



MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY

June 16, 2020

Agenda

1. Call the meeting of the Town of Islip Industrial Development Agency to order.
2. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the **Minutes** from the meeting on **May 12, 2020**.
3. To consider a Resolution on behalf of the Town of Islip Industrial Development Agency to adopt a policy **prohibiting extensions** of credit or loans to Members of the Agency's Board and the Agency's officers and employees in compliance with the Public Authority Accountability Act ("PAAA").
4. To consider an Inducement Resolution between the Town of Islip Industrial Development Agency and **Greenview Commons West** (with Exhibits). Located at the south side of 4180 Sunrise Hwy, Oakdale. (SCTM# 0500-302.00-02.00-003.000).
5. To consider an Inducement Resolution between the Town of Islip Industrial Development Agency and **Gull Haven Commons, LLC**. Located at Gull Haven Road, Central Islip (0500-165-1300-001000).
6. To consider an Inducement Resolution between the Town of Islip Industrial Development Agency and **WRAP-N-PACK, INC.** Located at 120 Wilshire Blvd, Brentwood. (0500-11200-0300-01020).
7. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **DuroDyne National Corp/DuroDyne Spence, LLC**. Located at 81 Spence Street, Bay Shore. (0500-20000-0200-063001).
8. To consider the adoption of an Authorizing Resolution between the Town of Islip and **ISP Central District, LLC**. Located at Central Ave, Islip. (0500-03900-0200-014002).
9. To consider **any other business** to come before the Agency.



MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY

May 12, 2020

Meeting Minutes

1. Call the meeting of the Town of Islip Industrial Development Agency to order on a motion by Councilwoman Mary Kate Mullen and Councilwoman Trish Bergin Weichbrodt.

Members Angie M. Carpenter, Councilman John C. Cochrane, Councilwoman Trish Bergin Weichbrodt, Councilwoman Mary Kate Mullen, Councilman James P. O'Connor were present.

2. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the **Minutes** from the meeting on **April 21, 2020**. On a motion by Councilman James P. O'Connor and Councilwoman Trish Bergin Weichbrodt, said motion was approved 5-0.
3. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and **DuroDyne National Corp/DuroDyne Spence, LLC**. Located at 81 Spence Street, Bay Shore. (0500-20000-0200-063001). On a motion by Councilman James P. O'Connor and seconded by Councilman John C. Cochrane Jr., said motion was approved 5-0.
4. To consider the adoption of an Inducement Resolution between the Town of Islip and **ISP Central District, LLC**. Located at Central Ave, Islip. (0500-03900-0200-014002). On a motion by Councilman John C. Cochrane Jr. and seconded by Councilwoman Trish Bergin Weichbrodt, said motion was approved 5-0.
5. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **Entourage Commerce, LLC/Pharmapacks**. Located at 80 Wilshire Boulevard, Edgewood. (0500-13300-0900-002001). On a motion by Councilwoman Mary Kate Mullen and seconded by Councilwoman Trish Bergin Weichbrodt, said motion was approved 5-0.
6. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **R Squared**. Located at 91 Fifth Ave, 22 Oak Street & 3 Center Avenue, Bay Shore. (0500-39200-0100-038000), (0500-36600-0400-013000), (0500-36600-0400-04001). On a motion by Councilman John C. Cochrane Jr. and seconded by Councilwoman Trish Bergin Weichbrodt, said motion was approved 5-0.
7. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **Silverback Realty, LLC/MultiDyne Electronics**. Located at 35 Hoffman Ave, Hauppauge. (0500-03800-0200-011000). On a motion by

Councilwoman Mary Kate Mullen and seconded by Councilman John C. Cochrane Jr., said motion was approved 5-0.

8. To consider the adoption of an Authorizing Resolution between the Town of Islip and **Creative Bath Products, Inc.** Located at 250 Creative Drive Central Islip. (0500-18700-0300-001000). On a motion by Councilwoman Trish Bergin Weichbrodt and seconded by Councilman John C. Cochrane Jr., said motion was approved 5-0.
9. To consider the adoption of an Amended Authorizing Resolution to increase the authorized mortgage recording tax exemption amount between the Town of Islip Industrial Development Agency and **Park Avenue Bay Shore, LLC./North District Lofts** Located at 57 Park Avenue, Bay Shore. (0500-39300-0200-108002). On a motion by Councilman James P. O'Connor and seconded by Councilwoman Mary Kate Mullen, said motion was approved 4-0-1. Councilwoman Trish Bergin Weichbrodt recused herself.
10. To consider the adoption of an Amended Authorizing Resolution to increase the authorized mortgage recording tax exemption amount between the Town of Islip Industrial Development Agency and **Eleven Maple Avenue Associates, LL** On a motion by **C 2019 Facility**. Located at 11 Maple Avenue, Bay Shore. (0500-39300-0400-026010). Councilman James P. O'Connor and seconded by Councilman John C. Cochrane Jr., approved 4-0-1. Councilwoman Trish Bergin Weichbrodt recused herself.
11. To consider **any other business** to come before the Agency. On motion by Councilman James P. O'Connor and seconded by Councilwoman Mary Kate Mullen.



Trish Bergin
Councilwoman

May 15, 2020

Town of Islip Economic Development
40 Nassau Avenue
Islip, NY 11751

Governance Committee:

Please accept this as the reason for my recusal of items #9 & #10 at the Town of Islip IDA Board meeting of 5/12/20.

I recused myself on items #9 & #10 regarding Greenview Properties, due to my involvement on a business matter with the applicant, unrelated to the items that I recused myself on.

In addition, I will continue to recuse myself on any future applications involving Greenview Properties and/or its subsidiaries.

Sincerely,

Trish Bergin
TB/.ct

TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 2, 2020

AGENDA ITEM #3

TYPE OF RESOLUTION: TO ADOPT A POLICY TO BE IN COMPLIANCE WITH THE PUBLIC AUTHORITY ACCOUNTABILITY ACT ("PAAA")

COMPANY: N/A

PROJECT LOCATION: N/A

JOBS (RETAINED/CREATED): RETAINED - -
CREATE - -

INVESTMENT: \$N/A

RESOLUTION June 16, 2020

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

**ADOPTING A POLICY PROHIBITING LOANS AND EXTENSIONS
OF CREDIT TO BOARD MEMBERS, OFFICERS AND EMPLOYEES**

WHEREAS, it is a requirement of Public Authorities Accountability Act and Section 2824(5) of the Public Authorities Law that the Town of Islip Industrial Development Agency (the "Agency") adopt a policy prohibiting extensions and loans to members of the Agency's Board and the Agency's officers and employees; and

WHEREAS, the Agency has never given loans to Agency Board members, officers or employees.

NOW, THEREFORE, BE IT RESOLVED, be it resolved that the Town of Islip Industrial Development Agency shall not extend credit to nor give any loans to the Agency's Board members, officers or employees nor to any entity in which the Agency's board members, officers or employees have a financial interest.

DATED: _____, 2020

MOTION MADE BY:

SECONDED BY:

Votes:

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 2, 2020**

AGENDA ITEM #4

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION

COMPANY: Greenview Commons West

PROJECT LOCATION: 4180 Sunrise Hwy, Oakdale

JOBS (RETAINED/CREATED): RETAINED - 00 -
CREATE - 10 -

INVESTMENT: \$50,650,000

Date: June 16, 2020

At a meeting of the Town of Islip Industrial Development Agency (the “Agency”), held via Live-Stream at <http://islipida.com/business-assistance/ida/ida-documents-2/96-ida-videos/ida-board-meetings/335-ida-board-meeting-6-16-2020.html>, on the 16th day of June, 2020, the following members of the Agency were:

Present:

Absent:

Also Present:

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 to a certain industrial development facility more particularly described below (Duro Dyne Spence LLC/Duro Dyne National Corp. 2020 Facility).

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

Voting Aye

Voting Nay

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING DURO DYNE SPENCE LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF DURO DYNE SPENCE LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND DURO DYNE NATIONAL CORP., A NEW YORK BUSINESS CORPORATION ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF DURO DYNE NATIONAL CORP. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING, AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING THE FACILITY AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as amended from time to time (collectively, the “**Act**”), the Town of Islip Industrial Development Agency (the “**Agency**”) was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the 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, Duro Dyne Spence 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 Duro Dyne Spence LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) and Duro Dyne National Corp., a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Duro Dyne National Corp. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Sublessee**”), have applied to the Town of Islip Industrial Development Agency (the “**Agency**”), to enter into a transaction in which the Agency will assist in the acquisition of an approximately 5.36 acre parcel of land located at 81 Spence Street Bay Shore, New York (the “**Land**”), and the renovation of an approximately 130,000 square foot building located thereon (the “**Improvements**”), and 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 leased by the Agency to the Company and further subleased by the Company to the Sublessee to be used for manufacturing in its business of a manufacturer and distributor of HVAC products (the “**Project**”); and

WHEREAS, the Agency, by resolution duly adopted on May 12, 2020 (the “**Inducement Resolution**”), decided to proceed under the provisions of the Act; 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, 2020, or such other date as the Chairman, the Executive Director or the Deputy Executive Director 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, 2020, or such other date as the Chairman, the Executive Director or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, in connection with the sub-subleasing of the Facility by the Company to the Sublessee, the Agency and the Sublessee will enter into a certain Tenant Agency Compliance Agreement, dated as of June 1, 2020 or such other date as the Chairman, the Executive Director or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the “**Tenant Agency Compliance Agreement**”), by and between the Agency and the Sublessee; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of: (i) exemptions from sales and use taxes in an approximate amount not to exceed \$40,561, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof); and

WHEREAS, the Agency has given due consideration to the application of the Company and the Sublessee and to representations by the Company and the Sublessee that the proposed transaction is necessary to maintain the competitive position of the Company and the Sublessee in their respective industries; and

WHEREAS, the Company and the Sublessee have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company for further sublease by the Company to the Sublessee.

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

Section 1. The Agency hereby finds and determines:

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

- (b) The Facility constitutes a “project”, as such term is defined in the Act; and
- (c) The acquisition, renovation and equipping of the Facility, 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 Islip, 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, renovation and equipping of the Facility by the Agency is reasonably necessary to induce the Company to maintain and expand its business operations in the Town of Islip; and
- (e) Based upon representations of the Company and the Sublessee and counsel to the Company and the Sublessee, the Facility conforms with the local zoning laws and planning regulations of the Town of Islip 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 Facility from the Company; and
- (h) The Lease Agreement will be an effective instrument whereby the Agency leases and subleases the Facility to the Company, the Agency and the Company set forth the terms and conditions of their agreement regarding payments-in-lieu of taxes, the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will describe the circumstances in which the Agency may recapture some or all of the benefits granted to the Company.
- (i) The Tenant Agency Compliance Agreement will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Facility.

Section 2. 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 3. In consequence of the foregoing, the Agency hereby determines to:
(i) lease the Land and the Improvements from the Company pursuant to the Company Lease,
(ii) execute, deliver and perform the Company Lease, (iii) sublease and lease the Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, and (v) execute and deliver the Tenant Agency Compliance Agreement.

Section 4. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement, and to do all things necessary or appropriate for the accomplishment thereof, and

all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from sales and use taxes in an approximate amount not to exceed \$40,561, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), all consistent with the policies of the Agency.

Section 6. Subject to the provisions of this resolution, the Company is herewith and hereby appointed the agent of the Agency to acquire, renovate 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, renovate 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, renovate 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 \$40,561, 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 execution of the documents contemplated by this resolution.

Section 7. 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 8. The form and substance of the Company Lease, the Lease Agreement and the Tenant Agency Compliance Agreement (each in substantially the forms presented to

or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 9. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director 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 Tenant Agency Compliance Agreement, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "**Agency Documents**"). The execution thereof by the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

Section 10. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director 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 11. 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 12. This resolution shall take effect immediately.

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

I, the undersigned Assistant Secretary of the Town of Islip Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on the 16th day of June, 2020, 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, due to the Novel Coronavirus (COVID-19) Emergency State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo’s Executive Order 202.1 issued on March 12, 2020, as amended by Executive Order 202.14, issued on April 7, 2020, suspending the Open Meetings Law, and Executive Order 202.15 issued on April 9, 2020, as amended by Executive Order 202.28, issued on May 7, 2020, permitting local governments to hold public hearings by telephone and video conference and/or similar device, the Agency’s Board Meeting on June 16, 2020 (the “**Board Meeting**”), was held electronically via Live-Stream instead of a public meeting open for the public to attend in person. Members of the public were advised, via the Agency’s website, to listen to the Board Meeting by going to <http://islipida.com/business-assistance/ida/ida-documents-2/96-ida-videos/ida-board-meetings/335-ida-board-meeting-5-12-2020.html>, and were further advised that the Minutes of the Board Meeting would be transcribed and posted on the Agency’s website, and 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 June 16, 2020.

By: _____
Assistant Secretary

EXHIBIT A

Proposed PILOT Benefits

Formula for Payments-In-Lieu-of-Taxes: Town of Islip, (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), Brentwood School District, Suffolk County and Appropriate Special Districts

Address – 81 Spence Street, Bay Shore, Town of Islip,
Suffolk County, New York

Tax Map No. 0500-20000-0200-063001

Definitions

Normal Tax Due = Those payments for taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Islip, Brentwood School District, Suffolk County and Appropriate Special Districts (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located) which are or may be imposed for special improvements or special district improvements, that the Company would pay without exemption.

<u>Year</u>	<u>Payments</u>
1	100% Normal Tax Due on 50% of the taxable assessed value
2	100% Normal Tax Due on 55% of the taxable assessed value
3	100% Normal Tax Due on 60% of the taxable assessed value
4	100% Normal Tax Due on 65% of the taxable assessed value
5	100% Normal Tax Due on 70% of the taxable assessed value
6	100% Normal Tax Due on 75% of the taxable assessed value
7	100% Normal Tax Due on 80% of the taxable assessed value
8	100% Normal Tax Due on 85% of the taxable assessed value
9	100% Normal Tax Due on 90% of the taxable assessed value
10	100% Normal Tax Due on 95% of the taxable assessed value
11	100% Normal Tax Due on the full assessed value
and thereafter	

TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 2, 2020

AGENDA ITEM #5

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION

COMPANY: Gull Haven Commons, LLC

PROJECT LOCATION: Gull Haven Road, Central Islip

JOBS (RETAINED/CREATED): RETAINED - 00 -
CREATE - 03 -

INVESTMENT: \$6,266,000

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY TAKING OFFICIAL ACTION
TOWARD APPOINTING GULL HAVEN COMMONS, LLC,
A NEW YORK LIMITED LIABILITY COMPANY, ON
BEHALF OF ITSELF AND/OR THE PRINCIPALS OF GULL
HAVEN COMMONS, LLC AND/OR AN ENTITY FORMED
OR TO BE FORMED ON BEHALF OF ANY OF THE
FOREGOING AS AGENT(S) OF THE AGENCY FOR THE
PURPOSE OF ACQUIRING, CONSTRUCTING AND
EQUIPPING THE FACILITY AND MAKING CERTAIN
FINDINGS AND DETERMINATIONS WITH RESPECT TO
THE FACILITY

WHEREAS, Gull Haven Commons, 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 Gull Haven Commons, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Company**"), has applied to the Town of Islip Industrial Development Agency (the "**Agency**"), to enter into a transaction in which the Agency will assist in the acquisition of an approximately 2.12 acre parcel of land (Tax Map #0500-165.00-13.00-001.000) located at Gull Haven Road, Central Islip, New York 11722 (the "**Land**"), the construction of an approximately 24,000 square foot building thereon (the "**Improvements**"), and 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 leased by the Agency to the Company and is to be used by the Company as a twenty-four (24) unit residential apartment complex (the "**Project**"); and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements and title to the Equipment, will sublease and lease the Facility to the Company, all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as the same may be amended from time to time (collectively, the "**Act**"); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in connection with the Facility, consistent with the policies of the Agency, in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes and abatement of real property taxes, consistent with the policies of the Agency, all to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, as of the date of this resolution, no determination for financial assistance has been made; 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, prior to the date of the Hearing (defined below), the Agency will have made a determination for financial assistance; and

WHEREAS, prior to the closing of the transaction described herein, a public hearing (the “**Hearing**”) will be held 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 can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of the transaction described herein, and such notice (together with proof of publication) will be substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as Exhibit B; 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 Facility in the Town of Islip or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, the Agency has required the Company to provide to the Agency a feasibility report (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, 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 received by the Agency to date are listed below and attached as Exhibit C hereof:

1. Supplemental Benefits Analysis for Town of Islip Industrial Development Agency – Gull Haven Commons, dated May, 2020 by VHB Engineering, Surveying and Landscape Architecture, P.C.;
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 D, provides for the granting of financial assistance by the Agency for housing projects pursuant to Section I.A.4.; and

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

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the

Agency an Environmental Assessment Form and related documents (the “**Questionnaire**”) with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, the Questionnaire has been reviewed by the Agency; 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 Town of Islip Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the Environmental Assessment Form completed by the Company and reviewed by the Agency and other representations and information furnished by the Company regarding the Facility, the Agency determines that the action relating to the acquisition, construction, equipping, furnishing and operation of the Facility is an “unlisted” action, as that term is defined in the SEQR Act. The Agency also determines that the action will not have a “significant effect” on the environment, and, therefore, an environmental impact statement will not be prepared. This determination constitutes a negative declaration for purposes of SEQR. Notice of this determination shall be filed to the extent required by the applicable regulations under SEQR or as may be deemed advisable by the Chairman or Executive Director 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 rental housing in the Town of Islip, Suffolk County;
- (b) Such lack of rental housing has resulted in individuals leaving the Town of Islip and therefore adversely affecting employers, businesses, retailers, banks, financial institutions, insurance companies, health and legal services providers and other merchants in the Town of Islip and otherwise adversely impacting the economic health and well-being of the residents of the Town of Islip, employers, and the tax base of the Town of Islip;
- (c) The Facility, by providing such rental housing will enable persons to remain in the Town of Islip 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 Islip which will increase the economic health and well-being of the residents of the Town of Islip, help preserve and increase permanent private sector jobs in furtherance of the Agency’s public purposes as set forth in the Act, and therefore the Agency finds and determines that the Facility is a commercial project within the meaning of Section 854(4) of the Act;

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

Section 3. The acquisition, construction, equipping and furnishing of the Facility by the Agency, the subleasing and leasing of the Facility to the Company and the provision of financial assistance pursuant to the Act will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town of Islip and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act, and the same is, therefore, approved.

Section 4. Subject to the provisions of this resolution, the Agency shall (i) acquire, construct, equip and furnish the Facility, and (ii) lease and sublease the Facility to the Company.

Section 5. The Company hereby agrees to comply with Section 875 of the Act. The Company further agrees that the exemption of sales and use tax provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and the recapture provisions of the Lease and Project Agreement, dated a date to be determined (the "**Lease Agreement**"), by and between the Company and the Agency.

Section 6. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Nixon Peabody LLP) to prepare, for submission to the Agency, all documents necessary to affect the transfer of the real estate described in the foregoing resolution.

Section 7. The Chairman, the Executive Director, the Deputy Executive Director and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 8. Any expenses incurred by the Agency with respect to the Facility, including the expenses of Transaction Counsel, shall be paid by the Company. The Company agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 9. This resolution shall take effect immediately.

ADOPTED: June 16, 2020

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

I, the undersigned Assistant Secretary of the Town of Islip Industrial Development Agency, DO HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the Town of Islip Industrial Development Agency (the “Agency”) with the original thereof on file in the office of the Agency, and the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency held via Live-Stream at <http://islipida.com/business-assistance/ida/ida-documents-2/96-ida-videos/ida-board-meetings/335-ida-board-meeting-6-16-2020.html>, on the 16th day of June, 2020, at which meeting the following members were:

Present:

Absent:

Also Present:

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

Voting Aye

and, therefore, the resolution was declared duly adopted.

The Application is in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY, because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 202.1 issued on March 12, 2020, as amended by Executive Order 202.14, issued on April 7, 2020, as amended by Executive Order 202.28, [issued on May 7, 2020 – update when executive order is extended] suspending the Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, the Agency's Board Meeting on June 16, 2020 (the "**Board Meeting**"), was held electronically via Live-Stream instead of a public meeting open for the public to attend in person. Members of the public were advised, via the Agency's website, to listen to the Board Meeting by going to <http://islipida.com/business-assistance/ida/ida-documents-2/96-ida-videos/ida-board-meetings/335-ida-board-meeting-6-16-2020.html>, and were further advised that the Minutes of the Board Meeting would be transcribed and posted on the Agency's website, and 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 June 16, 2020.

Assistant Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that due to the Novel Coronavirus (COVID-19) Emergency State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 202.1 issued on March 12, 2020, as amended by Executive Order 202.14, issued on April 7, 2020, suspending the Open Meetings Law, as further amended and extended by Executive Order 202.15 issued on April 9, 2020, as amended by Executive Order 202.28, [issued on May 7, 2020 – update when executive order is extended] permitting local governments to hold public hearings by telephone and video conference and/or similar device, the Public Hearing scheduled for June __, 2020, at __:__ a.m., local time will be held by the Town of Islip Industrial Development Agency electronically via [conference call][webinar] in connection with the following matters:

Gull Haven Commons, 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 Gull Haven Commons, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Town of Islip Industrial Development Agency (the “**Agency**”), to enter into a transaction in which the Agency will assist in the acquisition of an approximately 2.12 acre parcel of land (Tax Map #0500-165.00-13.00-001.000) located at Gull Haven Road, Central Islip, New York 11722 (the “**Land**”), the construction of an approximately 24,000 square foot building thereon (the “**Improvements**”), and 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 leased by the Agency to the Company and is to be used by the Company as a twenty-four (24) unit residential apartment complex (the “**Project**”). The Facility will be initially owned, operated and/or managed by the Company.

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

A representative of the Agency will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. Members of the public may [listen to] [view] the Public Hearing and comment on the Project and the benefits to be granted to the Company by the Agency during the Public Hearing by [insert instructions to dial into the conference call or log into the webinar]. Comments may also be submitted to the Agency in writing or electronically. Minutes of the Public Hearing will be transcribed and posted on the Agency's website. At the hearing, all persons will have the opportunity to review 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: June ___, 2020

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

By: William G. Mannix
Title: Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
June __, 2020

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(GULL HAVEN COMMONS, LLC 2020 FACILITY)

Section 1. _____, _____ of the Town of Islip Industrial Development Agency (the “**Agency**”) called the hearing to order.

Section 2. _____ then appointed _____, the _____ of the Agency, 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:

Gull Haven Commons, 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 Gull Haven Commons, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Town of Islip Industrial Development Agency (the “**Agency**”), to enter into a transaction in which the Agency will assist in the acquisition of an approximately 2.12 acre parcel of land (Tax Map #0500-165.00-13.00-001.000) located at Gull Haven Road, Central Islip, New York 11722 (the “**Land**”), the construction of an approximately 24,000 square foot building thereon (the “**Improvements**”), and 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 leased by the Agency to the Company and is to be used by the Company as a twenty-four (24) unit residential apartment complex (the “**Project**”). The Facility will be initially owned, operated and/or managed by the Company.

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

Section 4. The hearing officer then opened the hearing for comments from the floor for or against the proposed transfer of real estate, the other financial assistance proposed

by the Agency and the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

Section 5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at _____.

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

I, the undersigned Assistant Secretary of the Town of Islip 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 Islip Industrial Development Agency (the “**Agency**”) on the ____ day of June, 2020, at _____ .m., local time, electronically via [conference call][webinar], 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 June ___, 2020.

Assistant Secretary

EXHIBIT C

Requisite Materials

EXHIBIT C-1

Supplemental Benefits Analysis for Town of Islip Industrial Development Agency – Gull
Haven Commons

Gull Haven Commons

Sunburst Boulevard, hamlet of Central Islip,
Town of Islip, Suffolk County

PREPARED FOR

Gull Haven Commons, LLC
715 South Country Road
Bay Shore, NY 11706
631.968.4847

PREPARED BY



**VHB Engineering, Surveying,
Landscape Architecture and
Geology, P.C.**

100 Motor Parkway
Suite 350
Hauppauge, NY 11788
631.787.3400

May 2020

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1

Introduction

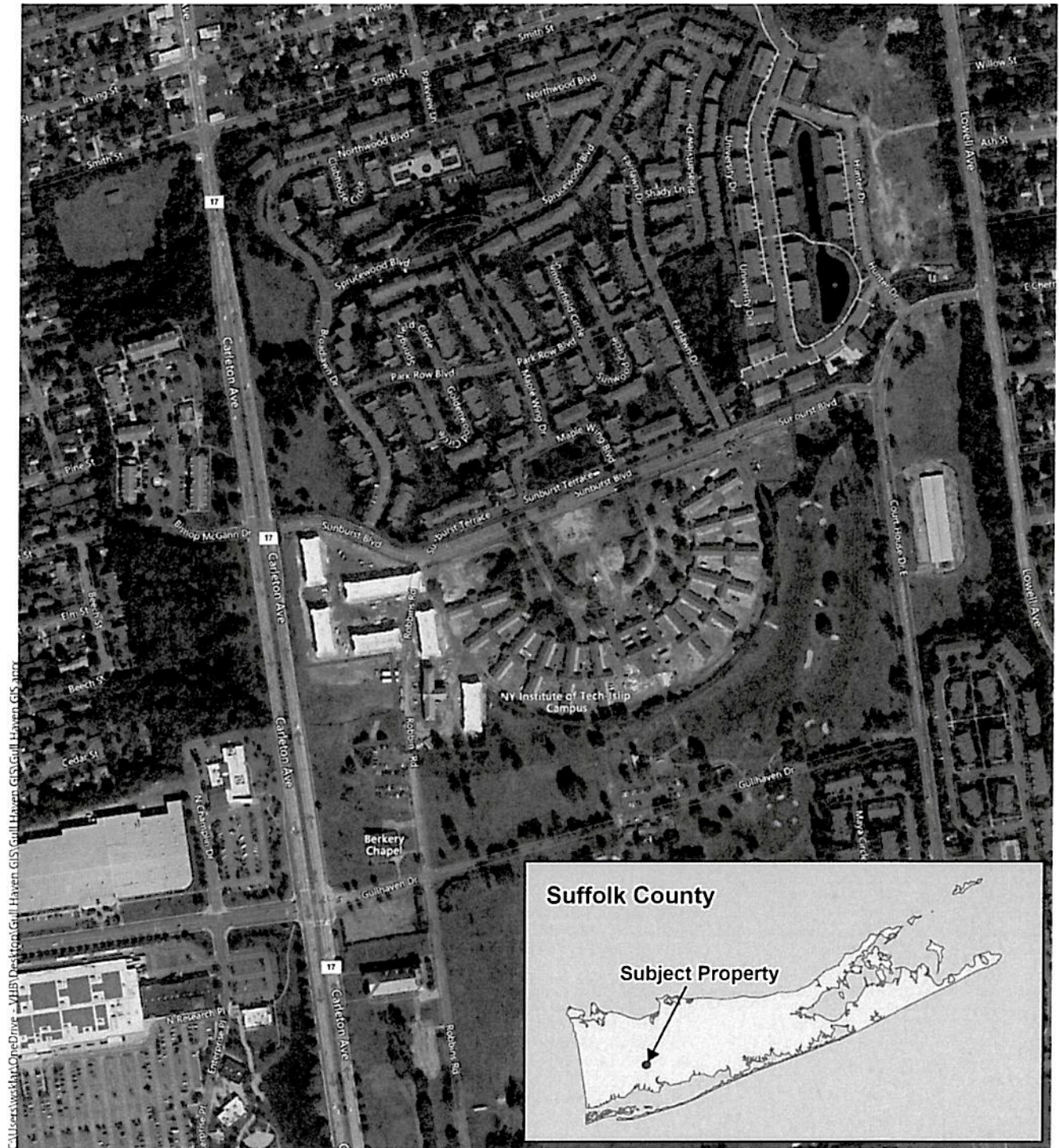
This supplemental report has been prepared at the request of Gull Haven Commons, LLC (the "Applicant"), 715 South Country Road, Bay Shore, New York. The Applicant is seeking Town of Islip Industrial Development Agency (IDA) benefits associated with the Applicant's proposed 24-unit rental apartment building (the "Proposed Project"), situated on 2.2± acres on the south side of Sunburst Boulevard and east side of Carleton Avenue in the hamlet of Central Islip, Town of Islip, Suffolk County (the "Subject Property"). The proposed 24-unit rental apartment building would be an expansion of a 268-unit rental apartment development that is currently under construction on 25.3± acres immediately east and north of the Subject Property (the "268-Unit Parcel") (see Figure 1 and Appendix A). In August 2017, the Applicant submitted a *Benefits Analysis for Town of Islip Industrial Development Agency* for the 268-Unit Parcel (the "August 2017 Benefits Analysis"). The proposed 24-unit rental apartment building would include two affordable units in addition to 27 affordable units within the portion of the development that is currently under construction.¹ All 24 units would have two bedrooms.

The Subject Property comprises Suffolk County Tax Map District 0500 – Section 165.00 – Block 13.00 – Lot 001.000. The Subject Property is currently undeveloped and contains a lawn area with scattered trees and paved surface remnants of previously demolished buildings and a driveway. A change of zone was granted by the Town of Islip Town Board, designating the Subject Property as Planned Development-Multiple Family (PDD-MF), consistent with the Master Plan Update for

¹ In total, 29 of the 292 units will be affordable. The Town of Islip requires ten percent of the total unit count to be affordable, which was reduced from 20 percent by the Islip Town Board on July 25, 2017.

the Central Islip Planned Development District (2005) (the "Master Plan Update") (see Section 1.1 below, for a discussion of the Proposed Project's consistency with the Master Plan Update). An application for site plan approval is currently under review by the Town of Islip Planning Board (see copy of Layout/Dimension Plan, dated March 2020, in Appendix A).

The purpose of this report is to evaluate the Proposed Project with respect to the general guidelines and standards regarding public benefit for IDA approval of benefits. Specifically, the socioeconomic and community benefits and need for the Proposed Project, including economic activity during the construction phase and the purchasing power of Proposed Project residents, are evaluated.



0 250 500 1000 Feet

- Subject Property
- 268-Unit Parcel

Gull Haven Commons | Central Islip, NY

Site Location
 Sunburst Boulevard
 Hamlet of Central Islip, Town of Islip
 Suffolk County

1.1 Town of Islip Master Plan Update for the Central Islip Planned Development District (January 2005)

The August 2017 Benefits Analysis includes a comprehensive discussion of the consistency of the currently under-construction 268-unit residential development with the *Master Plan Update for the Central Islip Planned Development District* (January 2005) (the "*Master Plan Update*").

As discussed in the August 2017 Benefits Analysis, the *Master Plan Update* includes general proposed land use recommendations for the overall PDD, as well as specific proposed land use recommendations for certain sites within the PDD. The 268-Unit Parcel was contemplated as a "Residential and/or Educational Campus" use and to be zoned either PDD-MF (Planned Development District – Multi-Family) or PDD-EC (Planned Development District – Educational Campus), with a total of 96 residential units, including 40 rentals.

The proposed land uses contemplated in the *Master Plan Update* for the overall PDD are shown on Figure 2, which indicates that the Subject Property was contemplated to be within a general open space/recreation area, surrounded by education and open space/recreation uses. The *Master Plan Update* does not recommend that the Subject Property be rezoned, nor does it recommend that the Subject Property have a specific proposed development like the recommended residential use on the 268-Unit Parcel.

Notwithstanding the general recommendation within the *Master Plan Update* that the Subject Property be included within an open space/recreation area, the Town of Islip approved the rezoning of the Subject Property from PDD-EC to PDD-MF and the transfer of the Subject Property from Town ownership to the applicant for a merger with the adjacent 268-Unit Parcel. The Proposed Project includes a 240-foot setback from Carleton Avenue, within which there will be a landscaped area containing walking paths that link the Proposed Project to the 268-Unit Parcel (see Appendix A). As such, the Proposed Project would provide an open space/recreation area adjacent to Carleton Avenue, consistent with the Town's previous goals as expressed in the *Master Plan Update*.

Given the Town's rezoning of the Subject Property to PDD-MF, the Proposed Project is consistent with the Town's land use planning goals.

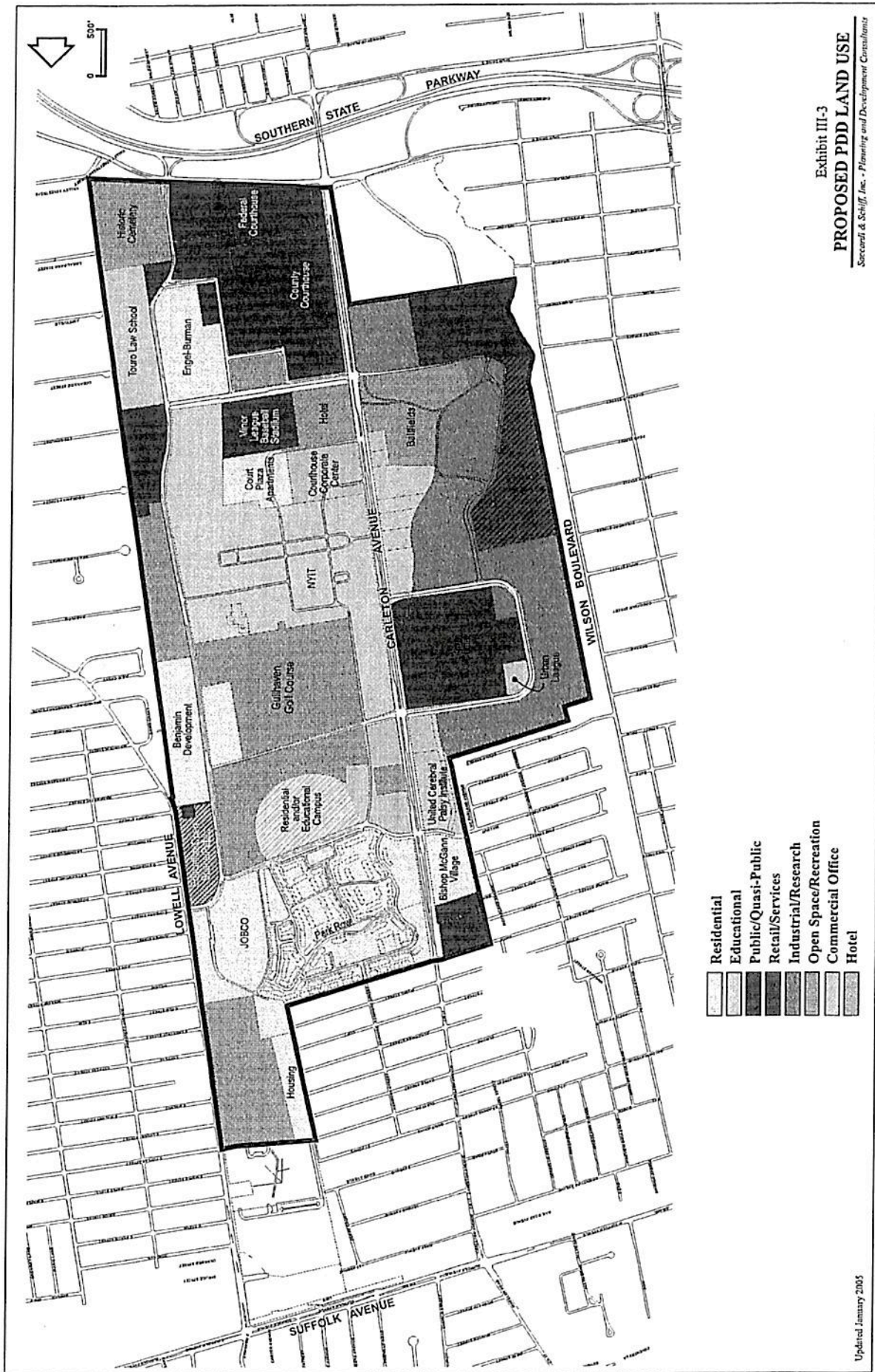


Exhibit III-3

PROPOSED PDD LAND USE

Succardi & Schiff, Inc. • Planning and Development Consultants

Updated January 2005

1.2 Rental Housing Units Trends and Data

The need for affordable rental housing on Long Island is well documented. As noted within the *Master Plan Update*, “[t]he provision of an adequate supply of workforce housing to meet the needs of all segments of the Town’s present and future population requires the construction of new housing of various types...” (page IV-9).

Long Island severely lacks multi-family housing options and fails to meet the current and anticipated housing demands. Based on projected population trends, the Long Island Index has found within its study (*Long Island’s Need for Multifamily Housing*)² that between 2016 and 2030, Long Island may gain an additional 158,000 households, yet only 64,000 housing units are anticipated to be built within that timeframe (p. 5). This stark gap emphasizes the lack of housing options and underscores the necessity to build high-density and affordable housing options.

Compounding the struggles of the housing shortage is the ever-increasing cost of living on Long Island. With rising property values outpacing salary growth, many young families are forced to move off Long Island to settle elsewhere (p. 19). The shortage of affordable rental housing is partly responsible for the high rate of decline of young adults living on Long Island—a decline that has occurred faster than in comparable areas of Connecticut, the Hudson Valley, and New Jersey (p. 9). But the increased cost of living and lack of affordable housing does not solely affect young families. Many retirees face a similar struggle in finding housing when preparing to downsize (p. 19). Again, inordinate property values force many to look for housing options off Long Island.

The Long Island Index study found that nearly 75 percent of young professionals claimed they were likely to move off Long Island by 2020, while almost two-thirds of residents aged 50-to-64 said they would seek a lower-cost region when looking to downsize (p. 19). With such a significant percentage of Long Island residents preparing to move elsewhere, Long Island stands to lose a great amount of economic potential.

The Long Island Index’s most recent report (*2018 Indicators Report*)³ emphasized the importance of multi-family housing in ameliorating the problems described above. The *2018 Indicators Report* affirms that “the economic future of Long Island depends on developing transit-oriented multifamily housing” (p. 104). The *2018 Indicators Report* explains how some Long Island communities have already embraced multi-family housing and describes the developments’ impacts on their communities. Long Island’s multi-family developments have helped to invigorate downtowns and have brought vitality to their surrounding communities, helping to support local business and spurring on new ones. Further, the multi-family developments have proven to

² Long Island Index. *Long Island’s Need for Multifamily Housing: Measuring How Much We Are Planning to Build vs. How Much We Need For Long Island’s Future*. February 2016. Available from: http://www.longislandindex.org/wp-content/uploads/2016/02/LI-Index-Multifamily-Housing-Study-Final-Deliverable_2.2.2016_9.50AM.pdf. Accessed May 2020.

³ Long Island Index. *2018 Indicators Report*. 2019. Available from: http://www.longislandindex.org/wp-content/uploads/2018/04/2018_Index_report_full_040518.pdf. Accessed May 2020.

have a lesser impact on schools and traffic than single-family homes (p. 39). Despite the tangible benefits of multi-family residences, the zoning codes in many Long Island municipalities either prohibit or strongly limit the development of multi-family residences. Considering multi-family housing is credited as being crucial to economic productivity, these stringent zoning regulations limit the economic potential of their communities.

Further, the *2018 Indicators Report* explains that Long Island continues to fall behind its neighbors in housing production, both in overall housing and especially in multi-family housing. New Jersey, Westchester County, the Hudson Valley, and Connecticut all have more diverse housing options than Long Island (p. 42). Again, the limited number of rental units available to Long Islanders drives higher rents, making it difficult for some to remain on Long Island. The *2018 Indicators Report* consistently stresses the solution: the adoption of flexible zoning codes and subsequent construction of more townhouses, condominiums, and rental properties (p. 48).

With respect to supply, rental options are not plentiful on Long Island. The 2018 American Community Survey shows that only 19.6 percent of occupied housing units on Long Island are rentals.⁴ For the most part, Suffolk County ranks far behind neighboring metropolitan area counties with respect to the percentage of occupied rental housing units, as shown in Table 1 below. In fact, only Nassau County and rural Putnam County have a lower percentage of rental units.

⁴ U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates.

Table 1 Rental Housing Units as Percentage of Total Occupied Housing Units

County	Percentage of Rental Units
Suffolk County, NY	19.9
Nassau County, NY	19.4
Hudson County, NJ	68.5
Essex County, NJ	55.8
Westchester County, NY	38.7
New Haven County, CT	38.1
Bergen County, NJ	35.6
Fairfield County, CT	32.7
Dutchess County, NY	31.2
Rockland County, NY	31.3
Putnam County, NY	17.6

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates.

Further, the demand for rentals is increasing. Since its peak at 8.8 percent in 2012, the rental vacancy rate has fallen across the United States to an average of 6.6 percent in the first quarter of 2020,⁵ indicating that, nationally, the demand for rental units is increasing in relation to supply. The 2018 American Community Survey five-year estimates show that the rental vacancy rate in Suffolk County was 5.6 percent, and the rental vacancy rate in the Town of Islip was 5.2 percent. If the vacancy rate in this area has followed the national trend, it is likely that there are even fewer available rental units today; and thus, it is anticipated that the Proposed Project will provide a much-needed housing type to the area.

1.3 Comparable Rental Developments

The Suffolk County Department of Economic Development and Planning (SCDEP) gathers information on apartment complexes with 10 or more units either existing or currently under construction in Suffolk County. According to SCDEP data,⁶ in the Town of Islip, there are approximately 116 rental apartment complexes with a total of 11,534 units (including those that were under construction at the time of publication). Nine of these apartment complexes, with a total of 1,328 units (including four complexes containing 645 units within the Central Islip PDD), are in the Central Islip area. The adjacent 268-unit portion of Gull Haven Commons that is currently under construction is included in this total. The identified Central Islip apartment complexes are identified in Table 2 below.

⁵ U.S. Census Bureau, *Quarterly Residential Vacancies and Homeownership, First Quarter 2020*, (accessed May 2020); available at <https://www.census.gov/housing/hvs/files/currenthvspress.pdf>.

⁶ Suffolk County Department of Economic Development and Planning, *Apartment Complexes of 10 or More Units*, November 29, 2018, (accessed May 2020); available at <https://suffolkcountyny.gov/Portals/0/formsdocs/planning/Research/2018/AptS.pdf>.

Table 2 Apartment Complexes of 10 or More Units, Central Islip

Name	Address	# of Units	Type
Allyn Robinson Village	Allyn Dr. & Suffolk Ave.	100	Senior Citizen/Affordable
Bishop McGann Village*	Bishop McGann Dr. & Carleton Ave.	125	Senior Citizen/Affordable
Court Plaza Senior Apartments*	1 Hoppen Dr. & Carleton Ave.	152	Senior Citizen/Affordable
Coventry Village	Coventry Ln. & Wheeler Rd.	90	Unrestricted
Eaton Knolls	1255 Islip Ave. & Sycamore St.	13	Affordable
Foxgate at Islip (part)*	Lowell Ave. & Eastview Blvd.	100	Unrestricted
Gull Haven Commons*	Sunburst Blvd. & Carleton Ave.	268	10 Percent Affordable
Hamilton Village	Allyn Dr. & Suffolk Ave.	46	Senior Citizen/Affordable
Hawthorne Court	111-217 Hawthorne Ave.	434	Unrestricted
Total		1,328	--

*Located in the Central Islip PDD.

Source: Suffolk County Department of Economic Development and Planning, *Apartment Complexes of 10 or More Units*, November 29, 2018, (accessed May 2020); available at

<https://suffolkcountyny.gov/Portals/0/formsdocs/planning/Research/2018/AptS.pdf>.

Of the nine apartment complexes identified in Table 2 above, five are non-age-restricted, including two that are non-age-restricted with an element of affordable housing (i.e., Eaton Knolls and the 268-Unit Gull Haven Commons project). These complexes are expected to serve a similar population as the Proposed Project. Of the 116 rental apartment complexes with 10 or more units in the Town of Islip, 83 are non-age-restricted (8,022 total units). In providing 24 non-age-restricted rental apartments, including two affordable units, the Proposed Project will increase the Town of Islip's non-age-restricted rental housing stock by approximately 0.3 percent, thereby providing a much-needed boost in the supply of a housing product that is in high demand and which it is expected will serve the workforce for employers in the area.

2

Anticipated Benefits of the Proposed Project

2.1 IDA Evaluation Criteria

The IDA evaluates projects seeking benefits pursuant to the guidelines in its Uniform Tax Exemption Policy (UTEP).⁷ As the Proposed Project is seeking a PILOT Agreement with the IDA, it is subject to the following guidelines to determine eligibility for a real property tax abatement (Attachment 1 of the UTEP):

1. **Economy:** *Local and regional economic conditions at the time of application.*

The Town of Islip has long considered revitalization of the Central Islip PDD a planning priority, dating to the original *Master Plan for the Central Islip Planned Development District* in 1989 (the “1989 Master Plan”). Since the 1989 Master Plan, the Town has seen progress in the revitalization of the area, with residential and commercial developments being built over the years. The Master Plan Update noted, “[a]dditional residential uses would also complement the mix of retail, commercial,

⁷ <https://www.islipida.com/documents/ida-documents/additional-documents-1/laws-agreements/877-uniform-tax-exemption-policy-for-approval-on-10-22-2019/file.html>

and recreation uses that have been developed in the PDD since implementation of the 1989 Master Plan" (page III-1).

It is estimated that the median household income in Central Islip is \$68,573, while the median household income in Suffolk County is estimated at \$96,675.⁸ While the median household income in Central Islip is only approximately 71 percent of the median household income in Suffolk County, the unemployment rate is 3.8 percent in Central Islip and 4.7 percent in Suffolk County.⁹ This is indicative of a prevalence of lower-paying jobs for residents in Central Islip, and the need for more affordable housing options.

2. **Jobs:** *The extent to which the project will directly create or retain permanent private sector jobs as well as "temporary" jobs during the construction period. In addition, the level of secondary "multiplier" jobs that will be created or retained as a result of the project.*

VHB conducted an analysis of the jobs projected to be supported in the zip codes comprising the Town of Islip by the Proposed Project using the IMPLAN software tool (see IMPLAN analysis tables in Appendix B). This analysis was conducted for both the construction period and the operation of the Proposed Project. For the construction period, the input to the tool included the anticipated construction cost of approximately \$6 million. Based on this input, and with an anticipated 10-month construction period beginning in 2020, the Proposed Project is expected to support approximately 56 total jobs during the construction phase. These jobs are broken down as follows:

Table 3 Employment Impact (Construction Phase)

Impact Type	Employment
Direct Effect ¹⁰	32.2
Indirect Effect ¹¹	12.8
Induced Effect ¹²	10.8
Total Effect	55.8

The analysis for the Proposed Project upon completion of construction (i.e., the operational phase) is based upon projections by the Applicant that the net operating income (NOI) of the Proposed Project (i.e., gross rental income less operating expenses) would be approximately \$144,000 (i.e., \$12,000 per month). Using the NOI

⁸ U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates.

⁹ U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates.

¹⁰ Direct Effect is a series of (or single) production changes or expenditures made by producers/consumers as a result of an activity or policy. These initial changes are determined by an analyst to be a result of this activity or policy (i.e., construction jobs directly related to on-site activity).

¹¹ Indirect Effect is the impact of local industries buying goods and services from other local industries (i.e., jobs created from construction-related spending).

¹² Induced Effect is the response by an economy to an initial change (direct effect) that occurs through re-spending of income by a component of value added. Money is recirculated through the household spending patterns causing further local economic activity (i.e., jobs created through household spending of income from direct jobs).

as the input for the IMPLAN model produces a conservative estimate of economic impacts that accounts for various maintenance expenses.

The results of the employment analysis for the operational phase of the Proposed Project are as follows:

Table 4 Employment Impact (Operational Phase)

Impact Type	Employment
Direct Effect	1.0
Indirect Effect	0.3
Induced Effect	0.2
Total Effect	1.4

Thus, it is anticipated that the Proposed Project would support a total of approximately one job during operation and approximately 56 jobs during construction. The one± operational direct effect job is anticipated to consist of maintenance, administration and/or real estate positions. It is noted that the Subject Property is currently vacant land, and thus, does not support any jobs under existing conditions. Therefore, jobs supported by the Proposed Project would be entirely new to the Town of Islip.

3. **Project Cost/Payroll:** *Level of direct annual payroll that results from the project as well as secondary "multiplier" payroll and payroll during the initial construction period.*

The IMPLAN analysis also includes projections of the impact on income from the jobs that are anticipated to be created by the Proposed Project. This includes income from direct, indirect and induced jobs. The results of this analysis, for both the construction and operational phases of the Proposed Project are as follows:

Table 5 Labor Income for Jobs Supported During Construction

Impact Type	Employment	Labor Income	Average Salary
Direct Effect	32.2	\$2,023,626	\$62,846
Indirect Effect	12.8	\$713,729	\$55,760
Induced Effect	10.8	\$553,095	\$51,213
Total Effect	55.8	\$3,290,449	\$58,969

Table 6 Labor Income for Jobs Supported During Operation

Impact Type	Employment	Labor Income	Average Salary
Direct Effect	1.0	\$21,963	\$21,963
Indirect Effect	0.3	\$15,184	\$50,613
Induced Effect	0.2	\$7,692	\$38,460
Total Effect	1.4	\$44,839	\$32,028

As demonstrated above, the Proposed Project would support approximately \$3,290,449 in income for all jobs (direct, indirect and induced) during construction, with an average salary of approximately \$58,969. During operations, the Proposed Project would support approximately \$44,839 in income for all jobs (direct, indirect and induced), with an average salary of approximately \$32,028. Again, as the Subject Property is currently vacant and does not support any direct jobs or spending by occupants, all income supported by the Proposed Project would be entirely new to the Town of Islip. Data from the American Community Survey (2014-2018 five-year estimates) indicate that the per capita income in the Town of Islip is approximately \$35,871. Thus, salaries supported by the Proposed Project would be approximately equivalent to the Town of Islip's per capita income.

With respect to residential household spending, based on the estimated median disposable household income of residents in the Town of Islip of \$67,790,¹³ it is estimated that aggregate annual household spending from the Proposed Project will total approximately \$1,626,960.

4. ***Project Purpose:*** *Type of industrial or commercial activity proposed for the facility.*

The Proposed Project is a multi-family residential community, and does not have an industrial or commercial component. The Proposed Project is consistent with the recent rezoning to PDD-MF.

5. ***Site Alternatives:*** *Likelihood that the project will locate elsewhere resulting in subsequent real economic losses for retention projects and possible failure to realize future economic benefits for attraction projects.*

This guideline pertains primarily to non-residential projects, focusing on the question of whether a given employer would locate to or remain at the given site in lieu of other potential options for the employer's facility. These types of considerations generally are less important to residential development projects.

Notwithstanding this, the Subject Property is located within the Town of Islip's PDD-MF District, and the Proposed Project has been designed with the specific dimensional requirements of the PDD-MF in mind. It is noted that by providing affordable housing options (which are limited in the area), the Proposed Project will aid the Town of Islip and the region in allowing working class residents to stay, rather than move away, thus maintaining the economic benefits of residential spending.

6. ***Project Location:*** *Nature of the property before the project (vacant land, vacant buildings, distressed community, Former Empire Zone, blighted property, downtown corridor).*

¹³ Median disposable income was obtained from Esri Business Analyst. Disposable income is after-tax household income. Disposable income forecasts are based on the Current Population Survey, U.S. Census Bureau.

The Subject Property is currently a vacant portion of the blighted former Central Islip Psychiatric Center, and is adjacent to the 268-Unit Parcel, which is currently under construction. The *Master Plan Update* states,

[t]he existing Sunburst Center, a NYIT property located on an approximately 20-acre parcel on the south side of Sunburst Drive, is ultimately proposed for adaptive reuse to accommodate 96 dwelling units or continuation of educational use. The plan calls for the renovation of the one-store building wings and one-story central courtyard building. Residential use of these buildings would be consistent with the nearby existing Park Row townhouses and the proposed Continental Manor. Reuse of the buildings would ensure that the flats are aesthetically compatible with the NYIT campus and adjacent Gullhaven Golf Course. These buildings form a unique sunburst shape, hence the Sunburst Center, and are essential to preserving the historic qualities and campus setting of the PDD (page III-12).

Additionally, Rogers & Taylor Appraisers, Inc., conducted a market study to evaluate the impact of the redevelopment of the former Central Islip Psychiatric Center on surrounding property values (see Appendix C). This market study notes that the blighted condition of the former Central Islip Psychiatric Center has attracted vandalism and created a "nuisance to the surrounding area and residents that live nearby." From a property value standpoint, the market study notes,

...the property has a major negative influence on the properties that are in close proximity to it. The overall site is an eyesore and the vandalized state and uncertainty of the future conditions that will persist at the site has a negative impact on not only units within the Park Row that have a visual of the site but on all of the units within [Park Row]...These conditions create a severe negative external influence that as a result have served to result in diminution of property values in the Park Row complex. This applies to all of the units and not just those that have a direct visual of the subject [property].

The Proposed Project will be integrated into the larger overall redevelopment of the adjacent 268-Unit Parcel (see Appendix A). In addition to the redevelopment of the 268-Unit Parcel, which involves the renovation and repurposing of certain buildings which are salvageable; the demolition of other buildings that are not feasible for reuse; and redevelopment of those areas of the site with attractive new facilities; the Proposed Project will advance this IDA criterion by revitalizing a vacant parcel with an attractive new apartment building surrounded by landscaped areas with walking paths. Taken together, the Proposed Project and the adjacent 268-Unit Parcel would eliminate the blighted conditions at the former Central Islip Psychiatric Center, as described above.

7. **Project Benefits:** *Amount of private sector investment as a result of the project and the level of additional revenue for local taxing jurisdictions.*

The market study¹⁴ prepared by Rogers & Taylor Appraisers, Inc. (see Appendix C), concludes that,

[a]s a result of the re-development, the entire area will be enhanced from what was an extremely negative influence to a very positive influence... the re-development of the site will result in a positive influence to the community and will serve to increase the values of homes in the Park Row development which is strongly influenced by the site. This applies not only to the units that have a visual of the subject [property] but all units within the complex. When one either leaves or enters the Park Row complex they will have an attractive visual which will have a strong positive influence on buyers. This will result in increased property values for the entire Park Row development and result in an increased market appeal for the complex.

8. **Project Costs:** *Impact of the project and the proposed abatements/exemption on local taxing jurisdictions and extent to which will require additional services from local government entities.*

According to the Real Estate Institute at Stony Brook University College of Business White Paper, *Market Rate Apartment School Aged Children Study* (April 2019), a survey of 14 multi-family apartment complexes constructed on Long Island since 2003, there are approximately 0.09 student per unit residing in these apartment complexes (see Appendix D). Based on this factor, it is anticipated that the Proposed Project, with 24 two-bedroom units, would generate approximately three school-aged children attending public school.

The Subject Property is located within the Central Islip Union Free School District (UFSD). Based on publicly-available resources from the New York State Education Department (NYSED) the total district enrollment for the Central Islip UFSD was 7,522 students for the 2019-2020 school year.¹⁵ The total adopted budget for the 2019-2020 school year was \$216,560,271 (of which approximately 43.2 percent, or \$93,529,258, was from the local property tax levy). Thus, the total budgeted expenditure per pupil for the 2019-2020 school year was approximately \$28,790. The total budgeted cost per student based on the local property tax levy was approximately \$12,434. While the average total per pupil cost is a useful metric for certain tasks, such as overall district budgeting, it is not appropriate for evaluating

¹⁴ The Rogers & Taylor Appraisers, Inc. market study evaluated a 284-unit iteration of the overall Gull Haven Commons redevelopment project.

¹⁵ New York State Education Department, *New York State Property Tax Report Card (2019-2020)* (accessed May 2020); available from <http://www.p12.nysed.gov/mgt/serv/propertytax/>.

the marginal cost of educating a new student. This is because the average cost includes administrative and capital expenditures that are not affected by the introduction of new students (e.g., superintendent salary, debt service, etc.). Instructional expenditures provide a more accurate assessment of the cost of educating additional students generated by new residences. The program (i.e., non-capital and non-administrative) portion of the Central Islip UFSD budget for 2019-2020 is approximately 74 percent of the total budget, or \$160,254,601 (\$21,305 per student).¹⁶ However, as above, only a portion of this cost is currently paid for from the local property tax levy. The portion of the program costs paid by the local real estate property tax (based on a 43.2 percent ratio) is estimated to be approximately \$9,204 per pupil.

Since the site currently is vacant, no school-aged children reside at the Subject Property. The addition of approximately three school-aged children would represent an approximately 0.04 percent increase over the 2019-2020 public school enrollment of 7,522. Added to the 2019-2020 enrollment, the addition of three school children would result in a total enrollment of 7,525.

Based on the 2019-2020 estimated instructional expenditure per student for the Central Islip UFSD of \$21,305, the Proposed Project's total impact to the Central Islip UFSD is projected to be \$63,915. Based on the portion of the program costs paid by the local real estate property tax of approximately \$6,009 per pupil, the impact would be approximately \$27,612.

It is noted that the Subject Property does not currently generate any property tax revenue to the Central Islip UFSD. Thus, while the Proposed Project would receive real property tax relief from the IDA in the form of a PILOT, the revenue generated from the PILOT would be entirely new to the Central Islip UFSD as well as other local taxing jurisdictions.

¹⁶ *Central Islip School District Budget Statement, Proposed 2020-20201 Three-Part Budget Format*. Available from http://www.centralislip.k12.ny.us/administration/business_office/budget_information.

3

Conclusions

The various factors discussed above have led to a high demand for affordable rental housing. With respect to supply, as demonstrated by studies and Census data cited above, rental options are not plentiful on Long Island. In fact, rental options on Long Island lag behind other metropolitan counties, even as demographic shifts have led to a higher demand for diversified housing options.

In addition, the Proposed Project would be consistent with the Town of Islip's identified objectives. The Town of Islip rezoned the Subject Property from PDD-EC to PDD-MF, which is specifically directed at accommodating multi-family housing. The Proposed Project would add a type of housing that is in demand throughout Long Island, as indicated by the low vacancy rates.

The Proposed Project will provide 24 new rental housing units, all of which would be two-bedroom units, and two of which would be affordable units. This product type will cater to residents of varying income levels, ages and family sizes, and will enable working-class residents within the Town of Islip and surrounding communities to stay close to home, in proximity to well-paying employment opportunities, rather than leave the region.

An IMPLAN analysis was undertaken to evaluate the anticipated employment and income benefits of the Proposed Project due to construction and residential spending. This analysis indicates that the Proposed Project is expected to support a total of approximately 56 jobs (including direct, indirect and induced jobs) during the 10-month construction phase, with a total labor income of approximately \$3,290,449. Further, the operational phase of the Proposed Project upon completion

of construction, is expected to support a total of approximately 1.4 jobs (including direct, indirect and induced jobs), with a total labor income of approximately \$44,839. Additionally, household spending by Proposed Project residents is anticipated to be approximately \$1,626,960.

Based on the analysis presented in this report, the Proposed Project is consistent with the guidelines of the IDA Uniform Tax Exemption Policy, and would result in public benefits related to the provision of affordable housing and employment, generation of direct and indirect economic benefits, and elimination of the blight conditions on the Subject Property which work to the detriment of the Planned Development District and the IDA's revitalization goals.

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EXHIBIT C-2

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

New York Law Journal

Real Estate Trends

WWW.NYLJ.COM

VOLUME 257—NO. 54

An ALM Publication

WEDNESDAY, MARCH 22, 2017

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 determination 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.

EXHIBIT C-3

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 TRIAL/TAS PART 13
In the Matter of DONALD L. RYAN, FLAVIA
IANNACONE, JAMES DENON, JOHN M. WILLAMS,
REGINAL LUCAS and ROBERT DeBREW, JR.,

INDEX # 5324/16

Petitioners,

Mot. Seq. 1
Mot. Date 9.13.16
Submit Date 11.17.16

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

XXX

-against-

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

Respondents.

-----X

The following papers were read on this motion:

Papers Numbered

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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.

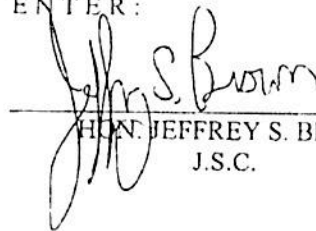
Where, as here, the project at issue promotes employment opportunities and serves to combat economic deterioration in an area served by an industrial development agency, a finding that the project falls within the ambit of the IDA is rationally based; neither arbitrary or capricious or an abuse of discretion, 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 :



HON. JEFFREY S. BROWN
J.S.C.

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EXHIBIT D

Town of Islip Industrial Development Agency Uniform Tax Exemption Policy



TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

UNIFORM TAX EXEMPTION POLICY

The Town of Islip Industrial Development Agency (TOIIDA) provides financial assistance (tax-exempt or taxable bonds and/or straight lease transactions) for projects which promote the economic growth and health of Islip Town and the Long Island region. TOIIDA provides financial assistance to all projects and facilities as defined in Title I of Article 18A of the General Municipal Law. These projects and facilities include, but are not limited to: industrial, manufacturing, research and development, warehousing, commercial, office, recreation and civic facilities. Also included are: affordable housing, senior housing, assisted living facilities, brownfield redevelopment projects and projects that eliminate commercial blight. Certain retail projects are included (those that are in conformance with Sec. 862 of the NYS GML, those that are part of a mixed use downtown redevelopment plan and those that involve the elimination of community blight).

All projects receiving financial assistance through TOIIDA are eligible for various tax exemptions and abatements.

I. REAL PROPERTY TAXES

- A. **Real Property Tax Abatement:** TOIIDA provides real property tax abatements in the form of reduction of existing taxes and/or freezing existing taxes and/or abating the increased assessment (value added) as a result of the project. Real property tax abatements may be structured in the form of fixed annual payments with or without scheduled increases over a period of time or in the form of abatements of the increased assessment that results from the project over a period of time or in the form of reduction of the existing taxes with a phase in back to the original tax level over a period of time.

Each project is reviewed and evaluated on a case by case basis. The Agency review utilizes criteria that measure the projects level of significance and/or strategic value and/or impact upon the Town of Islip at both the micro and macro level as well as upon Long Island as a Region and/or the State economy.

As a general rule, the term of the real property tax abatement is ten years. The basic real property tax abatement provided by the TOIIDA is based upon the equivalent of Section 485-b of the New York State Real Property Tax Law. This section provides for a 50% real property tax abatement on the increased assessed value in the first year; 45% real property tax abatement in the second year; 40% abatement in the third year and thereafter declining 5% per year over a ten year period. A 485-b real property tax abatement is the minimum that TOIIDA provides. An enhanced real property tax abatement is considered and/or provided under the following circumstances:

1. **Existing Vacant Facilities & Brownfields:** In order to encourage "reuse" and upgrading of existing building stock and environmentally damaged properties commonly referred to as brownfields, TOIIDA may provide an enhanced real property tax benefit and abatement for projects involving vacant existing facilities and brownfields. The benefits may include freezing or reducing the assessment base of the pre-improved facility and granting of abatements that are equivalent of double the benefits provided by Section 485-b of the Real Property Tax Law. These abatements will consist of a 100% abatement on the increased assessed value in the first year; a 90% abatement in the second year; and 80% abatement in the third year and thereafter declining 10% per year over a ten year period.
2. **Significant/Strategic Projects:** TOIIDA may provide enhanced real property tax abatements (double 485-b) to projects that are considered significantly and strategically important to the economic well being of Islip Town and the Long Island region. Provision of an enhanced real property tax abatement would be considered for high-tech and biomedical manufacturing; research and development; computer and data processing facilities; financial (back office) operations; professional services industry; corporate, national or regional headquarters; and projects deemed significant to the revitalization of distressed communities. Each project eligible for enhanced property tax abatement is evaluated pursuant to the guidelines/criteria contained in Attachment 1.
3. **Projects within the boundaries of the former Empire Zone:** TOIIDA provides enhanced real property tax abatement to projects located within the boundaries of the former State designated Empire Zone. The enhanced property tax abatement consists of a 100% abatement on the increased assessed value for the first 5 years; 90% in year 6; 80% in year 7 and thereafter declining 10% per year through year 14.
4. **Housing projects:** For qualified housing projects (affordable housing, senior housing, assisted living facilities) that provide a public benefit in accordance with the Town of Islip Comprehensive Plan and related Planning Department studies, TOIIDA may set flat PILOT payments on a per unit, per year basis. The length and terms of these agreements will be determined on a case-by-case basis, based upon such factors as affordability, market conditions & the extent of public subsidies and participation in the project.
5. **Civic Facilities (Not-for-Profits):** TOIIDA provides property tax exemption for projects owned by 501(c)(3) corporations, equivalent to the exemption (100%) these not-for-profit corporations would receive under the RPTL, absent the involvement of the agency. For projects leased by 501(c)(3) corporations, TOIIDA provides a 100% abatement on any improvement to real property for the term of the lease, as long as the facility is used exclusively for, and in furtherance of, their 501(c)(3) mission.
6. **Blighted Commercial Properties:** TOIIDA may provide enhanced property tax abatements (double 485-b) for projects that eliminate community blight as defined in Chapter 6A, Article II of the Islip Town Code.
7. **Mixed Use properties in Downtown Commercial Corridors:** TOIIDA may provide enhanced real property tax abatements (double 485-b) for projects on which a combination of residential and commercial construction work is performed to create a building used for mixed residential and commercial purposes. Such projects must

be located within proscribed downtown corridors as contained in the Suffolk County Industrial and Commercial Incentive Board Plan adopted in 1999, as amended and/or those projects governed by Chapter 68 of the Town Code known as Downtown Development Districts and Business Districts.

8. **Town and/or other Municipally Owned Property:** Property owned by the Town of Islip and/or another municipal entity that is sold and/or leased to a private developer and/or private company may qualify for a 100% abatement and/or an enhanced abatement for periods up to 15 years. However, no village taxes will be abated in any PILOT Agreement entered into under this provision.

9. **Large Employment Generators:** Projects that create or retain 500 jobs or more may qualify for tax abatements for periods of up to 20 years. For new construction, this would be in the form of a 100% abatement the first year and declining 5% per year for 20 years. For existing buildings, the benefits may include reducing existing real property taxes and/or freezing the real property tax base and/or granting real property tax abatements on the increased value that result from the project for periods up to 20 years.

- B. **Projects in Foreign Trade Zone:** For projects located within Islip's Foreign Trade Zone, all payments are made pursuant to land lease with the Town of Islip's Foreign Trade Zone Authority.

- C. **Recapture of Benefits:** Projects that receive enhanced real property tax abatements are subject to the recapture of benefits pursuant to the following schedule:

Within 1 year	100%
Within 2 years	100%
Within 3 years	50%
Within 4 years	25%
After 4 years	0%

The above term period is from the effective date of the PILOT Agreement. Imposition of any recapture is at the sole discretion of the TOIIDA and is reviewed/considered on a case by case basis. Reasons for the recapture of benefits include the following:

1. Sale or closure of the facility and departure of the company from the Long Island region.
2. Significant change in the use of the facility and/or the business activity of the company.
3. Significant employment reductions not reflective of the company's (normal) business cycle and/or local and national economic conditions.

- D. **Deviations from Policy:** TOIIDA reserves the right to deviate from its uniform real property tax abatement policy under special/extraordinary circumstances. Deviations can take the form of providing less or more in the way of real property tax abatements. These deviations would be done by reducing or increasing the percentage of the annual abatement, or by reducing or increasing the term of the PILOT Agreement, or by doing a combination of both. Provision of less in the way of real property tax abatements is applicable to projects that are subsequent phases of a previously TOIIDA financed, multi-phased project and/or TOIIDA determines that the benefit provided by these projects merits a reduced level of incentive

(cost). Provision of more in the way of real property tax abatements is applicable to projects that are considered extremely significant and vital to the economic health and well-being of Islip Town and the Long Island Region. Any applicant may apply in writing to TOIIDA for increased real property tax abatement benefits setting forth reasons for a proposed deviation from the uniform policy. Such requests should set forth specific data and information which would cause TOIIDA to deviate from its uniform policy focusing, in whole or part, on the guidelines and criteria set forth in Attachment 1 hereto. Each time TOIIDA propose to deviate from its uniform real property tax abatement policy, it will provide written notification with any explanation for the deviation to the chief executive officer of each affected taxing jurisdiction.

II. SALES TAX EXEMPTIONS

- A. **Eligible Expenses:** TOIIDA provides sales tax exemptions on all materials and/or equipment used or incorporated into the project during the initial construction/renovation and equipping of the project. TOIIDA does not provide sales tax exemption for ongoing expenses after the project is completed.
- B. TOIIDA executes a sales tax exemption agreement with the project occupant that contains an expiration date for the continued availability of sales tax exemptions. The expiration date is based upon the anticipated project completion date. Should the project not be complete by the expiration date, the project occupant must request an extension of the expiration date from TOIIDA.
- C. **Reporting Requirements:** Project occupants (agents) are required to annually file a statement of the value of all sales tax exemptions claimed for the year to the New York State Department of Taxation and Finance. TOIIDA requires that each project occupant (agent) provides the Agency with a copy of that annual filing.
- D. **Deviations from Policy:** TOIIDA reserves the right to deviate from its uniform sales tax exemption policy under special/extraordinary circumstances. Deviations can take the form of providing less or more in the way of sales tax exemptions. These deviations would be done by reducing the full sales tax exemption to a partial sales tax exemption for the initial project completion period or by extending the term of the sales tax agreement to include ongoing operating expenses. Provision of less in the way of sales tax exemption is applicable to projects that are subsequent phases of a previously TOIIDA financed multi-phase project and/or TOIIDA determines that the benefit provided by these projects merits a reduced level of incentive (cost). Provision of more in the way of sales tax exemption is applicable to projects that are considered extremely significant and vital to the economic health and well-being of Islip Town and the Long Island region. Any applicant may apply in writing to TOIIDA for increased sales tax exemptions setting forth reasons for a proposed deviation from the uniform policy. Such request should set forth specific data and information which would cause TOIIDA to deviate from its uniform policy focusing, in whole or in part, on the guidelines and criteria set forth in Attachment 1 hereto. Each time TOIIDA deviates from its uniform sales tax exemption policy, it will provide written notification, with an explanation for the deviation, to the chief executive officer of each affected taxing jurisdiction.

III. MORTGAGE RECORDING TAX

All TOIIDA assisted projects are eligible for exemption from the mortgage recording tax

- A. **Project Related Financing:** Financing secured by a mortgage which is directly related to the project is exempt from the mortgage recording tax
- B. **Non-Project Related Financing:** Financing secured by a mortgage which is not directly related to, or a part of, the project, are not eligible for exemption from mortgage recording tax.
- C. **Deviations from Policy:** TOIIDA reserves the right to deviate from its uniform mortgage recording tax exemption policy under special/extraordinary circumstances. Deviations can take the form of providing less or more in the way of mortgage recording tax exemptions. These deviations would be done by reducing the mortgage recording tax exemption from a full exemption to a partial exemption or by allowing all or part of the non-project related financing to be exempt from mortgage recording tax. Provision of less in the way of exemption from mortgage recording tax is applicable to projects that are subsequent phases of a previously TOIIDA financed multi-phase project and/or TOIIDA determines that the benefit provided by these project merits a reduced level of incentive (cost). Provision of more in the way of exemption from mortgage recording tax is applicable to projects that are considered extremely significant and vital to the economic health and well-being of Islip Town and the Long Island region. Any applicant may apply in writing to the TOIIDA for increased mortgage recording tax exemptions setting forth reasons for a proposed deviation from the uniform policy. Such request should set forth specific data and information which would cause TOIIDA to deviate from its uniform policy focusing in whole or in part on the guidelines and criteria set forth in Attachment 1 hereto. Each time TOIIDA proposes to deviate from its uniform mortgage recording tax exemption policy, it will provide written notification with an explanation for the deviation to the chief executive officer of each affected taxing jurisdiction.

ATTACHMENT 1

ENHANCED REAL PROPERTY TAX ABATEMENT GUIDELINES/CRITERIA

TOIIDA considers the following significant indicators when determining whether to provide enhanced real property tax abatements. (These determinants are not all inclusive and are not in priority order):

1. ***Economy:*** Local and regional economic conditions at the time of application.
2. ***Jobs:*** The extent to which the project will directly create or retain permanent private sector jobs as well as “temporary” jobs during the construction period. In addition, the level of secondary “multiplier” jobs that will be created or retained as a result of the project.
3. ***Project Cost/Payroll:*** Level of direct annual payroll that results from the project as well as secondary “multiplier” payroll and payroll during the initial construction period.
4. ***Project Purpose:*** Type of industrial or commercial activity proposed for the facility.
5. ***Site Alternatives:*** Likelihood that the project will locate elsewhere resulting in subsequent real economic losses for retention projects and possible failure to realize future economic benefits for attraction projects.
6. ***Project Location:*** Nature of the property before the project (vacant land, vacant buildings, distressed community, Former Empire Zone, blighted property, downtown corridor).
7. ***Project Benefits:*** Amount of private sector investment as a result of the project and the level of additional revenue for local taxing jurisdictions.
8. ***Project Costs:*** Impact of the project and the proposed abatements/exemption on local taxing jurisdictions and extent to which will require additional services from local government entities.

INVESTMENT: \$250,000

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY TAKING OFFICIAL ACTION
TOWARD APPOINTING WRAP-N-PACK, INC., A
DELAWARE BUSINESS CORPORATION ON BEHALF OF
ITSELF AND/OR THE PRINCIPALS OF WRAP-N-PACK,
INC. AND/OR AN ENTITY FORMED OR TO BE FORMED
ON BEHALF OF ANY OF THE FOREGOING, AS
AGENT(S) OF THE AGENCY FOR THE PURPOSE OF
ACQUIRING, RENOVATING AND EQUIPPING THE
FACILITY AND MAKING CERTAIN FINDINGS AND
DETERMINATIONS WITH RESPECT TO THE FACILITY

WHEREAS, Wrap-N-Pack, Inc., a business corporation organized and existing under the laws of the State of Delaware, on behalf of itself and/or the principals of Wrap-N-Pack, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Company**"), has applied to the Town of Islip Industrial Development Agency (the "**Agency**"), to enter into a transaction in which the Agency will assist in the acquisition of a leasehold interest in an approximately 10 acre parcel of land located at 120 Wilshire Boulevard, Brentwood, New York 11717 (the "**Land**"), and the existing approximately 150,000 square foot building located thereon (the "**Improvements**"), and 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 sub-subleased and leased by the Agency to the Company and is to be used by the Company as warehouse and distribution space in its business as a distributor of packaging and janitorial sanitation products (the "**Project**"); and

WHEREAS, the Agency will acquire a subleasehold interest in the Land and the Improvements and title to the Equipment, and will sub-sublease and lease the Facility to the Company all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as the same may be amended from time to time (collectively, the "**Act**"); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in connection with the Facility, consistent with the policies of the Agency, in the form of exemptions from sales and use taxes and abatement of real property taxes, all to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, as of the date of this resolution, no determination for financial assistance has been made; 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, prior to the date of the Hearing (defined below), the Agency will have prepared a cost/benefit analysis with respect to the proposed financial assistance; and

WHEREAS, prior to the closing of the transaction described herein, a public hearing (the “**Hearing**”) will be held 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 can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of the transaction described herein, and such notice (together with proof of publication) will be substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing are or will be substantially in the form annexed hereto as Exhibit B; 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 Facility in the Town of Islip or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, the Company will agree 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.

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

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

WHEREAS, the Questionnaire has been reviewed by the Agency.

NOW, THEREFORE, BE IT RESOLVED by the Town of Islip Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the Environmental Assessment Form completed by the Company and reviewed by the Agency and other representations and information furnished by the Company regarding the Facility, the Agency determines that the action relating to the acquisition, equipping, and operation of the Facility is a Type II action under SEQR and therefore, does not require further environmental review.

Section 2. The acquisition and equipping of the Facility by the Agency, the sub-leasing and leasing of the Facility to the Company and the provision of financial assistance pursuant to the Act will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town of Islip and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act, and the same is, therefore, approved.

Section 3. Subject to the provisions of this resolution, the Agency shall (i) acquire and equip the Facility; and (ii) lease and sub-sublease the Facility to the Company.

Section 4. 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 and Project Agreement, dated a date to be determined (the “**Lease Agreement**”), by and between the Company and the Agency. 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 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 5. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Nixon Peabody LLP) to prepare, for submission to the Agency, all documents necessary to affect the transfer of the real estate described in the foregoing resolution.

Section 6. The Chairman, the Executive Director, the Deputy Executive Director and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 7. Any expenses incurred by the Agency with respect to the Facility, including the expenses of Transaction Counsel, shall be paid by the Company. The Company agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 8. This resolution shall take effect immediately.

ADOPTED: June 16, 2020

I FURTHER CERTIFY, because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 202.1 issued on March 12, 2020, as amended by Executive Order 202.14, issued on April 7, 2020, as amended by Executive Order 202.28, [issued on May 7, 2020 – update once executive order is extended] suspending the Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, the Agency's Board Meeting on June 16, 2020 (the "**Board Meeting**"), was held electronically via Live-Stream instead of a public meeting open for the public to attend in person. Members of the public were advised, via the Agency's website, to listen to the Board Meeting by going to <http://islipida.com/business-assistance/ida/ida-documents-2/96-ida-videos/ida-board-meetings/335-ida-board-meeting-6-16-2020.html>, and were further advised that the Minutes of the Board Meeting would be transcribed and posted on the Agency's website, and 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 June 16, 2020.

Assistant Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that due to the Novel Coronavirus (COVID-19) Emergency State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 202.1 issued on March 12, 2020, as amended by Executive Order 202.14, issued on April 7, 2020, suspending the Open Meetings Law, as further amended and extended by Executive Order 202.15 issued on April 9, 2020, as amended by Executive Order 202.28, [issued on May 7, 2020 – update once executive order is extended] permitting local governments to hold public hearings by telephone and video conference and/or similar device, the Public Hearing scheduled for June __, 2020, at __: __ a.m., local time will be held by the Town of Islip Industrial Development Agency electronically via [conference call][webinar] in connection with the following matters:

Wrap-N-Pack, Inc., a business corporation organized and existing under the laws of the State of Delaware, on behalf of itself and/or the principals of Wrap-N-Pack, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Company**"), has applied to the Town of Islip Industrial Development Agency (the "**Agency**"), to enter into a transaction in which the Agency will assist in the acquisition of a leasehold interest in an approximately 10 acre parcel of land located at 120 Wilshire Boulevard, Brentwood, New York 11717 (the "**Land**"), and the existing approximately 150,000 square foot building located thereon (the "**Improvements**"), and 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 sub-subleased and leased by the Agency to the Company and is to be used by the Company as warehouse and distribution space in its business as a distributor of packaging and janitorial sanitation products (the "**Project**"). The Facility will be initially owned, operated and/or managed by the Company.

The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes in connection with the equipping of the Facility and exemption of real property taxes consistent with the policies of the Agency.

A representative of the Agency will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. Members of the public may [listen to] [view] the Public Hearing and comment on the Project and the benefits to be granted to the Company by the Agency during the Public Hearing by [insert instructions to dial into the conference call or log into the webinar]. Comments may also be submitted to the Agency in writing or electronically. Minutes of the Public Hearing will be transcribed and posted on the Agency's website. At the hearing, all persons will have the opportunity to review 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: June __, 2020

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

By: William G. Mannix
Title: Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
JUNE __, 2020

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(WRAP-N-PACK, INC. 2020 FACILITY)

Section 1. _____ of the Town of Islip Industrial Development Agency (the “**Agency**”) called the hearing to order.

Section 2. The _____ then appointed _____, the _____ of the Agency, 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:

Wrap-N-Pack, Inc., a business corporation organized and existing under the laws of the State of Delaware, on behalf of itself and/or the principals of Wrap-N-Pack, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Town of Islip Industrial Development Agency (the “**Agency**”), to enter into a transaction in which the Agency will assist in the acquisition of a leasehold interest in an approximately 10 acre parcel of land located at 120 Wilshire Boulevard, Brentwood, New York 11717 (the “**Land**”), and the existing approximately 150,000 square foot building located thereon (the “**Improvements**”), and 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 sub-subleased and leased by the Agency to the Company and is to be used by the Company as warehouse and distribution space in its business as a distributor of packaging and janitorial sanitation products (the “**Project**”). The Facility will be initially owned, operated and/or managed by the Company.

The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes in connection with the 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:

Section 5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at _____.

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

I, the undersigned Assistant Secretary of the Town of Islip 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 Islip Industrial Development Agency (the “**Agency**”) on the ____ day of June, 2020, at _____.m., local time, electronically via [conference call][webinar], 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 June ___, 2020.

Assistant Secretary

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 2, 2020**

AGENDA ITEM #7

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION

COMPANY: DuroDyne Spence LLC,/DuroDyne
National Corp 2020 Facility

PROJECT LOCATION: 81 Spence Street, Bay Shore

JOBS (RETAINED/CREATED): RETAINED - 180 -
CREATE - 023 -

INVESTMENT: \$450,000

Date: June 16, 2020

At a meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), held via Live-Stream at <http://islipida.com/business-assistance/ida/ida-documents-2/96-ida-videos/ida-board-meetings/335-ida-board-meeting-6-16-2020.html>, on the 16th day of June, 2020, the following members of the Agency were:

Present:

Absent:

Also Present:

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 to a certain industrial development facility more particularly described below (Duro Dyne Spence LLC/Duro Dyne National Corp. 2020 Facility).

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

Voting Aye

Voting Nay

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING DURO DYNE SPENCE LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF DURO DYNE SPENCE LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND DURO DYNE NATIONAL CORP., A NEW YORK BUSINESS CORPORATION ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF DURO DYNE NATIONAL CORP. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING, AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING THE FACILITY AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as amended from time to time (collectively, the “**Act**”), the Town of Islip Industrial Development Agency (the “**Agency**”) was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the 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, Duro Dyne Spence 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 Duro Dyne Spence LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) and Duro Dyne National Corp., a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Duro Dyne National Corp. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Sublessee**”), have applied to the Town of Islip Industrial Development Agency (the “**Agency**”), to enter into a transaction in which the Agency will assist in the acquisition of an approximately 5.36 acre parcel of land located at 81 Spence Street Bay Shore, New York (the “**Land**”), and the renovation of an approximately 130,000 square foot building located thereon (the “**Improvements**”), and 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 leased by the Agency to the Company and further subleased by the Company to the Sublessee to be used for manufacturing in its business of a manufacturer and distributor of HVAC products (the “**Project**”); and

WHEREAS, the Agency, by resolution duly adopted on May 12, 2020 (the “**Inducement Resolution**”), decided to proceed under the provisions of the Act; 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, 2020, or such other date as the Chairman, the Executive Director or the Deputy Executive Director 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, 2020, or such other date as the Chairman, the Executive Director or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, in connection with the sub-subleasing of the Facility by the Company to the Sublessee, the Agency and the Sublessee will enter into a certain Tenant Agency Compliance Agreement, dated as of June 1, 2020 or such other date as the Chairman, the Executive Director or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the “**Tenant Agency Compliance Agreement**”), by and between the Agency and the Sublessee; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of: (i) exemptions from sales and use taxes in an approximate amount not to exceed \$40,561, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof); and

WHEREAS, the Agency has given due consideration to the application of the Company and the Sublessee and to representations by the Company and the Sublessee that the proposed transaction is necessary to maintain the competitive position of the Company and the Sublessee in their respective industries; and

WHEREAS, the Company and the Sublessee have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company for further sublease by the Company to the Sublessee.

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

Section 1. The Agency hereby finds and determines:

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

- (b) The Facility constitutes a “project”, as such term is defined in the Act; and
- (c) The acquisition, renovation and equipping of the Facility, 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 Islip, 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, renovation and equipping of the Facility by the Agency is reasonably necessary to induce the Company to maintain and expand its business operations in the Town of Islip; and
- (e) Based upon representations of the Company and the Sublessee and counsel to the Company and the Sublessee, the Facility conforms with the local zoning laws and planning regulations of the Town of Islip 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 Facility from the Company; and
- (h) The Lease Agreement will be an effective instrument whereby the Agency leases and subleases the Facility to the Company, the Agency and the Company set forth the terms and conditions of their agreement regarding payments-in-lieu of taxes, the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will describe the circumstances in which the Agency may recapture some or all of the benefits granted to the Company.
- (i) The Tenant Agency Compliance Agreement will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Facility.

Section 2. 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 3. In consequence of the foregoing, the Agency hereby determines to:
(i) lease the Land and the Improvements from the Company pursuant to the Company Lease,
(ii) execute, deliver and perform the Company Lease, (iii) sublease and lease the Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, and (v) execute and deliver the Tenant Agency Compliance Agreement.

Section 4. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement, and to do all things necessary or appropriate for the accomplishment thereof, and

all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from sales and use taxes in an approximate amount not to exceed \$40,561, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), all consistent with the policies of the Agency.

Section 6. Subject to the provisions of this resolution, the Company is herewith and hereby appointed the agent of the Agency to acquire, renovate 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, renovate 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, renovate 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 \$40,561, 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 execution of the documents contemplated by this resolution.

Section 7. 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 8. The form and substance of the Company Lease, the Lease Agreement and the Tenant Agency Compliance Agreement (each in substantially the forms presented to

or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 9. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director 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 Tenant Agency Compliance Agreement, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "**Agency Documents**"). The execution thereof by the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

Section 10. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director 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 11. 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 12. This resolution shall take effect immediately.

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

I, the undersigned Assistant Secretary of the Town of Islip Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on the 16th day of June, 2020, 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, due to the Novel Coronavirus (COVID-19) Emergency State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo’s Executive Order 202.1 issued on March 12, 2020, as amended by Executive Order 202.14, issued on April 7, 2020, suspending the Open Meetings Law, and Executive Order 202.15 issued on April 9, 2020, as amended by Executive Order 202.28, issued on May 7, 2020, permitting local governments to hold public hearings by telephone and video conference and/or similar device, the Agency’s Board Meeting on June 16, 2020 (the “**Board Meeting**”), was held electronically via Live-Stream instead of a public meeting open for the public to attend in person. Members of the public were advised, via the Agency’s website, to listen to the Board Meeting by going to <http://islipida.com/business-assistance/ida/ida-documents-2/96-ida-videos/ida-board-meetings/335-ida-board-meeting-5-12-2020.html>, and were further advised that the Minutes of the Board Meeting would be transcribed and posted on the Agency’s website, and 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 June 16, 2020.

By: _____
Assistant Secretary

EXHIBIT A

Proposed PILOT Benefits

Formula for Payments-In-Lieu-of-Taxes: Town of Islip, (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), Brentwood School District, Suffolk County and Appropriate Special Districts

Address – 81 Spence Street, Bay Shore, Town of Islip,
Suffolk County, New York

Tax Map No. 0500-20000-0200-063001

Definitions

Normal Tax Due = Those payments for taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Islip, Brentwood School District, Suffolk County and Appropriate Special Districts (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located) which are or may be imposed for special improvements or special district improvements, that the Company would pay without exemption.

Year

Payments

1	100% Normal Tax Due on 50% of the taxable assessed value
2	100% Normal Tax Due on 55% of the taxable assessed value
3	100% Normal Tax Due on 60% of the taxable assessed value
4	100% Normal Tax Due on 65% of the taxable assessed value
5	100% Normal Tax Due on 70% of the taxable assessed value
6	100% Normal Tax Due on 75% of the taxable assessed value
7	100% Normal Tax Due on 80% of the taxable assessed value
8	100% Normal Tax Due on 85% of the taxable assessed value
9	100% Normal Tax Due on 90% of the taxable assessed value
10	100% Normal Tax Due on 95% of the taxable assessed value
11	100% Normal Tax Due on the full assessed value
and thereafter	

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 2, 2020**

AGENDA ITEM #8

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION

COMPANY: ISP Central District, LLC

PROJECT LOCATION: Central Ave, Islip

JOBS (RETAINED/CREATED): RETAINED - 35 -
CREATE - 03 -

INVESTMENT: \$250,000

Date: June 16, 2020

At a meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), held via Live-Stream at <http://islipida.com/business-assistance/ida/ida-documents-2/96-ida-videos/ida-board-meetings/335-ida-board-meeting-6-16-2020.html>, on the 16th day of June, 2020, the following members of the Agency were:

Present:

Absent:

Also Present:

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 to a certain industrial development facility more particularly described below (ISP Central Distr. LLC/Duro Dyne National Corp 2020 Facility).

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

Voting Aye

Voting Nay

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING ISP CENTRAL DISTR. LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF ISP CENTRAL DISTR. LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND DURO DYNE NATIONAL CORP., A NEW YORK BUSINESS CORPORATION ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF DURO DYNE NATIONAL CORP. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING, AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING THE FACILITY AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as amended from time to time (collectively, the "**Act**"), the Town of Islip Industrial Development Agency (the "**Agency**") was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the 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, ISP Central Distr. 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 ISP Central Distr. LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Company**") and Duro Dyne National Corp., a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Duro Dyne National Corp. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Sublessee**"), have applied to the Town of Islip Industrial Development Agency (the "**Agency**"), to enter into a transaction in which the Agency will assist in the acquisition of an approximately 2.60 acre parcel of land located at Central Avenue, Islip, New York (and further identified as Tax Map No. 500-39.00-02.00-014.200) (the "**Land**"), and the construction of an approximately 45,000 square foot building to be located thereon (the "**Improvements**"), and 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 leased by the Agency to the Company and further subleased by the Company to the Sublessee and is to be used by the Sublessee as warehouse, distribution, light manufacturing and assembly in its business of as a distributor of HVAC and electrical systems product lines (the "**Project**"); and

WHEREAS, the Agency, by resolution duly adopted on May 12, 2020 (the “**Inducement Resolution**”), decided to proceed under the provisions of the Act; 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, 2020, or such other date as the Chairman, the Executive Director or the Deputy Executive Director 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, 2020, or such other date as the Chairman, the Executive Director or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, in connection with the sub-subleasing of the Facility by the Company to the Sublessee, the Agency and the Sublessee will enter into a certain Tenant Agency Compliance Agreement, dated as of June 1, 2020 or such other date as the Chairman, the Executive Director or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the “**Tenant Agency Compliance Agreement**”), by and between the Agency and the Sublessee; 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 \$5,000,000 but not to exceed \$7,000,000 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 acquiring, constructing and equipping the Facility, (ii) exemptions from sales and use taxes in an approximate amount not to exceed \$431,250, 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 A hereof); and

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

WHEREAS, the Agency has given due consideration to the application of the Company and the Sublessee and to representations by the Company and the Sublessee that

the proposed transaction is necessary to maintain the competitive position of the Company and the Sublessee in their respective industries; and

WHEREAS, the Company and the Sublessee have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company for further sublease by the Company to the Sublessee.

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

Section 1. The Agency hereby finds and determines:

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

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

(c) The acquisition, construction and equipping of the Facility, 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 Islip, 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 by the Agency is reasonably necessary to induce the Company to maintain and expand its business operations in the Town of Islip; and

(e) Based upon representations of the Company and the Sublessee and counsel to the Company and the Sublessee, the Facility conforms with the local zoning laws and planning regulations of the Town of Islip 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 Facility from the Company; and

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

(i) The Tenant Agency Compliance Agreement will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Facility.

(j) 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 2. 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 3. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) sublease and lease the Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) execute and deliver the Tenant Agency Compliance Agreement, (vi) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (vii) execute and deliver the Loan Documents to which the Agency is a party.

Section 4. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement, and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5. The Agency is hereby authorized to execute and deliver the Loan Documents in connection with the financing of the costs of acquiring, constructing and equipping the Facility and any future Loan Documents in connection with any future refinancing or permanent financing of such costs of acquiring, constructing and equipping of the Facility without the need for any further or future approvals of the Agency.

Section 6. 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 \$5,000,000 but not to exceed \$7,000,000 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 acquiring, constructing and equipping the Facility, (ii) exemptions from sales and use taxes in an approximate amount not to exceed \$431,250, 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 A hereof), all consistent with the policies of the Agency.

Section 7. 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 \$431,250 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 execution of the documents contemplated by this resolution.

Section 8. 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 9. The form and substance of the Company Lease, the Lease Agreement, the Tenant Agency Compliance Agreement and the Loan Documents, that the Agency is a party (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 10. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, the Lease Agreement, the Tenant Agency Compliance Agreement and the Loan Documents, that the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall approve, and such other related

documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "**Agency Documents**"). The execution thereof by the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

Section 11. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director 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. This resolution shall take effect immediately.

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

I, the undersigned Assistant Secretary of the Town of Islip Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on the 16th day of June, 2020, 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, due to the Novel Coronavirus (COVID-19) Emergency State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo’s Executive Order 202.1 issued on March 12, 2020, as amended by Executive Order 202.14, issued on April 7, 2020, suspending the Open Meetings Law, and Executive Order 202.15 issued on April 9, 2020, as amended by Executive Order 202.28, issued on May 7, 2020, permitting local governments to hold public hearings by telephone and video conference and/or similar device, the Agency’s Board Meeting on June 16, 2020 (the “**Board Meeting**”), was held electronically via Live-Stream instead of a public meeting open for the public to attend in person. Members of the public were advised, via the Agency’s website, to listen to the Board Meeting by going to <http://islipida.com/business-assistance/ida/ida-documents-2/96-ida-videos/ida-board-meetings/335-ida-board-meeting-5-12-2020.html>, and were further advised that the Minutes of the Board Meeting would be transcribed and posted on the Agency’s website, and 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 June 16, 2020.

By: _____
Assistant Secretary

EXHIBIT A

Proposed PILOT Benefits

Formula for Payments-In-Lieu-of-Taxes: Town of Islip, (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), Hauppauge School District, Suffolk County and Appropriate Special Districts

Address – Central Avenue, Town of Islip,
Suffolk County, New York

Tax Map No. 0500-03900-0200-014002

Definitions

X = \$45,840

Y = increase in assessment above X resulting from the acquisition, construction and equipping of the Facility.

Year

1	100% normal tax on X and 0% normal tax on Y
2	100% normal tax on X and 10% normal tax on Y
3	100% normal tax on X and 20% normal tax on Y
4	100% normal tax on X and 30% normal tax on Y
5	100% normal tax on X and 40% normal tax on Y
6	100% normal tax on X and 50% normal tax on Y
7	100% normal tax on X and 60% normal tax on Y
8	100% normal tax on X and 70% normal tax on Y
9	100% normal tax on X and 80% normal tax on Y
10	100% normal tax on X and 90% normal tax on Y
11 and thereafter	100% normal tax on X and 100% normal tax on Y