

Date: March 25, 2026

At a meeting of the Town of Brookhaven Industrial Development Agency (the "Agency"), held at 1 Independence Hill, 2nd Floor, Farmingville, New York 11738, on the 25th day of March, 2026, the following members of the Agency were:

Present: Frederick C. Braun III, Chairman
Martin Callahan, Vice Chair
Mitchell H. Pally, Treasurer
Ann-Marie Scheidt, Secretary
Frank C. Trotta, Asst. Treasurer
John Rose, Asst. Secretary

Recused:

Excused:

Also Present: Lisa M.G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
Amy Illardo, Director of Marketing and Project Development
Jocelyn Linse, Executive Assistant
Annette Eaderesto, Esq., Counsel to the Agency
Barry Carrigan, Esq., Transaction Counsel
John Anzalone, Esq., Transaction Counsel
Howard Gross, Esq., Transaction Counsel (via Zoom)
Andrew Komaromi, Transaction Counsel (via Zoom)

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the consent to an amendment of lease agreement and the subleasing of a portion of the Agency's September Morning LLC 2023 Facility to 53 Ramsey LLC.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Braun
Callahan
Pally
Scheidt
Trotta

Voting Nay

Rose

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY PERTAINING TO THE CONSENT TO AN AMENDMENT OF LEASE AGREEMENT AND THE SUBLEASING OF A PORTION OF THE SEPTEMBER MORNING LLC 2023 FACILITY AND APPROVING THE FORM, SUBSTANCE, EXECUTION AND DELIVERY OF RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the “**Act**”), the Town of Brookhaven Industrial Development Agency (the “**Agency**”) was created with the authority and power, among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously provided its assistance to September Morning LLC, a limited liability company duly organized and validly existing under the laws of the State of New York (the “**Company**”) with (A) the acquisition of an unaddressed approximately 6.14 acre parcel of land located at 0 Ramsey Road, Ridge, New York 11967 (also known as Tax Map No. 200-554.00-03.00-004.043) (the “**Land**”), (B) the construction, equipping and furnishing of an approximately 78,400 square foot building to be located on the Land, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “**Improvements**”), and (C) the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and, together with the Land and the Improvements, the “**Facility**”), which Facility is leased by the Agency to the Company, and subleased by the Company to various tenants (the “**Tenants**”), for use as an industrial warehouse and distribution space (the “**Project**”); and

WHEREAS, the Company has previously agreed to lease the Land and the Improvements to the Agency pursuant to the terms of a certain Company Lease Agreement, dated as of November 1, 2023 (the “**Company Lease**”), by and between the Company and the Agency; and

WHEREAS, the Agency is currently leasing the Facility to the Company, pursuant to a certain Lease and Project Agreement, dated as of November 1, 2023 (the “**Lease Agreement**”), between the Agency and the Company; and

WHEREAS, the Company is now in negotiations to sublease a portion of the Facility, totaling approximately 19,000± square feet including one (1) loading dock located at 53 Ramsey Road, Shirley, New York 11967 (the “**Demised Premises**”), to 53 Ramsey LLC, a New York limited liability company (the “**Tenant**”), pursuant to a certain Agreement of Sublease, dated February 26, 2026, effective a date to be determined (the “**Tenant Lease**”), to be used by the Tenant as a bakery wholesale distribution with office space, for a term commencing on the delivery date under the Tenant Lease, and ending on a date that is ten (10) years and three (3) months after the date of commencement; and

WHEREAS, the Tenant expects to employ approximately thirty-five (35) full-time equivalent employees at the Demised Premises; and

WHEREAS, the Tenant has represented that approximately 1/3 of the Demised Premises will be used in the manufacture of bakery products containing cannabis; and

WHEREAS, the Agency, by resolution dated August 16, 2023 (the "**Resolution**"), the Agency established a policy to decline any projects related to the cultivation, production, distribution, sale, and/or use of cannabis located in the Town of Brookhaven; and

WHEREAS, pursuant to Section 9.3 of the Lease Agreement, the Facility may not be subleased, in whole or in part, without the prior written consent of the Agency; and

WHEREAS, the Company has requested that the Agency consent to the assignment and subleasing of a portion of the Demised Premises to the Tenant subject to the exclusion of the Demised Premises from the Lease Agreement, including the PILOT benefits provided by the Agency to the Company (as defined in the Lease Agreement) pursuant to a certain Amendment of Lease Agreement, dated a date to be determined (the "**Amendment of Lease**"), between the Agency and the Company; and

WHEREAS, the Agency hereby consents to the assignment and subleasing of the Demised Premises and the Amendment to Lease; and

WHEREAS, such consent may be manifested by the execution of this resolution, the Amendment of Lease and a certain Tenant Agency Compliance Agreement, dated a date as may be determined by the Chairman, Chief Executive Officer and counsel to the Agency (the "**Tenant Agency Compliance Agreement**"), by and between the Agency and the Tenant; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Company and the Tenant have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the assignment and subleasing of the Demised Premises and the Amendment of Lease.

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The subleasing of the Demised Premises to the Tenant will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Brookhaven and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(c) Based on the certification of the Tenant in the Tenant Agency Compliance Agreement, the occupancy of the Demised Premises by the Tenant shall not result in the removal of a facility or plant of the Tenant 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 Tenant located within the State; and

(d) It is desirable and in the public interest for the Agency to consent to the assignment by the Tenant and the subleasing of a portion of the Facility and to enter into the Tenant Agency Compliance Agreement; and

(e) It is desirable and in the public interest for the Agency to amend the Lease Agreement to exclude the Demised Premises from the Lease Agreement and to enter into the Amendment of Lease; and

(f) The Agency consents to the sublease of the Demised Premises to the Tenant; and

(g) The execution of the Tenant Agency Compliance Agreement will satisfy the requirement of Section 9.3 of the Lease Agreement that any sublease of the Facility be consented to in writing by the Agency; and

(h) The Agency consents to the amendment of Lease Agreement; and

(i) The execution of the Amendment of Lease will amend the Lease Agreement to exclude the Demised Premises from the Lease Agreement including PILOT benefits provided by the Agency to the Company; and

(j) It is desirable and in the public interest for the Agency to consent to the sublease of the Demised Premises and to enter into the Tenant Agency Compliance Agreement; and

(k) It is desirable and in the public interest for the Agency to consent and enter into the Amendment of the Lease.

Section 2. In consequence of the foregoing, the Agency hereby determines to enter into the Tenant Agency Compliance Agreement and the Amendment of Lease.

Section 3. The form and substance of the Tenant Agency Compliance Agreement and the Amendment of Lease (in substantially the form presented to the Agency and which, prior to the execution and delivery thereof, may be redated) is hereby approved.

Section 4.

(a) The Chairman, Chief Executive Officer, or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Tenant Agency Compliance Agreement and the Amendment of Lease in the form the Chairman, Chief Executive Officer, or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman, Chief Executive Officer, or any member and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "Agency Documents"). The execution thereof by Chairman, Vice Chairman, Chief Executive Officer, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Chief Executive Officer, or any member of the Agency, are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 6. Any expenses incurred by the Agency with respect to the Demised Premises shall be paid by the Company. The Company 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 Demised Premises.

Section 7. The provisions of this resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 6 hereof).

Section 8. This resolution shall take effect immediately.

Date: October 22, 2025

At a meeting of the Town of Brookhaven Industrial Development Agency (the "Agency"), held at 1 Independence Hill, 2nd Floor, Farmingville, New York 11738, on the 22nd day of October, 2025, the following members of the Agency were:

Present: Frederick C. Braun III, Chairman
Martin Callahan, Vice Chair
Ann-Marie Scheidt, Secretary
Frank C. Trotta, Asst. Treasurer
John Rose, Member

Recused:

Excused: Mitchell H. Pally, Treasurer
Felix J. Grucci, Jr., Asst. Secretary

Also Present: Lisa M.G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
Amy Illardo, Director of Marketing and Project Development
Jocelyn Linse, Executive Assistant
Annette Eaderesto, Esq., Counsel to the Agency
Barry Carrigan, Esq., Transaction Counsel
Howard Gross, Esq., Transaction Counsel (via Zoom)
Andrew Komaromi, Transaction Counsel

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the consent to the subleasing of a portion of the Agency's September Morning LLC 2023 Facility to Despatch Southampton Moving & Storage, LLC.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Braun
Callahan
Scheidt
Trotta
Rose

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY PERTAINING TO THE CONSENT TO THE SUBLEASING OF A PORTION OF THE SEPTEMBER MORNING LLC 2023 FACILITY AND APPROVING THE FORM, SUBSTANCE, EXECUTION AND DELIVERY OF RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "**Act**"), the Town of Brookhaven Industrial Development Agency (the "**Agency**") was created with the authority and power, among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously provided its assistance to September Morning LLC, a limited liability company duly organized and validly existing under the laws of the State of New York (the "**Company**") with (A) the acquisition of an unaddressed approximately 6.14 acre parcel of land located at ORamsey Road, Ridge, New York 11967 (also known as Tax Map No. 200-554.00-03.00-004.043) (the "**Land**"), (B) the construction, equipping and furnishing of an approximately 78,400 square foot building to be located on the Land, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the "**Improvements**"), and (C) the acquisition and installation therein of certain equipment and personal property (the "**Equipment**"; and, together with the Land and the Improvements, the "**Facility**"), which Facility is leased by the Agency to the Company, and subleased by the Company to various tenants (the "**Tenants**"), for use as an industrial warehouse and distribution space (the "**Project**"); and

WHEREAS, the Company has previously agreed to lease the Land and the Improvements to the Agency pursuant to the terms of a certain Company Lease Agreement, dated as of November 1, 2023 (the "**Company Lease**"), by and between the Company and the Agency; and

WHEREAS, the Agency is currently leasing the Facility to the Company, pursuant to a certain Lease and Project Agreement, dated as of November 1, 2023 (the "**Lease Agreement**"), between the Agency and the Company; and

WHEREAS, the Company is now in negotiations to sublease a portion of the Facility, totaling approximately 23,876 square feet located on the West side of the Facility (the "**Demised Premises**"), to Despatch of Southampton Moving & Storage, LLC, a New York limited liability company (the "**Tenant**"), pursuant to a certain Agreement of Sublease, dated a date to be determined (the "**Tenant Lease**"), to be used by the Tenant for the operation of a moving, logistics and storage company with office space, for a term commencing on the delivery date under the Tenant Lease, and ending on a date that is seven (7) years and three (3) months after the date of commencement; and

WHEREAS, the Tenant expects to employ approximately seven (7) full-time equivalent employees at the Demised Premises; and

WHEREAS, pursuant to Section 9.3 of the Lease Agreement, the Facility may not be subleased, in whole or in part, without the prior written consent of the Agency; and

WHEREAS, the Company has requested that the Agency consent to the assignment and subleasing of a portion of the Demised Premises to the Tenant; and

WHEREAS, the Agency hereby consents to the assignment and subleasing of the Demised Premises; and

WHEREAS, such consent may be manifested by the execution of this resolution and a certain Tenant Agency Compliance Agreement, dated a date as may be determined by the Chairman, Chief Executive Officer and counsel to the Agency (the "**Tenant Agency Compliance Agreement**"), by and between the Agency and the Tenant; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York;

WHEREAS, the Company and the Tenant have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the assignment and subleasing of the Demised Premises.

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The subleasing of the Demised Premises to the Tenant will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Brookhaven and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(c) Based on the certification of the Tenant in the Tenant Agency Compliance Agreement, the occupancy of the Demised Premises by the Tenant shall not result in the removal of a facility or plant of the Tenant 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 Tenant located within the State; and

(d) It is desirable and in the public interest for the Agency to consent to the assignment by the Tenant and the subleasing of a portion of the Facility and to enter into the Tenant Agency Compliance Agreement; and

(e) The Agency consents to the sublease of the Demised Premises to the Tenant; and

(f) The execution of the Tenant Agency Compliance Agreement will satisfy the requirement of Section 9.3 of the Lease Agreement that any sublease of the Facility be consented to in writing by the Agency; and

(g) It is desirable and in the public interest for the Agency to consent to the sublease of the Demised Premises and to enter into the Tenant Agency Compliance Agreement.

Section 2. In consequence of the foregoing, the Agency hereby determines to enter into the Tenant Agency Compliance Agreement.

Section 3. The form and substance of the Tenant Agency Compliance Agreement (in substantially the form presented to the Agency and which, prior to the execution and delivery thereof, may be redated) is hereby approved.

Section 4.

(a) The Chairman, Chief Executive Officer, or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Tenant Agency Compliance Agreement in the form the Chairman, Chief Executive Officer, or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman, Chief Executive Officer, or any member and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "**Agency Documents**"). The execution thereof by Chairman, Vice Chairman, Chief Executive Officer, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Chief Executive Officer, or any member of the Agency, are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 6. Any expenses incurred by the Agency with respect to the Demised Premises shall be paid by the Company. The Company 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 Demised Premises.

Section 7. The provisions of this resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 6 hereof).

Section 8. This resolution shall take effect immediately.

Date: October 23, 2023

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held at 1 Independence Hill, 2nd Floor, Farmingville, New York 11738, on the 23rd day of October, 2023, the following members of the Agency were:

Present: Frederick C. Braun III, Chairman
Martin Callahan, Treasurer
Ann-Marie Scheidt, Secretary
Gary Pollakusky, Asst. Secretary
Mitchell H. Pally, Member

Recused:

Excused: Felix J. Grucci, Jr., Vice Chair
Frank C. Trotta, Asst. Treasurer

Also Present: Lisa M. G. Mulligan, Chief Executive Officer
Amy Illardo, Director of Marketing and Project Development
Jocelyn Linse, Executive Assistant
Terri Alkon, Administrative Assistant
Annette Eaderesto, Esq., Counsel to the Agency
Barry Carrigan, Esq., Transaction Counsel (via Zoom)
Howard Gross, Esq., Transaction Counsel (via Zoom)

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of a leasehold interest in and title to a certain industrial development facility more particularly described below (September Morning LLC 2023 Facility) and the leasing of the facility to September Morning LLC.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Braun
Callahan
Scheidt
Pollakusky
Pally

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION CONSTRUCTION, AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1970 of the State of New York, as amended from time to time (collectively, the “**Act**”), the Town of Brookhaven Industrial Development Agency (the “**Agency**”), was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, September Morning LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals and/or equity investors of September Morning LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Agency for assistance in connection with: (A) the acquisition of an unaddressed approximately 6.14 acre parcel of land located on the north side of Ramsey Road and approximately 500 feet east of Roned Road, Shirley, New York (also known as Tax Map No. 200-554.00-03.00-004.043) (the “**Land**”), (B) the construction, equipping and furnishing of an approximately 78,400 square foot building to be located on the Land, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “**Improvements**”), and (C) the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and, together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company, and subleased by the Company to various tenants (the “**Tenants**”), for use as an industrial warehouse and distribution space (the “**Project**”); and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of October 1, 2023 or such other date as the Chairman or Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Company Lease**”), by and between the Company and the Agency; and

WHEREAS, the Agency will acquire title to the Equipment pursuant to a certain Bill of Sale, dated the Closing Date (as defined in the hereinafter defined Lease Agreement) (the “**Bill of Sale**”), from the Company to the Agency; and

WHEREAS, the Agency will sublease and lease the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of October 1, 2023, or such other date as the Chairman or Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of: (i) exemptions from mortgage recording taxes for one or more

mortgages securing an amount presently estimated to be \$11,616,000 but not to exceed \$12,500,000, corresponding to mortgage recording tax exemptions presently estimated to be \$87,120, but not to exceed \$93,750, in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of the acquisition, construction and equipping of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$509,478.75, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof); and

WHEREAS, as security for a loan or loans, the Agency and the Company will execute and deliver to a lender or lenders not yet determined (collectively, the “**Lender**”), a mortgage or mortgages, and such other loan documents satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably required by the Lender, to be dated a date to be determined, in connection with the financing, any refinancing or permanent financing of the costs of the acquisition, construction and equipping of the Facility (collectively, the “**Loan Documents**”); and

WHEREAS, in connection with the abatement of real property taxes as set forth in the PILOT Schedule on Exhibit C hereof, the current pro-rata allocation of PILOT payments to each affected tax jurisdiction in accordance with Section 858(15) of the Act and the estimated difference between the real property taxes on the Facility and the PILOT payments set forth on the PILOT Schedule on Exhibit C hereof are more fully described in the Cost Benefit Calculator (the “**CBA**”) developed for the Agency by MRB Group in accordance with the provisions of Section 859-a(5)(b) of the Act, a copy of which CBA is attached hereto as Exhibit D; and

WHEREAS, the Agency required the Company to provide to the Agency a feasibility report, prepared by MRB Group, dated March 16, 2023, entitled Economic and Fiscal Impact Analysis (the “**Feasibility Study**” and the “**Requisite Materials**”) to enable the Agency to make findings and determinations that the Facility qualifies as a “project” under the Act, that the Facility satisfies all other requirements of the Act, and that the Project contributes to the economic health of the Town of Brookhaven and such Feasibility Study is attached as Exhibit E hereof; and

WHEREAS, a public hearing (the “**Hearing**”) was held on October 23, 2023, so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility, could be heard; and

WHEREAS, notice of the Hearing was given on October 13, 2023 and such notice (together with proof of publication), was substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the report of the Hearing is substantially in the form annexed hereto as Exhibit B; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed Facility is either an inducement to the Company to maintain the competitive position of the Company in its industry; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “SEQR Act” or “SEQR”), the Agency constitutes a “State Agency”; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form (the “EAF”) and related documents (collectively, the “Questionnaire”) with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, the Agency constitutes an “Involved Agency” (as defined in SEQR); and

WHEREAS, the Agency has reviewed the Questionnaire and such other documents as the Agency felt it necessary or appropriate to examine to adequately review the proposed action; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company;

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. Based upon the Questionnaire prepared by the Company and reviewed by the Agency, and other representations and information furnished regarding the Facility, the Agency determines that the action relating to the acquisition, construction and equipping of the Facility in an “Unlisted” action, as that term is defined under SEQR. The Agency also determines that the Facility will not have a “significant effect” on the environment and, therefore, an environmental impact statement will not be prepared. This determination constitutes a negative declaration for purposes of SEQR. Notice of this determination shall be filed to the extent required by the applicable regulations under SEQR or as may be deemed advisable by the Chairman or the Chief Executive Officer of the Agency or counsel to the Agency.

Section 2. The Agency hereby makes its findings and determination of the Facility as follows:

(a) There is a lack of distribution, manufacturing and warehouse space in the Town of Brookhaven;

(b) Distribution, manufacturing and warehouse space is needed in the Town of Brookhaven in order to allow local businesses to track inventory, centralize products, ensure safe storage of items, and fulfill orders, and otherwise benefit the economic health and well-being of the business of the Town of Brookhaven, employers, and the tax base of the Town of Brookhaven, increase the economic health and well-being of the residents of the Town of Brookhaven, help preserve and increase permanent private sector jobs in furtherance of the Agency's public purposes as set forth in the Act, and therefore the Agency finds and determines that the Facility is a commercial project within the meaning of Section 854(4) of the Act; and

(c) The Facility will preserve the public purposes of the Act by increasing the number of private sector jobs in the Town of Brookhaven. The Company has represented to the Agency that it expects to provide approximately fourteen (14) full-time equivalent employees ("FTE") at the Facility within the first year of completion and approximately twenty-nine (29) FTE's at the Facility within the second year of completion.

Section 3. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The Facility constitutes a "project", as such term is defined in the Act; and

(c) The acquisition, construction and equipping of the Facility and the leasing of the Facility to the Company, will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Town of Brookhaven, and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The acquisition, construction and equipping of the Facility is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York; and

(e) Based upon representations of the Company and counsel to the Company, the Facility conforms with the local zoning laws and planning regulations of the Town of Brookhaven, Suffolk County, and all regional and local land use plans for the area in which the Facility is located; and

(f) It is desirable and in the public interest for the Agency to sublease the Land and the Improvements and to lease the Equipment to the Company; and

(g) The Company Lease will be an effective instrument whereby the Agency leases the Land and the Improvements from the Company; and

(h) The Lease Agreement will be an effective instrument whereby the Agency leases and subleases the Facility to the Company, the Agency and the Company set forth the terms and conditions of their agreement regarding payments-in-lieu of taxes, the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will

describe the circumstances in which the Agency may recapture some or all of the benefits granted to the Company; and

(i) The Loan Documents to which the Agency is a party will be effective instruments whereby the Agency and the Company agree to secure the loan made to the Company by the Lender.

Section 4. The Agency has assessed all material information included in connection with the Company's application for financial assistance, including but not limited to, the cost-benefit analysis prepared by the Agency and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Company.

Section 5. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) sublease and lease the Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) grant a mortgage on and security interest in and to the Facility pursuant to the Loan Documents and (vi) execute and deliver the Loan Documents, that the Agency is a party.

Section 6. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement, and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 7. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, construction and equipping of the Facility in the form of: (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$11,616,000 but not to exceed \$12,500,000, corresponding to mortgage recording tax exemptions presently estimated to be \$87,120, but not to exceed \$93,750, in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of the acquisition, construction and equipping of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$509,478.75, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof). In connection with the abatement of real property taxes as set forth in the PILOT Schedule on Exhibit C hereof, the current pro-rata allocation of PILOT payments to each affected tax jurisdiction in accordance with Section 858(15) of the Act and the estimated difference between the real property taxes on the Facility and the PILOT payments set forth on the PILOT Schedule on Exhibit C hereof are more fully described in the CBA developed by the Agency in accordance with the provisions of Section 859-a(5)(b) of the Act, a copy of which CBA is attached hereto as Exhibit D.

Section 8. Subject to the provisions of this resolution, the Company is herewith and hereby appointed the agent of the Agency to acquire, construct and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to its agents,

subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, construct and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company as agent of the Agency. The aforesaid appointment of the Company as agent of the Agency to acquire, construct, and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company has received exemptions from sales and use taxes in an amount not to exceed \$509,478.75, in connection with the purchase or lease of equipment, building materials, services or other personal property; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time. The aforesaid appointment of the Company is subject to the completion of the transaction and the execution of the documents contemplated by this resolution.

Section 9. The Company is hereby notified that it will be required to comply with Section 875 of the Act. The Company shall be required to agree to the terms of Section 875 pursuant to the Lease Agreement. The Company is further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this Authorizing Resolution are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement

Section 10. The form and substance of the Company Lease, the Lease Agreement and the Loan Documents to which the Agency is a party (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 11.

(a) The Chairman, Vice Chairman, Chief Executive Officer or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, the Lease Agreement and the Loan Documents to which the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Chief Executive Officer or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The

execution thereof by the Chairman, Vice Chairman, Chief Executive Officer or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, the Chief Executive Officer of the Agency or any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 12. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 13. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. The Company 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 Facility.

Section 14. The provisions of this resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 13 hereof).

Section 15. This resolution shall take effect immediately.

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law will be held by the Town of Brookhaven Industrial Development Agency (the “**Agency**”) on the 23rd day of October, 2023, at 10:00 a.m. local time, the at Town of Brookhaven Town Hall, 1 Independence Hill, Farmingville, New York 11738, in connection with the following matters:

September Morning LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals and/or equity investors of September Morning LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Agency for assistance in connection with: (A) the acquisition of an unaddressed approximately 6.14 acre parcel of land located on the north side of Ramsey Road and approximately 500 feet east of Roned Road, Shirley, New York (also known as Tax Map No. 200-554.00-03.00-004.043) (the “**Land**”), (B) the construction, equipping and furnishing of an approximately 78,400 square foot building to be located on the Land, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “**Improvements**”), and (C) the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and, together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company, and subleased by the Company to various tenants (the “**Tenants**”), for use as an industrial warehouse and distribution space (the “**Project**”). The Facility will be initially owned, operated and/or managed by the Company.

The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes and abatement of real property taxes, consistent with the policies of the Agency.

A representative of the Agency will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. Prior to the hearing, all persons will have the opportunity to review on the Agency’s website (<https://brookhavenida.org/>), the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: October 13, 2023

TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY

By: Lisa MG Mulligan
Title: Chief Executive Officer

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
OCTOBER 23, 2023 AT 10:00 A.M.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
(SEPTEMBER MORNING LLC 2023 FACILITY)

Section 1. Lisa MG Mulligan, Chief Executive Officer of the Town of Brookhaven Industrial Development Agency (the “**Agency**”) called the hearing to order.

Section 2. Lisa MG Mulligan then appointed herself the hearing officer of the Agency, to record the minutes of the hearing.

Section 3. The hearing officer then described the proposed transfer of the real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility as follows:

September Morning LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals and/or equity investors of September Morning LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Agency for assistance in connection with: (A) the acquisition of an unaddressed approximately 6.14 acre parcel of land located on the north side of Ramsey Road and approximately 500 feet east of Roned Road, Shirley, New York (also known as Tax Map No. 200-554.00-03.00-004.043) (the “**Land**”), (B) the construction, equipping and furnishing of an approximately 78,400 square foot building to be located on the Land, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “**Improvements**”), and (C) the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and, together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company, and subleased by the Company to various tenants (the “**Tenants**”), for use as an industrial warehouse and distribution space (the “**Project**”). The Facility will be initially owned, operated and/or managed by the Company.

The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes and abatement of real property taxes, consistent with the policies of the Agency.

Section 4. The hearing officer then opened the hearing for comments from the floor for or against the proposed transfer of real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

N/A

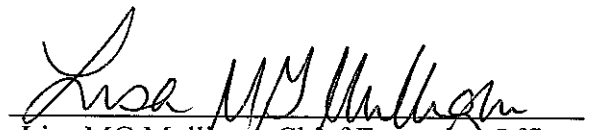
Section 5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at 10:15 a.m.

STATE OF NEW YORK)
 : SS.:
COUNTY OF SUFFOLK)

I, the undersigned Chief Executive Officer of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Town of Brookhaven Industrial Development Agency (the “Agency”) on October 23, 2023 at 10:00 a.m., local time, electronically, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

IN WITNESS WHEREOF, I have hereunto set my hand as of October 23, 2023.



Lisa MG Mulligan, Chief Executive Officer

EXHIBIT C

Proposed PILOT Schedule

Schedule of payments-in-lieu-of-taxes: Town of Brookhaven, (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Longwood Central School District, Suffolk County and Appropriate Special Districts

Property Address: unaddressed parcel of land located on the north side of Ramsey Road and approximately 500 feet east of Roned Road, Shirley, New York

Tax Map No. 200-554.00-03.00-004.043

School District: Longwood Central School District

<u>Year</u>	<u>PILOT Payment</u>
1	\$12,530
2	\$12,781
3	\$18,329
4	\$37,391
5	\$57,208
6	\$77,803
7	\$99,199
8	\$121,420
9	\$144,490
10	\$168,434
11	\$193,278
12	\$197,143

EXHIBIT D

Cost Benefit Analysis

Town of Brookhaven Industrial Development Agency

MRB Cost Benefit Calculator



Date: September 19, 2023
 Project Title: September Morning, LLC
 Project Location: Ramsay Rd Shirley

Economic Impacts

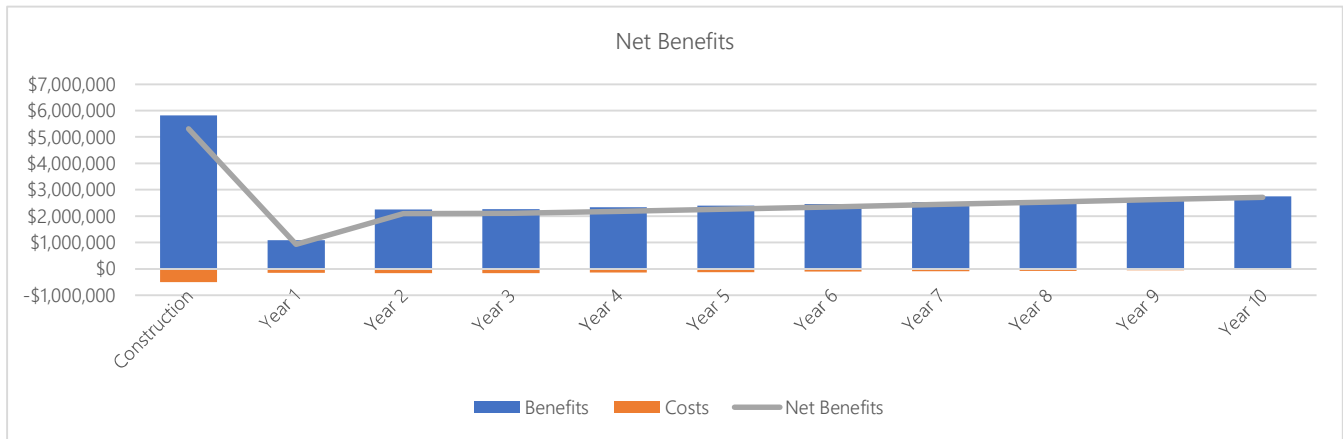
Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
 \$14,520,000

	Temporary (Construction)		
	Direct	Indirect	Total
Jobs	55	15	70
Earnings	\$4,503,415	\$986,753	\$5,490,168
Local Spend	\$10,890,000	\$3,442,413	\$14,332,413

	Ongoing (Operations)		
	Direct	Indirect	Total
Jobs	29	23	52
Earnings	\$16,224,386	\$10,263,380	\$26,487,766

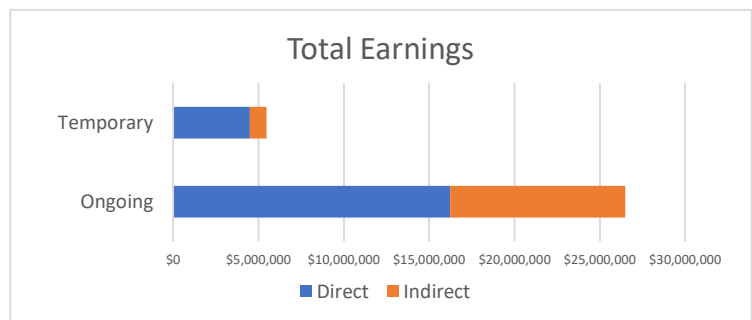
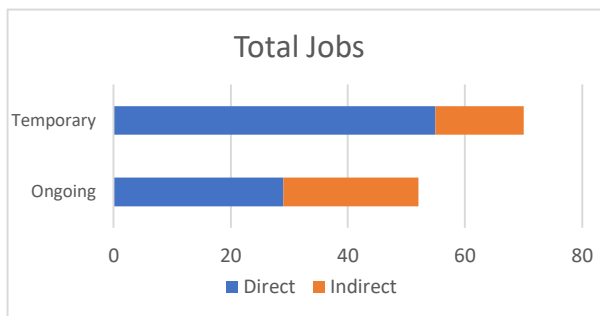
Figure 1



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

Figure 2

Figure 3



Fiscal Impacts

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$1,131,077	\$1,034,884
Sales Tax Exemption	\$509,479	\$509,479
Local Sales Tax Exemption	\$273,199	\$273,199
State Sales Tax Exemption	\$236,280	\$236,280
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$1,640,556	\$1,544,363

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$33,215,230	\$29,670,008
To Private Individuals	\$31,977,934	\$28,622,787
Temporary Payroll	\$5,490,168	\$5,490,168
Ongoing Payroll	\$26,487,766	\$23,132,619
Other Payments to Private Individuals	\$0	\$0
To the Public	\$1,237,296	\$1,047,221
Increase in Property Tax Revenue	\$978,475	\$815,555
Temporary Jobs - Sales Tax Revenue	\$44,436	\$44,436
Ongoing Jobs - Sales Tax Revenue	\$214,385	\$187,230
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$1,662,853	\$1,488,385
To the Public	\$1,662,853	\$1,488,385
Temporary Income Tax Revenue	\$247,058	\$247,058
Ongoing Income Tax Revenue	\$1,191,949	\$1,040,968
Temporary Jobs - Sales Tax Revenue	\$38,431	\$38,431
Ongoing Jobs - Sales Tax Revenue	\$185,414	\$161,928
Total Benefits to State & Region	\$34,878,083	\$31,158,393

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$29,670,008	\$1,308,083	23:1
State	\$1,488,385	\$236,280	6:1
Grand Total	\$31,158,393	\$1,544,363	20:1

*Discounted at 2%

Additional Comments from IDA

Applicant intends to construct a facility totaling 70,000 sf for warehouse distribution use for lease to two or three tenants. The facility will be constructed on 3.88 acres of vacant land. End users have not yet been secured but they intend to market to small to mid-sized companies. As per the Brookhaven IDA Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to, jobs created and capital investment by the applicant.

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

EXHIBIT E

Economic and Fiscal Impact Analysis by MRB Group

September Morning, LLC
Economic and Fiscal Impact Analysis

Prepared by:

MRB | *group*

Prepared for:
September Morning, LLC

Date:
March 16th, 2023

Executive Summary

September Morning, LLC (the "Applicant") is proposing a real estate development project at Ramsay Road in Shirley, NY in the Town of Brookhaven (the "Site"). The project consists of the construction of an approximately 70,000-square-foot warehousing and distribution facility on currently vacant land (the "Project"). The Applicant submitted an application to the Town of Brookhaven Industrial Development Agency (IDA) requesting incentives to induce this project and has indicated that the project will not move forward without the IDA's assistance. The following analysis includes an examination of the local market's ability to support the Project, the extent of economic impacts associated with the Project on the Town of Brookhaven (the "Town"), and associated fiscal benefits.

To do so, MRB Group modeled the economic impacts of the construction of the Project in terms of direct and indirect jobs and earnings in the region. We also modeled the annual economic impacts post-construction, which resulted from our estimates of employment at the Site and spending from future occupants of the Site. Below are the results of our analyses.

Market Review Conclusions

The Project appears to be well-positioned in a strong market. Over the last ten years, vacancy rates for industrial properties in the Town have ranged between 1.0% and 4.8%, despite several substantial deliveries. In 2022, the Town of Brookhaven's industrial market had both 10-year lows in vacancy rates and 10-year highs in square footage delivered. The current state of the Town's industrial real estate market suggests there may be unmet demand for additional space. Therefore, we conclude that the market data appear to support the Project's success.

Economic Impacts

In terms of economic impacts, we estimate that there will be 54 direct, on-site local construction jobs, 32 indirect jobs and, therefore, a total of 87 construction-phase local jobs, collectively earning \$6.1 million in wages.

Once the Project is complete and occupied, we estimate a total of 38 ongoing (permanent) jobs will be created for ongoing operations, with total annual earnings of \$2.6 million.¹

Fiscal Impacts

In terms of fiscal benefits, the Project will increase tax revenues for the County, Town, and School District. We estimate that the County will earn sales tax revenue in the amount of \$45,476 during the construction phase of the Project resulting from a portion of the construction phase earnings being spent locally. During the operation phase of the Project, we estimate the County will receive \$336,295 in sales tax from operation phase earnings being spent locally over the 15-year PILOT term. Over the life of the proposed PILOT, the Project will collect \$1.8 million *more* in property tax revenue than it would otherwise collect, which will be proportionally allocated to the applicable taxing jurisdictions. Therefore, in total, we estimate the fiscal benefit from the Project over the 15 years of the presumed PILOT, including both construction and operation phases, would be \$2.1 million.

Summary of Economic Impacts

	Direct	Indirect	Total
Construction Jobs	54	32	87
Construction Wages	\$3,846,489	\$2,267,993	\$6,114,482
Ongoing Jobs	29	9	38
Ongoing Wages	\$2,099,030	\$515,613	\$2,614,643

Summary of Fiscal Benefits, Local Government

Source	Total
Sales Tax, Construction, One-time	\$45,476
Sales Tax, Operations, 15 Years	\$336,295
Increase in Property Tax Revenue, 15 Years	\$1,784,471
Total Fiscal Benefits Over 15 Years	\$2,166,242

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

In terms of fiscal costs, the Applicant has requested a sales tax exemption and a mortgage recording tax exemption of \$251,048 and \$58,080 respectively². We also estimate the cost of the PILOT exemption of \$1.6 million over 15 years. This is the difference between the anticipated PILOT payments and the estimated taxes on the full assessment. However, this cost is theoretical by nature, as the Applicant has stated that the Project cannot move forward absent a PILOT inducement.

Summary of Exemptions

	Total
Cost of Sales Tax Exemption, One-Time	\$251,048
Mortgage Recording Tax Exemption	\$58,080
PILOT Exemption, 15 Years	\$1,627,069

² Local portions only.

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Introduction

September Morning, LLC is proposing a real estate development project at Ramsay Road in Shirley, NY in the Town of Brookhaven. The project consists of the construction of an approximately 70,000 square foot warehousing and distribution facility on currently vacant land. The Applicant submitted an application to the Town of Brookhaven Industrial Development Agency requesting incentives to induce this project, and has indicated that the project will not move forward without the IDA's assistance. The following analysis includes an examination of the local market's ability to support the Project, the extent of economic impacts associated with the Project on the Town of Brookhaven, and associated fiscal benefits.

To do so, MRB Group modeled the economic impacts of the construction of the Project in terms of direct and indirect jobs and earnings in the region. We also modeled the annual economic impacts post-construction, which result from our estimates of employment at the Site and spending from future occupants of the Site.

Industrial Real Estate Market Review

Local Real Estate Market

The graphs to the right display historical supply and demand trends for industrial real estate in the Town of Brookhaven. Changing consumer habits towards an increasing dependence on e-commerce sales have emphasized the importance of warehousing and distribution facilities on Long Island. The Town of Brookhaven seems to be capitalizing on this trend as the industrial real estate market is showing historically strong fundamentals in recent years.

Over the last ten years, vacancy rates for industrial space have ranged between 1.0% - 4.5%, currently estimated at a near historic low of 1.9%. Substantial leasing activity in 2021 in the Town of Brookhaven drove vacancy rates down to current lows.

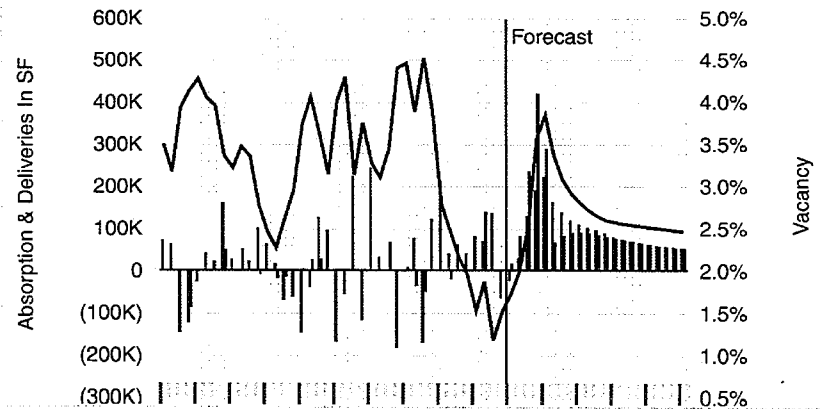
While there have been few deliveries over the last ten years, approximately 761,000 square feet of industrial space is currently under construction with even more expected to be delivered this year.

Rent prices for industrial space in the Town of Brookhaven are currently \$15.88 per square foot according to CoStar. Market rent has grown persistently over the last ten years, indicating strong demand for industrial space in the Town.

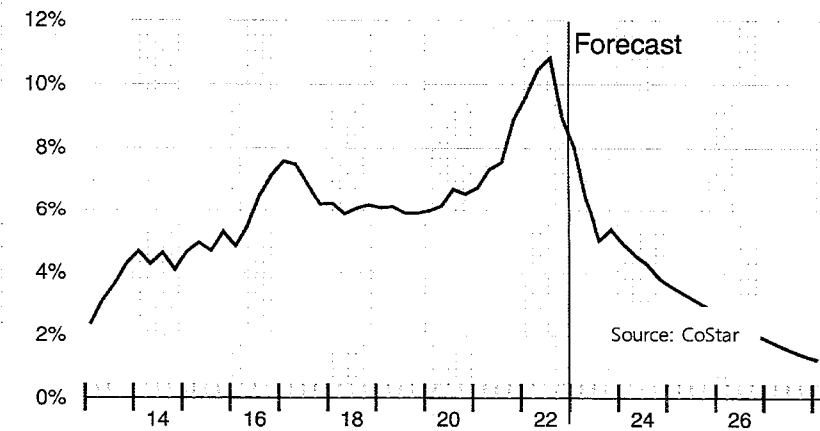
Determination of Market Support

We used the market statistics to make certain conclusions regarding both the level of support in the market for the Project. As noted above in the various CoStar data points and trends, the Project appears to be well positioned in a strong market. In 2022, the Town of Brookhaven’s industrial market had both 10-year lows in vacancy rates and 10-year highs in square footage delivered. Therefore, we conclude that the market data appear to support the Project’s success.

Net Absorption, Net Deliveries & Vacancy



Market Rent Growth (YOY)



Economic Impact Analysis

The Project would have economic impacts on the County and Town in a number of ways. This includes one-time impacts to jobs, earnings and sales during the construction phase of the Project, which we estimate for the entire County. It also includes ongoing impacts related to the operations of the Project, which we estimate for the Town³.

Methodology

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

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

For the operation phase:

- Direct jobs, wages and sales are those jobs created from the operations of the Project (e.g., onsite employment of a maintenance person).
- Indirect jobs, wages and sales are those caused by the Direct impact, such as business-to-business purchases and from employees of such businesses spending a portion of their wages locally.

To estimate the Direct and Indirect impacts, MRB Group employs the Lightcast⁴ economic modeling system. We used data from the Applicant and from publicly-available and proprietary data sources as inputs to the Lightcast modeling system. Where needed, we adjusted the Lightcast model to best match the Project specifics. We then reported the results of the modeling.

³ By their nature, construction-related impacts tend to be somewhat more diffuse, which is why we report them as county-level impacts. Town level impacts are measured based on the 36 ZIP codes, which closely approximates the Town.

⁴ Lightcast, formerly “Economic Modeling Systems, Intl.” uses data from the US Bureau of Labor Statistics, the US Bureau of Economic Analysis, the US Census, and other public data sources to model out economic impacts.

Construction Phase

The Applicant has provided estimates of the material and labor cost per square foot that will be spent locally during the construction phase of the Project. As shown in the table to the right, the estimated local construction costs of \$150 per square foot multiplied by the building size equates to an estimated \$10.5 million in local spending for the construction phase.

We used this \$10.5 million spending figure (direct "Sales" in the table) as the input into the Lightcast economic modeling system, assigning the County as the geography of study. We estimate this spending creates 54 direct jobs and direct earnings of \$3.8 million. The model estimates that this will cause indirect impacts of 32 jobs, \$2.3 million in earnings and \$6.5 million in indirect sales. Therefore, the total, one-time, construction-phase impacts would be 87 jobs, \$6.1 million in wages and \$17.0 million in sales.

Construction Spending In Region

	\$ County
Local M&L Cost per Square Foot	\$150
Total Square Footage	70,000
Total M&L Cost	\$10,500,000

Source: Developer, MRB

Economic Impact of Construction Phase, One-Time

	Direct	Indirect	Total
Jobs	54	32	87
Earnings	\$3,846,489	\$2,267,993	\$6,114,482
Sales	\$10,500,000	\$6,547,742	\$17,047,742

Source: Lightcast, MRB

Operation Phase

Unlike the construction phase impacts that were measured at the County level, to account for their dispersed nature, we estimated operation phase impacts at the Town level. To do so, we have used 29 ZIP Codes to best approximate the Town of Brookhaven in order to model operational impacts⁵.

Operation phase impacts come from the employment on Site that results from the operations of the Project, in this case two full-time employees. According to the Applicant, the Project is a speculative build that will house 2 or 3 tenants when complete. Because tenants have not been identified at this time, we use data from the U.S. Energy Information Administration (EIA) to estimate the level of employment that will likely be supported by the Project. According to the U.S. EIA, warehousing and distribution facilities have a median of 2,400 square feet per employee.

Given the Project's size of 70,000 square feet, we conclude the Project can support at least 29 direct on-site jobs that will earn approximately \$2.0 million in earnings. According to Lightcast, these direct impacts will translate to 9 indirect jobs with \$515,613 in total earnings.

In total the economic impact of the operation of the Project will be 38 jobs, \$2.6 million in earnings, and \$5.9 million in sales.

On-site Employment

	Total
Building Square Feet	70,000
Median Square Feet per Employee	2,400
On-site Employment	29

Source: U.S. EIA, MRB

Economic Impact, Operations of Project

	Direct	Indirect	Total
Jobs	29	9	38
Earnings	\$2,099,030	\$515,613	\$2,614,643
Sales	\$4,323,687	\$1,555,264	\$5,878,951

Source: Lightcast, MRB

⁵ A full list of ZIP Codes included in the economic impact analysis are listed in Appendix A, and are compared to the Town's boundaries.

Fiscal Impact Analysis

The Project would also have fiscal impacts in terms of new tax revenues as described below. The table below displays the Applicant's proposed PILOT schedule.

PILOT Schedule

The Applicant has requested a 15-year PILOT term that will abate a portion of the improvement value associated with the construction. Under the requested PILOT term, 6.25% of the improvement value will be subject to the PILOT in Year 1. Each year thereafter, an additional 6.25% of the improvement value will be subject to the PILOT, until Year 16 when the Project will be fully taxable.

PILOT Schedule - 15 Years

Tax Year	Base Land Tax	Projected Improvement Tax	Improvement Phase-In	Total Improvement PILOT	Total PILOT
Year 1	\$12,781	\$197,274	6.25%	\$12,330	\$25,110
Year 2	\$13,036	\$201,219	12.50%	\$25,152	\$38,189
Year 3	\$13,297	\$205,244	18.75%	\$38,483	\$51,780
Year 4	\$13,563	\$209,349	25.00%	\$52,337	\$65,900
Year 5	\$13,834	\$213,536	31.25%	\$66,730	\$80,564
Year 6	\$14,111	\$217,806	37.50%	\$81,677	\$95,788
Year 7	\$14,393	\$222,162	43.75%	\$97,196	\$111,589
Year 8	\$14,681	\$226,606	50.00%	\$113,303	\$127,984
Year 9	\$14,975	\$231,138	56.25%	\$130,015	\$144,990
Year 10	\$15,274	\$235,761	62.50%	\$147,350	\$162,625
Year 11	\$15,580	\$240,476	68.75%	\$165,327	\$180,907
Year 12	\$15,891	\$245,285	75.00%	\$183,964	\$199,855
Year 13	\$16,209	\$250,191	81.25%	\$203,280	\$219,489
Year 14	\$16,533	\$255,195	87.50%	\$223,296	\$239,829
Year 15	\$16,864	\$260,299	93.75%	\$244,030	\$260,894
Year 16**	\$17,201	\$265,505	100.00%	\$265,505	\$282,706

**First Year of Full Taxes

Source: Applicant

PILOT Revenue

Absent the Project moving forward, the parcels in their current form will generate an estimated \$221,025 in property taxes over 15 years. According to the Applicant’s proposed PILOT schedule, the Project will generate \$2.0 million in PILOT payments over the 15-year term. As shown below, the proposed PILOT payment would generate \$1.8 million more in revenue for the local taxing jurisdictions than the base land tax without the Project.

PILOT Revenue - 15 Years

Tax Year	Base Land Tax	Total PILOT	Increase in Revenue
Year 1	\$12,781	\$25,110	\$12,330
Year 2	\$13,036	\$38,189	\$25,152
Year 3	\$13,297	\$51,780	\$38,483
Year 4	\$13,563	\$65,900	\$52,337
Year 5	\$13,834	\$80,564	\$66,730
Year 6	\$14,111	\$95,788	\$81,677
Year 7	\$14,393	\$111,589	\$97,196
Year 8	\$14,681	\$127,984	\$113,303
Year 9	\$14,975	\$144,990	\$130,015
Year 10	\$15,274	\$162,625	\$147,350
Year 11	\$15,580	\$180,907	\$165,327
Year 12	\$15,891	\$199,855	\$183,964
Year 13	\$16,209	\$219,489	\$203,280
Year 14	\$16,533	\$239,829	\$223,296
Year 15	\$16,864	\$260,894	\$244,030
	\$221,025	\$2,005,496	\$1,784,471

Source: Applicant; MRB Group

Sales Tax Revenue, Construction Phase

As our economic impact analysis states, we anticipate approximately \$6.1 million in direct and indirect earnings in the County will be generated during the Project's construction phase. We assume 70% of the newly generated earnings will be spent in Suffolk County. From there, we estimate that 25% of that spending amount will be subject to the sales tax. Applying the County's sales tax rate of 4.25%, we conclude that the construction phase earnings will lead to approximately \$45,476 in County sales tax revenue over the duration of construction.

Sales Tax Revenue, Operation Phase

We estimated \$2.6 million in total new earnings occurring annually within the County during the operation phase associated with new direct and indirect job creation. Using the same methodology as above, we estimate the Project will result in \$19,446 in annual sales tax revenue to the County. Escalated at 2% per year for 15 years, this totals \$336,295 in revenue over the term of the proposed PILOT.

Sales Tax Revenue - Construction Phase

Line	Value
Total New Earnings	\$6,114,482
% Spent in County	70%
\$ Spent in County	\$4,280,137
% Taxable	25%
\$ Taxable	\$1,070,034
County Sales Tax Rate	4.25%
\$ County Sales Tax Revenue	\$45,476
Revenue, one-time	\$45,476

Source: MRB

Sales Tax Revenue - Operation Phase

Line	Value
Total New Earnings	\$2,614,643
% Spent in County	70%
\$ Spent in County	\$1,830,250
% Taxable	25%
\$ Taxable	\$457,563
County Sales Tax Rate	4.25%
\$ County Sales Tax Revenue	\$19,446
Revenue Over 15 Years	\$336,295

Source: MRB

Fiscal Costs

The table below displays the difference in PILOT payments under the proposed terms and the estimated property tax revenue on the full assessment of the project post-construction. Over 15 years, the project will have a fiscal "cost" of \$1.6 million. However, the Applicant has indicated that the Project cannot move forward absent an inducement, so this "cost" is theoretical by nature.

Cost of Abatement - 15 Years

Tax Year	Base Land Tax	Projected Improvement Tax	Full Taxes	Total PILOT	Cost of Abatement
Year 1	\$12,781	\$197,274	\$210,055	\$25,110	\$184,944
Year 2	\$13,036	\$201,219	\$214,256	\$38,189	\$176,067
Year 3	\$13,297	\$205,244	\$218,541	\$51,780	\$166,761
Year 4	\$13,563	\$209,349	\$222,912	\$65,900	\$157,012
Year 5	\$13,834	\$213,536	\$227,370	\$80,564	\$146,806
Year 6	\$14,111	\$217,806	\$231,917	\$95,788	\$136,129
Year 7	\$14,393	\$222,162	\$236,556	\$111,589	\$124,966
Year 8	\$14,681	\$226,606	\$241,287	\$127,984	\$113,303
Year 9	\$14,975	\$231,138	\$246,113	\$144,990	\$101,123
Year 10	\$15,274	\$235,761	\$251,035	\$162,625	\$88,410
Year 11	\$15,580	\$240,476	\$256,056	\$180,907	\$75,149
Year 12	\$15,891	\$245,285	\$261,177	\$199,855	\$61,321
Year 13	\$16,209	\$250,191	\$266,400	\$219,489	\$46,911
Year 14	\$16,533	\$255,195	\$271,728	\$239,829	\$31,899
Year 15	\$16,864	\$260,299	\$277,163	\$260,894	\$16,269
			\$3,632,565	\$2,005,496	\$1,627,069

Source: Applicant; MRB Group

Other Fiscal Costs

The Applicant indicated that they will be seeking a sales tax exemption of \$509,479 and a mortgage recording tax exemption of \$87,120. The tables below show the local share of these costs.

Cost of Sales Tax Exemption, County

Type	Value
Sales Tax Exemption	\$509,479
Local	4.250%
State	4.000%
MCTD	0.375%
Local Exemption	\$251,048

Source: Applicant

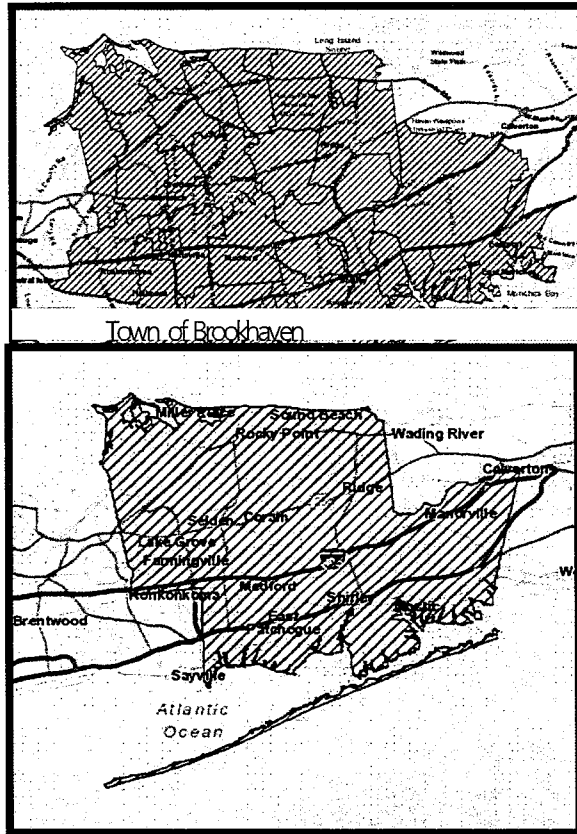
Cost of MRTE Exemption, County

Type	Value
MRTE	\$87,120
Local	0.50%
State	0.25%
Local Exemption	\$58,080

Source: Applicant

Appendix A

36 ZIP Codes of the Town of Brookhaven



ZIP	Description
11705	Bayport, NY (in Suffolk county)
11713	Bellport, NY (in Suffolk county)
11715	Blue Point, NY (in Suffolk county)
11719	Brookhaven, NY (in Suffolk county)
11727	Coram, NY (in Suffolk county)
11733	East Setauket, NY (in Suffolk county)
11738	Farmingville, NY (in Suffolk county)
11741	Holbrook, NY (in Suffolk county)
11742	Holtsville, NY (in Suffolk county)
11755	Lake Grove, NY (in Suffolk county)
11763	Medford, NY (in Suffolk county)
11764	Miller Place, NY (in Suffolk county)
11766	Mount Sinai, NY (in Suffolk county)
11772	Patchogue, NY (in Suffolk county)
11776	Port Jefferson Station, NY (in Suffolk county)
11777	Port Jefferson, NY (in Suffolk county)
11778	Rocky Point, NY (in Suffolk county)
11779	Ronkonkoma, NY (in Suffolk county)
11782	Sayville, NY (in Suffolk county)
11784	Selden, NY (in Suffolk county)
11786	Shoreham, NY (in Suffolk county)
11789	Sound Beach, NY (in Suffolk county)
11790	Stony Brook, NY (in Suffolk county)
11934	Center Moriches, NY (in Suffolk county)
11940	East Moriches, NY (in Suffolk county)
11941	Eastport, NY (in Suffolk county)
11949	Manorville, NY (in Suffolk county)
11950	Mastic, NY (in Suffolk county)
11951	Mastic Beach, NY (in Suffolk county)
11953	Middle Island, NY (in Suffolk county)
11955	Moriches, NY (in Suffolk county)
11960	Remsenburg, NY (in Suffolk county)
11961	Ridge, NY (in Suffolk county)
11967	Shirley, NY (in Suffolk county)
11973	Upton, NY (in Suffolk county)
11980	Yaphank, NY (in Suffolk county)