

Date: May 27, 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 27th day of May, 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
Vincent Bonacasa, Member

Recused: None

Excused: None

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
Andrew D. Komaromi, Esq., Transaction Counsel
Barry Carrigan, Esq., Transaction Counsel
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 commercial facility more particularly described below (Sosunrise LLC 2026 Facility) and the leasing of the facility Sosunrise LLC.

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

Voting Aye

Voting Nay

Braun
Callahan
Pally
Scheidt
Trotta
Rose
Bonacasa

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION CONSTRUCTION AND EQUIPPING OF A COMMERCIAL FACILITY, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IIN CONNECTION THEREWITH AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS AND TAKING OTHER ACTIONS

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, Sosunrise 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 of Sosunrise LLC and/or an entity formed or to be formed on behalf of any of the foregoing (the "**Company**"), has applied to the Agency to enter into a transaction in which the Agency will assist in (A) the acquisition of approximately 13 acres of land located at No. # Sunrise Highway, South Service Road, East Patchogue, New York 11772 (also known as Tax Map Number: District 0200, Section 955.00-05.00-003.000; District 0200, Section 956.00-02.00-001.000 and 002.000; District 0200, Section 973.40-04.00-002.000; and District 0200, Section 973.50-01.00-008.000 and 009.000) (the "**Land**"), (B) the construction, equipping and furnishing thereon of approximately 64 new senior residential rental units across multiple buildings totaling approximately 85,000 square feet of rental area, with approximately 20% of such units (fourteen (14) units) to be reserved as affordable housing and/or workforce housing for residents, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the "**Improvements**"), (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 to be subleased by the Agency to the Company for it to provide senior housing for the residents of East Patchogue and Long Island (the "**Project**"). The Facility will be initially owned, operated and/or managed by the Company; 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 June 1, 2026, 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 June 1, 2026, 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 **\$25,000,000.00**, corresponding to mortgage recording tax exemptions not to exceed **\$187,500.00**, 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 **\$753,418.00**, 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, 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 Analysis ("**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 G; 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, 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, a public hearing (the "**Hearing**") was held on May 26, 2026, 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 May 15, 2026, 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 Agency required the Company to provide to the Agency a feasibility report, prepared by VHB Engineering, Surveying, Landscape Architecture and Geology, P.C. (the "**Feasibility Study**"), together with such letters or reports from interested parties and governmental agencies or officials (the "**Letters of Support**"; and together with the Feasibility Study and other relevant materials, the "**Requisite Materials**") to enable the Agency to make findings and determinations that the Facility qualifies as a "project" under the Act and that the

Facility satisfies all other requirements of the Act, and such Requisite Materials are listed below and attached as Exhibit D hereof:

1. Sosunrise, East Patchogue, Multifamily Age-Restricted Development Economic & Fiscal Feasibility Study, dated April 30, 2026, and prepared Nelson, Pope & Voorhis;
2. New York Law Journal Article, dated March 22, 2017 on Eligibility of Residential Developments for IDA Benefits by Anthony Guardino, Esq.; and
3. *Ryan et al. v. Town of Hempstead Industrial Development Agency et al.*; and

WHEREAS, the Agency's Uniform Tax Exemption Policy ("UTEP"), which such UTEP is annexed hereto as Exhibit E, provides for the granting of financial assistance by the Agency for residential projects pursuant to Sections 3(A) and 7(D); and

WHEREAS, the Application states that the Company is seeking an exemption from real property taxes with respect to the Project Facility that constitutes a deviation from the Agency's UTEP; and

WHEREAS, pursuant to Section 874(4) of the Act, (A) the Executive Director of the Agency caused a letter dated May 12, 2026 (the "**PILOT Deviation Notice Letter**") to be mailed to the chief executive officer of each affected tax jurisdiction, informing said individuals that the Agency would, at its meeting on May 27, 2026 (the "**IDA Meeting**"), consider a proposed deviation from the UTEP with respect to the payments in lieu of real property taxes to be made pursuant to a payment in lieu of taxes agreement to be entered into by the Agency with respect to the Project Facility; and (B) the members of the Agency conducted the IDA Meeting on the date hereof and reviewed any comments and correspondence received with respect to the proposed deviation from the UTEP; and

WHEREAS, PILOT Deviation Notice Letter (together with proof of mailing), was substantially in the form annexed hereto as Exhibit F; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 874(4) of the Act with respect to the proposed deviation from the Tax Exemption Policy; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed financial assistance is either an inducement to the Company to maintain the competitive position of the Company in its industry or without such financial assistance the Company would not be able to undertake the Project; 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 ("**NYSDEC**") (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, pursuant to a resolution, dated December 11, 2025, the Town of Brookhaven Town Board, following a coordinated review, determined that the Project was an Type I Action (the "**Action**") for SEQR purposes and adopted a negative declaration that the Project will not have a significant impact on the environment, and adopted a Negative Declaration for the Facility pursuant to the provisions of SEQR (the "**2025 SEQRA Determination**"); and

WHEREAS, pursuant to SEQRA, to aid the Agency in determining whether the Project may have a significant adverse impact upon the environment, the Agency has completed, received and/or reviewed the: (1) Questionnaire; (2) NYSDEC's Environmental Resource Mapper; (3) New York State Historic Preservation Office's Cultural Resources Mapper; (4) 2025 SEQRA Determination; (5) Brookhaven Town Board Site Plan approval, dated December 11, 2025 (the "**Site Plan Approval**"); (6) the application of the Company to the Agency; and (7) other relevant environmental information (collectively, 1, 2, 3, 4, 5, 6 and 7 shall be referred to as the "**Environmental Information**"); and

WHEREAS, pursuant to 6 NYCRR Part 617.2(al), the proposed action is classified as an Type I Action; and

WHEREAS, the Agency has reviewed the Environmental Information as the Agency felt it necessary or appropriate to examine to adequately review the proposed Action; and

WHEREAS, after review of the Environmental Information, the Agency finds that the 2025 SEQRA Determination accurately and adequately examines environmental issues presented by the 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 the Environmental Information reviewed by the Agency, the Agency determines that the action relating to the acquisition, construction and equipping of the Facility is an "Type I" action under SEQRA, as that term is defined under SEQR. Based upon the foregoing investigations of the potential environmental impacts of the Project and considering both the magnitude and importance of each environmental impact indicated, the Agency has determined that the Project will not have a significant adverse impact upon the environment and issues a negative declaration as part of an uncoordinated SEQRA review. The reasons supporting this determination and finding are attached hereto as Exhibit H. Based on the foregoing, the Agency finds and determines that the requirements of 6 N.Y.C.R.R. Part 617 have been met and that that no environmental impact statement shall be required or 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. In connection with the acquisition, construction and equipping of the Facility, the Agency hereby makes the following determinations and findings based upon the Agency's review of the information provided by the Company with respect to the Facility, including, the Company's Application, the Requisite Materials and other public information:

(a) There is a lack of affordable, safe, clean and modern affordable rental housing in the Town of Brookhaven; and

(b) Such lack of affordable rental housing has resulted in individuals leaving the Town of Brookhaven and therefore adversely affecting employers, businesses, retailers, banks, financial institutions, insurance companies, health and legal services providers and other merchants in the Town of Brookhaven and otherwise adversely impacting the economic health and well-being of the residents of the Town of Brookhaven, employers, and the tax base of the Town of Brookhaven; and

(c) The Facility, by providing such affordable rental housing will enable persons to remain in the Town of Brookhaven and thereby to support the businesses, retailers, banks, and other financial institutions, insurance companies, health care and legal services providers and other merchants in the Town of Brookhaven which will increase the economic health and well-being of the residents of the Town of Brookhaven, help preserve and increase permanent private sector jobs, promote employment opportunities and prevent economic deterioration 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

(d) The Facility will provide services, i.e., affordable rental housing, which but for the Facility, would not otherwise be reasonably accessible to the residents of the Town of Brookhaven; and

(e) The Agency hereby determines that the Agency has fully complied with the requirements of Section 874(4) of the Act relating to the proposed deviation from the UTEP; and

(f) Having reviewed all comments and correspondence received at or prior to the IDA Meeting, the Agency hereby approves the proposed deviation from the UTEP as described in the Pilot Deviation Notice Letter (a copy of which is attached hereto as Exhibit E) because the proposed deviation is necessary to make it financially feasible for the Company to undertake the Project. This finding of the Agency is further supported by the "Reasonableness Assessment for Financial Assistance", dated May 2026, prepared by Camoin Associates (the "Camoin Report"); The Camoin Report, inter alia, among other things, focuses on determining if the level of partial exemptions from real property taxes requested is necessary to induce the Applicant to proceed with the Project. The Camoin Report concludes that: "The equity dividend rate benchmark is not met in any scenario, including all three PILOT scenarios, where average rates of -0.23% (7-year), 0.60% (15-year), and 0.80% (17-year) fall well below the benchmark average of 9.56%. In the No PILOT scenarios, average rates range from -3.84% to -2.50%, indicating that assistance alone

is insufficient to meet industry benchmarks, though it meaningfully improves returns.” The Camoin Report further concludes that “Across the 15-year and 17-year PILOT scenarios, cumulative cash flow is positive — \$813,340 (15-year) and \$1,261,696 (17-year) — but does not recoup the initial equity investment over the time period studied. The 7-year PILOT produces a modest positive cumulative cash flow of \$138,795, while all No PILOT scenarios result in deeply negative cumulative cash flow ranging from (\$2,328,294) to (\$3,912,844).” The Camoin Report additionally provides “In the 15 and 17 year PILOT scenarios, the average Debt Service Coverage meets the benchmark across all three terms.”

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 undertake the Project and commence, 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 lease the Facility 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 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) lease and sublease 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, deliver and perform the Loan Documents to which the Agency is a party.

Section 6. The Agency is hereby authorized to acquire an interest in 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 \$25,000,000.00, corresponding to mortgage recording tax exemptions not to exceed \$187,500.00, 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 \$753,418.00, 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 G.

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 \$753,418.00, 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 subject to provisions (despite the proposed affordability set-aside contained within the notice of the Hearing) requiring that (x) four (4) dwelling units at the Facility shall be occupied (but not on a transient basis) by individuals who are age 55 or over whose income per unit based upon family size (provided that for purposes of determining the income of a unit, a unit which does not have a separate bedroom shall be deemed to have one occupant, and a unit which has one or more separate bedrooms shall be deemed to have one and one-half occupants for each separate bedroom) does not exceed 50% of the Area Median Gross Income for the Nassau-Suffolk region (“AMGI”) for the current year (or if the AMGI shall cease to be issued, then such other index as the Agency may select) and the gross rent for such dwelling unit (as determined under 26 USCS §42 (together with the regulations promulgated thereunder, the “Tax Credit Law”)) shall not exceed 30% of 50% of the AMGI; (y) three (3) dwelling units at the Facility shall be occupied (but not on a transient basis) by individuals who are age 55 or over whose income per unit based upon family size (determined as above provided) does not exceed 65% of the AMGI for the current year (or if the AMGI shall cease to be issued, then such other index as the Agency may select) and the gross rent for such dwelling unit (as determined under the Tax Credit Law) shall not exceed 30% of 65% of the AMGI; and (z) seven (7) dwelling units at the Facility shall be occupied (but not on a transient basis) by individuals who are age 55 or over whose income per unit based upon family size (determined as above provided) does not exceed 80% of the AMGI for the current year (or if the AMGI shall cease to be issued, then such other index as the Agency may select) and the gross rent for such dwelling unit (as determined under the Tax Credit Law) shall not exceed 30% of 80% of the AMGI.

Section 11.

- (a) The Chairman, the Chief Executive Officer of the Agency 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 at this meeting with such changes, variations, omissions and insertions as the Chairman, the Chief Executive Officer of the Agency 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, the Chief Executive Officer of the Agency 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 shall agree 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.

STATE OF NEW YORK)

: SS.:

COUNTY OF SUFFOLK)

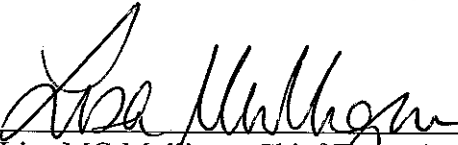
I, the undersigned Chief Executive Officer of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Town of Brookhaven Industrial Development Agency (the "**Agency**"), including the resolutions contained therein, held on the 27th day of May, 2026, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Agency Documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 27th day of May, 2026.

By: 

Lisa MG Mulligan, Chief Executive Officer

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 26th day of May, 2026, at 11:00 a.m. local time, at the Agency’s offices located at the Town of Brookhaven Town Hall, 2nd Floor, One Independence Hill, Farmingville, New York 11738, in connection with the following matters:

Sosunrise 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 of Sosunrise LLC and/or an entity formed or to be formed on behalf of any of the foregoing (the “**Company**”), has applied to the Agency to enter into a transaction in which the Agency will assist in (A) the acquisition of approximately 13 acres of land located at No. # Sunrise Highway, South Service Road, East Patchogue, New York 11772 (also known as Tax Map Number: District 0200, Section 955.00-05.00-003.000; District 0200, Section 956.00-02.00-001.000 and 002.000; District 0200, Section 973.40-04.00-002.000; and District 0200, Section 973.50-01.00-008.000 and 009.000) (the “**Land**”), (B) the construction, equipping and furnishing thereon of approximately 64 new senior residential rental units across multiple buildings totaling approximately 85,000 square feet of rental area, with approximately 20% of such units (fourteen (14) units) to be reserved as affordable housing and/or workforce housing for residents, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “**Improvements**”), (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 to be subleased by the Agency to the Company for it to provide senior housing for the residents of East Patchogue and Long Island (the “**Project**”). The Facility will be initially owned, operated and/or managed by the Company.

The Agency will acquire a leasehold interest in the Land and Improvements and title to the Equipment and will lease and sublease the Facility to 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 in connection with the construction and equipping of the Facility, and exemption of real property taxes.

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: May 15, 2026

TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY

By: Lisa MG Mulligan

Title: Chief Executive Officer

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON May 26, 2026

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
(SOSUNRISE LLC 2026 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:

Sosunrise 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 of Sosunrise LLC and/or an entity formed or to be formed on behalf of any of the foregoing (the "**Company**"), has applied to the Agency to enter into a transaction in which the Agency will assist in (A) the acquisition of approximately 13 acres of land located at No. # Sunrise Highway, South Service Road, East Patchogue, New York 11772 (also known as Tax Map Number: District 0200, Section 955.00-05.00-003.000; District 0200, Section 956.00-02.00-001.000 and 002.000; District 0200, Section 973.40-04.00-002.000; and District 0200, Section 973.50-01.00-008.000 and 009.000) (the "**Land**"), (B) the construction, equipping and furnishing thereon of approximately 64 new senior residential rental units across multiple buildings totaling approximately 85,000 square feet of rental area, with approximately 20% of such units (fourteen (14) units) to be reserved as affordable housing and/or workforce housing for residents, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the "**Improvements**"), (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 to be subleased by the Agency to the Company for it to provide senior housing for the residents of East Patchogue and Long Island (the "**Project**"). The Facility will be initially owned, operated and/or managed by the Company.

The Agency will acquire a leasehold interest in the Land and the Improvements and title to the Equipment and lease the Facility to 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 in connection with the construction and equipping of the Facility and exemption 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 11:30 a.m.

STATE OF NEW YORK)

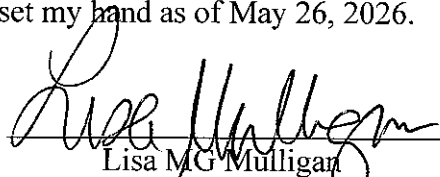
: SS.:

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 May 26, 2026 at 11:00 a.m., local time, in person, 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 May 26, 2026.



Lisa M.G. 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), Patchogue-Medford School District, Suffolk County and Appropriate Special Districts

Property Address: No. # Sunrise Highway, South Service Road, East Patchogue, New York

Tax Map No. 0200-955.00-05.00-003.000; 0200-956.00-02.00-001.000 and 002.000; 0200-973.40-04.00-002.000; and 0200-973.50-01.00-008.000 and 009.000.

School District: Patchogue-Medford

<u>Year</u>	<u>PILOT Payment</u>
1	\$6,000
2	\$6,120
3	\$58,296
4	\$59,462
5	\$87,729
6	\$117,103
7	\$147,617
8	\$179,305
9	\$212,202
10	\$246,342
11	\$281,763
12	\$318,503
13	\$356,599
14	\$396,092
15	\$437,022
16	\$479,431
17	\$557,703

PILOT Payments shall be allocated among the Taxing Authorities in proportion to the amount of real property tax and other taxes which would have been received by each Taxing Authority if the Facility was owned by the Company exclusive of the Agency's leasehold interest.

All annual PILOT Payments as described above shall be payable in two equal semi-annual installments on or prior to January 31 and May 31 of each year of the Lease Term or on such other due dates as may be established from time to time during the Lease Term.

EXHIBIT D

Requisite Materials

1. Sosunrise, East Patchogue, Multifamily Age-Restricted Development Economic & Fiscal Feasibility Study, dated April 30, 2026, and prepared Nelson, Pope & Voorhis;
2. New York Law Journal Article, dated March 22, 2017 on Eligibility of Residential Developments for IDA Benefits by Anthony Guardino, Esq.; and
3. *Ryan et al. v. Town of Hempstead Industrial Development Agency et al.*

EXHIBIT D-1

Sosunrise, East Patchogue, Multifamily Age-Restricted Development Economic & Fiscal Feasibility Study, dated April 30, 2026, and prepared Nelson, Pope & Voorhis

ECONOMIC & FISCAL FEASIBILITY STUDY

Sosunrise, East Patchogue

Multifamily Age-Restricted Development

SCTM#: 200-995-05-3
200-956-02-1 & 2
200-973.40-04-2
200-973.50-01-8 & 9

Sunrise Highway

East Patchogue, NY

NPV No. 24201

Prepared for:

Mike Kelly
Kelly Real Estate
530 Horseblock Road
Farmingville, New York 11738

Prepared by:



NELSON POPE VOORHIS

environmental • land use • planning

70 Maxess Road
Melville, NY 11747
Contact: Chic Voorhis, AICP
o: 631.427.5665 | cvoorhis@nelsonpopevoorhis.com

April 30, 2026

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ATTACHMENTS

A NPV Qualifications

EXECUTIVE SUMMARY

This analysis examines the economic and fiscal impacts that are anticipated to occur through the construction and annual operations of an age-restricted multifamily residential rental development known as Sosunrise, East Patchogue. The report further includes demographic information and a review of planning documents that further support the need for the proposed project and its consistency with planning goals. The subject property is a total of 12.82 acres and consists of six tax parcels, which can be more specifically described as Suffolk County Tax Map Numbers: 200-995-05-3, 200-956-02-1 & 2, 200-973.40-04-2, 200-973.50-01-8 & 9.

The subject site is located approximately 300 feet west of the intersection of Hewlett Avenue and the South Service Road of Sunrise Highway in the **hamlet of East Patchogue**, Town of Brookhaven, Suffolk County, New York and is surrounded by a mix of land uses including single-family neighborhoods, commercial uses, and community uses. The Bellport Animal Hospital and St. Josephs University Outdoor Field Complex are located directly west of the subject site. The proposed project will provide a **64-unit age-restricted (55+)** multifamily residential development, consisting of all two-bedroom units, of which 14 units will be designated as affordable units or workforce housing units. Based on the age-restricted designation, no school age children are anticipated to reside in this community.

The proposed project responds to the public need for increased housing opportunities, including workforce and affordable housing opportunities, senior housing, and rental opportunities. Throughout Long Island, housing costs have skyrocketed, housing availability has fallen, and local businesses and institutions are no longer able to fill essential positions to meet employment demand during the post-pandemic recovery. The shortage of housing and demand for workers impacts many across the employment spectrum, especially essential lower- and middle-income workers such as retail and restaurant workers and hospital, school, and Town staff. Consumer activity from the increase in residents will ripple through the local community, creating beneficial economic and fiscal impacts throughout the hamlet of East Patchogue, the Town of Brookhaven, Suffolk County, and the region as a whole. The proposed project will provide housing for seniors (ages 55+) including those still in the work force and those who are downsizing, which has the potential to free up single-family/for-sale housing for families seeking to locate in the area. The proposed project will also provide a solid tax base at the time of full occupancy and full taxation as quantified in this report with no school age children.

Economic benefits include direct economic impacts, as well as those indirect and induced impacts that are projected to occur – on output, employment and labor income – during both the 24-month construction period, and annually upon stabilized operations of the proposed project. During the 24-month **construction** period, direct, indirect, and induced impacts of the proposed project are anticipated to result in **\$45,949,312 in total output, 172.34 total jobs, and \$17,205,909 in labor income** (total wages). During **annual operations**, direct, indirect, and

induced impacts of the proposed project are estimated to result in **\$7,955,642** in **output** (total revenue), **39.15 jobs**, and **\$2,713,910** in **labor income** (total wages).

The Applicant will be applying to the Town of Brookhaven IDA to participate in its Payment in Lieu of Taxes (PILOT) program. IDA tax deferral promotes beneficial development/redevelopment and creates jobs while supplementing taxes and meeting other goals, such as increasing housing options including affordable housing. The exact terms of the PILOT have not yet been finalized; however, this analysis can be useful in structuring and finalizing a PILOT agreement.

This report analyzes the fiscal impacts that are anticipated to result from the proposed project under full-taxation and full build-out. It is estimated that the proposed project will generate **\$477,543** in **annual taxes** under full taxation of the property, of which approximately **\$312,095** (65.4% of the total taxes generated) would be allocated to the **Patchogue Medford Union Free School District** (UFSD) with zero (0) school age children. The current taxes generated by the 6 parcels that comprise the subject property are \$5,773 in annual taxes, of which \$3,773 is allocated to the school district.

In summary, in addition to addressing planning goals for diverse, senior, rental, affordable housing, the proposed project is beneficial to economic conditions in the hamlet of East Patchogue, the Town of Brookhaven, Suffolk County, and the region, as a result of job creation (construction and operations), and provides an increase in revenue to local taxing jurisdictions. Overall, the project is economically and socially beneficial as discussed in more detail in the full report.

1.0 INTRODUCTION AND PURPOSE

Nelson Pope Voorhis (NPV) has been requested to prepare an economic and fiscal feasibility study for the proposed PRC (ages 55+) multifamily rental residential development, known as Sosunrise East Patchogue, located approximately 300 feet west of the intersection of Hewlett Avenue and the South Service Road of Sunrise Highway in the hamlet of East Patchogue, Town of Brookhaven, Suffolk County, New York. The subject property is a total of 12.82 acres and consists of six tax parcels, which can be more specifically described as Suffolk County Tax Map Numbers: 200-995-05-3, 200-956-02-1 & 2, 200-973.40-04-2, 200-973.50-01-8 & 9.

NPV is a professional environmental and planning firm with qualifications and expertise to prepare economic and fiscal impact analyses, and has a track record of similar completed projects, as well as residential and commercial market analysis and related economic development services to private and municipal clients. The economic qualifications of the firm and personnel are provided in **Attachment A**.

This analysis examines the fiscal and economic impacts that are anticipated to occur through the construction and annual operations of the proposed 64-unit residential rental development. All of the proposed units will contain two bedrooms. The proposed development will be age-restricted (55+) and is proposed to include 14 units designated as affordable/workforce units. Based on the age-restricted designation, no school age children will be generated by this community. Four (4) units will be reserved for tenants with an annual income at or below 50% of the Area Median Income (AMI), three (3) units will be reserved for tenants with an annual income at or below 65% AMI, and seven (7) units will be reserved for tenants with an annual income at or below 90% AMI.

The proposed project responds to the public need for additional quality housing, including affordable housing opportunities in the hamlet of East Patchogue and the Town of Brookhaven. The proposed project responds to the Town's desire to provide such rental housing opportunities in the area, as recognized in various comprehensive planning documents and evidenced by current conditions within the surrounding community. In addition, the percentage of population over 65 on Long Island is increasing rapidly with population projections estimating that the trend will continue. By 2040, the number of people over 65 is expected to increase by 40%. An aging population requires diverse housing options such as multifamily and rental options. The project provides a positive contribution toward addressing demand for such housing needs.

The proposed project is expected to contribute to the long-term economic health of the community. More specifically, the proposed project will advance the planning goals of the Town and will establish many new construction jobs and housing opportunities for senior residents. Housing costs have skyrocketed and the shortage of housing and demand impacts many across the employment spectrum. The residents of the proposed housing units will support local businesses in the community, bringing increased patronage and spending power to

the community. The proposed project will provide housing for seniors (ages 55+) including those still in the work force and those who are downsizing, which has the potential to free up single-family/for-sale housing for families seeking to locate in the area. The proposed project will also create a short- and long-term economic benefit by providing revenue to taxing jurisdictions. Consumer activity will ripple through the local community, creating beneficial fiscal and economic impacts throughout the hamlet of East Patchogue, the Town of Brookhaven, Suffolk County, and the region as a whole.

This analysis examines and quantifies the fiscal and economic impacts that are anticipated to result from the proposed senior multifamily residential development. **Section 2.0** outlines the methodology and the sources of data used to project the fiscal and economic impacts generated in this analysis. **Section 3.0** examines and summarizes demographics and trends specific to the hamlet of East Patchogue, the Town of Brookhaven and Suffolk County. In addition, this section examines trends within the local, regional and national housing market, as well as other planned/potential multiple family development communities within the Patchogue Medford UFSD. **Section 4.0** analyzes relevant town and local planning documents specific to the community and summarizes the proposed project’s consistency with such reports.

Section 5.0 outlines the direct economic impacts, as well as those indirect and induced impacts that are expected to occur – on output, employment and labor income – during both the 24-month construction period, and annually upon stabilized operations of the proposed residential development. These projections anticipate stabilization of the economy in post-pandemic conditions. A summary of these key economic findings is provided in **Table 1**.

TABLE 1
SUMMARY OF KEY ECONOMIC FINDINGS

Impact Type	Output (Total Revenue)	Employment (Total Number of Jobs)	Labor Income (Total Wages)
<i>Economic Impacts during Construction</i>			
Direct Impact	\$29,610,000	100.58	\$11,606,049
Indirect Impact	\$7,778,911	30.18	\$2,724,754
Induced Impact	\$8,560,401	41.58	\$2,875,107
Total Impact	\$45,949,312	172.34	\$17,205,909
<i>Projected Economic Impacts during Annual Operations</i>			
Direct Impact	\$313,451	1.63	\$127,693
Indirect Impact	\$97,210	0.42	\$37,268
Induced Impact	\$7,544,981	36.29	\$2,548,949
Total Impact	\$7,955,642	39.15	\$2,713,910

Source: Data provided by Kelly Real Estate, LLC; Analysis by Urbanomics, via IMPLAN software.

Section 5.0 also summarizes the existing fiscal conditions – including enrollment, budget, and current tax rates and levies for the Patchogue Medford UFSD. This section summarizes the land use and tax base composition, detailed budgets and the current tax rates and levies for the Town of Brookhaven and Suffolk County. Moreover, this section summarizes the fiscal impacts that are anticipated to result from the proposed project. These include tax revenues that would be allocated to each of the local taxing jurisdictions.

The Applicant has submitted an application to the Town of Brookhaven IDA to participate in its Payment in Lieu of Taxes (PILOT) program. IDA tax deferral promotes beneficial development/redevelopment and creates jobs while supplementing taxes and meeting other goals such as housing options including affordable housing. The exact terms of the PILOT have not yet been finalized; however, this analysis can assist with structuring a PILOT agreement.

At full build-out and during annual operations, the proposed project is projected to generate significantly more tax revenue than the current conditions of the property. It is estimated that the proposed project will generate \$477,543 in annual taxes under full taxation of the property, of which approximately \$312,095 (65.4% of the total taxes generated) would be allocated to the Patchogue Medford UFSD. Based on the age-restricted designation, no school age children will be generated by this community. The current taxes generated by the six parcels that comprise the subject property are \$5,773 in annual taxes, of which \$3,773 is allocated to the school district. The distribution of anticipated tax revenues is shown in **Table 2**.

Lastly, **Section 6.0** outlines the references and sources of information utilized in this analysis.

TABLE 2
TAX REVENUE COMPARISON

Taxing Jurisdiction	Current Tax Revenue ¹	Projected Tax Revenue	Increase in Tax Revenue	Percent of Total Tax Revenue
Total School Taxes	\$4,044	\$334,484	\$330,441	70.0%
School District - Patchogue Medford UFSD	\$3,773	\$312,095	\$308,322	65.4%
Library District - Patchogue Medford UFSD	\$271	\$22,389	\$22,118	4.7%
Total County Taxes	\$637	\$52,722	\$52,085	11.0%
County of Suffolk	\$34	\$2,822	\$2,787	0.6%
County Police	\$603	\$49,901	\$49,297	10.4%
Total Town Taxes	\$341	\$28,197	\$27,856	5.9%
Town - Town Wide Fund	\$82	\$6,750	\$6,669	1.4%
Highway - Town Wide Fund	\$15	\$1,266	\$1,251	0.3%
Town - Part Town Fund	\$42	\$3,450	\$3,409	0.7%
Highway - Part Town Fund	\$202	\$16,730	\$16,527	3.5%
Other Taxes and Fees	\$751	\$62,140	\$61,388	13.0%
Open Space Preservation	\$30	\$2,493	\$2,462	0.5%
Fire Districts - North Patchogue	\$517	\$42,767	\$42,250	9.0%
Lighting Districts - Brookhaven	\$17	\$1,366	\$1,350	0.3%
Real Property Tax Law	\$75	\$6,171	\$6,096	1.3%
Out of County Tuition	\$9	\$751	\$742	0.2%
Suffolk Community College Tax	\$3	\$210	\$207	0.0%
Animal Shelter/Ecology Center	\$12	\$1,028	\$1,016	0.2%
Parks & Recreation	\$89	\$7,354	\$7,265	1.5%
TOTAL: ALL TAXING JURISDICTIONS	\$5,773	\$477,543	\$471,770	100%

Source: Data provided by the Town of Brookhaven Assessor's Office; Analysis by Nelson, Pope & Voorhis, LLC.

¹ Total taxes for the six tax lots that comprise the subject property.

2.0 METHODOLOGY

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

Kelly Real Estate, LLC supplied information regarding the estimated rental rates, unit mix, construction cost and construction schedule, as well as the estimated employment and employee salaries during the annual operations of the proposed project.

Patchogue Medford UFSD provided data pertaining to the district budget, enrollment trends and per-pupil education costs.

The Town of Brookhaven and Suffolk County provided information regarding current tax rates for the parcels that comprise the subject property. This tax information was used to compare the existing revenues to those that are projected to be generated upon full build-out and full taxation of proposed project.

New York State Education Department provided New York State District Report Cards and the Fiscal Accountability Summary reports specific to the Patchogue Medford UFSD.

New York State Office of Real Property Services supplied data pertaining to the existing tax base and tax revenues for the Town of Brookhaven. This information was used to better understand how local budgets and taxing jurisdictions will be affected by the proposed project.

United States Census Bureau provided the latest population counts and other pertinent demographic data for East Patchogue, the Town of Brookhaven, and Suffolk County.

Environmental Systems Research Institute, Inc. (ESRI) generated on-demand demographic reports specific to East Patchogue CDP, the Town of Brookhaven and Suffolk County through their *Business Analyst* program. Specifically, data was collected for the 2010 Census, 2020 Census and 2025 estimates for population and housing characteristics, as well as five-year (2030) population and housing projections for the East Patchogue hamlet, Town of Brookhaven and Suffolk County. All estimates and projections provided by ESRI draw upon data from sources including the Current Population Survey, American Community Survey, Census of Retail Trade (all via the United States Census Bureau), Consumer Expenditure Survey (via the United States Bureau of Labor Statistics), United States Postal Service, Internal Revenue Service, National Bureau of Economic Research, and other commercial and federal data sources.

IMPLAN (formerly known as the Minnesota IMPLAN Group) developed an economic impact modeling system called IMPLAN, short for “impact analysis for planning.” The program was

developed in the 1970s through the United States Department of Agriculture's Forest Service, and was privatized in 1993.

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

The IMPLAN model is a method for estimating local economic multipliers, including those pertaining to production, value-added, employment, wage and supplier data. IMPLAN differentiates in its software and data sets between 528 sectors that are recognized by the United States Department of Commerce. Multipliers are available for all states, counties and zip codes, and are derived from production, employment and trade data from sources including the United States Census Bureau, County Business Patterns, Annual Survey of Government Employment, Annual Survey of Retail Trade; United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Consumer Expenditure Survey; United States Department of Labor; Office of Management and Budget; United States Department of Commerce; Internal Revenue Service; United States Department of Agriculture, National Agricultural Statistical Service; Federal Procurement Data Center; and United States Bureau of Economic Analysis, Regional Economic Information System, Survey of Current Business, among other national, regional, state and local data sources.

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

NPV collaborates with Urbanomics, a firm renowned for its expertise in economic analysis, to execute the IMPLAN model on behalf of our clients in the preparation of comprehensive economic reports. An Input-Output Analysis is utilized to determine the economic benefits of the capital investment and operating expenditures by tracing the dynamic relationships between economic sectors. Urbanomics calibrated the IMPLAN model to Suffolk County to quantify the ripple effects of direct construction and operations expenditures through the local economy in terms of jobs created, wages paid, and contributions to the local GDP. For the purpose of this analysis, multipliers specific to socio-economic data in Suffolk County's "Construction of new multifamily residential structures" industry were analyzed to determine the direct, indirect and induced economic impacts during the construction period of the proposed project. Moreover, multipliers specific to socio-economic data in Suffolk County's "Households \$100,000-\$150,000" industry, "Households \$150,000-\$200,000" industry, and "Services to Buildings" industry were analyzed to determine the direct, indirect, and induced economic impacts during the annual operations of the proposed project. A summary of these economic impacts can be found in **Section 3.0** of this analysis.

3.0 DEMOGRAPHICS AND HOUSING TRENDS

As noted in **Section 1.0**, this section examines demographics and socioeconomic characteristics, as well as trends specific to the East Patchogue community, the Town of Brookhaven and Suffolk County. In addition, this section summarizes trends among the local, regional and national housing markets.

3.1 Demographics

Population

Trends in the residential population and in the number of households were examined for East Patchogue, the Town of Brookhaven and Suffolk County. An analysis of past data, coupled with current estimates and projections, illustrates the changing needs of the community, and how such needs can be addressed within the local housing market – including the proposed multifamily age-restricted rental development.

As seen in **Table 3** and **Chart 1**, the populations within East Patchogue and the Town of Brookhaven decreased between the years of 2010 and 2020. The population of East Patchogue decreased by 889 residents (3.96%) during those years while the population of the Town of Brookhaven decreased by 267 (0.05%) residents. Suffolk County witnessed a population growth of 32,096 residents (2.15%) in that same time period.

Current estimates suggest a slight decrease in population for East Patchogue between the years 2020-2025 while the Town of Brookhaven and Suffolk County are to experience a slight increase in population. East Patchogue is projected to experience a decrease of 188 residents between those years while the Town is expected to experience an increase in population of 1,799 and an increase of 40 residents for Suffolk County.

Population estimates between the years 2025 and 2030 show a slight decrease in residents for the Town of Brookhaven and Suffolk County with a slight increase for East Patchogue. East Patchogue is projected to experience an increase of 46 residents while the Town is projected to experience a decrease of 599 residents and the County a decrease of 3,779 residents. Based on the available standard demographic references, population estimates for 2030 within the East Patchogue community are expected to be 21,438 residents, while the Town is expected to have a population of 486,973, and a population of 1,522,181 in Suffolk County.

It is important to note that this population projection does not account for specific developments currently in the planning or approval process. Moreover, while such factors are examined at the local level, projections are not based solely upon specific build-out scenarios or land use analyses. Rather, the projections are based upon historical trends and current estimates at the county level, a time series of county-to-county migration data, an historical analysis of residential

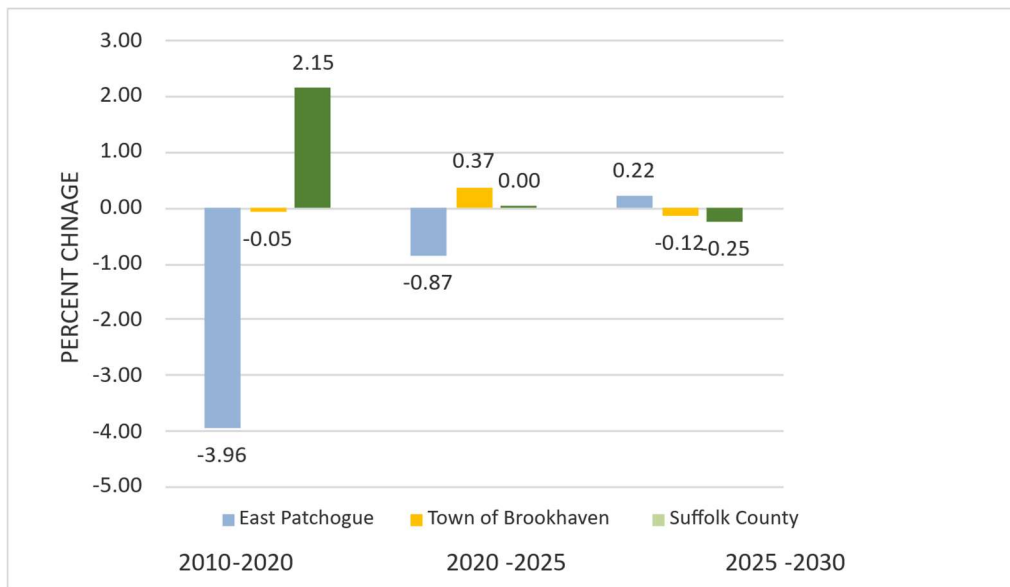
building permit data and residential postal delivery counts. Such data is supplemented with available information generated by nationwide databases, statistics providers and demographic and spatial analysis tools.

**TABLE 3
 POPULATION TRENDS**

Year	East Patchogue	Town of Brookhaven	Suffolk County
2010	22,469	486,040	1,493,824
2020	21,580	485,773	1,525,920
2025 (Estimate)	21,392	487,572	1,525,960
2030 (Projection)	21,438	486,973	1,522,181

Source: ESRI Business Analyst; Analysis by Nelson, Pope & Voorhis, LLC.

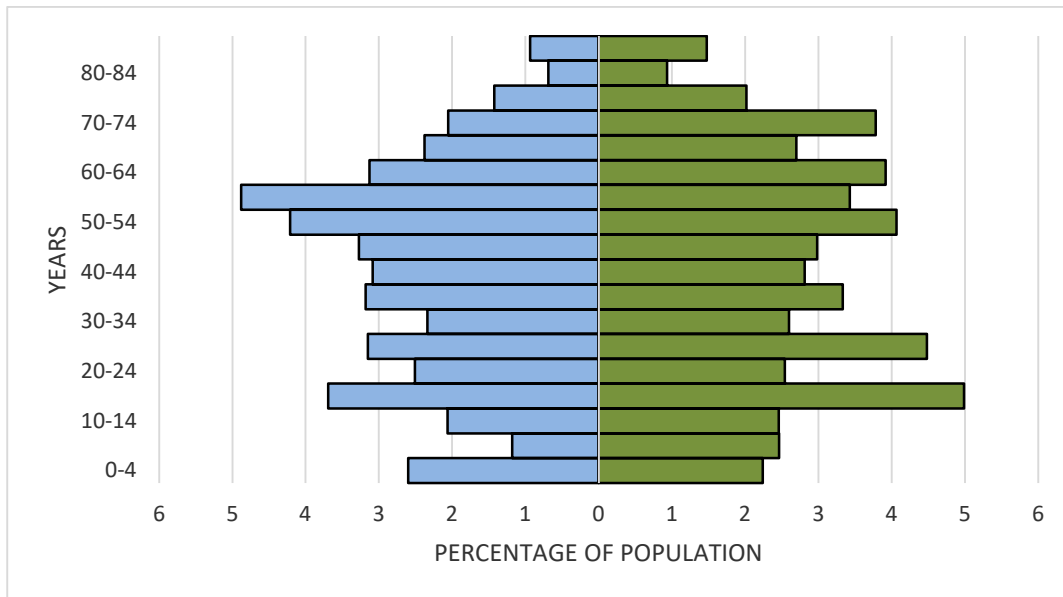
**CHART 1
 ESTIMATED PERCENT CHANGE IN POPULATION TRENDS**



Source: ESRI Business Analyst; Analysis by Nelson, Pope & Voorhis, LLC.

Examining detailed age demographics of East Patchogue indicates that there is a significant senior population residing within the hamlet. In East Patchogue, the population of individuals 50+ is approximately 42%. In addition, East Patchogue’s median age of 44.2 as of 2025, is higher than the median age in both Brookhaven Town (41.7), and Suffolk County (42.6).

CHART 2
EAST PATCHOGUE AGE PYRAMID



Source: 2024 ACS 5-Year Estimates; Analysis by Nelson, Pope & Voorhis, LLC.

Housing Units

The number of housing units within each geographic area has witnessed an increase in each of the time periods analyzed since 2010 aside from East Patchogue between 2010 and 2020 as seen in **Table 4** and **Chart 2**. However, the increase in housing units remains unable to sufficiently meet the needs of residents. In East Patchogue, there was a decrease of 73 residential units between 2010 and 2020. However, the estimates and projections show an increase of 83 housing units between 2020 and 2025 and an increase of 88 units between 2025 and 2030. The 2030 projections for number of housing units are 8,783 units, 183,260 units, and 591,659 units in East Patchogue, Brookhaven, and Suffolk County, respectively.²

Housing unit projections do not account for specific developments currently in the planning or approval process. Moreover, while such factors are examined at the local level, projections are not based solely upon specific build-out scenarios or land use analyses. Rather, the projections are based upon historical trends and current estimates at the county level, a time series of county-to-county migration data, and historical analysis of residential building permit data.

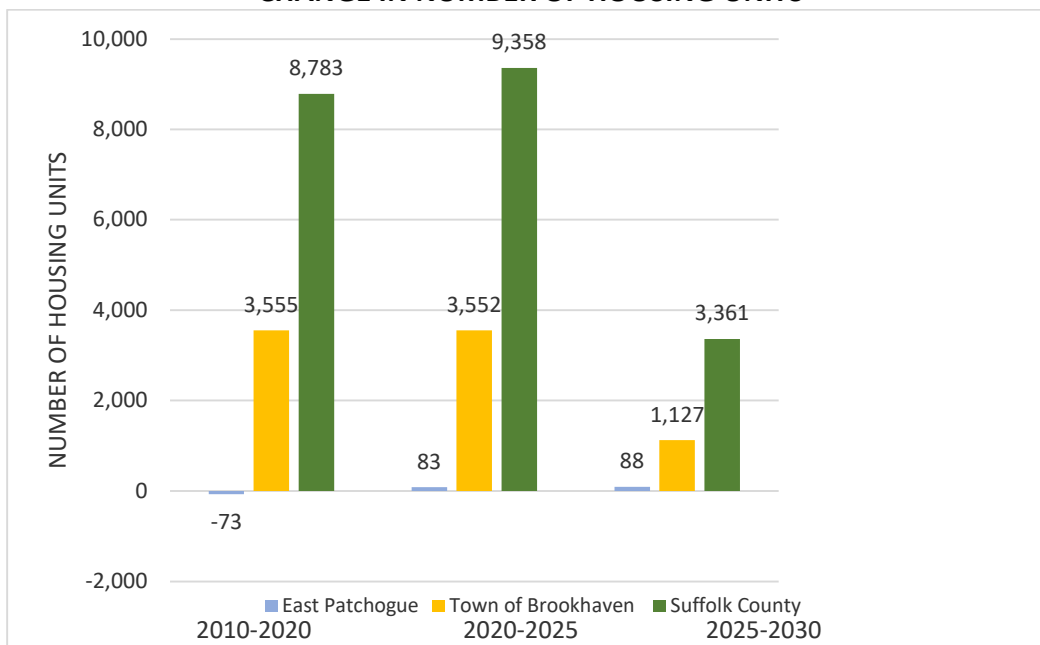
² ESRI, Community Profile Report. All reports accessed via ESRI Business Analyst Online, April 20, 2026.

TABLE 4
HOUSING UNIT TRENDS

Year	East Patchogue	Town of Brookhaven	Suffolk County
2010	8,685	175,026	570,157
2020	8,612	178,581	578,940
2025 (Estimate)	8,695	182,133	588,298
2030 (Projection)	8,783	183,260	591,659

Source: ESRI Business Analyst; Analysis by Nelson, Pope & Voorhis, LLC.

CHART 2
CHANGE IN NUMBER OF HOUSING UNITS



Source: ESRI Community Analyst; Analysis by Nelson, Pope & Voorhis, LLC.

As seen in **Table 5**, the 2025 estimated average household size in East Patchogue is 2.55 persons.³ This is slightly lower than the average household size in the Town of Brookhaven, at 2.76 persons per household, and that of Suffolk County, at 2.85 persons per household.

³ ESRI, *Community Profile Report*. All reports accessed via ESRI Business Analyst Online, April 20th 2026.

TABLE 5
AVERAGE HOUSEHOLD SIZE: 2025 (ESTIMATE)

Geographic Area	Household Size
East Patchogue	2.55
Town of Brookhaven	2.76
Suffolk County	2.85

Source: ESRI Business Analyst; Analysis by Nelson, Pope & Voorhis, LLC.

Tenure

As seen in **Table 6**, the majority of the housing units in each geographic location are owner-occupied. East Patchogue has the greatest share of rental properties when compared to the Town of Brookhaven and Suffolk County, with renter-occupied units comprising 36.6% of the housing stock. This is more than that of the Town of Brookhaven (22.4%) and Suffolk County (21.6%) as a whole.⁴ East Patchogue has lower vacancy rates at 4.8% than the Town (6.8%) and County (11.2%) indicating demand for such housing. It is noted that the information provided in **Table 6** represents total housing tenure and does not differentiate between different types of housing (i.e., single family, townhomes, apartments). It is estimated that the vacancy rates for apartment units are much lower than the averages presented below.

TABLE 6
HOUSING TENURE: 2025 (ESTIMATE)

Housing Type	East Patchogue	Town of Brookhaven	Suffolk County
Total Housing Units	8,695	182,133	588,298
Owner-Occupied	63.7%	77.7%	78.4%
Renter-Occupied	36.7%	22.4%	21.6%
Vacant Housing Units	4.8%	6.8%	11.2%

Source: ESRI Business; Analysis by Nelson, Pope & Voorhis, LLC.

Income

Household income serves as a primary measure in determining affordability among various housing options within a given community. As seen in **Table 7**, households in East Patchogue have a median income of approximately \$107,365. The median household income within the

⁴ ESRI, *Community Profile Report*. All reports accessed via ESRI Business Analyst Online, April 20, 2026.

Town of Brookhaven and Suffolk County is higher than that of East Patchogue – at \$121,638 and \$129,959, respectively.⁵

TABLE 7
MEDIAN HOUSEHOLD INCOME: 2025 (ESTIMATE)

Geographic Area	Household Income
East Patchogue	\$107,365
Town of Brookhaven	\$121,638
Suffolk County	\$129,959

Source: ESRI Business Analyst; Analysis by Nelson, Pope & Voorhis, LLC.

3.2 National, Regional and Local Housing Market Trends

Current and projected local, regional and national housing conditions are an important component to understanding the market for new housing in the community. Many external economic forces are shaping the local housing market conditions in the community, Suffolk County and the Long Island region as a whole.

The housing market is impacted by many factors and can rapidly change in response to changing economic conditions. Over the past five years, the housing market has been impacted greatly by world-wide events, such as the Covid-19 pandemic. In December 2019, home construction was at its highest levels in 13 years.⁶ Nationally, new housing had been demanded to meet the needs of the young workforce. Conversely, aging long-term residences were being developed as infill multi-family housing in many downtown settings. According to the National Association of Realtors, Long Island residential real estate ranks as the 9th highest-priced metropolitan area in the nation as of the third quarter of 2019.

However, the increased cost of building materials and supply chain issues during the pandemic increased the cost of construction which has in turn negatively impacted housing affordability as prices of new and existing homes began soaring.⁷ Additionally, as many first-time homebuyers are unable to purchase a home due to competition and surging home prices, these higher-income buyers are flooding the rental market and have created an unfavorable situation for lower- and moderate-income renters looking for apartments.⁸

⁵ ESRI, *Community Profile Report*. All reports accessed via ESRI Business Analyst Online, October 13, 2025.

⁶ The Associated Press, “New US home construction dips again in February.” March 18, 2020, accessed via Long Island Business News.

⁷ Nasdaq. “Will Housing ETFs Suffer as New Home Sales Dip in February.” March 24, 2022.

<https://www.nasdaq.com/articles/will-housing-etfs-suffer-as-new-home-sales-dip-in-february>

⁸ Business Insider. “Owning a home is no longer the American dream.” January 22, 2022.

<https://www.businessinsider.com/rent-prices-rising-high-demand-few-affordable-apartments-2022-1>

These trends were greatly exacerbated during the Covid-19 pandemic as competition for a limited housing stock increased rapidly and significantly as residents of New York City and other nearby urban areas moved farther east to Long Island due to a desire for more space in response to the pandemic. The pandemic also impacted supply chains, with decreased availability and increased shipping times for building materials, causing delays and increasing overall costs.

More recent trends suggest a national housing market that is weaker overall than the spikes observed during the height of the pandemic as high mortgage rates, elevated home prices and constrained housing inventory all contribute to the affordability crisis. Mortgage rates are higher than experienced in decades with the average 30-year fixed rates hovering between 6.26% and 6.34% in April 2026.

The housing market on Long Island is reflective of national trends, but there remain several issues and challenges specific to the region. Long Island faces several housing challenges including a shortage of rental housing, an exodus of young adults, and meeting the housing needs of a growing elderly population. The percentage of population over 65 on Long Island is increasing rapidly with population projections estimating that the trend will continue. By 2040, the number of people over 65 is expected to increase by 40%, while its population under 35 could shrink by 13%.⁹ An aging population requires diverse housing options such as multifamily and rental options.

While single family homes dominate the landscape of Long Island, single family homes are often not a good fit for older residents due to the need for maintenance and upkeep. These residents often want to stay within their community but have limited opportunities. The availability of affordable multifamily units is essential in allowing aging residents, 71% of whom expressed a desire to age in place, to stay within their community. The Urban Institute predicts that the number of renters 65 and older will grow from 7.4 million in 2020 to 12.9 million in 2040.¹⁰

Long Island is largely built out or limited by zoning, and subsequently, is feeling the pressure of unmet housing demand. Long Island has fewer multifamily housing options, fewer rental options, and higher rents than other suburbs around New York City. Developing multifamily housing on Long Island is challenging due to many factors from zoning, permitting, and approvals. Therefore, developers choose to build this type of housing in other states. However, the availability of multifamily housing is crucial to the economic health and overall vitality of Long Island communities.

Rent increases, the cost of living, the disparity between supply and demand combined with the pandemic have intensified the affordable housing crisis on Long Island and the nearby metropolitan area. Overall, rental properties on Long Island and regionally remain limited, with

⁹ Regional Plan Association. "Long Island Housing Data Profiles"

¹⁰ AARP. "Despite Pandemic, Percentage of Older Adults Who Want to Age in Place Stays Steady." November 18, 2022.

an average vacancy rate of only 3.9% throughout the New York-Newark-Jersey City metropolitan area.¹¹

Long Island is experiencing a similar housing crisis with high home prices, low inventory, and high mortgage rates, all taking a toll on housing sales. The median price of closed home sales in Nassau County reached \$875,000 in August 2025 and \$714,000 in Suffolk County. These all-time high home prices can be partially attributed to a severe lack of homes on the market with inventory at historically low levels. According to OneKey MLS there were approximately 3,436 homes for sale in Suffolk County in the fall of 2025, which is a 6.4% decrease compared to 2024.¹²

Therefore, there remains a high demand for senior rental housing including workforce and senior affordable units throughout Long Island communities, including the Town of Brookhaven and the hamlet of East Patchogue.

3.3 Other Planned/Potential Projects in East Patchogue

It is important to understand other planned/potential projects which may be approved or pending in the hamlet of East Patchogue and particularly within the Patchogue Medford UFSD. Known projects are listed below:

- Carriage House Apartments: a \$160M project on West Main Street which will replace former industrial/commercial sites with two 5-story buildings totaling 262 rental units. This development includes a 32,570 sf riverwalk and park area.

This information is provided to assist the Brookhaven IDA in the evaluation of the application of the Sosunrise East Patchogue development for IDA benefits.

¹¹ <https://ipropertymanagement.com/research/rental-vacancy-rate#new-york>

¹² LI Business News, "LI Home Prices Soar to New Heights as Supply Drops." September 12, 2025.

4.0 CONSISTENCY WITH EXISTING COMPREHENSIVE PLANNING DOCUMENTS

As noted in **Section 1.0**, this section analyzes relevant town and local planning documents specific to the community (where applicable) and summarizes the proposed project's consistency with such reports. This includes the *Town of Brookhaven Comprehensive Land Use Plan* (prepared in 1996), Suffolk County Planning Commission's *Smart Communities through Smart Growth* plan (2000), Suffolk County's *Smart Growth Committee Report: Analysis and Prioritization of the Recommendations of the Smart Growth Policy Plan for Suffolk County* (2003), Suffolk County's *Comprehensive Master Plan 2035 – Framework For The Future* (2015), *A Revitalization Plan for the Montauk Highway Corridor, East Patchogue*, *UTEP Considerations of High-End Residential Developments*, *Town of Brookhaven Housing Needs Assessment*, *Fostering Housing Development* and an analysis of the existing Planned Retirement Community (PRC) zoning classification of the property.

Town of Brookhaven Comprehensive Land Use Plan (1996)

The *Town of Brookhaven Comprehensive Land Use Plan* (1996 Comprehensive Plan) sets several general goals, identifies environmental resources, discusses existing land uses, provides broad policies and recommendations, and includes a land use map depicting recommended future land uses and development patterns.

The 1996 Comprehensive Plan notes that the Town created a variety of methods to promote multifamily housing. In addition, the Plan notes methods to increase affordable housing such as incentives to developers through the Department of Housing, Community Development and Governmental Affairs. This Town office has fast-tracked qualified affordable housing projects and worked with non-profit affordable housing entities to increase the pool of affordable housing within the Town. The 1996 Comprehensive Plan also recognized that the housing supply may create additional need for new development to meet future population demands.

Planning recommendations and goals contained in the 1996 Comprehensive Plan that are generally applicable to the proposed project are as follows:

- Consideration should be given to placement of high density residential rather than additional shopping centers along already congested highways and adjacent to activity centers to create a sense of place.
- There is a need to continue to provide a choice of housing types for an aging population desiring to remain in the community as well as affordable housing for younger populations.
- Higher density residential housing tends to be occupied by fewer people, therefore limiting population growth.

Overall, the proposed project complies with the intent and advances the recommendations provided in the *Town of Brookhaven Comprehensive Land Use Plan* as the proposed multifamily development will provide additional housing options specifically for an aging population, including additional workforce and affordable housing units.

Smart Growth Policy Plan for Suffolk County (2000)

The 2000 *Smart Growth Policy Plan for Suffolk County* (2000 Smart Growth Plan) was prepared as required by legislation adopted by the Suffolk County Legislature effective March 30, 2000 establishing a Smart Growth Policy for Suffolk County. The purpose of the 2000 Smart Growth Plan was to highlight and examine various laws, regulations, policies and programs of Suffolk County in order to recommend changes to encourage smart growth. The 2000 Smart Growth Plan discusses eight principles of "Smart Growth" development (that corresponds with Smart Growth Policy legislation) that can be used as guidelines for further development in communities. These principles include:

- Direct development to strengthen existing communities;
- Encourage consultation and collaboration between communities;
- Preserve open spaces, natural and historic resources and working farms;
- Encourage compact and orderly development;
- Provide transportation choices;
- Provide a variety of housing choices;
- Encourage permitted processes that are predictable, certain, efficient and final;
- Encourage consistency of government policies and programs;

The 2000 Smart Growth Plan provides 43 recommendations to implement and advance these eight principles throughout Suffolk County. The recommendations that are relevant to the proposed project include continuing county housing initiatives to promote affordably priced homes. In addition, in the Smart Growth Public Hearing Transcripts, there was a preference for higher density housing developments over commercial shopping centers.

The proposed residential development is consistent with these principles and recommendations in that the proposed project will provide additional housing opportunities.

Suffolk County Smart Growth Committee Report: Analysis and Prioritization of the Recommendations of the Smart Growth Policy Plan for Suffolk County (2003)

The Suffolk County Smart Growth Committee Report (Smart Growth Report) was prepared to further prioritize the 43 recommendations provided in the 2000 *Smart Growth Policy Plan for Suffolk County* (2000 Smart Growth Plan). The Suffolk County Legislature assembled a Smart Growth Committee to review and prioritize the recommendations of the 2000 Smart Growth Plan. Of the five top priority recommendations endorsed by the Smart Growth Committee, one

overall priority recommendation that relates to the proposed project was to “encourage the provision of a variety of housing choices.”

Suffolk County Comprehensive Master Plan 2035 – Framework For The Future

The Suffolk County Planning Commission drafted the “Suffolk County Comprehensive Master Plan 2035” in 2015 in order to create a blueprint for the future of Suffolk County. Long-term planning goals are intended to guide activities related to growth in Suffolk County. Suffolk County’s land use is largely comprised of low-density residential development with scattered single use commercial areas. This pattern of development can no longer be sustained by the network of transportation, water, and wastewater infrastructure and cannot easily accommodate further residential growth or economic development. Future planning in the region will require special attention to the relationship between land use, the overall economy, traffic and transportation systems, as well as natural and built resources.

Long term planning goals outlined in the Plan include (1) to provide the foundation for sustainable growth and resiliency of Suffolk County and (2) to encourage economic development that will help to retain and attract business and create jobs for Suffolk County residents. In order to attain these long-term aspirational goals, the Plan identifies six key objectives including the priority of providing equitable, affordable, and fair housing.

Many of the housing-related issues in Suffolk County, such as the shortfall in workforce and senior housing, as well as a lack of multi-family housing, have manifested themselves over the past several decades and are now posing an obstacle for the County on its path to continued, sustainable growth. The County identifies the need for increased affordable and fair housing. Lack of affordable housing means that existing as well as potential residents are priced out of the market. Demographic changes occurring within Suffolk County over the past two decades have created a new housing demand profile that includes a higher proportion of smaller, multi-family units, a higher proportion of rental units, and more units that are priced at levels that are affordable to households earning under \$75,000 annually. While the demand has shifted towards smaller multifamily units, single family homes continue to be built at a faster pace, and existing inventory of multifamily housing remains low.

A Revitalization Plan for the Montauk Highway Corridor, East Patchogue (2010)

The 2010 Revitalization Plan for the Montauk Highway Corridor, East Patchogue was prepared by the Town of Brookhaven Division of Planning to address long-standing blight, disinvestment, and fragmented land use patterns within the East Patchogue downtown business district. The Plan builds upon multiple blight studies (2003, 2007, and 2008) that formally determined the corridor to be “substandard or insanitary” under New York State General Municipal Law and identifies Montauk Highway as a deteriorated gateway immediately east of the Village of Patchogue.

The core goals of the Plan are to:

- Reverse blight and vacancy through coordinated redevelopment;
- Encourage mixed-use development, including residential uses, to support downtown vitality;
- Increase the local tax base and economic activity;
- Improve streetscape, walkability, and community identity;
- Reduce auto-oriented land uses and surface parking dominance; and
- Promote redevelopment that is context-sensitive, pedestrian-oriented, and architecturally cohesive.

A key recommendation of the Plan is rezoning the downtown corridor to the J-6 Main Street Business District, which supports mixed-use buildings with ground-floor commercial uses and upper-story residential units. The Plan repeatedly emphasizes that adding residential density—particularly apartments and senior-oriented housing—within or adjacent to the downtown core is critical to sustaining local businesses, improving safety through “eyes on the street,” and creating a vibrant, active corridor throughout the day and evening.

The Plan also highlights:

- The need for market-rate residential units, including housing suitable for seniors;
- Shared parking, rear-lot parking, and reduced curb cuts;
- Strategic reuse of underutilized and vacant parcels;
- Sewer expansion to support multifamily development; and
- The importance of housing types that do not generate school-age population impacts.

The proposed 55+ residential development is generally consistent with and advances several core objectives of the 2010 Revitalization Plan. While the Plan is primarily focused on the Montauk Highway corridor, its recommendations expressly support higher-density residential development in proximity to the downtown as a tool to eliminate blight, strengthen the local economy, and diversify housing options, particularly for seniors.

UTEP Considerations of High-End Developments

This report was prepared by Camoin Associates for Brookhaven IDA in 2026 and evaluates whether high-end (luxury) multifamily housing projects in Brookhaven truly need tax incentives from the Industrial Development Agency (IDA), and whether introducing a rent cap could better target those incentives toward workforce housing. The report found that tax benefits, especially PILOT agreements, are the main driver of project feasibility. Without IDA support, many projects, even high end projects would not be feasible. Although high-end projects generate higher rents they also face substantially higher construction and financing costs. Without any IDA benefits, high-end projects become viable only when average rents reach roughly 170% of AMI. The report suggests using a rent cap to determine eligibility for incentives:

- Recommended cap:

- ~150%–160% of AMI
- How it works:
 - Applies to average rent across units, not each unit individually
 - Allows flexibility in pricing and unit mix

The report found very few (if any) projects in Brookhaven currently charge rents high enough to be viable without incentives. In conclusion, luxury housing in Brookhaven still depends on subsidies at today's rents, but a rent cap around 150–160% of AMI could better target public support without slowing development.

Town of Brookhaven, Housing Needs Assessment

This report was prepared by Camoin Associates for the Brookhaven IDA in 2025 and evaluates Brookhaven's housing market conditions, affordability challenges, and near-term housing needs in order to guide housing and economic development policy, including Brookhaven IDA actions.

Brookhaven faces a significant and growing mismatch between its housing supply and the needs of its residents, particularly low-income renters, seniors, single-person households, and first-time buyers. While the Town is relatively affluent overall, housing costs have risen far faster than incomes, leaving a large share of households cost-burdened and pushing workers and younger residents out of the market. Over the next five years, Brookhaven will need approximately 2,300 new housing units just to keep pace with household growth and replace housing losses. Most of this need is concentrated at 80% of AMI and below, with a particularly deep shortage at 50% AMI and below.

Age – Seniors (65+) make up 19% of the population, with 29% of households including a senior and 41% of senior households being individuals living alone. Their average income is \$69,600, much lower than the Town median of \$114,000, making them more vulnerable to housing costs.

Smaller Households, Shifting Demand – Household growth continues despite modest population growth because households are getting smaller. Single-person households are the fastest-growing segment, while households of four or more are declining.

Housing Stock Characteristics – 85% of housing units are single-family, and 87% were built before 2000. The Town has experienced a loss of “missing middle” housing (2–9 unit buildings), which traditionally supports moderate-income households.

Rental Market – 60% of rental units cost \$2,000/month or more. Median gross rent is unaffordable to median-income renters. Multifamily rents have increased by over 50% since 2014.

Homeownership Market – Median home price is approximately \$595,000, a 50%+ real increase over the past decade.

Cost Burden – 39% of all households are housing cost-burdened. 62% of renters are cost-burdened, compared to 33% of homeowners. Nearly 18% of households are severely cost-burdened, spending more than 50% of income on housing.

Affordability Gaps – Median renter household earns approximately \$65,000 but would need \$89,600 to afford the median rent without cost burden. This creates an annual renter income gap of approximately \$24,500.

Housing Needs Analysis (2024–2029) – Brookhaven will need approximately 2,278 new units by 2029, composed of approximately 942 units for new household growth, approximately 1,336 units to replace housing lost through demolition or obsolescence.

Who The Housing Is Needed For – 60% of total need is at or below 80% AMI. The largest shortages are: 0–30% AMI, 31–50% AMI. Moderate shortages also persist up to 100% AMI

Rental Supply Gap – There is a shortfall of approximately 1,670 rental units for households earning $\leq 50\%$ AMI.

Recommendations – Prioritize affordable and workforce housing production, particularly rentals. Align housing development with demographic reality (smaller households, seniors, single-person households). Use policy tools, incentives, and IDA programs to shift unit production toward lower and moderate AMI levels. Without targeted intervention, new housing production alone will exacerbate affordability gaps, not resolve them.

In conclusion, Brookhaven does not face a general housing shortage—it faces an affordability and alignment problem. The Town needs more housing, but more importantly, it needs the right kind of housing, at price points the majority of current and future residents can afford. The findings strongly support targeted housing policies, including IDA incentives, that focus on $\leq 80\%$ AMI households, with particular urgency at $\leq 50\%$ AMI.

Fostering Housing Development – Review of IDA Benefits in Support of Mixed-Income Multifamily Projects in Brookhaven

This report which was prepared by Camoin Associates for the Brookhaven IDA in 2025 evaluates how Brookhaven IDA tax incentives – sales tax exemptions, mortgage recording tax exemptions, and PILOT agreements – affect the financial feasibility of mixed-income multifamily rental development, and how changes to workforce housing requirements could better align public subsidies with community housing needs while maintaining project viability. The baseline prototype scenario included affordability requirements of Brookhaven’s Code to provide 5% of units at 50% AMI and 5% of units at 65% AMI. Utilizing the baseline scenario, Camoin prepared a

financial feasibility model to examine alternative configurations of affordability requirements and the financial viability of different affordability scenarios as summarized below.

Key Findings:

- IDA incentives are essential. Without sales tax, mortgage recording tax exemptions, and a PILOT, multifamily projects are not financially feasible. Removing IDA benefits drops returns below viability and creates large funding gaps.
- Current workforce requirement is ineffective. Requiring 10% of units at 120% AMI provides little or no rent savings because AMI-based rents often exceed market rents.
- Lowering workforce AMI improves affordability.
 - Reducing required workforce units to 100% or 80% AMI meaningfully lowers rents.
 - Projects remain financially feasible with 10% of units at 80% AMI with a 15-year PILOT.
- Increasing workforce unit share reduces feasibility.
 - Raising workforce units from 10% to 20% or 30% (at 80% AMI) makes projects financially unviable under a standard 15-year PILOT.
- Extended PILOTs offset deeper affordability.
 - A 20-year PILOT (or longer initial tax exemption) can restore feasibility for projects with 20% workforce units at 80% AMI.

Policy Implications:

- The IDA can improve affordability outcomes by:
 - Lowering workforce AMI thresholds (especially to 80% AMI),
 - Keeping workforce unit percentages within feasible ranges, and
 - Using longer or more flexible PILOT structures to support deeper affordability.

§85-290 Planned Retirement Community (PRC) Residence District

The existing zoning of the subject property is consistent with the proposed Sosunrise, East Patchogue development. The subject property was rezoned to the Planned Retirement Community (PRC) Residence District in 2025 from the A Residence 1 District. Prior to the rezoning, a Public Hearing was held and the required State Environmental Quality Review (SEQR) process was completed. The PRC District was enacted in the Town of Brookhaven in order to provide a diversity of housing types to meet the economic needs of the Town of Brookhaven residents. Specifically, the provisions set forth for the PRC Residence District are intended to provide proper housing for the Town's senior citizens. The Town Board recognizes an existing and growing need for the provision of housing especially designed for senior citizens. Permitted uses in the PRC Residence District include rental or owner-occupied senior citizen housing units, attached or semi-attached single family senior citizen housing units, and detached single-family senior citizen housing units. The subject property has been rezoned to PRC and the proposed multifamily 55+ development will help achieve the Town's goal to provide adequate housing for seniors within the Town.

5.0 SUMMARY OF ECONOMIC AND FISCAL IMPACTS

As noted in **Section 1.0**, this analysis summarizes the existing conditions and the fiscal and economic impacts that are associated with the development of the proposed senior rental community. Fiscal impacts include the generation of property tax revenues and their distribution among local taxing jurisdictions, upon full taxation of the parcels. Economic impacts include direct, indirect and induced benefits on output, employment and associated labor income during the 24-month construction phase and during a stabilized year of annual operations.

The proposed project will increase the distribution of tax ratables throughout the Patchogue Medford UFSD, the Town of Brookhaven and Suffolk County, upon full build-out and full-taxation of the development. Moreover, the proposed project will generate immediate construction jobs as well as permanent employment opportunities for Town and area residents. Such fiscal and economic benefits are most crucial for the economic well-being throughout the East Patchogue community, the greater Long Island region and New York State.

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

Definition of Economic Impacts

A **direct impact** arises from the first round of buying and selling and includes the production of changes and expenditures made as a result of the proposed action. These direct impacts can be used to identify additional rounds of buying and selling for other sectors of the economy and to identify the impact of spending by local households. During construction, the direct impact includes the number of construction employees, their salaries, and most of the expenditures that are anticipated to be incurred by the developer. It generally includes expenditures related to demolition, site work, construction, engineering, architecture, and environmental consultants.

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

An **induced impact** accounts for the changes in household spending resulting from the labor income generated by the employees of the proposed action during construction and household spending by the residents of the new housing units during operations, resulting from direct and indirect impacts.

The **total impact** is the sum of the direct, indirect and induced impacts.

Key Findings

Economic Impacts of Construction

A detailed analysis of direct, indirect and induced impacts generated during the 24-month construction period is outlined below. It is important to note that each of these impacts are temporary and are projected to occur only while the proposed project is being constructed.

- For the purpose of this analysis, it is anticipated that construction of the proposed project will commence in Quarter 2 of 2026, with the construction period anticipated to occur over a period of approximately 24 months.¹³
- The proposed project is projected to represent approximately \$14.8 million¹⁴ in construction costs per year, resulting in a total construction cost of over \$29.6 million over the total 24-month construction period.¹⁵ This \$29.6 million in direct annual output is projected to generate an indirect impact of nearly \$7.8 million, and an induced impact of nearly \$8.6 million, bringing the total economic impact on output to over \$45.9 million during the 24-month construction period.
- During the construction period, direct employment refers to the number of short-term jobs necessary to complete the construction of the proposed project. The construction period is anticipated to generate nearly 101 direct jobs.
- The 101 direct jobs created during the construction period are expected to have an indirect impact of 30 employees and an induced impact of 42 employees in other industry sectors, bringing the total impact of the 24-month construction period to 172 total jobs.
- Labor income is projected to total over \$11.6 million in collective earnings among the construction employees. This labor income is projected to have an indirect impact of over \$2.7 million and an induced impact of nearly \$2.9 million, bringing the total economic impact of the 24-month construction period to over \$17.2 million in labor income.

A summary of key economic findings projected to occur during the 24-month construction period is provided in **Table 8**.

¹³ Construction schedule provided by Kelly Builders and Development Group, LLC, in April 2026.

¹⁴ For the purpose of this analysis, this figure and all other figures in the construction portion of this analysis reflect 2026 dollars, since future year assumptions can be unreliable.

¹⁵ Construction costs provided by Kelly Builders and Development Group, LLC, in April 2026. It is important to note that all costs are estimates based upon market conditions as of the date of preparation of this analysis.

TABLE 8
SUMMARY OF KEY ECONOMIC FINDINGS
DURING 24-MONTH CONSTRUCTION PERIOD

Impact Type	Output (Total Revenue)	Employment (Total Number of Jobs)	Labor Income (Total Wages)
Direct Impact	\$29,610,000	100.58	\$11,606,049
Indirect Impact	\$7,778,911	30.18	\$2,724,754
Induced Impact	\$8,560,401	41.58	\$2,875,107
Total Impact	\$45,949,312	172.34	\$17,205,909

Source: Data provided by Kelly Builders and Development Group, LLC; Analysis by Urbanomics, via IMPLAN software.

Economic Impacts of Annual Operations

A detailed analysis of direct, indirect and induced impacts generated annually during operations resulting from the rental residential units is outlined below. It is important to note that each of these impacts is permanent and on-going, and they are projected on an annual basis, assuming continued stabilized operations.

- The annual direct operational output is estimated to be \$313,451 per year for the rental residential units. This revenue, in addition to the household incomes and expenditures of the people who will be living in the development will have a projected indirect impact of \$97,210 and induced impact of over \$7.5 million per year during annual operations.
- The sum of the direct, indirect, and induced impacts results in a total economic impact on output of over \$7.95 million during annual operations.
- The rental residential development is anticipated to 1.63 total jobs (1.5 FTE), 0.42 indirect jobs, and 36.29 induced jobs in other industry sectors during annual operations bringing the total jobs to 39.15 total employment which is equivalent to 36.03 FTE jobs.
- The 36 FTE jobs are expected to generate a total impact of over \$2.7 million in economic impact of labor income during annual operations

A summary of key economic findings projected to occur during annual operations is provided in **Table 9**.

TABLE 9
SUMMARY OF KEY ECONOMIC FINDINGS DURING ANNUAL OPERATIONS

Impact Type	Output (Total Revenue)	Employment (Total Number of Jobs)	Labor Income (Total Wages)
Direct Impact	\$313,451	1.63	\$127,693
Indirect Impact	\$97,210	0.42	\$37,268
Induced Impact	\$7,544,981	36.29	\$2,548,949
Total Impact	\$7,955,642	39.15	\$2,713,910

Source: Data provided by Kelly Builders and Development Group, LLC; Analysis by Urbanomics, via IMPLAN software.

Existing Fiscal Conditions

- The Town of Brookhaven contains over 184,000 individual tax parcels. The vast majority of these parcels are residential properties, comprising 74.5% of the total number of parcels, followed by vacant parcels (12.6% of total parcels) and commercial property (8.9% of parcels)¹⁶
- Student enrollment within the Patchogue Medford UFSD has decreased by 297 students, or 3.9% – over the ten (10) years between the 2014-15 and 2024-25 academic years.¹⁷
- According to the New York State School Report Card Fiscal Accountability Summary for the Patchogue Medford UFSD, expenditures averaged \$27,424 per student during the 2023-24 academic year.¹⁸
- Prior to the coronavirus pandemic of 2020-22, unemployment had been decreasing substantially since its peak in 2010-2012. Unemployment in the Town, County, Long Island and New York State increased significantly in 2020; but started to decline in 2021 and continued to decline throughout 2022. Annual unemployment rates in 2023 were slightly higher than unemployment rates for 2022 for the Town, County, and Long Island; but were slightly lower for New York State. Annual unemployment rates for 2024 continued to increase slightly for all geographies analyzed. As of January 2026, approximately 10,300 persons – 4.1% of the Town’s labor force – were unemployed. The January 2026 unemployment rate for the Town was slightly higher than Suffolk County’s unemployment rate (approximately 31,100 persons or 4.0% of the County’s labor force) and Long Island’s unemployment rate (3.8% of the labor force – or 57,300 persons). However, the Town, County, and Long Island unemployment rates are all lower than New York State’s overall unemployment rate of 4.7% (475,700 persons).
- The project site is currently taxed at a rate of 473.212 per \$100 of assessed valuation. This translates into a current generation of \$5,773 in property tax revenues for the six tax

¹⁶ New York State Office of Real Property Services, 2025 Annual Assessment Rolls, 2025 Parcel Counts by Individual Property Class Code.

¹⁷ New York State Department of Education.

¹⁸ New York State Department of Education.

parcels that comprise the subject property.¹⁹ The existing distribution of tax revenues is shown in **Table 10**.

- The proposed project is an age-restricted senior housing development which is not anticipated to result in any additional school-aged children; but would provide additional revenue for the school district as compared to the existing use of the property, which could ease the burden among other taxpayers.

**TABLE 10
 EXISTING TAX REVENUES**

Taxing Jurisdiction	Current Tax Rate (per \$100 Assessed Valuation)	Current Tax Revenue ²⁰	Tax Revenue Percent Distribution
Total School Taxes	331.451	\$4,044	70.0%
School District - Patchogue Medford UFSD	309.265	\$3,773	65.4%
Library District - Patchogue Medford UFSD	22.186	\$271	4.7%
Total County Taxes	52.244	\$637	11.0%
County of Suffolk	2.796	\$34	0.6%
County Police	49.448	\$603	10.4%
Total Town Taxes	27.941	\$341	5.9%
Town - Town Wide Fund	6.689	\$82	1.4%
Highway - Town Wide Fund	1.255	\$15	0.3%
Town - Part Town Fund	3.419	\$42	0.7%
Highway - Part Town Fund	16.578	\$202	3.5%
Other Taxes and Fees	61.576	\$751	13.0%
Open Space Preservation	2.470	\$30	0.5%
Fire Districts - North Patchogue	42.379	\$517	9.0%
Lighting Districts - Brookhaven	1.354	\$17	0.3%
Real Property Tax Law	6.115	\$75	1.3%
Out of County Tuition	0.744	\$9	0.2%
Suffolk Community College Tax	0.208	\$3	0.0%
Animal Shelter/Ecology Center	1.019	\$12	0.2%
Parks & Recreation	7.287	\$89	1.5%
Total School Taxes	331.451	\$4,044	70.0%
TOTAL: ALL TAXING JURISDICTIONS	473.212	\$5,773	100%

Source: Data provided by the Town of Brookhaven Assessor's Office; Analysis by Nelson, Pope & Voorhis, LLC.

¹⁹ Town of Brookhaven Assessor's Office.

²⁰ Total taxes for both tax lots that comprise the subject property.

Anticipated Fiscal Impacts

- To determine the anticipated tax revenue resulting from the full buildout and full taxation of the property, first the total assessed value was determined. Estimated market valuation of the proposed project is based upon the total annual rental rates of the residential units, which is estimated at slightly over \$2.8 million.²¹
- After applying estimated loss from vacancies of 5%, as well as an expense ratio of 20%, a capitalization rate of 0.1 and a Town equalization rate of 0.48%, the estimated assessed valuation of the proposed project upon full build-out and occupancy is approximately \$100,915. This is shown in **Table 11**.

**TABLE 11
 ESTIMATED ASSESSED VALUATION**

Parameter	Value
Gross Annual Rents	\$2,803,200
Estimated Loss from Vacancies	5%
Expense Ratio	20%
Net Income	\$2,102,400
Capitalization Rate	0.1
Estimated Market Value	\$21,024,000
2021 Equalization Rate	0.48%
Assessed Value	\$100,915

- When the assessed valuation of \$100,915 is applied to the current tax rates, the proposed project is projected to generate \$477,543 in annual taxes under full build-out and full taxation of the property. This represents a net increase of over \$471,770 per year when compared to existing site conditions. The distribution of tax revenues is shown in **Table 12**.

²¹ Residential rental rates provided by Kelly Builders and Development Group, LLC in April 2026.

TABLE 12
ANTICIPATED TAX REVENUE GENERATION

Taxing Jurisdiction	Current Tax Revenue ²²	Projected Tax Revenue	Increase in Tax Revenue	Percent of Total Tax Revenue
Total School Taxes	\$4,044	\$334,484	\$330,441	70.0%
School District - Patchogue Medford UFSD	\$3,773	\$312,095	\$308,322	65.4%
Library District - Patchogue Medford UFSD	\$271	\$22,389	\$22,118	4.7%
Total County Taxes	\$637	\$52,722	\$52,085	11.0%
County of Suffolk	\$34	\$2,822	\$2,787	0.6%
County Police	\$603	\$49,901	\$49,297	10.4%
Total Town Taxes	\$341	\$28,197	\$27,856	5.9%
Town - Town Wide Fund	\$82	\$6,750	\$6,669	1.4%
Highway - Town Wide Fund	\$15	\$1,266	\$1,251	0.3%
Town - Part Town Fund	\$42	\$3,450	\$3,409	0.7%
Highway - Part Town Fund	\$202	\$16,730	\$16,527	3.5%
Other Taxes and Fees	\$751	\$62,140	\$61,388	13.0%
Open Space Preservation	\$30	\$2,493	\$2,462	0.5%
Fire Districts - North Patchogue	\$517	\$42,767	\$42,250	9.0%
Lighting Districts - Brookhaven	\$17	\$1,366	\$1,350	0.3%
Real Property Tax Law	\$75	\$6,171	\$6,096	1.3%
Out of County Tuition	\$9	\$751	\$742	0.2%
Suffolk Community College Tax	\$3	\$210	\$207	0.0%
Animal Shelter/Ecology Center	\$12	\$1,028	\$1,016	0.2%
Parks & Recreation	\$89	\$7,354	\$7,265	1.5%
TOTAL: ALL TAXING JURISDICTIONS	\$5,773	\$477,543	\$471,770	100%

Source: Data provided by the Town of Brookhaven Assessor's Office; Analysis by Nelson, Pope & Voorhis, LLC.

- As seen in **Table 12**, the proposed project, under full buildout and full taxation is anticipated to levy tax revenues for the Patchogue Medford UFSD, estimated to total \$312,095 per year, without any increase in school-aged children. This net revenue could ease the district's need to tap into additional fund balances and could also help alleviate an increased burden on other taxpayers throughout the district.

²² Total taxes for the six tax lots that comprise the subject property.

- The proposed project will provide increased housing options for area residents and employment opportunities during the construction period and related to the maintenance and management of the residences. The proposed project will also provide tax revenues throughout the Town of Brookhaven and Suffolk County. Such fiscal benefits are most crucial to the economic well-being throughout the community, the school district, the Town, the greater Long Island region and New York State.

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ATTACHMENT A
Nelson, Pope & Voorhis, LLC
Economic Analysis Qualifications

STATEMENT OF QUALIFICATIONS ECONOMIC AND FISCAL IMPACT ANALYSIS



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environmental • land use • planning

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INTRODUCTION

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

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

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

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

NPV has the capabilities to provide the following services:

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

Economic and Fiscal Impact Analyses & Market Studies

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

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

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

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



KEY PERSONNEL

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

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

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

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

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

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

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

Detailed resumes can be provided upon request.

RELEVANT EXPERIENCE

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

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

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

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

Greybarn Sayville (Sayville, NY)

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

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

Concern for Independent Living (Southampton, NY)

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

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

Superblock Long Beach (Long Beach, NY)

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

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

consumer buying power will be generated by the project.

Storage Deluxe (Valley Stream, NY)

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

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

RD Industrial Site (Yaphank, NY)

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

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

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

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

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

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

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

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

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

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

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

TopGolf Market Feasibility Analysis (Holtsville, New York)

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

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

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

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

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

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

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

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

New York Law Journal Article, dated March 22, 2017 on Eligibility of Residential
Developments for IDA Benefits

New York Law Journal

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ZONING AND LAND USE PLANNING

Eligibility of Residential Developments for IDA Benefits

By
Anthony S.
Guardino



It has been nearly 50 years since the New York State Legislature enacted legislation authorizing industrial development agencies (IDAs) for the purpose of promoting economic development. Now, towns, cities, and counties throughout the state have created their own IDAs under General Municipal Law (GML) Article 18-A (the IDA Act) and use them to encourage—and to financially assist—a wide variety of real estate developments, often to great success.

In many instances, however, an IDA's efforts are met with objections, both in and out of court. Recently, for example, tax benefits afforded by a town's IDA to the Green Acres Mall on Long Island aroused community criticism, and led New York State Comptroller Thomas DiNapoli to announce that he would audit the IDA to determine its compliance with policies and procedures related to its approval of the project.

There also continues to be disputes over the scope of projects that may receive IDA benefits. Last August, the Supreme Court, Seneca County, rejected a challenge to a decision by the Seneca County IDA to provide tax benefits for a casino being built in the county. *Nearpass v. Seneca County Industrial Development Agency*, 53 Misc. 3d 737 (Sup.Ct. Seneca Co. 2016). The petitioners argued that the casino was not a project defined in the IDA Act and, therefore, that it was ineligible for IDA benefits. They pointed out, among other things, that when the IDA Act first was enacted, casinos were prohibited in New York, and after casinos were allowed by amendment to the New York Constitution, the IDA Act was not amended to include casinos as a project entitled to IDA benefits.

The court was not persuaded and decided, instead, that the casino facility was a commercial project under the IDA Act and, in particular, that it also was a recreation facility within the purview of GML Section 854(9).

Perhaps more surprising than a dispute over the eligibility of a casino to receive IDA benefits was a recent court case that asked whether a residential development could qualify for IDA benefits—an issue of statewide significance. In *Matter of Ryan v. Town of Hempstead Industrial Development Agency*, Index No. 5324/16 (Sup.Ct. Nassau Co. Jan. 27, 2017), the Supreme Court, Nassau County, held that a residential apartment building project fell within the definition of a project for which IDA benefits may be granted.

After first providing background on the IDA Act, this column will discuss the court's decision in *Matter of Ryan* and its implications.

The IDA Act

When the legislation governing the creation, organization, and powers of IDAs in New York State was enacted in 1969, it provided that its general purpose was "to promote the economic welfare of [the state's] inhabitants and to actively promote, attract,

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encourage and develop economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration." This intent was further evidenced by the original provision of GML Section 858, which provided that:

The purposes of the agency shall be to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the state of New York and to improve their standard of living.

The decision by the Nassau County Supreme Court in *Matter of Ryan* provides confirmation that residential developments are eligible to receive industrial development agency benefits.

In approving the bill, then-Governor Nelson Rockefeller noted that "industrial development agencies provide one means for communities to attract new industry, encourage plant modernization and create new job opportunities." McKinney's 1969 Session Laws, Vol. 2, p. 2572.

The original legislation has been amended a number of times since 1969 to broaden the scope of permissible IDA activities. For example, the definition of project was expanded to specifically include construction of industrial pollution control facilities (L 1971, ch 978), winter recreation facilities and then recreation facilities generally (L 1974, ch 954; L 1977, ch 630), horse racing facilities (L 1977, ch 267), railroad facilities (L 1980, ch 803) and educational or cultural facilities (L 1982, ch 541).

As noted above, however, it has not been amended to specifically include casinos. And it also does not specifically include residential developments.

In 1985, however, the New York state comptroller's office was asked by the village attorney for the village of Port Chester whether construction of an apartment complex was a commercial purpose within the meaning of GML Section 854(4) and, thereby, whether it was a proper project for industrial development bond financing. In response, the Comptroller issued Opinion No. 85-51, 1985 N.Y. St. Comp. 70 (Aug. 16, 1985) (the "comptroller's opinion").

In the comptroller's opinion, the comptroller's office explained that, at its inception, the IDA Act's primary thrust was to promote the development of commerce and industry as a means of increasing employment opportunities.

The comptroller's opinion then reasoned that for an apartment complex to qualify as an eligible project under Article 18-A, it had to promote employment opportunities and prevent economic deterioration in the area served by the IDA.

The comptroller's opinion added that the comptroller's office was "not in a position to render an opinion" as to whether a project that consisted of the construction of an apartment complex was a commercial activity within the meaning of Article 18-A. Rather, it continued, such a determination "must be made by local officials based upon all the facts relevant to the proposed project."

Any such determination, the comptroller's opinion concluded, had to take into account the stated purposes of the IDA Act: "the promotion of employment opportunities and the prevention of economic deterioration."

When this issue reached the court in *Triple S. Realty v. Village of Port Chester*, Index No. 22355/86 (Sup. Ct. Westchester Co. Aug. 19, 1987), the Westchester County Supreme Court held that residential construction may be eligible for industrial development agency benefits if such construction "would increase employment opportunities and prevent economic deterioration in the area served by the IDA."

The decision by the Nassau County Supreme Court in *Matter of Ryan* provides further confirmation that

residential developments certainly are eligible to receive IDA benefits.

'Matter of Ryan'

The case arose after the Town of Hempstead Industrial Development Agency (TOHIDA) granted financial and tax benefits and assistance to Renaissance Downtowns UrbanAmerica, with respect to the construction of a new 336-unit residential apartment complex in the village of Hempstead on Long Island. That was Phase 1 of a multi-phase revitalization project that was planned to include additional mixed-use buildings and parking facilities.

The financial benefits and assistance granted by the TOHIDA included:

- exemptions from mortgage recording taxes for one or more mortgages;
- securing the principal amount not to exceed \$70 million;
- a sales and use tax exemption up to \$3.45 million in connection with the purchase/lease of building materials, services, or other personal property for the project; and
- abatement of real property taxes for an initial term of 10 years pursuant to a payment in lieu of taxes (PILOT) agreement.

Six petitioners, including a trustee for the village of Hempstead, challenged the TOHIDA's resolution in an Article 78 proceeding, arguing that an IDA could not grant benefits

for a project that was residential, either in whole or in part, in nature.

For their part, the respondents contended that the development of a residential rental building fell within the ambit of the statutory definition of a project entitled to receive an IDA's financial assistance and benefits in that it promoted "employment opportunities" and prevented "economic deterioration" in the area served by the IDA.

The court agreed with the respondents and dismissed the petition.

In its decision, the court noted that the comptroller's opinion had observed that the determination of whether construction of an apartment complex was a commercial activity within the meaning of the IDA Act had to be made by local officials based on facts relevant to the proposed project.

The court then pointed out that the TOHIDA had approved Renaissance's application for assistance with respect to the first phase of the revitalization project based on the TOHIDA's findings, that, among other things:

- the town of Hempstead was in need of attractive multi-family housing to retain workers in the town and attract new business;
- a healthy residential environment located in the town was needed to further economic growth;
- there was a lack of affordable, safe, clean multi-family housing within the town; and

- the facility would provide the nucleus of a healthy residential environment, and would be instrumental and vital in the further growth of the town.

Moreover, the court continued, the TOHIDA also found that the development of the first phase of the facility would "promote and maintain the job opportunities, health, general prosperity and economic welfare" of the town's citizens and "improve their standard of living."

Given that the project promoted employment opportunities and served to combat economic deterioration in the area served by the TOHIDA, the court upheld the TOHIDA's decision as rationally based and not arbitrary or capricious, an abuse of discretion, or an error of law.

Conclusion

IDA benefits can play an important role in real estate development. For nearly five decades, they have benefited New Yorkers in numerous situations. As the comptroller's office and the courts have recognized, a project—including a residential project—that demonstrates that it promotes employment opportunities and prevents economic deterioration is eligible to receive IDA benefits.

Ryan et al. v. Town of Hempstead Industrial Development Agency et al.

SHORT FORM ORDER

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

P R E S E N T : HON. JEFFREY S. BROWN
JUSTICE

-----X
In the Matter of DONALD L. RYAN, FLAVIA
IANNACONE, JAMES DENON, JOHN M. WILLAMS,
REGINAL LUCAS and ROBERT DeBREW, JR.,

Petitioners,

For A Judgment Pursuant to Article 78 of the New York
Civil Practice and Rules,

-against-

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT
AGENCY, RENAISSANCE DOWNTOWNS
URBANAMERICA, LLC, and RDU A PARCEL 1 LLC,

Respondents.
-----X

TRIAL/IAS PART 13

INDEX # 5324/16

Mot. Seq. 1

Mot. Date 9.13.16

Submit Date 11.17.16

XXX

The following papers were read on this motion:	Papers Numbered
Notice of Petition, Affidavits, Exhibits, Memorandum Annexed.....	1,2
Verified Answers.....	3,4,5
Opposing Affidavits.....	6,7,8,9,10,11,12
Reply Affidavits.....	13, 14
Sur-Reply Affidavit.....	15
Hearing Record (3 Vols.).....	16

Application by petitioners pursuant to Article 78 to invalidate as *ultra vires* and to void the May 18, 2016 resolution passed by the Town of Hempstead Industrial Development Agency (TOHIDA) is decided as hereinafter provided.

In this Article 78 proceeding, petitioners seek to invalidate the resolution passed by respondent TOHIDA on May 18, 2016, which granted financial and tax benefits and assistance to respondent Renaissance Downtowns UrbanAmerica, LLC (Renaissance) *vis-a-vis* construction of a new 336 unit residential apartment complex on the northwest corner of the intersection of Washington and Front Streets (Phase I of the multi-phase Village of Hempstead downtown revitalization project¹ which was planned to include additional mixed use buildings/parking facilities). The Phase I property was a tax exempt Village property for at least 50 years until December 15, 2015 when it was acquired by respondent Renaissance.

The financial benefits and assistance granted include:

exemptions from mortgage recording taxes for one or more mortgages securing the principal amount not to exceed \$70,000,000;

sales and use tax exemption up to \$3,450,000 in connection with the purchase/lease of building materials, services or other personal property for the project;

abatement of real property taxes for an initial term of ten years pursuant to Payment in Lieu of Taxes Agreement (PILOT).

Based on the theory that the resolution was affected by an error of law, i.e., that residential apartment buildings are not included in the type of project or facility that is eligible for financial assistance under the General Municipal Law Article 18-A (Industrial Development Act [the IDA or the Act]), petitioners seek to invalidate the subject resolution as *ultra vires*/void.

In opposition, respondents first seek dismissal of the petition based on its alleged multiple fatal flaws including petitioners' lack of standing; failure to raise the *ultra vires* issue in the administrative proceeding before respondent TOHIDA; and failure to serve the attorney general in accordance with CPLR 7804(e).

The alleged flaws are not fatal and do not provide a basis for dismissal. Petitioners have standing to maintain an action for equitable or declaratory relief under State Finance Law § 123-b *vis-a-vis* the issue of whether the project herein falls within the definition of a "project" for which IDA benefits may be granted (*see Nearpass v Seneca County Idus. Dev. Agency*, 52 Misc 3d 533 [Sup Ct, Seneca County 2016 Falvey, J.]; *Dudley v. Kerwick*, 52 NY2d 542 [1981]; *cf.*

¹The development as outlined in the Appraisal Report (Exhibit "2" to the Petition) was approved in a unanimous 5-0, bi-partisan vote by the Village of Hempstead Board. It includes the construction of , among other things: residential units, structured parking, retail space, medical office building, mixed used artist loft with grade and basement level supermarket, surface parking office space, senior independent living apartment building, hotel and restaurant space.

Kadish v. Roosevelt Raceway Assoc., 183 AD2d 874, 875 [2d Dept 1992] [no standing under State Finance Law § 123-b (1) to challenge financing and acquisition of property by TOHIDA through bond issuance because statute specifically excludes bond issuance by a public benefit corporation). Further, the *ultra vires* issue was, in fact, raised in the administrative proceeding before respondent TOHIDA (Record: Vol, 3 Tab 25, pp 113-114), and the Nassau County Regional Office of the New York State Attorney General rejected service of the petition on the ground that the office did not represent respondent TOHIDA.

In further support of its dismissal, movants argue that the petition fails to state a viable cause of action as it is based on the false premise that an Industrial Development Agency may not grant benefits for a commercial project that is residential, either in whole or in part, in nature.

For the reasons which follow, the petition must be dismissed.

Pursuant to General Municipal Law § 858, an Industrial Development Agency

“shall be to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreation facilities . . . and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their recreation opportunities, prosperity and standard of living.”

An Industrial Development Agency is thus a “governmental agenc[y] or instrumentalit[y] created for the purpose of preventing unemployment and economic deterioration (General Municipal Law § 852) and to “provide one means for communities to attract new industry, encourage plant modernization and create new job opportunities” (Governor’s Mem., 1969 McKinney’s Session Laws of N.Y. at 2572).

According to respondents, the development of a residential rental building falls within the ambit of the statutory definition of a project,² entitled to financial assistance and benefits, as set forth in § 854(4) of the General Municipal Law in that it “promotes employment opportunities and prevents economic deterioration in the area served by the industrial development agency” (Opns. St. Comp. No. 85-51 [N.Y.S. Cptr., 1985 WL 25843]).

In the opinion of the State Comptroller, the determination of whether construction of an apartment complex is a commercial activity within the meaning of the statute must be made by

²As set forth in § 854(4) the term “project” is broadly defined to include, in relevant part, “any land, any building or other improvement, and all real and personal properties located within the state of New York and within or outside or partially within and partially outside the municipality for whose benefit the agency was created. . . .”

local officials based upon facts relevant to the proposed project (*Id.* ["Local officials must determine, based upon all the relevant facts, whether construction of an apartment complex will promote employment opportunities and prevent economic deterioration. . . ."]). Respondents argue that TOHIDA acted within the scope of its authority in resolving to provide IDA assistance to the project since it would promote job creation and growth in a distressed area of the Village of Hempstead and serve as the first physical manifestation of the Village's Downtown Revitalization plan and a catalyst for future phases.

Here, the record establishes that a duly noticed public hearing was held regarding respondent Renaissance's application for TOHIDA assistance with respect to the first phase of the \$2.5 billion Hempstead Revitalization project for which site plan approval was already in place and a building permit issued. The resolution was granted based on respondent TOHIDA's findings, that, among other things:

- (a) The Town of Hempstead is in need of attractive multi-family housing to retain workers in the Town and attract new business;
- (b) a healthy residential environment located in the Town of Hempstead is needed in order to further economic growth;
- (c) there is a lack of affordable, safe, clean multi-family housing within the Town of Hempstead;
- (d) the facility will provide the nucleus of a healthy residential environment, and will be instrumental and vital in the further growth of the Town of Hempstead.

Respondent TOHIDA also found that:

the acquisition, construction and equipping of the Phase I Facility will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Hempstead and the State of New York and improve their standard of living and thereby serve the public purposes of the Act;

the project conformed with local zoning laws and planning regulations of the Town of Hempstead; and

the project will not have a significant effect on the environment as determined in accordance with Article 8 of the Environmental Conservation Law and regulations promulgated thereunder.

The allegations proffered in opposition to the resolution, regarding traffic congestion; additional garbage/sewage; additional burden of increased student population in an already overcrowded/underfunded school district; burden of increased financial costs of municipal services to support increased population, are speculative and lack merit in the face of reasoned evaluation of the project by respondent TOHIDA as set forth in the record. As stated in the affidavit of Wayne J. Hall, Sr., Mayor of the Incorporated Village of Hempstead and Chairman of the Village Community Development Agency:

“the IDA benefits awarded to Renaissance for this particular Phase I of the development are critically important to the revitalization of the Village of Hempstead’s downtown area, and are essential to the twin goals of preventing any further physical and economic deterioration of the area, as well as promoting employment opportunities to the Village.”

As stated in the Socio-Economic Impact of the Village of Hempstead’s Revitalization Plan report, dated March 31, 2016, (Exhibit “A” to the Affidavit of Donald Monti in Opposition to Petition):

“Upon completion, the overall revitalization of the Village of Hempstead will have generated an estimated \$4 billion in economic activity, comprised of economic activity during and after the construction period.

Nearly \$3 billion of primary and secondary economic activity will be generated from construction of the development encompassing 5 million square feet, comprising 2.8 million square feet of 3,500 residential units and 2.2 million square feet of mixed use, retail, hospitality, office and other commercial uses.

This will result in new socio-economic improvements to the Village of Hempstead that will provide much needed housing for Long Island’s young professionals and active adults, and create during the construction period as many as 22,000 temporary construction and secondary jobs generating nearly \$1.4 billion in wages.

When completed, the revitalization will create approximately 6,000 permanent and 4,500 secondary jobs generating \$498 million in wages of which 1,500 of the permanent jobs generating \$125 million in wages projected to be held by Village of Hempstead residents. Thus, in total, the construction activity and resulting permanent jobs and their related secondary economic impacts are expected to generate nearly \$4 billion in primary and secondary economic impact, and over the 20 year PILOT period \$142 million in new county, town, school and village property taxes, and \$43.5 million in new county sales taxes.”

In reviewing the actions of an administrative agency, courts must assess whether the determination was the result of an error of law or was arbitrary, capricious, or an abuse of discretion such that the actions at issue were taken without sound basis in reason and without regard to the facts (*Matter of County of Monroe v Kaladjian*, 83 NY2d 185, 189 [1994], citing *Matter of Pell v Bd. of Educ.*, 34 NY2d 222, 231 [1974]; *Akpan v Koch*, 75 NY2d 561, 570-71 [1990]; *Matter of Calvi v Zoning Bd. of Appeals of the City of Yonkers*, 238 AD2d 417, 418 [2d Dept 1997]). The agency's determination need only be supported by a rational basis (*Matter of County of Monroe v Kaladjian*, *supra*; *Matter of Jennings v Comm. N.Y. Dept. of Social Svcs.*, 71 AD3d 98, 108 [2d Dept 2010]). If the determination is rationally based, a reviewing court may not substitute its judgment for that of the agency even if the court might have decided the matter differently (*Matter of Savetsky v Zoning Bd. of Appeals of Southampton*, 5 AD3d 779, 780 [2d Dept 2004]; *Matter of Calvi v Zoning Bd. of Appeals of the City of Yonkers*, *supra*). It is not for the reviewing court to weigh the evidence or reject the choice made by the agency where the evidence conflicts and room for choice exists (*Matter of Calvi v Zoning Bd. of Appeals of the City of Yonkers*, *supra*, citing *Toys "R" Us v Silva*, 89 NY2d 411, 424 [1996]; *Akpan v Koch*, *supra*).

The record at bar establishes that in adopting the challenged resolution following a public hearing, review of Renaissance's application, and the environmental effects, respondent TOHIDA did not act in excess of its jurisdiction or beyond the scope of its authority; i.e., *ultra vires*. Nor was TOHIDA's decision after review of all of the circumstances to adopt the resolution finding that the Phase I facility constituted a "project" under the IDA affected by an error of law as would warrant relief under Article 78.

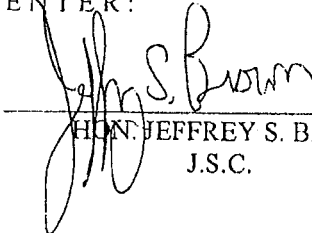
Where, as here, the project at issue promotes employment opportunities and serves to combat economic deterioration in an area served by an industrial development agency, a finding that the project falls within the ambit of the IDA is rationally based; neither arbitrary or capricious or an abuse of discretion, nor an error of law.

Accordingly, the petition is **denied** and the proceeding is hereby **dismissed**.

This constitutes the decision and order of this court. All applications not specifically addressed herein are denied.

Dated: Mineola, New York
January 25, 2017

ENTER:



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EXHIBIT E

Town of Brookhaven Industrial Development Agency Uniform Tax Exemption Policy

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
UNIFORM TAX EXEMPTION POLICY (UTEP)

SECTION 1. PURPOSE AND AUTHORITY. Pursuant to Section 874(4)(a) of Title One of Article 18-A of the New York State General Municipal Law (the “**Act**”), Town of Brookhaven Industrial Development Agency (the “**Agency**”) is required to establish a uniform tax-exemption policy applicable to the provision of any financial assistance to any project. This uniform tax-exemption policy (“**UTEP**”) was adopted pursuant to a resolution enacted by the members of the Agency on June 20, 2012, as amended on October 15, 2014, September 20, 2017, May 13, 2019 and June 17, 2020.

SECTION 2. DEFINITIONS. All words and terms used herein and defined in the Act shall have the meanings assigned to them in the Act, unless otherwise defined herein or unless the context or use indicates another meaning or intent. The following words and terms used herein shall have the respective meanings set forth below, unless the context or use indicates another meaning or intent:

(A) “**Administrative Fee**” shall mean a charge imposed by the Agency to an Applicant or project occupant for the administration of a project.

(B) “**Act**” shall have the meaning assigned thereto in Section 1 of this UTEP.

(C) “**Affected Tax Jurisdiction**” means, with respect to a particular project, the County, the Town, any Village or applicable School District, in which such project is located which will fail to receive real property tax payments or other tax payments which would otherwise be due with respect to such project due to a Tax Exemption obtained by reason of the involvement of the Agency in such project.

(D) “**Affordable Housing Project**” shall have the meaning assigned thereto in Section 7(D)(f) of this UTEP.

(E) “**Agency**” shall have the meaning assigned thereto in Section 1 of this UTEP.

(F) “**Agency Fee**” shall mean the normal charges imposed by the Agency on an Applicant or a project occupant to compensate the Agency for the Agency’s participation in a project pursuant to the Agency’s adopted Fee Schedule. The term “Agency Fee” shall include, but not limited to, not only the Agency’s normal application fee and the Agency’s normal Administrative Fee, but also may include (1) reimbursement of the Agency’s expenses, (2) rent imposed by the Agency for use of the property of the Agency and (3) other similar charges, penalties and interest imposed by the Agency.

(G) “**Applicant**” shall mean an individual or entity who files an application with the Agency to receive financial assistance with respect to a project.

(H) “**Applicant Project**” shall mean a project which is undertaken by the Agency, which complies with the Act and the policies of the Agency, for the benefit of an Applicant which either (1) has been or will be financed by the issuance by the Agency of bonds, notes or other evidences of indebtedness with respect thereto or (2) a straight lease transaction which the Agency has determined to undertake pursuant to the Lease Policy and the Act.

(I) “**Assessor**” shall mean (i) the Assessor of the Town, and (ii) if a project is located in a Village, the Assessor of the Village.

(J) “**Assisted Living Facility**” shall have the meaning assigned thereto in Section 7(D)(g) of this UTEP.

(K) “**County**” shall mean Suffolk County, New York.

(L) “**Exemption Form**” shall have the meaning assigned thereto in Section 7(B) of this UTEP.

(M) “**FTEs**” shall have the meaning assigned thereto in this Section 9(E) of this UTEP.

(N) “**Lease and Project Agreement**” shall mean a Lease and Project Agreement” entered into between and the Agency and an Applicant with respect to a project.

(O) “**Lease Policy**” shall mean the lease policy approved by resolution of the members of the Agency, pursuant to which the Agency set forth the circumstances under which the Agency will consider undertaking a straight-lease transaction.

(P) “**Loss Event**” shall have the meaning assigned thereto in Section 9(F) of this UTEP.

(Q) “**Market Rate Housing Project**” shall have the meaning assigned thereto in Section 7(D)(i) of this UTEP.

(R) “**Municipality**” shall mean the County, the Town and each village located within the Town.

(S) “**Non-Applicant Project**” shall mean a project which is undertaken by the Agency for the benefit of the Agency and shall not include an Applicant Project.

(T) “**Normal Mortgage Tax**” shall have the meaning assigned thereto in Section 5(f) hereof.

(U) “**PILOT Payment**” or “**Payment in Lieu of Tax**” shall mean any payment made to the Agency or an Affected Tax Jurisdiction in lieu of the real property taxes or other taxes which would have been levied by or on behalf of an Affected Tax Jurisdiction with respect to a project but for the Tax Exemption obtained by reason of the involvement of the Agency in such project, but such term shall not include Agency Fees.

(V) “**PILOT Agreement**” shall have the meaning assigned thereto in Section 7(A) of this UTEP.

(W) “**Real Property Tax Abatements**” shall have the meaning assigned thereto in Section 7(D)(i) of this UTEP.

(X) “**Real Property Tax Abatement Savings**” shall have the meaning assigned thereto in Section 9(B)(iii) of this UTEP.

(Y) “**Recapture Event**” shall have the meaning assigned thereto in Section 9(C) of this UTEP.

(Z) “**Recaptured Benefits**” shall have the meaning assigned thereto in Section 9(B) of this UTEP.

(AA) “**Recapture Policy**” shall have the meaning assigned thereto in Section 3(E) this UTEP.

(BB) “**Renewable Energy Systems**” shall have the meaning assigned thereto in Section 66-p of the New York Public Service Law.

(CC) “**Sales Tax Exemption Period**” shall have the meaning assigned thereto in Section 4(B) of this UTEP.

(DD) “**Sales Tax Savings**” shall have the meaning assigned thereto in Section 9(B)(ii) of this UTEP.

(EE) “**School District**” shall mean each school district located within the Town.

(FF) “**Senior Living Facility**” shall have the meaning assigned thereto in Section 7(D)(h) of this UTEP.

(GG) “**Tax Exemption**” shall mean any financial assistance granted to a project which is based upon all or a portion of the taxes which would otherwise be levied and assessed against a project but for the involvement of the Agency in such project.

(HH) “**Town**” shall mean the Town of Brookhaven, New York.

(II) “**UTEP**” shall have the meaning assigned thereto in Section 1 of this UTEP.

(JJ) “**Village**” means any incorporated Village located within the Town.

SECTION 3. GENERAL PROVISIONS.

(A) Policy. The policy of the Agency is to grant Tax Exemptions as hereinafter set forth to (1) any Applicant Project and (2) any Non-Applicant Project, in each case approved by the Agency in accordance with the provisions of the Act and the policies of the Agency. In reviewing applications for financial assistance, the Agency shall take into consideration, review and comply with all requirements and provisions of the Act.

(B) Exceptions. The Agency reserves the right to deviate from such policy in special circumstances. In determining whether special circumstances exist to justify such a deviation, the Agency may consider the magnitude of the deviation sought and the factors which might make the project unusual, which factors might include but not be limited to the following factors: (1) The magnitude and/or importance of any permanent private sector job creation and/or retention related to the proposed project in question; (2) whether the Affected Tax Jurisdictions will be reimbursed by the project occupant if such project does not fulfill the purposes for which Tax Exemption was granted; (3) the impact of such project on existing and proposed businesses or economic development projects; (4) the amount of private sector investment generated or likely to be generated by such project; (5) the estimated value of the Tax Exemptions requested; (6) the extent to which such project will provide needed services and revenues to the Affected Tax Jurisdictions; (7) the effect of the proposed project upon the environment, the extent to which the project will utilize, to the fullest extent practicable and economically feasible, resource conservation, energy efficiency, green technologies, and alternative and renewable energy measures; and (8) if the project is designated blighted as per the Town's Code. In addition, the Agency may consider the other factors outlined in Section 874(4)(a) of the Act.

(C) Application. No request for a Tax Exemption relating to an Applicant Project shall be considered by the Agency unless an application and environmental assessment form are filed with the Agency on the forms prescribed by the Agency pursuant to the Act and the policies of the Agency. Such application shall contain the information requested by the Agency, including a description of the proposed project, the proposed financial assistance being sought with respect to the project, the estimated date of completion of the project, whether such financial assistance is consistent with this UTEP and all other information required by the Act and corresponding rules and regulations. The Agency reserves the right to reject any application that the Board, in its sole discretion, determines (1) does not comply with the Town's Code, Zoning Plan, Land Use plans or Economic Development policy, or (2) the project or the requested Tax Exemptions are not in the best interest of the residents or tax payers of the Town or does not otherwise comply with the Act or any other applicable federal, state or local laws, rules or regulations. As required under the Act, prior to any project receiving benefits from the Agency, the project applicant must establish that the project would not proceed but for the benefits granted by the Agency. The fact that the Agency has accepted an Application or adopted a preliminary inducement resolution with respect to a project, does not mean or imply that the Agency will grant final approval of an Applicant's project or the requested Tax Exemptions.

(D) Public Hearings and Notice to Affected Tax Jurisdictions. No request for approval of an Applicant Project by the Agency which involves the issuance of bonds, notes or other evidences of indebtedness with respect thereto or any other application for Tax Exemptions, or

entering into a Lease and Project Agreement or PILOT Agreement, or the granting of other financial assistance to Project Applicant which may aggregate more than \$100,000 or which involves a proposed deviation from the provisions of this Uniform Tax Exemption Policy, shall be given final approval by the Agency unless and until the Agency: (1) has published a public notice and conducted a public hearing with respect to the location and nature of the project, the issuance of bonds or notes, if applicable, and the Tax Exemptions and other financial assistance to be granted by the Agency to the Project Applicant in accordance with the provisions of Section 859-a of the Act, (2) has sent written notice of said request to each Affected Tax Jurisdiction describing generally the location and nature of the project, the issuance of bonds or notes, if applicable, and the Tax Exemptions and other financial assistance to be granted by the Agency to the Project Applicant and if the request involves a deviation from this UTEP, describing such deviation and the need for such deviation, and (3) has given each Affected Tax Jurisdiction and members of the public a reasonable opportunity, either in writing or in person, to be heard by the Agency with respect to the location and nature of the project and proposed Tax Exemption to be granted to the Applicant in accordance with the Act. With respect to Non-Applicant Projects, the Agency shall comply with the provisions of Section 859-a of the Act, to the extent applicable. In addition, the Agency shall comply with all other notice provisions and public hearing requirements contained in the Act relative thereto.

(E) Recapture of Benefits. In accordance with the Act, the Agency has adopted a recapture policy and requirements (the “**Recapture Policy**”) which is contained in every Lease and Project Agreement and other applicable project documents with respect to Tax Exemptions and other financial assistance granted to the Project Applicant. The Agency’s Recapture Policy is described generally in Section 9 of this UTEP.

SECTION 4. SALES AND USE TAX EXEMPTION.

(A) General. State law provides that purchases of tangible personal property by the Agency or by an agent of the Agency, and purchases of tangible personal property by a contractor for incorporation into or improving, maintaining, servicing or repairing real property of the Agency, are exempt from sales and use taxes imposed pursuant to Article 28 of the Tax Law. In accordance with the Act, the Agency has a policy of abating sales and use taxes applicable (1) only to the initial acquisition, construction, renovation and/or equipping of an Applicant Project and (2) to any Non-Applicant Project. The grant of sales and use tax exemptions by the Agency are subject to the Agency’s Recapture Policy.

(B) Period of Exemption. Except as set forth in subsection (A) above, the period of time for which a sales and use tax exemption shall be effective (the “**Sales Tax Exemption Period**”) shall be determined as follows:

- (1) General. The sales and use tax exemption for an Applicant Project shall be for the Sales Tax Exemption Period commencing no earlier than (i) the date of issuance by the Agency of bonds, notes or other evidences of indebtedness with respect to such project, or (ii) the execution and delivery by the Agency of a Lease and Project Agreement or other document evidencing the sales and use tax exemption relating to such project, and

ending on the date of completion of the project or specific date set by the Agency. The Sales Tax Exemption Period for a Non-Applicant Project shall extend for such period of time as the Agency shall determine.

- (2) Normal Termination. The Sales Tax Exemption Period for an Applicant Project will normally end upon the earlier of (i) completion of the acquisition, construction, renovation and/or equipping of such project, (ii) the specific date set by the Agency or (iii) the date upon which the Applicant has received the benefit of one hundred percent (100%) of the approved sales and use tax exemption regardless of whether the acquisition, construction, renovation and/or equipping of such project has been completed. The Agency and the Applicant shall agree on the estimated date of completion of the project, and the sales and use tax exemption shall cease on the agreed upon date, as stated in the Lease and Project Agreement or other document evidencing the sales and use tax exemption, unless terminated earlier in accordance with the terms of the lease agreement or other document evidencing the exemption.
- (3) Extension of Sales Tax Exemption Period/Increase in Amount. The Chief Executive Officer of the Agency is authorized on behalf of the Agency to approve (i) requests from Applicants regarding the extension of the completion date of its project and the extension of the Sales Tax Exemption Period, and (ii) requests from Applicants regarding an increase of sales and use tax exemptions in an amount not to exceed \$100,000, in connection with the purchase or lease of equipment, building materials, services or other personal property, without the need of approval of the Board of the Agency.
- (4) Items Exempted. The sales and use tax exemption granted by the Agency with respect to an Applicant Project shall extend only to items acquired and installed during the Sales Tax Exemption Period. The sales and use tax exemption shall only apply to the purchase or lease of such items as more particularly described in the Lease and Project Agreement or other such document evidencing the sales and use tax exemption. Such Lease and Project Agreement or other document shall also explicitly describe the items which are not eligible for sales and use tax exemption.
- (5) Percent of Exemption. Unless otherwise determined by resolution of the Agency, the sales and use tax exemption shall be equal to one hundred percent (100%) of the sales and use taxes that would have been levied if the project were not exempt by reason of the Agency's involvement in the project. If an exemption of less than one hundred percent (100%) is determined by the Agency to be applicable to a particular Applicant Project, then the Applicant shall be required to pay a PILOT Payment to the Agency equal to the applicable percentage of sales and use tax liability not being abated. The Agency shall remit such PILOT Payment, within thirty (30)

days of receipt thereof by the Agency, to the Affected Tax Jurisdictions and New York State in accordance with Section 874(3) of the Act.

(C) Lease and Project Agreement. The final act of granting a sales and use tax exemption by the Agency shall be confirmed by the execution by an authorized officer of the Agency of a Lease and Project Agreement or other document entered into by the Agency and the Applicant evidencing such exemption.

(D) Required Filings, Reports and Records. The New York State Department of Taxation and Finance requires that proper forms and supporting materials be filed with a vendor to establish a purchaser's entitlement to a sales and use tax exemption. Additionally, Section 874(8) of the Act requires project occupants and agents of the Agency to annually file with the New York State Department of Taxation and Finance a statement of the value of all sales and use tax exemptions claimed under the Act by the project occupant and/or all agents, subcontractors and consultants thereof. The Applicant's obligation to comply with such requirements shall be more fully described in the Lease and Project Agreement or other such document evidencing the exemption.

SECTION 5. MORTGAGE RECORDING TAX EXEMPTION.

(A) General. The Act provides that mortgages granted by or joined by the Agency and recorded by the Agency or caused to be recorded by the Agency are partially exempt from mortgage recording taxes imposed pursuant to Article 11 of the Tax Law. The Agency has a policy of partially abating mortgage recording taxes in accordance with the Act for the initial financing or any subsequent refinancing for each project with respect to which the Agency grants a mortgage to secure the indebtedness issued by the Agency. In instances where the initial financing commitment provides for a construction financing of the project to be replaced by a permanent financing of the project immediately upon or shortly after the completion of the project, the Agency's policy is to abate the mortgage recording tax on a case-by-case basis on both the construction financing and the permanent financing pursuant to the Act.

(B) Non-Agency Financings. In a straight-lease transaction where the Agency holds title to or has a leasehold interest in the project, the determination to grant mortgage tax abatement(s) for mortgages entered into by the Agency to secure loans or indebtedness incurred by an Applicant to finance the costs of an Applicant Project as provided for in the Lease and Project Agreement, will be made by the Agency on a case-by-case basis in the sole discretion of the Agency. As described in Section (F) below, the Agency may enter into the mortgage even if it has determined not to grant a mortgage recording tax abatement. The policy of the Agency is to consent to the granting of a mortgage and to join in such mortgage, so long as the following conditions are met:

- (1) The documents relating to such proposed mortgage contain the Agency's standard non-recourse and hold harmless language and such other provisions as the Agency may require, as provided to the lender;

- (2) The granting of the mortgage is permitted under any existing documents relating to the project, and any necessary consents relating thereto have been obtained by the project occupant;
- (3) The payment of the Agency Fee relating to same; and
- (4) The granting of such mortgage recording tax exemption is in the best interest of the Agency and in furtherance of the Agency's public purposes in accordance with the Act.

(C) Refinancing. It is the policy of the Agency to abate mortgage recording taxes on any debt issued by the Agency for the purpose of refinancing prior bonds, notes or debt issued by the Agency or loans or indebtedness incurred by an Applicant to finance the costs of an Applicant Project as provided for in the Lease and Project Agreement, or on any modifications, extensions and renewals thereof, so long as the Agency Fees relating to same have been paid and the Applicant is not in default under any agreements with the Agency. Additionally, in the event of a refinancing of a mortgage in connection with a straight-lease transaction to which the Agency granted a mortgage recording tax abatement, it is the policy of the Agency to abate mortgage recording taxes with respect to such refinancing in an amount equal to the outstanding balance secured by the current mortgage. The determination to grant any additional mortgage recording tax abatement on any new indebtedness in connection with such refinancing shall be made by the Agency on a case-by-case basis in the sole discretion of the Agency.

(D) Non-Agency Projects. In the event that the Agency does not hold title to or does not have a leasehold interest in a project, it is the policy of the Agency not to join in a mortgage relating to that project and not to abate any mortgage recording taxes relating to that project.

(E) Exemption Affidavit. The act of granting a mortgage recording tax exemption by the Agency is confirmed by the execution by an authorized officer of the Agency of mortgage recording tax exemption affidavit relating thereto.

(F) Mortgage Recording Tax Payments. If the Agency is a party to a mortgage that is not to be granted a mortgage recording tax exemption by the Agency (a "non-exempt mortgage"), then the Applicant and/or project occupant or other person recording same shall pay the same mortgage recording taxes with respect to same as would have been payable had the Agency not been a party to said mortgage (the "**Normal Mortgage Tax**"). Such mortgage recording taxes are payable to the County Clerk of the County, who shall in turn distribute same in accordance with law. If for any reason a non-exempt mortgage is to be recorded and the Agency is aware that such non-exempt mortgage may for any reason be recorded without the payment of the normal mortgage tax, then the Agency shall prior to executing such non-exempt mortgage collect a payment equal to the normal mortgage tax and remit same within thirty (30) days of receipt by the Agency to the Affected Tax Jurisdictions in accordance with Section 874(3) of the Act.

SECTION 6. REAL ESTATE TRANSFER TAXES.

(A) Real Estate Transfer Tax. Article 31 of the Tax Law provides for the imposition of a tax upon certain real estate transfers. Section 1405(b)(2) of the Tax Law provides that transfers into the Agency are exempt from such tax, and the New York State Department of Taxation and Finance has ruled that transfers of property by the Agency back to the same entity which transferred such property to the Agency are exempt from such tax. The policy of the Agency is not to impose a payment in lieu of tax upon any real estate transfers to or from the Agency.

(B) Required Filings. It shall be the responsibility of the Applicant and/or project occupant to ensure that all documentation necessary relative to the real estate transfer taxes and the real estate transfer gains tax are timely filed with the appropriate officials.

SECTION 7. REAL ESTATE TAX EXEMPTION.

(A) General. Pursuant to Section 874 of the Act and Section 412-a of the Real Property Tax Law, property owned by or under the jurisdiction or supervision or control of the Agency is exempt from general real estate taxes (but not exempt from special assessments and special ad valorem levies). However, it is the policy of the Agency that, notwithstanding the foregoing, every non-governmental project will be required to enter into (i) a Lease and Project Agreement that contains provisions for PILOT Payments or (ii) a standalone payment in lieu of tax agreement acceptable to the Agency (in either case, a “**PILOT Agreement**”). Such PILOT Agreement shall require PILOT Payments in accordance with the provisions set forth below.

(B) PILOT Requirement. Unless the Applicant and/or project occupant and the Agency shall have entered into a PILOT Agreement, the project documents shall provide that the Agency will not file a New York State Department of Taxation and Finance, Division of Equalization and Assessment Form RP-412-a (an “**Exemption Form**”) with the Assessor and each Affected Tax Jurisdiction with respect to the project, and the project documents shall provide that the Applicant and/or the project occupant shall be required to make PILOT Payments in such amounts as would result from taxes being levied on the project by the Affected Tax Jurisdictions as if the project were not owned by or under the jurisdiction or supervision or control of the Agency. The project documents shall provide that, if the Agency and the Applicant and/or project occupant have entered into (i) a Lease and Project Agreement that contains provisions for PILOT Payments or (ii) a standalone PILOT Agreement acceptable to the Agency, the project documents shall provide that the Agency will file an Exemption Form with the Assessor and each Affected Tax Jurisdiction. The terms of the PILOT Agreement shall control the amount of PILOT Payments until the expiration or sooner termination of such PILOT Agreement. Except as otherwise provided by resolution of the Agency, all real estate PILOT Payments are to be paid to the Agency for distribution to the Affected Tax Jurisdictions. Upon expiration of the initial period as aforesaid, the assessment of the project shall revert to a normal assessment (i.e., the project will be assessed as if the project were owned by the Applicant and not by the Agency). Also, any addition to the project shall be assessed normally as aforesaid, unless such addition shall be approved by the Agency as a separate project following notice and a public hearing as described in Section 859-a of the Act. Other than fixing the final assessment for the initial period as aforesaid, the policy of

the Agency is to not provide the Applicant and/or project occupant with any abatement, other than abatements allowed under the Real Property Tax Law.

(C) Required Filings. As indicated in subsection (B) above, pursuant to Section 874 of the Act and Section 412-a of the Real Property Tax Law, no real estate tax exemption with respect to a particular project shall be effective until an Exemption Form is filed with the assessor of each Affected Tax Jurisdiction. Once an Exemption Form with respect to a particular project is filed with a particular Affected Tax Jurisdiction, the real property tax exemption for such project does not take effect until (1) a tax status date for such Affected Tax Jurisdiction occurs subsequent to such filing, (2) an assessment roll for such Taxing Jurisdiction is finalized subsequent to such tax status date, (3) such assessment roll becomes the basis for the preparation of a tax roll for such Affected Tax Jurisdiction, and (4) the tax year to which such tax roll relates commences.

(D) PILOT Agreement. Unless otherwise determined by resolution of the Agency, all PILOT Agreements shall satisfy the following general conditions:

- (1) Real Property Tax Abatement. The Agency provides real property tax abatements (“**Real Property Tax Abatements**”) in the form of reduction of existing taxes and/or freezing existing taxes and/or abating the increased taxes as the result of the project. Except as may described in this UTEP, the Agency’s standard PILOT Agreement will contain fixed PILOT Payments for each tax year throughout the term of the PILOT Agreement as determined by the Agency in its sole discretion. The standard real property tax abatement provided by the Agency is based on the total increased assessment for a project over a ten (10) year period, however, the Agency in its sole discretion may grant a fifteen (15) year PILOT Agreement or grant a five (5) year extension of a ten (10) year PILOT Agreement without such fifteen (15) year term be considered a deviation. As required by the Act, unless otherwise agreed to by the affected taxing jurisdictions, all PILOT Payments must be disbursed by the Agency to the Affected Taxing Jurisdictions in proportion to the amount of real property taxes and other taxes that would have been received by such Affected Taxing Jurisdiction had the project not been tax exempt due to the Act. Each abatement of real property taxes pursuant to a PILOT Agreement is based on a cost benefit analysis to determine if the project is eligible for the standard exemption. In cases where a project does not meet Agency guidelines for the standard exemption, a reduced abatement in terms of percent and/or duration may be extended to the applicant, the amount of such reduced abatement to be dependent on the facts and circumstances of each particular case. The guidelines to determine eligibility for the standard exemption are as follows:

- (a) Industrial, manufacturing, research and development, commercial, warehousing, distribution facilities, retail (subject to retail restrictions in the Act), and corporate office facilities are all eligible for the standard exemption. Speculative office projects may be

eligible for the standard exemption if they are projected to provide economic benefits in terms of jobs, involve significant capital investments in the Town, repurpose existing vacant or nearly vacant buildings, or will stimulate the local economy. The extent to which the project will directly create or retain permanent private sector jobs as well as “temporary” jobs during the construction period are factors that will be considered by the Agency in determining if a project is eligible for a PILOT Agreement. In addition, the level of secondary “multiplier” jobs that will be created or retained as a result of the project will be considered by the Agency. Current policy is to rely on a cost benefit analysis of the project.

- (b) Generally, new jobs created or existing jobs retained by the project should have projected average annual salaries in line with the median per capita income levels on Long Island at the time of application. Projects with low employment numbers may receive reduced benefits. Further, labor intensive industries are viewed favorably. The likelihood that a desirable project will locate in another municipality/region/state, resulting in subsequent real economic losses in the Town, the retention of current jobs at an existing project, and the possible failure to realize future economic benefits for attraction projects are factors that may be considered by the Agency in granting a PILOT Agreement.
- (c) The total amount of capital investment and/or public benefit at the project is a factor that may be considered by the Agency in granting a PILOT Agreement.
- (d) The extent to which a project will further local planning efforts by upgrading blighted areas, create jobs in areas of high unemployment, assist institutions of higher education, provide the opportunity for advanced high-tech growth or diversify the Town’s economic base.
- (e) The effect of the proposed project on the environment and the extent to which the project will utilize, to the fullest extent practicable and economically feasible, resource conservation, energy efficiency, green technologies, and alternative and renewable energy measures.
- (f) For purposes of this UTEP, “**Affordable Housing Projects**” are defined as housing projects (i) utilizing either four percent (4%) Low Income Housing Tax credits AND tax-exempt bonds OR nine percent (9%) Low Income Housing Tax credits, (ii) housing projects that receive funding through the HOME, CDBG or any HUD programs which restricts the income levels of the residents of the housing project by the terms of the funding agreements or a

Regulatory Agreement is recorded against the property restricting the income levels of the residents of the housing project and the rent that may be payable by the residents, (iii) Affordable Housing Projects that receive funding from a federal, State, County, Village or Town agency, entity, program or authority which restricts the income levels of the residents of the housing project by the terms of the funding agreements or records a Regulatory Agreement against the property restricting the income levels of the residents of the Affordable Housing Project or the rent that may be payable by the residents, or (iv) any housing project for which the Agency receives a legal opinion acceptable to the Agency that such housing project qualifies as an Affordable Housing Project under federal or State law. Affordable Housing Projects may be granted a PILOT Agreement for a term of up to 15 years with fixed PILOT Payments to be determined by the Agency in its sole discretion. Alternatively, in the sole discretion of the Agency, a “10% Shelter Rent PILOT” may be used for the PILOT Agreement. The “10% Shelter Rent PILOT” may be for a 10-year term or a 15-year term, at the sole discretion of the Agency, with PILOT Payments set at an annual amount equal to 10% of the total revenues of the Affordable Housing Project minus utilities of the Affordable Housing Project. In order to determine the 10% Shelter Rent PILOT, the revenue and utility information of the Affordable Housing Project will need to be provided by the project Applicant to the Agency in conjunction with the Affordable Housing Project at the time of the Application and thereafter on an annual basis. In the event the Affordable Housing Project is financed by tax exempt bonds or 9% Low Income Housing Tax Credits or the project is subject to a recorded Regulatory Agreement recorded by a Municipality or a governmental entity restricting the income levels of the residents of the housing project and the amount of rent payable by the residents, the PILOT Agreement may, in the sole discretion of the Agency, run concurrently with the term of the bond financing or the term of the Regulatory Agreement or such period as may be required by a state or federal housing agency or authority that is also providing financing or benefits to such project or such lesser period as the Agency shall determine.

- (g) For purposes of this UTEP, “**Assisted Living Facilities**” are defined as facilities licensed or regulated by the State as assisted or enhanced living facilities and may include memory care units or units to care for persons with cognitive or physical disabilities who cannot safely live or care for themselves independently. Assisted Living Facilities may be granted a PILOT Agreement for a term of to 10 to 15 years with fixed PILOT Payments to be determined by the Agency in its sole discretion. However, in the event the Assisted Living Facility

is financed by tax exempt bonds, the PILOT Agreement may run concurrently with the term of the bond financing.

- (h) For purposes of this UTEP, “**Senior Living Facilities**” are defined as independent living facilities which are restricted for residents 55 years of age or older per the Town Code. Senior Living Facilities may be granted a PILOT Agreement for a term of to 10 to 15 years with fixed PILOT Payments to be determined by the Agency in its sole discretion. However, in the event the Senior Living Facility is financed by tax exempt bonds, the PILOT Agreement may run concurrently with the term of the bond financing.

- (i) For Purposes of this UTEP, “**Market Rate Housing Projects**” are defined as all housing projects other than Affordable Housing Projects, Senior Living Facilities or Assisted Living Facilities. Market Rate Housing Projects may be granted a PILOT Agreement for a term of up to 7 years, starting at the current taxes on the land and any existing buildings, structures and improvements on the land and increasing to full taxation at the end of the PILOT Term with PILOT Payments to be determined by the Agency, in its sole discretion. However, Market Rate Housing Projects that are to be wholly located in or substantially located in one of the areas described below, may be eligible to be granted in the Agency’s sole and absolute discretion an enhanced PILOT Agreement for a 13 to 15-year term. The enhanced PILOT Agreement will generally equal land-only taxes for three to five years. The remaining ten years will generally mirror a “double 485-b” exemption. In order to be eligible to receive an enhanced PILOT Agreement, Market Rate Housing Projects must be located in one of the following areas: a Community Development Block Grant area, an Opportunity Zone, a revitalization area, a Transit Oriented Development, a Highly Distressed Area (as defined in the Act), an established downtown, a blighted area or parcel of land as per the Town’s Code, or if such Market Rate Housing Project is part of a Town or Village planned development zone or an incentive zoning program. All Market Rate Housing Projects, regardless of whether it receives an enhanced PILOT Agreement, must comply with the requirements of Section 7(D)(j) below.

- (j) All Market Rate Housing Projects will be required to include a minimum of 10% affordable units and 10% workforce units to be maintained as such for the life of the Lease and Project Agreement. Each of the “affordable” units shall rent at a reduced rent to tenants with an annual income at or below 80% of the median income for the Nassau-Suffolk primary metropolitan statistical area as defined by the Federal Department of Housing and Urban Development.

Each of the “workforce” units shall rent at a reduced rent to tenants with an annual income at or below 120% of the median income for the Nassau-Suffolk primary metropolitan statistical area as defined by the Federal Department of Housing and Urban Development. The project shall enter into a contract with a local not-for-profit housing advocacy group acceptable to the Agency to administer the affordability of the affordable units and the workforce units. This information must be provided to the Agency on an annual basis. Compliance with the above requirements for a minimum of 10% affordable units and a minimum of 10% workforce units will not make a Market Rate Housing Project be considered to be an Affordable Housing Project as defined in Section 7(D)(h) above.

- (k) Approval of all housing projects will be at the sole discretion of the Agency’s Board of Members. For housing projects undertaken, the Agency may engage the services of a consultant to assist the Agency to determine appropriate PILOT Payment levels based upon such relevant factors, including, but not limited to, the total project costs, projected rental income, unit size, number and configuration. All project applicants for Market Rate Housing Projects, Senior Housing Living Facilities, Assisted Living Facilities and Affordable Housing Projects must submit a feasibility study to the Agency demonstrating the need for the project, other existing or planned housing projects, the impact on the local taxing jurisdictions, the impact on the local school district and the expected number of children, if any, who are likely to attend the local school district, and demonstrating that the housing project complies with the Act.
- (l) Electrical power generating facilities, electrical storage facilities, co-generation facilities, energy transmission lines or facilities, including electrical transmission lines, poles and underground conduits, undersea electrical cables, convertor stations, electrical interconnect facilities, equipment and substations, natural gas pipelines and pumping stations, Renewable Energy Systems, and other energy projects are eligible for PILOT Agreements for a term of ten (10) years up to twenty-five (25) years following the completion of the construction, acquisition, and equipping of the project with fixed PILOT Payments determined by the Agency in its sole discretion and subject to periodic escalation. In determining the PILOT Agreement, the Agency, may consider the total amount of power generated, stored or transmitted by such project and the assessed value of such project.
- (2) Reduction for Failure to Achieve Goals: If the Agency’s approval of a particular project is predicated upon achievement by the project of certain minimum goals (such as creating and maintaining certain minimum

employment levels), the PILOT Agreement may provide for the benefits provided thereby to the project to be reduced or eliminated if, in the sole judgment of the Agency, the project has failed to fulfill such minimum goals.

- (3) Expiration or Termination of PILOT Agreement: Upon expiration of the initial period as aforesaid, the assessment of the project shall revert to a normal assessment (i.e., the project will be assessed as if the project were owned by the Applicant and not by the Agency). Also, any addition to the project shall be assessed normally as aforesaid, unless such addition shall be approved by the Agency as a separate project following notice and a public hearing as described in Section 859-a of the Act. Other than fixing the final assessment for the initial period as aforesaid, the policy of the Agency is to not provide the Applicant and/or project occupant with any abatement, other than abatements allowed under the Real Property Tax Law.
- (4) Special District Taxes: As indicated above, the Agency is not exempt from special assessments and special ad valorem levies and accordingly, these amounts are not subject to abatement by reason of ownership of or the involvement in the project by the Agency. The PILOT Agreement shall make this clear and shall require that all such amounts be directly paid by the Applicant and/or project occupant. However, Applicants and project occupants should be aware that the courts have ruled that an Agency-sponsored project is also eligible to apply for an exemption from special district taxes pursuant to Section 485-b of the Real Property Tax Law. If an applicant or project occupant desires to obtain an exemption from special district taxes pursuant to said Section 485-b, it is the responsibility of the Applicant and/or project occupant to apply for same at its sole cost and expense.
- (5) Payment of PILOT Payments: Unless otherwise determined by resolution of the Agency or otherwise provided for in a Lease and Project Agreement or a PILOT Payment invoice from the Agency, all PILOT Payments payable to an Affected Tax Jurisdiction shall be billed and collected directly by the Agency. Pursuant to Section 874(3) of the Act, such PILOT Payments shall be remitted to each Affected Tax Jurisdiction within thirty (30) days of receipt.
- (6) Late Payment of PILOT Payments: Any PILOT Payments that are not paid on the date that such payments are due shall be subject to penalties and interest as required by the Act and the Lease and Project Agreement or the PILOT Agreement.
- (7) Recapture: All PILOT Agreements are subject to Recapture upon the recurrence of a Recapture Event.

- (8) Enforcement: An Affected Tax Jurisdiction which has not received a PILOT Payment due to it under a PILOT Agreement may exercise its remedies under Section 874(6) of the Act. In addition, such Affected Tax Jurisdiction may petition the Agency to exercise whatever remedies that the Agency may have under the project documents to enforce payment; and if such Affected Tax Jurisdiction indemnifies the Agency and agrees to pay the Agency's costs incurred in connection therewith, the Agency may take action to enforce the PILOT Agreement.

(E) Real Property Appraisals. Since the policy of the Agency stated in this Section 7 is to base the value of a project for payment in lieu of tax purposes on a valuation of such project performed by the respective Assessors, normally a separate real property appraisal is not required. However, the Agency may require the submission of a real property appraisal if (1) the Assessor of any particular Affected Tax Jurisdiction requires one, or (2) if the valuation of the project for payment in lieu of tax purposes is based on a value determined by the Applicant or by someone acting on behalf of the Applicant, rather than by an Assessor of an Affected Tax Jurisdiction or by the Agency. In lieu of an appraisal, the Agency may require that an Applicant submit to the Agency and each Assessor a certified enumeration of all project costs. If the Agency requires the submission of a real property appraisal, such appraisal shall be prepared by an independent MAI certified appraiser acceptable to the Agency.

SECTION 8. PROCEDURES FOR DEVIATION.

(A) General. In the case where the Agency may determine to deviate from the provisions of this Uniform Tax Exemption Policy pursuant to the provisions of Section 3(B) hereof, the Agency may deviate from the provisions hereof, provided that:

- (1) The Agency adopts a resolution (a) setting forth, with respect to the proposed deviation, the amount of the proposed Tax Exemption, the amount and nature of the proposed PILOT, the duration of the proposed Tax Exemption and the details of the proposed PILOT and whether or not a Tax Exemption of any kind shall be granted, (b) indicating the reasons for the proposed deviation, and (c) imposing such terms and conditions thereof as the Agency shall deem just and proper; and
- (2) As provided in Section 3(D) hereof, the Agency shall give prior written notice of the proposed deviation from this Uniform Tax Exemption Policy to each Affected Tax Jurisdiction, setting forth therein a general description of the proposed deviation and the reasons therefore. As required by the Act, the Agency shall give such notice to each Affected Tax Jurisdiction prior to the consideration by the Agency of the final resolution determining to proceed with such proposed deviation from this Uniform Tax Exemption Policy.

(B) Agency-Owned Projects. Where a project (1) constitutes a Non-Applicant Project, (2) is otherwise owned and operated by the Agency or (3) has been acquired by the Agency for its own account after a failure of a project occupant, such project may at the option of the Agency be exempted by the Agency from all taxes, to the extent provided in Section 874(1) and (2) of the Act.

(C) Unusual Projects. Where a project is unusual in nature and requires special considerations related to its successful operations as demonstrated by appropriate evidence presented to the Agency, the Agency may consider the granting of a deviation from the established exemption policy in accordance with the procedures provided in Section 3(B) and Section 8(A) hereof. The Agency may authorize a minimum payment in lieu of tax or such other arrangement as may be appropriate.

SECTION 9. RECAPTURE.

(A) Recapture of Agency Benefits. It is understood and agreed by the Applicant that the Agency will enter into a Lease and Project Agreement or PILOT Agreement to provide financial assistance and grant Tax Exemptions to the Applicant as an inducement to the Applicant to acquire, locate, construct, renovate, equip and operate a project in the Town in order to accomplish the Public Purposes of Agency under the Act. Upon the occurrence of a Recapture Event, the Agency will recapture up to 100% of the Recaptured Benefits in accordance with the Act and the provisions of the Lease and Project Agreement and the PILOT Agreement.

(B) For purposes of this UTEP, “**Recaptured Benefits**” shall mean all direct monetary benefits, Tax Exemptions and abatements and other financial assistance, if any, derived solely from the Agency’s participation in the transaction contemplated by the Lease and Project Agreement and the PILOT Agreement including, but not limited to, the amount equal to 100% of:

(i) mortgage recording tax exemption; and

(ii) sales and use tax exemption savings realized by or for the benefit of the Applicant, including any savings realized by any agent of the Applicant pursuant to the Lease Agreement and Project Agreement and each sales tax agent authorization letter issued in connection with the Lease Agreement and Project Agreement (“**Sales Tax Savings**”); and

(iii) Real Property Tax Abatement savings granted pursuant to the Lease Agreement and Project Agreement and the PILOT Agreement (i.e., full Taxes on the Facility less the PILOT Payments) (the “**Real Property Tax Abatement Savings**”).

(C) Recaptured Benefits, upon the occurrence of a Recapture Event in accordance with the provisions of the Lease Agreement and Project Agreement and the declaration of a Recapture Event by notice from the Agency to the Applicant, shall be payable directly to the Agency or to the State of New York if so directed by the Agency within ten (10) days after such notice of a Recapture Event.

(D) For purposes of this UTEP a “**Recapture Event**” shall mean any of the following events:

(i) The occurrence and continuation of an Event of Default under the Lease Agreement and Project Agreement, which remains uncured beyond any applicable notice and/or grace period, if any, provided hereunder; or

(ii) The Facility shall cease to be a “project” within the meaning of the Act, as in effect on the Closing Date, through the act or omission of the Applicant; or

(iii) The sale of the Facility or closure of the Facility and/or departure of the Applicant from the Town, except as due to casualty, condemnation or force majeure; or

(iv) Failure of the Company to create or cause to be maintained the number of FTE jobs at the Facility as provided in the Lease and Project Agreement, which failure, in the sole judgment of the Agency, is not reflective of the business conditions of the Applicant or the subtenants of the Applicant, including without limitation loss of major sales, revenues, distribution or other adverse business developments and/or local, national or international economic conditions, trade issues or industry wide conditions; or

(v) Any significant deviations from the project information contained in the Application which, in the sole judgment of the Agency, would constitute a significant diminution of the Applicant’s activities in, or commitment to, the Town of Brookhaven, Suffolk County, New York; or

(vi) The Applicant receives or claims Sales Tax Savings in connection with the project work in excess of the maximum amount of the sales and use tax exemptions authorized by the Agency or receives or claims Sales Tax Savings prior to the commencement of the Sales Tax Exemption Period or after the Sales Tax Exemption Period; provided, however, that the foregoing shall constitute a Recapture Event with respect to such excess Sales Tax Savings only. It is further provided that failure to repay the Sales Tax Savings within thirty (30) days shall constitute a Recapture Event with respect to all Recaptured Benefits.

(E) If a Recapture Event has occurred due solely to the failure of the Applicant to create or cause to be maintained the number of fulltime equivalent employees (“FTEs”) at the project as provided in the Lease and Project Agreement in any year but the applicant has created or caused to be maintained at least 85% of such required number of FTEs for such year, then in lieu of recovering the Recaptured Benefits provided above, the Agency may, in its sole discretion, adjust the PILOT Payments due under Lease and Project Agreement and the PILOT Agreement on a pro rata basis so that the amounts payable will be adjusted upward retroactively for such year by the same percentage as the percentage of FTEs that are below the required FTE level for such year. Such adjustments to the PILOT Payments may be made each year until such time as the Applicant has complied with the required number of FTEs pursuant to the Lease and Project Agreement.

(F) Furthermore, notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event shall have arisen as a result of (i) a “force majeure” event, (ii) a taking or condemnation by governmental authority of all or part of the Facility, or (iii) the inability or failure of the Applicant after the project shall have been destroyed or damaged in whole or in part (such occurrence a “Loss Event”) to rebuild, repair, restore or replace the project to substantially its condition prior to such Loss Event, which inability or failure shall have arisen in

good faith on the part of the Applicant or any of its affiliates so long as the applicant or any of its affiliates have diligently and in good faith using commercially reasonable efforts pursued the rebuilding, repair, restoration or replacement of the project or part thereof.

(G) The Applicant will be required under the Lease and Project Agreement to furnish to the Agency, and to cause any sublessee of the project to furnish, the Agency with written notification within thirty (30) days of actual notice of any facts or circumstances which would likely lead to a Recapture Event or constitute a Recapture Event hereunder. The Agency shall notify the Applicant of the occurrence of a Recapture Event under the Lease and Project Agreement, which notification shall set forth the terms of such Recapture Event.

(H) In the event any payment of Recaptured Benefits owing by the Applicant under the Lease and Project Agreement shall not be paid on demand by the Agency, such payment shall bear interest from the date of such demand at a rate equal to ten percent (10%) but in no event at a rate higher than the maximum lawful prevailing rate, until the Applicant shall have made such payment in full, together with such accrued interest to the date of payment, to the Agency (except as otherwise specified above).

(I) The Applicant shall be required by the Lease and Project Agreement to pay to the Agency all reasonable out of pocket expenses of the Agency, including without limitation, reasonable legal fees, incurred with the recovery of all Recaptured Benefits.

PILOT DEVIATION NOTICE LETTER



BUILD BROOKHAVEN

Lisa M. G. Mulligan, Chief Executive Officer

May 12, 2026

TO ALL ON THE ATTACHED DISTRIBUTION LIST:

**PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY**

Ladies and Gentlemen:

Notice is hereby given that at a meeting of the Town of Brookhaven Industrial Development Agency (the "**Agency**") to be held on May 27, 2026 at 12:00 p.m. local time at the Agency's offices located at the Town of Brookhaven Town Hall, 2nd Floor, One Independence Hill, Farmingville, New York 11738, the Agency will consider whether to approve the application of the Company (as defined below), for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "**Policy**") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

Sosunrise 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 of Sosunrise LLC and/or an entity formed or to be formed on behalf of any of the foregoing (the "**Company**"), has applied to the Agency to enter into a transaction in which the Agency will assist in (A) the acquisition of approximately 13 acres of land located at No. # Sunrise Highway, South Service Road, East Patchogue, New York 11772 (also known as Tax Map Number: District 0200, Section 955.00-05.00-003.000; District 0200, Section 956.00-02.00-001.000 and 002.000; District 0200, Section 973.40-04.00-002.000; and District 0200, Section 973.50-01.00-008.000 and 009.000) (the "**Land**"), (B) the construction, equipping and furnishing thereon of approximately 64 new senior residential rental units across multiple buildings totaling approximately 85,000 square feet of rental area, with approximately 20% of such units (fourteen (14) units) to be reserved as affordable housing and/or workforce housing for residents, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the "**Improvements**"), (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 to be subleased by the Agency to the Company for it to provide senior housing for the residents of East Patchogue and Long Island (the "**Project**"). The Facility will be initially owned, operated and/or managed by the Company.

Based upon preliminary negotiations between representatives of the Company and the Agency, the parties contemplate that the Agency may agree to grant a real property tax exemption the terms of which are proposed to contain a deviation from the Policy. The Agency is


contemplating a deviation from the Policy as follows: the Agency contemplates providing the Company with a partial abatement of real property taxes for a period of up to seventeen (17) years representing a deviation from the Policy through the provision of additional years of partial abatement (the “**Property Tax Exemption**”).

Thereafter, the payments would be equal to the real property taxes and assessments that would be payable as if the Facility were returned to the tax rolls as taxable property and subject to taxation at its then current, full assessed value, as the same may be reassessed from time to time, and subject to tax rate increases imposed by the affected tax jurisdictions.

The reason for the deviation is that the Property Tax Exemption, if approved by the Agency, is necessary to make it financially feasible for the Company to undertake the Project and the Project will positively impact the health, community, environment and economy of the residents of Town of Brookhaven.

Sincerely,

TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Lisa MG Mulligan
Chief Executive Officer

DISTRIBUTION LIST

The Honorable Edward P. Romaine
Suffolk County Executive
H. Lee Dennison Building
100 Veterans Memorial Highway
Hauppauge, New York 11788-0099
CERTIFIED MAIL RECEIPT #:
9214 8969 0099 1660 4738 59

Lori Cannetti, Interim Superintendent of
Schools
Patchogue Medford School District
241 South Ocean Avenue
Patchogue, NY 11772
CERTIFIED MAIL RECEIPT #:
9214 8969 0099 9790 1660 4739 27

The Honorable Daniel J. Panico
Town of Brookhaven
One Independence Hill
Farmingville, New York 11738

President Kelli Anne Jennings
Patchogue Medford School District
Board of Education
241 South Ocean Avenue
Patchogue, NY 11772
CERTIFIED MAIL RECEIPT #:
9214 8969 0099 9790 1660 4739 58

District Clerk
Patchogue Medford School District
241 South Ocean Avenue
Patchogue, NY 11772
CERTIFIED MAIL RECEIPT #:
9214 8969 0099 9790 1660 4739 89

Cost Benefit Analysis

Town of Brookhaven Industrial Development Agency

MRB Cost Benefit Calculator

Date: 5.7.26
 Project Title: Sosunrise LLC
 Project Location: Sunrise Hwy So Service Rd and Robinson Rd, East Patchogue



Cost-Benefit Analysis Tool powered by MRB Group

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

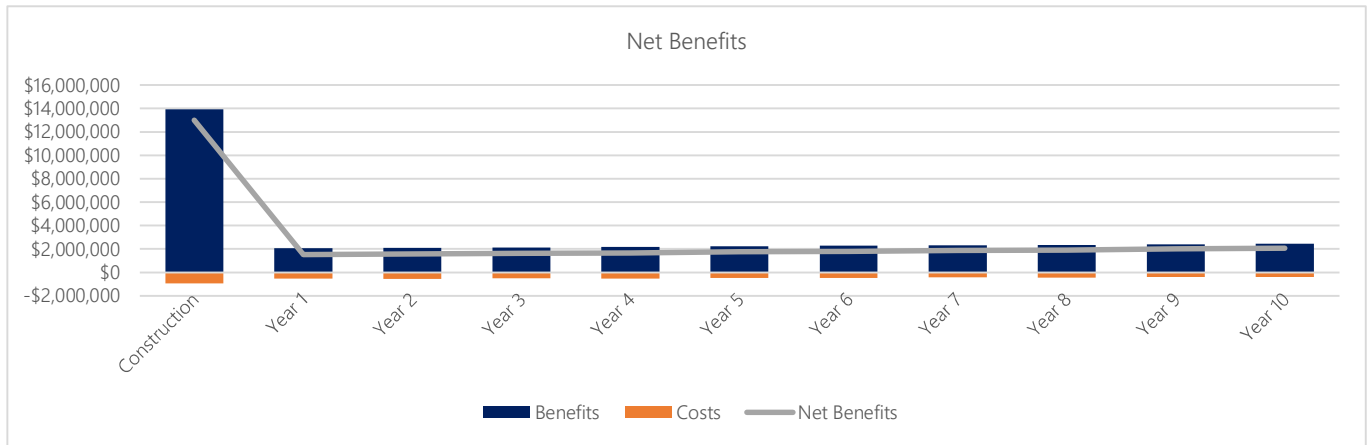
Construction Project Costs

\$34,800,000

	Temporary (Construction)		
	Direct	Indirect	Total
Jobs	126	62	188
Earnings	\$8,398,292	\$4,746,817	\$13,145,109
Local Spend	\$21,810,000	\$15,821,151	\$37,631,151

	Ongoing (Operations)		
	Direct	Indirect	Total
Jobs	19	12	31
Earnings	\$18,638,588	\$14,721,313	\$33,359,901

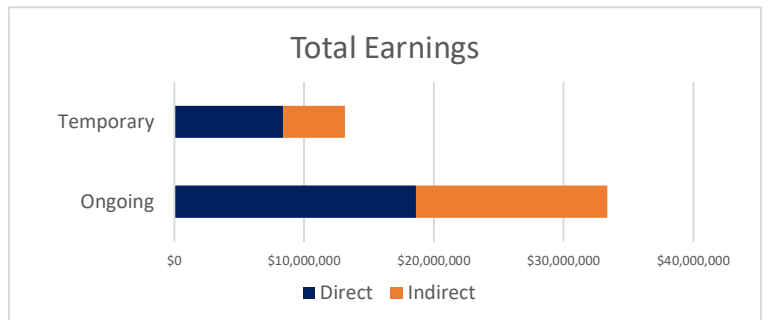
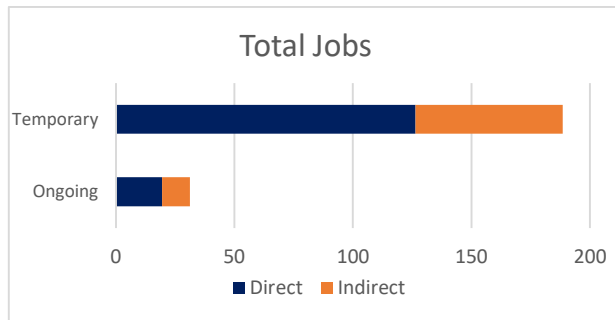
Figure 1



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

Figure 2

Figure 3





Cost-Benefit Analysis Tool powered by MRB Group

Fiscal Impacts

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$6,209,513	\$5,423,376
Sales Tax Exemption	\$753,418	\$753,418
Local Sales Tax Exemption	\$408,998	\$408,998
State Sales Tax Exemption	\$344,420	\$344,420
Mortgage Recording Tax Exemption	\$187,500	\$187,500
Local Mortgage Recording Tax Exemption	\$62,500	\$62,500
State Mortgage Recording Tax Exemption	\$125,000	\$125,000
Total Costs	\$7,150,431	\$6,364,294

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$50,029,054	\$44,385,044
To Private Individuals	\$46,505,010	\$41,514,892
Temporary Payroll	\$13,145,109	\$13,145,109
Ongoing Payroll	\$33,359,901	\$28,369,783
Other Payments to Private Individuals	\$0	\$0
To the Public	\$3,524,043	\$2,870,152
Increase in Property Tax Revenue	\$3,052,098	\$2,452,462
Temporary Jobs - Sales Tax Revenue	\$109,269	\$109,269
Ongoing Jobs - Sales Tax Revenue	\$362,677	\$308,421
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$2,490,153	\$2,219,909
To the Public	\$2,490,153	\$2,219,909
Temporary Income Tax Revenue	\$591,530	\$591,530
Ongoing Income Tax Revenue	\$1,501,196	\$1,276,640
Temporary Jobs - Sales Tax Revenue	\$92,016	\$92,016
Ongoing Jobs - Sales Tax Revenue	\$305,412	\$259,723
Total Benefits to State & Region	\$52,519,207	\$46,604,953

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$44,385,044	\$5,894,874	8:1
State	\$2,219,909	\$469,420	5:1
Grand Total	\$46,604,953	\$6,364,294	7:1

*Discounted at the public sector discount rate of: 2%

Additional Comments from IDA

Sosunrise, LLC proposes to build 64 age restricted (55+) apartments with 3 units restricted for residents at or below 50% of the Area Median Income (AMI), 4 units restricted for residents at or below 65% of the AMI and 7 units restricted for residents at or below 80% of the AMI. As per the Bookhaven IDA Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to, capital investment by the applicant and an increase in the number of affordable housing units in the Town. This project will result in 1.5 full time equivalent employees.

Does the IDA believe that the project can be accomplished in a timely fashion? Yes
 Does this project provide onsite childcare facilities? No

SEQR Findings In Support of Negative Declaration

Based upon the Questionnaire prepared by the Company and the Environmental Information reviewed by the Agency, the Agency determines that the action relating to the acquisition, construction and equipping of the Facility is an "Unlisted" action, as that term is defined under SEQR. Based upon the foregoing investigations of the potential environmental impacts of the Project and considering both the magnitude and importance of each environmental impact indicated, the Agency has determined that the Project will not have a significant adverse impact upon the environment and issues a negative declaration as part of an uncoordinated SEQR review. The reasons supporting this determination and finding are as follows:

1. Conformance of Project with the Town Code. The Land is zoned Planned Retirement Community Residence District by the Town of Brookhaven. The proposed use of the Facility is permitted under the Brookhaven Town Code in such zoning district.

2. Impact on Land. The Project is not anticipated to create any potentially significant adverse impacts to land resources or land use. The Project consists of construction of an "as of right" use of the subject property. Through the Project's general compliance with Town approvals, the land use and zoning character of the area will be protected. Accordingly, the Project is not anticipated to create any potentially significant adverse impacts to land resources or land use.

3. Impact on Water. The Project contains onsite wetlands based on the Questionnaire and the NYSDEC's Environmental Resource Mapper. The Project has been designed, however, to cluster development away from sensitive environmental areas allowing for the preservation of the wetlands in the Swan River Watershed. The Project is not located in a designated 100-year or 500-year floodplain. The Project, as designed, will not physically alter, or encroach into, any existing wetland or waterbody. Accordingly, the Project will not have an adverse impact on water resources.

4. Impact on Air. The Project will not be a significant source of air emissions. The Project does not entail the types of activities or operations that require the Applicant to acquire an Air Facility Permit or that are associated with a significant potential for air emissions. Any potential impact on air as a result of construction activities will be minor, and temporary in nature.

5. Impact on Health or Safety. The Questionnaire advises that the property and adjacent parcels are not within the NYSDEC remedial database and do not contain hazardous waste. The Agency has independently confirmed this based on the NYSDEC's records. The Project also does not entail the types of activities or operations that are associated with a significant potential for affecting public health. Accordingly, the Project will not create any significant adverse impact to public health, air, land or water resources.

6. Impact on Plants and Animals Including to Threatened or Endangered Species. The Questionnaire noted the Northern Long Eared Bat as a threatened or endangered species potentially located on the Land. All tree removal will be in accordance with NYSDEC regulations to protect the Northern Long Eared Bat, including compliance with seasonal tree clearing restrictions. The Project also preserves 35 percent of the Land as natural, including a large contiguous natural area adjacent to the onsite wetlands. Accordingly, the Project will not cause a significant adverse impact to plants and animals or natural communities.

7. Impact on Agricultural Land Resources. The Project is located in an area currently devoted to institutional and residential uses. As a result, it will not involve the conversion or loss of agricultural land resources. Accordingly, the Project will not create any significant adverse impacts to agricultural land resources.

8. Impact on Aesthetic Resources. The Project will not be proximate to any officially designated federal, state or local scenic or aesthetic resource. The Land is situated in a developed residential and institutional area, is zoned for uses consistent with the Project, and the Facility is also consistent with surrounding uses. As the Facility is consistent with its surroundings, it is not anticipated to create any significant adverse impacts to aesthetic resources.

9. Impact on Historic and Archeological Resources. The Land is located in an archeological area deemed sensitive by the State Historic Preservation Office and neither contains nor abuts any historic buildings. The Land, however, contains no visible historical, archeological, architectural or aesthetic resources that will be impaired by the development of the Facility. Accordingly, the Project will not create any significant adverse impacts to historical or archaeological resources.

10. Impact on Open Space and Recreation. The Land and adjacent areas around it do not comprise public open space. Further, the density of the Project occurring on the property at issue is not anticipated to adversely impact any open space or recreational resources and any other parks or park features in vicinity thereto. Accordingly, the Project will not create any significant adverse impacts to open space or recreational resources.

11. Impact on Critical Environmental Areas. The Land is not located within a recognized Critical Environmental Area. Accordingly, the Project is not anticipated to have a significant adverse impact on Critical Environmental Areas.

12. Impact on Transportation. Based on the Questionnaire and the Agency's experience with similar projects, the Project will not result in a substantial increase in traffic above capacity of current traffic infrastructure, nor is it expected to generate substantial new demand for transportation facilities or services/infrastructure. Any impacts to transportation from construction activities associated with the Project will be minor and temporary in nature. Accordingly, it is not anticipated that the Project will create any significant adverse impacts to transportation.

13. Impact on Energy. The Project will result in an increase in energy usage, however, existing utilities serve the area where the Project will be developed and are anticipated to have adequate capacity to serve it. As a result, the Project will not create any significant adverse impacts to energy.

14. Impact on Noise and Odor and Impacts from Light. The Project is not expected to materially increase ambient noise levels or to create odors of consequence particularly in light of such project setting including the Project site location. As a result, it is not anticipated that operation of the Project will result in undue noise impacts. Further, any impacts to noise and/or odor from construction activities will be minor, and temporary in nature. In addition, any such noise from construction will be undertaken during work hours and as such is not anticipated to be significant. Accordingly, the Project will not create any significant adverse impacts to noise or odors.

15. Impact on Growth and Character of the Community and Neighborhood. The Project is not anticipated to result in significant growth out of character or beyond the capacity of the area to accommodate same in light of the zoning of the site of said project and surrounding uses. In sum, the Project is similar and is in character with surrounding uses. Accordingly, the Project is not anticipated to create any significant adverse impacts to the growth or character of the community.

16. No Related Actions being Funded, Undertaken or Approved by the Agency. The Project is not associated with any related action being undertaken, funded or approved by the Agency. Accordingly, the Project is not anticipated to have a cumulative impact that affects the consideration of the Project under SEQR.

17. Changes Associated with the Project Will Not have a Significant Impact on the Environment in the Aggregate. No anticipated changes in two or more elements of the environment, neither of which has a significant impact on the environment, when considered together will result in a substantial adverse impact on the environment given existing environmental conditions and conditions of the Site Plan Approval.

Based on the foregoing, the Agency finds and determines that the requirements of 6 N.Y.C.R.R. Part 617 have been met and that that no environmental impact statement shall be required or 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.