



(631) 232-4444

INTERNET:
www.presberg.com

100 Corporate Plaza, Suite B102
Islandia, NY 11749

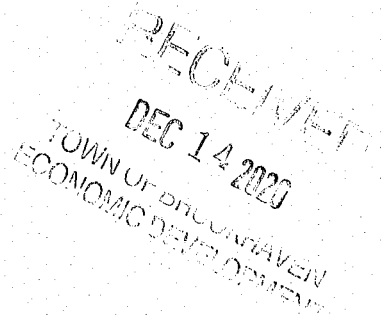
FACSIMILE:
(631) 232-2603

December 10, 2020

Via: Federal Express

Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, NY 11738
Attn: Lisa M. Mulligan
Chief Executive Officer

Re: MS Packaging and Supply Corp./
MDS Building Ventures, LLC (the "Company")
Premises: Vacant land at Natcon Drive, Shirley, New York



Dear Ms. Mulligan:

I am pleased to enclose two originals of my client's Application for Financial Assistance through the Town of Brookhaven Industrial Development Agency. The application contemplates a "straight lease" transaction for a new and additional warehousing and distribution facility involving the acquisition of approximately 11.07 acres of vacant land at Natcon Drive, Shirley, New York and the construction of an approximately 140,000 sq. ft. industrial building thereon. The total "Project" cost is estimated to be approximately \$13,800,000, and will be operated in addition to (and not in replacement of) its existing facility on Zorn Blvd.

As stated above, the Company currently operates an approximately 70,000 sq. ft. distribution and packaging facility at 53 Zorn Blvd., Yaphank, New York through an existing IDA project which was completed in or about September, 2015 and which PILOT commenced in or about December, 2016 for the tax year 12/1/16-11/30/17. They currently have 27 full time employees, for which it was originally projected to hire 18 new full time employees by the completion of the second year of its first project and, with respect to this new Project, it is projected that the Company will, upon completion of its first year of operations, employ approximately 9 new full time LMA individuals, and approximately 4 more LMA individuals upon completion of its second year of operations. The salaries for this new Project are intended to range between \$38,000 through \$85,000 per year.

The "Project", which primarily will consist of \$4,241,470 for the acquisition of the land, approximately \$9,000,000 for construction of the new building, \$400,000.00 for machinery and equipment, and approximately \$155,000.00 for soft costs/misc. expenses. The Company's equity contribution into the Project will be approximately \$7,791,470.00. The Company has entered into a Contract of Sale to acquire the above-referenced land for the sum of \$4,241,470.50

(a copy of the Contract of Sale is enclosed). They intend to secure a conventional first mortgage in connection with the Project of approximately \$6,000,000 for a term of not less than 10 years. As the Agency may recall, the Company recently refinanced its existing facility on Zorn Blvd. and committed to utilize the approximately \$3,000,000 cash-out equity towards the acquisition of the land for this new Project.

M&S Packaging & Supply Corp. is a wholesale distributor of corrugated boxes, stretch film, tape, folding cartons and other custom and generic packaging supplies.

The Company started in 1987 as a two person operation which sold packaging supplies to manufacturers on Long Island who used the Company's products to package and sell their own products. Their customers soon requested polybags, tape and stretch film in addition to the products they already offered. They supply their products to such companies such as Tates Cookies, Land-O-Lakes, Wenner Bread, Always Bagels, Modern Italian Bakery, Global Tissue Products, HLA, Aarco Products and US Non-Wovens Products.

MS Packaging and Supply Corp. also has an affiliate known as MS Packaging Supply & Distribution Corp., as well as a "sister" trucking company named Great White Corp.

The Company's rapid growth demands extensive expansion, for which its existing facility is incapable of providing. As such, the Company would either have to move to one, much larger facility which does not appear to be available in the region, move out of the region (which it investigated in North Carolina), or construct this new approximately 140,000 sq. ft. facility to accommodate this growth and product demand, which would exist in addition to the existing warehousing facility. It is projected that following site plan approval from the Town (hopefully expected in or about June, 2021), the Company will thereafter secure building permits and construct the facility and hopefully complete same by the spring of 2022.

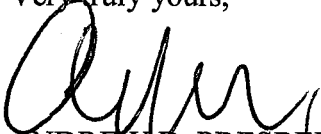
As such, we would respectfully request that you accept the within application, issue a resolution approving (a) the Project; (b) PILOT benefits providing for a ten (10) year abatement on the increased assessment resulting from construction of the Project; (c) authorization to execute and deliver mortgage loan documents to the lender of the Company's choosing in connection with the mortgage described above; (d) providing for the usual mortgage tax exemptions on the afore-described loan; as well as (e) sales tax exemptions on the estimated \$400,000.00 worth of taxable equipment and furnishings, and sales tax exemptions on the estimated approximately \$4,500,000 of taxable construction material portion of the projected \$9,000,000 hard construction costs.

Inasmuch as this Project will materially positively affect the overall economic benefit to the Town with respect to its existing facility and a resulting increase in overall sales to the Company and job growth through the new and existing facility, the Company would respectfully request that the Agency also grant an extension of its existing PILOT for the Zorn Blvd. facility to run contemporaneously with the PILOT for the new Project. As set forth above, approximately 4-5 years have passed since the commencement of its first PILOT and it would greatly benefit the Company if the benefits for the two facilities would continue and expire at the same time, thus avoiding having unequal tax burdens and enable the Company to project and calculate consistent cash flow and expenses during this period of growth.

In connection with this application, I have enclosed my client's check in the amount of \$4,000.00, payable to Town of Brookhaven Industrial Development Agency, representing the application fee in this regard. I have also enclosed their 2019 financial statement, together with an interim P&L for 2020 (which financial documents are deemed "Confidential" and not be a part of any public access FOIL materials) and the Short Form Environmental Assessment Form. A long form EAF will be provided by the architects in connection with its site plan approvals.

If you should require anything further, please don't hesitate to contact the undersigned.

Very truly yours,



ANDREW D. PRESBERG

ADP:ea

Encl.

cc: Howard Gross, Esq.