Date:	<u>October 10, 2023</u>
Guarantors:	<u>Terence Scarlatos</u>
Base Rent:	<u>\$185,148.00</u>
Base Rent Increases and Intervals:	<u>3% per annum</u>
Common Area Rent:	<u>approximately \$8.77 per sq. foot</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 "Toast Coffee + Kitchen".

Cost: _____

Source of Payment: Company allowance and Subtenant equity.

D. Fair Market Rent Evaluation

Is rent to be charged Fair Market? YES X NO _____

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

Company retained Long Island based commercial real estate broker.

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

YES X NO _____

If yes, explain

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

F. How many Full-Time Equivalent Employees (FTEs) are there presently at the subtenant's current location: 140

How many additional FTEs are to be expected at the Facility regarding this application: 45

G. Salary and Fringe Benefits by Subtenant

Jobs To be Created:

	Average Salary	Average Fringe Benefits
Salary Wage Earners	280K	<u>medical, dental, PTO</u>
Commission Wage Earners	_____	_____
Hourly Wage Earners	<u>645K</u>	<u>medical, dental, PTO</u>
1099/Contract Workers	_____	_____

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

\$ 45,000 to \$ 100,000K

What is the number of construction jobs created as a result of this Subtenant

Application? 30 (FTEs)

V. Mortgagees

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

YES _____ NO X

If yes, attach evidence thereof.

COMPANY CERTIFICATION

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

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

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

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



Chief Executive Officer/Member/Manager/Partner of Company

Sworn to before me this
12 day of July 2024

Linda M. Lobiondo
NOTARY PUBLIC

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

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR CONSENT TO SUBLEASE

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

FOR CONSENT TO SUBLEASE TO
Noble Experiment LLC DBA Artemis (“Subtenant”)

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

DATE: June 26th 2024

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

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

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

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

Please write or call:

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

(631) 406-4244

I. Company Data

A. Company: Hawkins Ave Development RHP2, LLC
Contact: Robert J. Coughlan
Title/Position: Managing Member
Address: 9 Hawkins Avenue, Suite 3500/5th Floor, Ronkonkoma NY 11779
Phone: [REDACTED]
Federal Employer I.D.: [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 & East Side of Hawkins Avenue
Address: Railroad Avenue & Hawkins Avenue, Ronkonkoma, NY 11779
S.C. Tax Map:
District 0200 Section 799.00 Block 04.00 Lot 054.001

B. Current Occupants, Area Occupied, and Uses

Current Occupant	Area Occupied (Sq. Ft.)	Use	Current # of FTEs
<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: Noble Experiement LLC DBA Artemis

B. Address: 519 Lombardy Blvd Brightwaters, NY 11718

C. Contact:

 Name: Edward Fabian

 Phone: [REDACTED]

D. Affiliates Names and Addresses: N/A

E. Current Location: N/A

F. Subtenant Counsel:

 Firm Name: Rimon PC

 Individual Attorney: Anthony Acampora

 Address: 100 Jericho Quadrangle, Suite 300 Jericho, NY 11753

 Phone: 516 479 6330

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

YES _____ NO X

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

Current facilities will continue to operate regularly

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

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

Name and Address	Percent Owned
<u>Edward Fabian 116 Randall Avenue Port Jefferson NY 11777</u>	<u>50</u>
<u>Brendan Mooney 519 Lombardy Blvd Brightwaters, NY 11718</u>	<u>50</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.) **2,081**

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

Bar/Speakeasy

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: 16 Years
Commencement Date: March 19, 2024
Guarantors: Edward Fabian
Base Rent: \$56,187.00
Base Rent Increases and Intervals: 3% Annually
Common Area Rent: approximately \$8.77 per square foot

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

Description: See attached

Cost: _____

Source of Payment: Equity and construction loan

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

Description: Full Build Out

Cost: 800,000
Source of Payment: Self Financed

D. Fair Market Rent Evaluation

Is rent to be charged Fair Market? YES X NO _____

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

Company retained Long Island based commercial real estate broker

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

YES X NO _____

If yes, explain

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

F. How many Full-Time Equivalent Employees (FTEs) are there presently at the subtenant's current location: 0 - Not yet open

How many additional FTEs are to be expected at the Facility regarding this application: 3 FTE & 8 Hourly Employees

G. Salary and Fringe Benefits by Subtenant

Jobs To be Created:

	Average Salary	Average Fringe Benefits
Salary Wage Earners	<u>65000</u>	<u>5000</u>
Commission Wage Earners	<u> </u>	<u> </u>
Hourly Wage Earners	<u>30000 + tips</u>	<u>1000</u>
1099/Contract Workers	<u> </u>	<u> </u>

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

\$ 40000 to \$ 70000

What is the number of construction jobs created as a result of this Subtenant

Application? 10 - based on sub contractors working on the project (FTEs)

V. Mortgagees

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

YES NO X

If yes, attach evidence thereof.

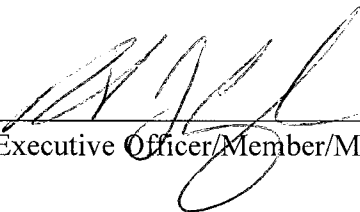
COMPANY CERTIFICATION

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

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

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

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



Chief Executive Officer/Member/Manager/Partner of Company

Sworn to before me this 26 day of June 2024

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



NOTARY PUBLIC

SUBTENANT CERTIFICATION

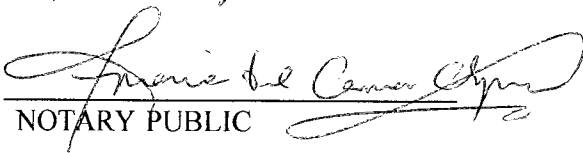
EDUARDO FARIAN [Insert name of Chief Executive Officer/Manager/Partner of proposed Subtenant] deposes and says that s/he is the MANAGING MEMBER [insert title] of NOBLE EXPERIMENT LLC [insert name of Subtenant], the proposed subtenant named in the attached application; that s/he has read the foregoing 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 NOBLE EXPERIMENT 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
26 day of June 2024


NOTARY PUBLIC

MARIA DEL CARMEN CHIPANA
Notary Public - State of New York
No. 01CH0016688
Qualified in Suffolk County
My Commission Expires Nov. 20, 2027

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Industrial vacancy rates tick higher as Q2 leasing activity slows



JLL is currently leasing the newly built 178,134-square-foot Bristol Logistics Center at 49 Mall Drive in Commack. / Courtesy of JLL

Industrial vacancy rates tick higher as Q2 leasing activity slows

David Winzelberg // July 22, 2024 //

The white-hot Long Island industrial real estate market of the last couple of years cooled somewhat in the first half of 2024, as it tries to digest millions of square feet of newly built space.

There's a lot to fill. Since 2022, more than 3.7 million square feet of Class A warehouse and distribution developments have been built here, which is more industrial product to come online than was delivered in the previous 10 years combined, according to a new report from JLL.

Fueled by the new developments, industrial leasing activity was strong throughout the last two years, with each quarter of 2022 and 2023 averaging more than 207,000 square feet of Class A leasing. However, this year, Class A leasing dropped to an average of 116,000 square feet per quarter, down more than 44 percent from the previous two-year quarterly average.

Due to the space increase and the tepid pace of leasing, the total industrial vacancy rate on Long Island crept up to 4.8 percent in the second quarter, according to the report. By comparison, the industrial vacancy rate was just 3.4 percent in Q2 2023, and the five-year average vacancy rate was 3.6 percent.

The JLL report attributes the drop-off in leasing to a few factors, including that "pent-up demand has already transacted; logistics space leasing has dropped nationwide; and macroeconomic headwinds have made occupiers more selective in capital expenditure, especially in high-cost markets."

Rents, which have risen steadily for industrial properties over the last few years, are still rising, just not as quickly as they were. The average asking rent for Long Island industrial properties in the second quarter was \$18.62 per square foot. For last year's Q2, the average asking rent was \$17.74.



Doug Omstrom

The good news is that there is a little more than 750,000 square feet of new industrial development currently under construction here, which JLL reports is the least amount since the first quarter of 2021. And so far, there has been no new construction started this year.

Doug Omstrom, executive vice president for Northeast Industrial Region at JLL, pointed out that slowdowns are normal for the summer, though after the flurry of activity in recent summers, this year seemed slower by comparison.

“Typically, we’ve always had these normal summer slowdowns. But the last couple of years after COVID, the summers have been extraordinarily busy. So this year it kind of went back to normal,” Omstrom told LIBN. “Plus, you’ve got an election year, with certain groups holding off until after the election.”

Despite the weaker Q2 numbers, Omstrom remains optimistic about the industrial market moving forward.

“It seems like in the last two weeks or so, we started getting the calls back, with tenants going out and looking for space, which is good. Definitely the activity has picked up in the last 10 days,” he said. “We have deals coming at most of our properties right now, which is all positive. Though the last six months have been slow, it seems like we’ve turned the corner.”

Related Content

BROOKHAVEN TOWN

Project's plan, zone changed

Shirley skating rink, distribution center clears hurdle

BY CARL MACGOWAN
carl.macgowan@newsday.com

A planned Shirley ice skating rink and distribution center at the former Dowling College aviation school cleared its first regulatory hurdle last week after the Brookhaven Town Board approved a zoning change and developers agreed to modify the plan.

Small delivery trucks for so-called "last mile" deliveries will be barred from the distribution center to address concerns about traffic in the surrounding neighborhood, Supervisor Dan Panico said Thursday before the town board voted 6-0 to reclassify the William Floyd Parkway property from residential to industrial. The change permits construction of the distribution center and the rink at the 105-acre site.

Previously, New Jersey-based



The ice skating rink would be built at the site of shuttered Dowling College aviation school in Shirley.

developer Hampshire Ventures and property owner Triple Five Aviation Industries LLC agreed to close an entrance to the property from Flower Hill Drive East to address concerns about truck traffic using that road, officials said, adding all traffic will have to use an exit and entrance on William Floyd Parkway.

"Part of the evolution [toward the town's rezoning approval] is truly listening to the community we represent," Panico said Thursday. "Keeping Flower Hill closed . . . was a big point."

Hampshire Ventures plans to build and operate three

warehouses totaling 596,000 square feet of floor space. Warehouse tenants have not been announced.

The company also would build the rink and refurbish Dowling's former baseball and football fields at the site, and donate them to the town, officials have said.

The aviation school, which also included Dowling's athletics complex, closed in 2016 when the Oakdale-based college declared bankruptcy and shut its doors amid soaring debt and declining enrollment.

Supporters of the Hampshire

Ventures plan have said the rink and ballfields would fill a need for athletic facilities in southeast Brookhaven.

But town officials and some residents had questioned whether a large distribution center was needed, noting the growing presence of warehouses throughout Brookhaven. A 2022 report commissioned by the Brookhaven Town Industrial Development Agency warned that a glut of warehouse space could lead to widespread vacancies.

A Shirley civic leader, Raymond Keenan, said he was pleased that neighbors' traffic

concerns had been addressed.

"I haven't heard any complaints," said Keenan, president of the Manor Park Civic Association. "I don't see any issues with it."

Councilwoman Karen Dunne Kesnig, who represents Shirley, said the project is "wonderful. I can't wait to see it all happen."

Hampshire Ventures previously agreed to pay Brookhaven a \$2.24 million land use fee for future open space land purchases elsewhere in Brookhaven, officials have said.

The developer plans to buy the site for an undisclosed sum from Triple Five Aviation, officials have said. Hampshire Ventures must receive town board approval of a site plan before construction can start.

Christopher E. Kent, a Hauppauge lawyer for Triple Five who also speaks on behalf of Hampshire Ventures, said his clients were "very excited" about the zoning change. He said engineers from Herndon, Virginia-based Bohler Engineering are preparing site plan proposals that will take several months to complete.

PORT WASHINGTON NORTH

Village to build \$2.4M accessible playground where all can 'join in'

BY JOSHUA NEEDELMAN
joshua.needelman@newsday.com

The Village of Port Washington North received \$1 million in state funding to build a new accessible playground for children with disabilities and autism, allowing the village to move forward with the project in 2025, officials said.

Mayor Robert Weitzner said he hopes for construction to begin on the park by the middle of next year. The playground will be built on a 4.75-acre parcel near Channel Drive and span three-quarters of an acre. The village purchased the land in 2022 for \$2.3 million.

The total cost of the project is about \$2.4 million, with the rest of the funding coming from the state, village and Nassau County, officials said.

The planned playground will include equipment that is compliant with the Americans with Disabilities Act. There will be



Village Mayor Robert Weitzner stands on site of planned inclusive playground. He said he hopes for construction to start by mid-2025.

musical playground equipment, swings and stations — all built with sensory features. The playground will feature a "quiet grove," a small structure equipped with fidget spinners meant to provide refuge for

children experiencing overstimulation.

Some equipment will have steps and ramps next to each other, Weitzner said.

"The idea of an inclusive playground is something that I've

thought about for the last 15 to 20 years," Weitzner said. "I always felt that if I could ever build one, that I'd want to get the community involved, and ensure that it's a playground that was so enticing to kids without disabilities, that they'd want to play with kids with them."

Disability advocates have long called for accessibility upgrades to municipal parks.

The movement toward accessible playgrounds is sorely needed, said Emily Ladau, a disability advocate and editor of Able Newspaper, which is run by the Albertson-based Viscardi Center, a nonprofit that serves Long Islanders with disabilities.

"As a wheelchair user, I never had the opportunity to experience a fully accessible playground while growing up," Ladau, a West Babylon native, said in an interview. "I spent countless recess periods watching as my friends climbed up ladders and swung from mon-

key bars, but couldn't join in."

Last year, the New York State Comptroller's Office found widespread accessibility issues across the state parks system.

More than 60% of park facilities — restrooms, campsites, swimming areas and playgrounds — could be "improved to enhance accessibility," auditors found. The review spanned from January 2018 to October 2022.

Weitzner enlisted the help of Unlimited Play, a Missouri nonprofit that helps plan, design and build accessible parks, for guidance on designing the playground.

"Play is the very first really international language we all speak," said Natalie Mackey, executive director of Unlimited Play. "It's a natural way for kids to learn about each other's differences and not be afraid of that. So I think these playgrounds promote dignity, understanding and respect."

EDITORIAL

Crocodile tears too late for IDA

■ **MEMBERS OF THE EDITORIAL BOARD** are experienced journalists who offer reasoned opinions, based on facts, to encourage informed debate about the issues facing our community.

For more than a decade, Canon U.S.A., Inc. was touted as an economic engine that would make the most of the millions of dollars it received from Suffolk County's Industrial Development Agency.

But in recent years, Canon's business hasn't kept up with a changing world that isn't seeking many copiers or point-and-shoot cameras. Despite that, the Suffolk IDA has continued to prop up the company, granting Canon \$7 million in additional tax breaks earlier this year. At the time, Canon pledged to retain its employees and improve its facilities.

That didn't last long. Just months later, Newsday has reported that the company headquartered on a prominent corner of the Long Island Expressway service road has laid off between 100 and 150 employees, as much as 14% of its local workforce.

In December, after the IDA provided a preliminary go-ahead on the latest tax breaks, the Newsday editorial board called the decision an "egregious precedent-setting move" and urged the IDA to "stop thinking from the past and start looking forward." Unfortunately, the agency did not take that advice. Now, the IDA is trying to determine whether the company violated the agreement — and whether the agency can claw back those tax incentives.



NEWSDAY / ALEJANDRA VILLA LOARCA

The entrance to Canon's headquarters in Melville.

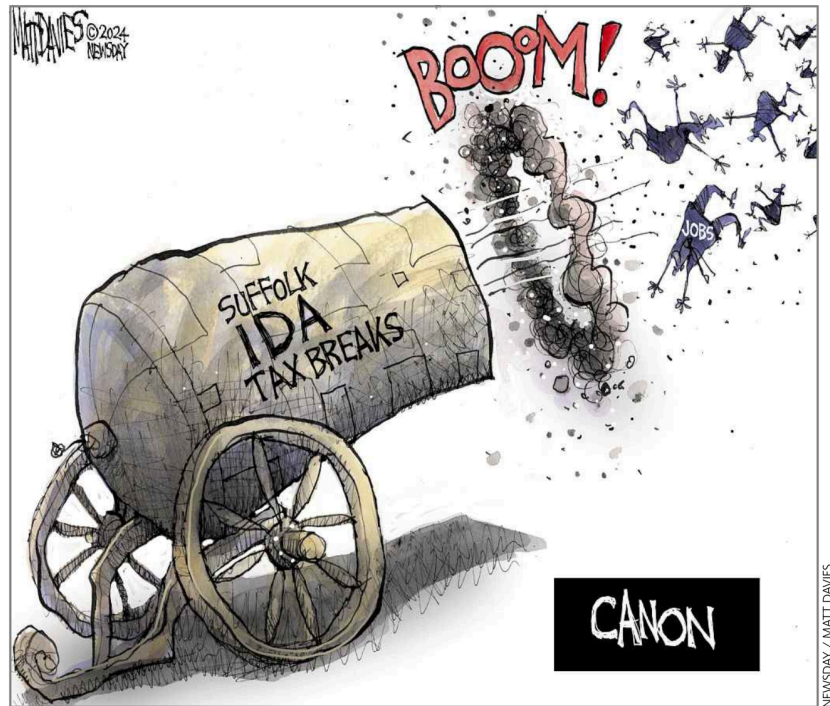
many officials have suggested they might hire in "specialized" fields, without any indication of when that may happen or how many jobs it might include.

But there's little doubt that a layoff of this magnitude should be a violation of any IDA award. The IDA cannot allow companies like Canon to get away with taking taxpayer money while breaking promises. IDA officials shouldn't have agreed to the newer round of breaks in the first place; now they're paying the price and must claw back the funds.

This situation also should teach IDAs across the region to establish stricter standards for the incentives they provide, and to limit approvals to companies and developments that deserve them. IDAs must keep up with the changing way we work and spotlight industries that will drive Long Island's future. The Canon conundrum also highlights a missing piece in IDA oversight. Agreements should include enforceable provisions that require companies to notify an IDA when they plan to lay off workers — and how many. Companies that downsize without notification should have their incentive packages revoked. Canon's lack of openness about the layoffs and its plans is particularly distressing.

This is a disappointing chapter in Canon's storied Long Island history. The company now must own up to the Melville workforce cuts and detail its future plans. It's up to the Suffolk IDA to hold Canon accountable, claw back the latest tax breaks, and commit to making better, more forward-looking decisions in the future.

MATT DAVIES



NEWSDAY / MATT DAVIES

■ **EDITORIAL CARTOONIST MATT DAVIES'** opinions are his own. You can see more of his work at: newsday.com/matt

LETTERS

Opposing sides on battery moratoriums

Long Island towns considering moratoriums on battery energy storage system facilities are weighing them with the wrong scale ["Latest battery moratorium push," Our Towns, July 24].

Electric bike and electric scooter fires can result from low-quality lithium batteries not meeting safety standards, stored in homes and commercial spaces. The FDNY has frequently responded to these dangerous fires.

But utility-scale battery storage is different. These batteries are housed in facilities built with high safety standards. None of the three battery storage fires that have occurred in the state has caused injuries or environmental harm.

We must push ahead with

clean, renewable energy, but doing so without battery storage systems to leverage it is not a good deal for Long Islanders.

— KAREN HIGGINS,
MASSAPEQUA PARK

Kudos to the officials in the towns of Smithtown, Southampton, Southold, Babylon, Huntington and Oyster Bay for putting the health and safety of their residents first, implementing pauses in the construction of dangerous lithium battery storage facilities.

Shame on Brookhaven Town Supervisor Dan Panico and the town board for not following their lead. Is Brookhaven putting money made from these sites ahead of the health and safety of firefighters and residents, including schoolchildren, in the proposed site areas?

— MARK GALLIGAN, HOLBROOK

LI's GOP must pay heed to real issues

Although the torch has been passed, the tactics that the Republican Party has used to turn Long Island into the reddest part of a blue state persist ["'Grand young party' emerges on Long Island," Opinion, July 25].

The GOP has gaslighted Long Islanders with issues like illegal immigration and crime and ignored Long Island's real, pressing issues — climate change and sea-level rise. The only crime most Long Islanders really need to fear is drunk driving. And climate-change deniers do real damage.

Fifteen years ago, sea-level rise forced me to replace my old dock that was always under water at high tide with a dock 10 inches higher. The new

Sunrise Wind developer marks start on onshore construction in Suffolk



A self-elevating barge off Smith Point, as seen from Moriches Inlet, conducted sea-floor survey work for the Sunrise Wind project in late 2020. Credit: Mark Harrington

By Mark Harringtonmark.harrington@newsday.com[MHarringtonNews](#) Updated July 18, 2024 11:25 am

SHARE

The developers of an offshore wind farm billed as the state's largest on Wednesday celebrated the start of onshore construction through Suffolk County and the prospect of bidding on a newly announced round of state contracts.

At an event in Bellport attended by top federal and state green-energy officials, Danish energy giant Orsted segued from the completion of its South Fork Wind Farm earlier this year to the start of considerably larger Sunrise Wind, which will bring its 924 megawatts of power to Long Island from an array off the New England coast.

Newsday [reported that preliminary construction work began a year ago](#), and the company itself has been releasing weekly briefings on the progress of a 17.5 mile cable duct and other infrastructure for months.

Orsted says the Sunrise array will be enough to power 600,000 homes, compared with the 130-megawatt South Fork Wind, which is said to power around 70,000.

With federal construction permits recently approved and the purchase of its former joint-venture partner complete, Orsted said land-based construction would accelerate through this year, while

offshore work, including laying the cable and building the offshore foundations and turbines, is projected to start in 2025. The project is expected to be completed by the end of 2026.

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Officials touted the estimated \$700 million in economic benefits for Suffolk County from the project and the anticipated 800 primarily union jobs, benefits Suffolk County Executive Edward P. Romaine called a "shot in the arm" that also "gives us a chance to reorient this island and this country" toward renewables.

Doreen Harris, chief executive of the New York State Energy Research and Development Authority, which is overseeing offshore wind contracts and bidding, called projects such as Sunrise "transformation," and likened it to building the Brooklyn Bridge. "The scale of offshore wind is truly a game changer," she said, calling 2024 the "summer of shovels."

Asked later what the project would cost, Harris declined to say. "The total cost of the project, I defer to Orsted," she said. Asked the same question, David Hardy, chief executive Orsted offshore North America, said, "That's something that publicly we do not share." Harris said the estimated cost to customers would be "on the order of \$1 to \$2 a month."

With the LIPA-initiated South Fork project complete and Sunrise Wind underway, Orsted has had "a lot of success," this year, Hardy said, noting that Orsted had also started construction on another project called Revolution Wind. The company has availability in its New England lease area for three more projects larger than Sunrise, he said, and will review the state's latest bidding solicitation.

But he also acknowledged the company had "some tough times over the last year" as well.

Earlier this year, Orsted announced it was scuttling two long-planned New Jersey projects entirely, and taking more than \$4 billion in impairment charges for its offshore wind assets, leading its share price to plummet. At one point earlier this year the company even raised questions about continuing with Sunrise Wind, but those questions evaporated when the state allowed previously awarded developers, including Norway-based Equinor, to rebid the projects under new contract terms that paid them a higher price for their energy.

"We are still committed to the U.S. offshore wind industry," Hardy said. "We've got lease areas. The company is still committed to the U.S. market . . . We're just trying to make prudent decisions for our investors."



By [Mark Harrington](#)

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Mark Harrington, a Newsday reporter since 1999, covers energy, wineries, Indian affairs and fisheries.

Supervisor Panico Announces Town Achieves AAA Rating with Stable Outlook



Farmingville, NY – On July 8, Supervisor Dan Panico announced that both Moody’s and S&P Global Ratings have assigned a AAA rating with a stable outlook to the Town of Brookhaven. This is the sixth consecutive year Brookhaven has received a Aaa rating from Moody’s – which is the highest rating the Wall Street rating agency offers. In addition, S&P Global Ratings has assigned its 'AAA' long-term rating to Brookhaven Town’s roughly \$51.4 million series 2024 public-improvement bonds. The outlook on the long-term rating is stable and reflects S&P Global Ratings' view that Brookhaven will likely maintain strong overall finances throughout the two-year outlook, supported by a strong economy and manageable fixed-cost debt.

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“The affirmation of the strong finances of Brookhaven Town is a credit to the long-term fiscal planning practices and core management team that we have instituted and kept in place for over a decade. Our stellar credit rating exceeds that of even the US government. We will continue to be mindful of our finances and will be truthful with those whom we represent on the costs and challenges of running the Town. Our AAA bond rating enables us to build capital improvements at a far superior interest rate, saving taxpayers money.”

Councilman and Deputy Supervisor Neil Foley said, “Our AAA bond rating from Moody’s and S&P is an affirmation to the strong management team that we have here in Brookhaven Town. We work on a daily basis to run a very large government, in the second most populated and geographically largest town in New York State, in a very truthful and transparent manner. The fiscal health of our Town correlates directly to savings for our residents, who are served very well with Supervisor Panico at the helm.”

Town of Brookhaven Finance Liaison, Councilwoman Jane Bonner said, “For more than a decade, the Town’s financial position has been gaining strength. As a result, we have maintained our superior bond rating despite the downturn in the economy. I am proud to work with Supervisor

Panico, Deputy Supervisor Foley, our financial team at Town Hall and my colleagues on the Town Board to assure that we continue to spend wisely and always have a sharp eye on the bottom line.”

Moody’s opinion is that the Town of Brookhaven benefits from strong fiscal management. On July 2, 2024, Moody’s affirmed the Aaa issuer and GOLT (General Obligation) ratings. They assigned a Aaa rating to the Town’s 2024 bonds and a MIG 1 rating to their 2024 BAN, noting that “the strength of the Town’s rating to be conservatively balanced budgets and ample reserves and liquidity.” The S&P long-term rating also reflects Brookhaven’s continued positive budgetary performance, economic growth, and moderate debt, including:

- Robust local economy, evidenced by significant residential and commercial development townwide with access to the New York City metropolitan statistical area;
- Comprehensive financial-management policies, practices, with a focus on long-term planning, that is considered strong under Moody’s Financial Management Assessment (FMA) methodology and strong Institutional Framework score;
- Expected positive budgetary performance for fiscal 2024 with the maintenance of very strong budgetary flexibility and liquidity; and
- Moderate debt with rapid amortization and manageable pension and other postemployment benefit (OPEB) costs.

The S&P report also includes positive comments about the Brookhaven Industrial Development Authority’s numerous projects that provide ongoing investments in the town, creating thousands of jobs. They cited very strong management conditions, with highlights including management’s:

- Well-defined, five-year capital-improvement plan it updates annually;
- Regular budget monitoring with a formal budget-amendment policy;
- Long-term financial forecasts it updates annually as part of the budget process;
- Debt-management policy of maintaining debt service carrying charges at 15% of expenditures, or below budgeted revenue or expenditures, whichever is less; and
- Formal fund-balance policy of maintaining a general fund balance of, at least, 25% of expenditures.

According to the Moody’s Credit opinion “the Town of Brookhaven’s reserves will remain healthy over the next three years given conservative budgeting and active management of day-to-day operations,” and it also benefits from “strong fiscal management.”

“The affirmation of the strong finances of Brookhaven Town is a credit to the long-term fiscal planning practices and core management team that we have instituted and kept in place for over a decade. Our stellar credit rating exceeds that of even the US government. We will continue to be mindful of our finances and will be truthful with those whom we represent on the costs and challenges of running the Town. Our AAA bond rating enables us to build capital improvements at a far superior interest rate, saving taxpayers money.”

Wind turbine blade accident off Nantucket raising concerns on LI



Debris from a damaged wind turbine washed up on Nantucket beaches. Credit: Town of Nantucket

By Mark

Harringtonmark.harrington@newsday.com [MHarringtonNews](#) Updated August 3, 2024 2:56 pm

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As the developer of Empire Wind sets the stage for construction of a project 12 miles off Long Beach, officials and residents are keeping an eye on the aftermath of an offshore wind turbine blade break off the Massachusetts coast.

The blade mishap, in waters 12 miles from Nantucket Island, has left a debris field on popular beaches and led to a halt of turbine construction work for Vineyard Wind, the nation's second project in federal waters, which already had begun producing energy.

Turbine manufacturer GE Vernova blamed the problem on a "material deviation" at a Canadian factory that made blade components. The company said it would reinspect all blades in use.

Vineyard Wind, in a series of dispatches, said its workers were "on the beach monitoring for debris to assist in maintaining safe conditions for beachgoers and swimmers. Vineyard Wind is focused on assisting in the recovery of debris caused by GE Vernova's damaged wind blade."

WHAT TO KNOW

- **Officials and residents are keeping an eye** on the aftermath of an offshore wind turbine blade break off the Massachusetts coast.
- **The blade mishap, in waters 12 miles** from Nantucket Island, has left a debris field on popular beaches and led to a halt of turbine construction work for Vineyard Wind.
- **A federal investigation is underway**, and officials from Long Beach to Albany say they're monitoring the event.

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It comes as Equinor, the Norway-based energy conglomerate that is developing Empire Wind, has begun work on its project off Long Beach that will bring power to New York City.

Equinor said it has "substantial risk mitigation and safety procedures already in place" if a similar incident strikes off Long Island. The company emphasized it is using a different blade manufacturer than the GE Vernova blades being used by the Vineyard Wind project, for which construction has been suspended pending investigations.

Equinor spokesman David Schoetz said the company is monitoring the Vineyard Wind investigation "for any lessons," but is not changing "any elements of our offshore construction" as a result.

David Hardy, chief executive of Orsted offshore North America, which is developing a separate project called Sunrise Wind project for Long Island, said of the Vineyard Wind mishap: "In general we've got a lot of gigawatts of operating offshore wind projects around the world, and this is a very rare event." Sunrise Wind turbines will be located off the coast of Massachusetts, and won't be visible from Long Island.

But those assurances did little to quell concerns from those who will be closest to scores of turbine blades, a football-field long set to be spinning off Long Island in the next two years.

"This only adds to the myriad concerns already expressed about the development of offshore wind," said Brendan Finn, president of the Long Beach City Council. "I'm not against offshore wind, but this event shows how detrimental these projects can be to beach communities. There's no reason these turbines need to be built so close to communities that depend on their beaches."

Long Beach City Manager Daniel Creighton said the city has "not heard a thing from Equinor, unfortunately" about the blade accident, and said he'd like to know "what their remediation plan would be if a similar event happened on their project since our beaches are a major source of revenue for the city. You can be certain that this administration would seek to recover all costs and lost revenue if something like that happened here."

Hal Riskin, a member of a Long Beach group that already had organized against Empire Wind, said the Vineyard incident raises alarms even higher.

"I'm definitely worried about it," Riskin said. "We have 1 million people here. It's going to be a nightmare" if a blade snaps in a hurricane or a construction accident.

New York State, meanwhile, is also monitoring the investigation of the blade break, but has not changed course with new rules or procedures for state-contracted projects. New York has among the most aggressive offshore wind

programs in the county, with about 9,000 megawatts expected over the next decade.

"Obviously we're monitoring the circumstance at Vineyard Wind carefully," said Doreen Harris, chief executive of the state Energy Research and Development Authority, which administers offshore wind contracts. "I'm in close contact with my corollary agencies in the Massachusetts area as well. Obviously we're looking for the root-cause analysis [and] are monitoring carefully GE's statements as to the root cause of the blade break that occurred in that particular installation."

GE spokesmen didn't respond to requests for comment.

Asked if the incident could impact New York's approach to offshore wind safety and construction, Harris said, "At this moment, obviously this is an issue related not only to a different jurisdiction but frankly federal oversight with respect to the permitting of the project."

The federal Bureau of Ocean Energy Management, which oversees federal leasing for the wind-farm areas and approves federal permitting for the projects, referred questions about the accident to the Bureau of Safety and Environmental Enforcement, the lead federal agency investigating the Vineyard Wind blade mishap.

The safety agency in a statement said that it "continues to prohibit Vineyard Wind 1 from generating electricity from any of the facilities or building any additional wind turbine generator towers, nacelles, or blades."

The order requires Vineyard Wind submit to an analysis of the "risk to personnel and mitigation measures developed before personnel boarding any facility," though Vineyard can still install cables and conduct surveys for the project outside the damage zone.



By [Mark Harrington](#)