



MEETING DATE: 05/16/2019

SCIDA PROJECT ABSTRACT

APPLICANT NAME: Hartz Mountain Industries, Inc. CONTACT: James Rhatican, Asst. General Counsel & VP Land Use & Devel.

AND ADDRESS: 400 Plaza Drive, Secaucus, NJ 07094 PHONE: 201-348-1200

PRINCIPALS: Hartz Mountain Industries - NJ, LLC (100%)

PRODUCT/SERVICES: The Company is a real estate acquisition, development and management company. The Company plans to construct two new warehouse buildings on a 53 acre site on two separate parcels located at 235 Pinelawn Road, Melville, NY 11747. The new buildings will be leased to third party tenants for warehousing and distribution.

PRESENT FACILITIES: N/A

Own: 0 Lease: 0 Acreage 0 Sq.Ft. 0 N/A

NEW LOCATION/TAX MAP#: 235 Pinelawn Road, Melville, NY 11747
(Tax Map #'s 400-270-1-8.1 & 400-270-1-24.1)

PROJECT DESCRIPTION: Demolition of an existing 414,000 sq. ft. building and construction of two buildings (North Parcel: 276,500 sq. ft.) and (South Parcel: 669,186 sq. ft.) totaling 945,686 sq. ft. located at 235 Pinelawn Road, Melville, NY 11747. The new buildings will be leased to prospective tenants & used for warehousing and distribution operations. The site is currently where Newsday is headquartered and Newsday will be relocating to other office space in the Melville area.

PROJECT COSTS AUTHORIZATION SOUGHT: \$190,479,892 Lease Transaction

PURCHASE OF RAW LAND	\$54,500,000
RENOVATION OF EXISTING BUILDING	
NEW ADDITIONS OF EXISTING BUILDING	\$125,939,180
MANUFACTURING EQUIPMENT (Sales Tax Exempt)	
NON-MANUFACTURING EQUIPMENT (Warehousing, Fixtures, Office Equip.)	
ENGINEERING & ARCHITECTURAL FEES	
LEGAL FEES	
OTHER FEES/CHARGES	\$10,040,712
TOTAL PROJECT COSTS	<u>\$190,479,892</u>

Project is estimated to create 857 construction jobs.

EMPLOYMENT

	<u># OF EMPLOYEES</u>	<u>ANNUAL PAYROLL</u>	<u>AVERAGE SALARY</u>
PRESENT (All Locations)	--	--	--
PRESENT (Suffolk County)	--	--	--
PROPOSED 1ST. YEAR	300 - 400	\$12,000,000 - \$16,000,000	\$40,000
PROPOSED 2ND. YEAR	300 - 400	\$12,000,000 - \$16,000,000	\$40,000
GRAND TOTALS	600 - 800	\$24,000,000 - \$32,000,000	\$40,000

COMMENTS: 5/16/19: Preliminary inducement resolution approved for an approximate \$190,479,892 lease transaction.
Voting: 4 (TW,PZ,KH,AG) – 0. Absent: 3 (GH,SC,GC).
9/17/20: Full inducement resolution approved for an approximate \$190,479,892 lease transaction.
Voting: 6 (NW,KH,AG,SC,GC,JS) – 0. Absent: 0.
10/19/20: Public hearing held.



HARTZ MOUNTAIN INDUSTRIES, INC.

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October 7, 2020

Anthony Catapano
Executive Director
Suffolk County Industrial Development Agency
H. Lee Dennison Building
100 Veterans Memorial Highway
Hauppauge, NY 117888

**Re: Application for Incentives for former Newsday Site
235 Pinelawn Road, Melville**

Dear Mr. Catapano,

Thank you for forwarding the letters you received from local union representatives regarding the above-referenced application presently pending before the Suffolk County IDA. While we understand and respect the concerns expressed in those letters relative to the importance of union labor, we feel compelled to respond to some of the false and libelous statements contained in the letters.

Please allow me to preface my response with a reminder that I attended a SCIDA Board meeting in May 2019 and explained to the Board that Hartz Mountain is committed to complying with the SCIDA's Long Island First Policy. It is a laudable policy, similar to policies that we have encountered and complied with in other jurisdictions. I will repeat here that Hartz Mountain will comply with that policy. As I mentioned at the May 2019 Board meeting, Hartz has engaged exclusively local professional firms to perform work associated with the design of the project, environmental remediation of the site, and other aspects of the project. These include local law firms, planning firms, engineering firms, traffic consulting firms, environmental firms and appraisal firms, among others.

At present, Hartz Mountain is awaiting a site plan approval from the Huntington Planning Board. Only recently, following approval from the Zoning Board of Appeals, has the plan for the project been finalized (subject, of course, to Planning Board approval). Thus, Hartz Mountain is only now readying the bid documents to send this project out to bid for a General Contractor contract. Consequently, the concerns expressed in the letters you received seem premature.

Those concerns evidently derive from Hartz Mountain's use of a demolition contractor based in Orange County, NY. This contractor is not an out-of-state contractor, as falsely claimed in one of these letters. As we have explained to SCIDA staff, we invited local Suffolk County demolition

companies to bid on the work, but the selected NY State contractor was by far the lowest qualified bidder. That contractor hired local Long Island workers to assist with the project.

We also wish to address some exaggerated or outright false claims in the letters you received pertaining to work already performed at the site. That work consisted of asbestos abatement, which was fully permitted by appropriate State agencies. The work was performed exclusively in the interior of the building, and that work was fully compliant with applicable laws and regulations, and local town inspectors were on the job site and fully aware of all activities. However, the Town issued a stop work order after receiving misleading information from a third party. Hartz Mountain disputed the stop work order and still maintains that it was wrongfully issued and for improper reasons. Nonetheless, Hartz Mountain immediately ceased work at substantial cost and only very recently commenced the actual demolition work. There was never a violation of the stop work order, as falsely claimed in one of the letters.

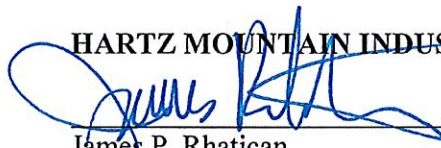
To be clear, Hartz Mountain already has met with several local labor representatives to assure them of its willingness to engage with local contractors and unions. Sal Gentile, Vice President of Operations at Hartz Mountain met and/or spoke with, among others, Scott Adrian of the Operating Engineers Local 138 (in Sept. 2019), Mario Mattera of Plumbers Local Union #200 (in Oct. 2019), Anthony Macagnone of the Carpenters Local 290 (in Oct. 2019), and Matt Aracich of the Building and Construction Trades Council (meeting in Dec. 2019 with subsequent phone conversations). As you know, Mr. Gentile and I met again with labor representatives and SCIDA representatives on October 5, 2020. The message has remained consistent: Hartz Mountain is open to using union labor and has used union labor in the past; local unions and/or subcontractors will have an opportunity to bid on work; and Hartz Mountain's preference is to use local contractors for this project. Likewise, as stated above, Hartz Mountain remains committed to the Long Island First Policy. We separately have said the same to SCIDA staff, and I am happy to repeat this commitment at a public hearing before the Board on this project.

This project is important to Hartz Mountain and to the Town of Huntington, to Suffolk County and to the region. The project is projected to create hundreds of jobs and, as demonstrated in the reports filed with the application, is projected to create millions of dollars in economic benefit. This is being constructed as a spec project, so costs must be monitored closely, but Hartz Mountain is certain that this will ultimately prove to be a successful project for all involved. We look forward to this application being approved and to working with the SCIDA.

Thank you for your continued efforts.

Very truly yours,

HARTZ MOUNTAIN INDUSTRIES, INC.



James P. Rhatican
Vice President of Land Use and Development
Assistant General Counsel

JPR/cf
Enc.