



ACCEPTED BY BOARD MEMBERS
JUNE 23, 2022

MINUTES
IDA REGULAR MEETING
MAY 19, 2022

Present: Natalie Wright, Chair
Kevin Harvey, Vice Chair
Sondra Cochran, Treasurer
Josh Slaughter, Member
Brian Beedenbender, Member

Excused Absence: Gregory Casamento, Secretary

Also Present: Anthony Catapano, Executive Director
Daryl Leonette, Executive Assistant
Lori LaPonte, Agency Accountant
Regina Halliday, Bookkeeper
William Wexler, Esq., Agency Counsel
Andrew Komaromi, Esq., Harris Beach PLLC, Transaction Counsel
William Dudine, Esq., Katten Muchin Rosenman LLP, Transaction Counsel
William Weir, Esq., Nixon Peabody LLP, Transaction Counsel
Melissa Bennett, Esq., Barclay Damon, LLP, Transaction Counsel
Greg Gordon, ZE Creative Communications
James Madore, Newsday
Lisa Broughton, Suffolk County Department of Economic Development & Planning
Brian McDonagh, V.P., Venture One Acquisitions, LLC
Garrett Gray, Esq., Weber Law Group LLP, Counsel to Venture One Acquisitions, LLC
Jay Ratican, Hartz Mountain Industries, Inc.
Christina DeLisi, Assist. to Commissioner Drago, S.C. Dept. of Labor
Mark Cuthbertson, Esq., Counsel to 500 Broad Hollow Road, LLC
Kevin Gremse, Sr. Director, National Development Council (NDC)
Ashton Saber, Suffolk County Department of Economic Development & Planning
Robert Trotta, Suffolk County Legislator
Steve Rossetti

Ms. Wright indicated that the documents for this meeting can be accessed and are posted to the IDA's website at <https://www.suffolkida.org/resources/> under the Board Meetings tab.

The Regular Meeting of the Suffolk County Industrial Development Agency held in the Arthur Kunz Memorial Planning Library Conference Room located on the 2nd Floor of the H. Lee Dennison Building, 100 Veterans Memorial Highway, Hauppauge, NY was called to order at 12:45 p.m. by Ms. Wright, Chair of the IDA.

This is the May 19, 2022 Regular Board Meeting of the Suffolk County Industrial Development Agency and for the record, we do have a quorum present. The Meeting is being held both as an in-person Meeting and remotely pursuant to "Chapter 1 of the Laws of 2022 of New York State, permitting any public body to hold public meetings by telephone and video conference and/or similar device".

The Meeting is also being live streamed. Members of the public may listen and view the Meeting via the Agency's website www.suffolkida.org. Watch Meeting menu option, and will be linked to the Agency's YouTube Channel.

Mr. Catapano proceeded with a roll call Natalie Wright, Kevin Harvey, Sondra Cochran, Brian Beedenbender and Josh Slaughter are all present. Ms. Cochran is attending remotely. Mr. Casamento is absent and there is a quorum.

PUBLIC COMMENT

Ms. Wright asked if there was any public comment and Mr. Catapano stated Legislator Robert Trotta would like to speak and Mr. Catapano said please keep comments to no more than 3 minutes. Legislator Trotta stated there are 62 counties in the State of New York. The Democratic State Comptroller for three years in a row stated that Suffolk County is the most stressed county in the State of New York. The \$242 million dollar apartment complex in Selden (Westfield Green) was given a \$7 million tax break and then sold to Fairfield Properties. In their application it stated that six students went to the Middle Country School District, not the most financially secure school district. There were 299 homes with pending foreclosures within the district. They are now paying \$100,000 to the school district which is the equivalent of paying for 5 school children at \$20,000 a year. Mr. Trotta stated according to their application six children live in that complex, but those children already lived in that school district so there was no net gain. He stated he has been telling the Board for years there are 45 children maybe even 53 children from this complex in this school district. There are 53 children going to this school district and the people in that districts taxes are all going up to pay for them. Fairfield Properties are very wealthy people they own more apartment complexes in Suffolk County than anybody else and the Agency is giving them a \$7 million dollar tax break. Mr. Trotta stated that he does not know why this has not been investigated as he has stated over the years. If someone lies on their application or defrauds this Board they should be held accountable. No one does anything this just goes on and on. Hartz Mountain is worth \$6.2 billion and the owners is getting a tax break. The people in Selden taxes are going up to pay for another billionaire's apartment complex. Our children cannot afford to live here. This is not something we should be proud of, where is the tax benefit for the people. Legislator Trotta said every time you give a tax break to a billionaire someone else is paying for it and it is your obligation to look out for the people of Suffolk County. How can you consider giving Amazon, Rechler and Hartz Mountain very wealthy people tax breaks, who is helping the person on the street. This organization was made to assist companies like IBM, Computer Associates or Olympus Cameras some big companies, not to give tax breaks to billionaires who provide you with low paying jobs. Legislator Trotta said that he spoke with Marty Cantor he will be attending the next IDA meeting. Legislator Trotta indicated that he thinks the Boards heart is in the right place but we are 62 out of 62 clearly we are doing something wrong. He suggests the Agency research these things, and he can provide anything needed about the school district call and ask how many children attend from the complex. Legislator Trotta thanked the Board for their time.

Mr. Catapano stated unfortunately in regards to the Westfield Green project the developer of that project was a board member of the Brookhaven IDA. He had to come to the Suffolk IDA, not the Brookhaven IDA. As part of his submission he provided a letter from the Long Island Housing Partnership which indicated that 21 school age children would be generated from this complex not 6. Previously when Legislator Trotta approached the Board we researched in 2020 the enrollment in the Middle Country School District. Data provided by the school district indicated there were 45 students attending school from that complex but 21 students were from families that stayed within the district. Of the 45 children, 21 students were already attending this district in other housing and moved to the Fairfield Complex (formerly Westfield Green). There were 3 students who left the district and returned in the summer of the same year. Therefore, according to the school district data 24 students were already in the district so the net increase of new students is 21 not 45. Legislator Trotta interrupted saying that logic has no basis of reality, did you go to the 21 houses when the people moved out and moved into the complex and see how many children there were. Legislator Trotta said don't let the facts get in the way of a good story. Ms. Wright stated she would be interested in seeing the school district enrollment numbers over the same period of years. The majority of the school districts on Long Island have continuously received decreasing student enrollment numbers. Ms. Murphy stated there were no other public comments.

NEW BUSINESS**500 Broad Hollow Road, LLC:** Request for an inducement resolution for a lease transaction.

Mr. Catapano presented Exhibit A. 500 Broad Hollow Road, LLC is involved in hotel ownership and management. The project involves the demolition of an existing 89,588 square foot vacant office building on 3.0 acres. Construction of a 103,555 square foot four-story hotel with 143 rooms and 148 surface parking spots.

Mr. Catapano stated this project is a proposed extended stay hotel, Residence Inn being developed by 500 Broad Hollow Road, LLC. The ownership of this entity is George Tsunis, several of his family members and other individuals. The property parcel is front to back; there is not too much frontage on Route 110 that is how the current building is situated and how the proposed hotel will be structured. Mr. Catapano stated the project costs are approximately \$40 million dollars and they estimate to create 32 jobs to staff the hotel.

Mr. Catapano introduced Mr. Kevin Gremse, Senior Director, National Development Council (NDC) to Board Members and Mr. Gremse gave a power point presentation on 500 Broad Hollow Road, LLC to Board Members.

Mr. Harvey stated currently the undeveloped land taxes are \$15,000 a year and Mr. Catapano said they are approximately \$26,000 because the building counts as \$10,000. When the building is demolished it goes back down to land at \$15,000. Mr. Harvey stated the vacant land will be \$15,000 on average, we will get an increase and the developer will get a \$2 million dollar tax break over the life of property tax abatement. The IDA will receive an additional \$4 million dollars, which is a 17 time multiple of what the current property is. As much as we give them a tax break there is an incentive to do business because the IDA is going to get more tax dollars for the local municipalities. Ms. Wright said furthermore, we are removing a vacant blighted structure. Mr. Gremse said also adding 35 new full-time equivalent jobs and 250 construction jobs. Mr. Beedenbender stated in the HVS Report there was discussion between the letter and the application of unaccommodated demand meaning there is more demand than spacing. In the HVS Report there are primary competitors and secondary competitors is there a standard definition that differentiates between the two. Mr. Gremse replied based upon the type of property, this is an extended stay but limited service hotel. There is quite a few limited service hotels that have been proposed or placed into service along the corridor, those are competitors. You have to look at the extended stay as the primary. Mr. Beedenbender said the secondary competitors in the report are some of the largest hotels in Suffolk County and he is trying to figure out what the differentiation is. Do you look at occupancy rates because there is some information in this report about it. Mr. Gremse replied yes, that was the biggest differential what the market study represented as the vacancy or occupancy level as opposed to the applicants occupancy level it is stronger based upon the HVS projections. The secondary competitors many of the numbers in the report suggest that half or 25% of their occupancy is unfulfilled. Mr. Beedenbender said the reason for the question is does the math play out, is it reasonable in the market place. The second part of the question, this is needed so strongly that not only does the math look good but we should remove a piece of property provide tax exemptions because it provided something that is needed. When reading the report Mr. Beedenbender said he doesn't necessarily feel that it is needed because he sees other spaces if you can answer the questions Mr. Gremse, otherwise maybe the applicant can answer them. Mr. Beedenbender asked do you have a sense of occupancy rates in Suffolk County and the demand for this space outside the HVS report. Mr. Gremse said he often stays in hotels and he sees the industry improving and stabilizing because of the occupancy levels are higher and he relied on what he saw in the market study. Mr. Beedenbender said he doesn't feel the same way and he is trying to get a feel for the overall demand for this type of service. Mr. Gremse stated our approach was to find a middle ground between what is being reported in the market study and what the developer is reporting based upon its observations of its own properties in the last few years because they have properties in the market place.

Mr. Slaughter stated he would like to speak about some of the discrepancies, if we were to use the numbers and occupancy rates that HVS reported and didn't use the middle ground you are trying to do your best with two competing opinions. If you use the HVS numbers solely would you think it would come to show there is a need or utilizing their analysis with this be viable. Mr. Gremse responded looking at their projections if they achieve

those occupancy levels particularly early on which are pretty impressive you could make a case that you could pencil this together maybe secure an outside equity investor and a lender at full taxes. Mr. Gremse stated he would not want to be a hotel developer and trying to assemble financing now. Mr. Slaughter said personally looking at the whole COVID situation, it seems with recent spikes the major mandates may not be coming back we are at a more stabilized point. Travel seems to be picking up and not going back to the dark days. Mr. Gremse said anyone that is going to be involved in financial transactions regarding hotels they are looking to mitigate first. Mr. Slaughter stated looking back at a prior application, the Huntington Village Hotel, the pitch at the time from the developer was I built a lot of hotels and he hasn't requested IDA benefits but it is a very unique project historic building which required increased costs. The topography and the kind of construction that took place was very challenging and a unique setting where there was need for assistance. Mr. Slaughter stated he understood and did not think we would have a lot of projects like that because it was a unique situation. Mr. Gremse said he recalled making a pitch when we had to revise a maintenance schedule in July 2020. He felt comfortable doing this there are a lot of market places around the country and he has not seen any hotel developers proposing to build new hotels in July 2020. Mr. Gremse said he gives the applicant and developer a lot of credit for moving forward, this is a great property. They are going to well exceed expectations financially moving forward because that property is going to be absorbed. Mr. Slaughter asked Mr. Gremse to look at the metrics page of the power point, the four metrics the top one is debt coverage ratios (DCR) is it within line and Mr. Gremse said the debt covered ratios are high because the percentage of the project debt is low. The lenders are bringing down there loan amount more to the investment return because there's a higher equity slope on this. Mr. Slaughter asked can you explain the cash on cash yield cost and Mr. Gremse replied cash on cash is cash load divided by cash equity contributed. Yield to cost is the net operating income divided by project cost. These would be very high for residential properties based upon a higher risk profile those metrics are expected to be a little higher or hotels based upon the higher risk. What is the number that a lender would expect and Mr. Gremse said the lender cares about the debt coverage ratio they want at least 1.25% but the sizing of the debt is based on loan to value and they don't want to be beyond 65%. Mr. Beedenbender said the debt ratio in the current market at 1.25% is irrelevant because they have lowered the coverage and Mr. Gremse agreed.

After further discussion and;

Upon a motion by Ms. Cochran, seconded by Mr. Harvey, it was:

RESOLVED, to approve an inducement resolution for a lease transaction in the approximate amount of \$39,380,000 for 500 Broad Hollow Road, LLC facility.

The motion carried 4/1/0 with Mr. Slaughter voting no. A roll call was taken for the vote.

OLD BUSINESS

Venture One Acquisitions, LLC: Request for a final resolution for a lease transaction.

Mr. Catapano presented Exhibit B. Venture One Acquisitions, LLC is a real estate development company. The project involves the demolition of an existing vacant 90,702 sq. ft. office building and construction of a new 123,970 sq. ft. industrial warehouse facility for lease to one or more tenants. Mr. Catapano stated there was an initial approval for this project at the March 19, 2022 IDA Meeting. A public hearing was held on April 25, 2022 and comments were already discussed that were made at the hearing. Mr. Catapano stated there was a letter from Teamsters Joint Council 16 questioning whether this could be an Amazon facility it seemed like they have issues with who could be the possible tenant. At the April 28, 2022 IDA Meeting the request for a final authorizing approval was tabled with a request for additional information from the applicant.

Mr. Catapano introduced Brian McDonagh, V.P., Venture One Acquisitions, LLC representing the Northeast Region and his counsel Garrett Gray, Esq., Weber Law Group to Board Members. Mr. Gray stated at the last meeting there was additional information requested from Board Members. Mr. McDonagh said we did an analysis of these property taxes over an 11 year period to provide in excess of \$675,000 in additional tax revenue. Mr. Catapano stated that Kevin Gremse, NDC is here if any of the Board Members have any questions.

Mr. Slaughter stated it seems this project and Hartz Mountain are similar is that accurate or inaccurate. Mr. Slaughter said the Nelson Pope Voorhis study on Hartz Mountain they did a market analysis and the analysis that Venture One provided there is a lot of discrepancies. The discrepancies are in costs of real estate taxes per square foot and the rental rate. You are proposing for the facilities, is there a distinct difference as to why your numbers would be different. Mr. McDonagh replied he would have to look back, there has been a lot of information, and there is a difference on what they are quoting on a net basis. Mr. Gremse stated that he did not prepare a report on this but Mr. Catapano asked me to look at it as to the questions that were raised at the last meeting. Mr. Gremse reviewed the summaries on both applications, one thing that stood out for both of them was the cost. The land costs and construction costs are very high but we are dealing with the Long Island market place. Mr. Gremse said he looked through the project budgets for both developments and read the market study by Nelson Pope Voorhis (NPV). NPV reported that the market for this type of space is \$15 dollars a square foot. To cover the development costs it would be closer to \$25 dollars a square foot that seems to be over market. Mr. Gremse stated that he does not know the industrial market that well, but he understood it was in the mid-teens. To cover this new construction cost based on upon the land assembly cost and the construction cost you need to push the envelope what is asked for rents, these taxes are passed on to the tenants. For both of the developers they are going to have to push what they are asking and if they are passing on full taxes that decreases the likelihood of getting them fully occupied. Target tenants want to pay market rate, all of these tenants are paying higher then what the market rate is, based upon a new product being placed into service. Everyone's budgets are increasing, but he also looked at both proposed property tax abatement schedules, one is a ten year and one is a fifteen year. The fifteen year has a much higher level of expected job creation and Mr. Slaughter asked Mr. Catapano why one project is fifteen and one is ten and the reason is there is a higher level of job creation. This is outlined in the agency's Uniform Tax Exemption Policy it is more aggressive for the projects that have higher job creations.

Mr. Gremse stated parts of risk mitigation in light of this inflation period, higher interest rates and construction costs it's a nice way to help mitigate the risk to assure these developments move forward and get fully occupied. Ms. Wright said she appreciates the comments, in our department we look from a housing ownership pipeline. People may start out in an apartment with a roommate and then may purchase a small condo and go to a townhouse and eventually go to a house. We lack that sort of pipeline on Long Island many people go from a rented basement to a half a million dollar home. The industrial and commercial side is similar, it is difficult for people to grow into new spaces and being able to provide class A space for the organizations that are at that stage of growth and free up additional spaces. Mr. Beedenbender said on projects like this it helps to get the evaluation and expertise from Mr. Gremse's firm because that is invaluable assistance. The macroeconomic question is there is a low vacancy rate and there is a demand giving the current market conditions all space can demand a higher rate because there is a scarcity of supply. On projects in general is there a point where the payment you can get because of the market conditions will pay for this regardless of whether the IDA assists you or not. We don't have a comprehensive other side, we are in a position where we are trusting of the applicant. Mr. Beedenbender stated he struggles with whether or not we should ask an applicant who they are going to rent their facility to. What is the difference in dollars per square foot that this project makes between yes and no and Mr. McDonagh responded the best metric that we look at on the spreadsheet is the debt service any lender is going to want 25%. Mr. Slaughter asked the two projects being similar in nature, why is there such a difference in the jobs committed to and that are being generated factoring out the size of the Hartz Mountain building still doesn't compare proportionately. Mr. Catapano said Venture One thinks they will create more than 30 jobs but they just put that as a place holder. Ms. Wright indicated this project according to the abstract is 123,000 square feet and Hartz Mountain is 411,000. Mr. Harvey stated Mr. Slaughter's question has a lot of merit if you give us a range and you underperform or over perform at least it gives us a better metric as to what we can look at. Technically, if you are comparing two facilities in the same type of rental space industry you should be at about 100 jobs it give us a better metric. Mr. Beedenbender asked Ms. Wright if the Suffolk County Department of Economic Development has a study for the need of industrial space and have we designated a need. Ms. Wright stated Economic Development has not done anything like that but a good source would be the quarterly market reports that the State puts out. Ms. Wright stated our vacancy rate is one of the lowest in the nation which demonstrates there is a demand for it. Mr. Catapano stated our businesses need warehouse space they have to rent warehouse space. Contract Pharmacal is a prime example, they operate out of 11 buildings and they are still looking for warehouse space. Ms. Wright said that is a good point you always think about bringing products

in but in this region with the manufacturing we have we are also pushing a lot of products out. Mr. Beedenbender asked Mr. McDonagh if Venture One works with transient warehouse space where a company may only need something for a month or are you looking for permanent tenants. Mr. McDonagh replied we would prefer permanent tenants.

After further discussion and;

Upon a motion by Mr. Beedenbender, seconded by Ms. Cochran, it was:

RESOLVED, to approve a final resolution for a lease transaction in the approximate amount of \$44,290,000 for Venture One Acquisitions, LLC facility.

Unanimously carried 5/0. A roll call was taken for the vote.

Hartz Mountain Industries, Inc. (Spagnoli Road Site): Request for a final resolution for a lease transaction.

Mr. Catapano presented Exhibit C. Hartz Mountain Industries, Inc. (Spagnoli Road Site) plans to construct a 411,000 sq. ft. building on a 31.32 acre site. The new building will be leased to prospective tenants and used for manufacturing, warehousing and distribution operations. Mr. Catapano stated that this project was tabled at the May 20, 2021 IDA Meeting and was initially approved at the April 28, 2022 IDA Meeting. A public hearing was held on May 16, 2022. Legislator Trotta was present and made some comments. There was a letter received from Joint Council No. 16 International Brotherhood of Teamsters a similar letter to the one they submitted to the Venture One project. The letter is questioning whether the project could be an Amazon facility the documents that Hartz Mountain submitted and supplemental materials that Board Members requested stated it is extremely doubtful that this will be an Amazon facility. Mr. Catapano stated Mr. James Rhatican, Asst. General Counsel & V.P. Land Use & Development, for Hartz Mountain is here if anyone has any questions. Mr. Rhatican stated that again it is highly unlikely that the building will be an Amazon facility and unlikely that it will be a last mile facility. At the last IDA meeting, there was mention of last mile facilities and that is why in addition to the supplemental information and explanation that it is not typical or acceptable as a last mile facility. Mr. Slaughter asked Mr. Rhatican you were discussing at the last meeting difficulty finding tenants for your second building located at Pinelawn Rd. is it low vacancy and high demand. What is the challenge with finding tenants is it the rental rate or the size of the facility did you want one tenant in that building. Mr. Rhatican said we had been speaking to one perspective tenant, he indicated he does not work on the marketing side of the business, the rents we are asking are very comparable. Mr. Slaughter stated that he has been very insistent that he wanted to look at budget numbers and feel comfortable with that ratio and Venture One was able to supply us with a breakdown of their costs quite quickly. We have not gotten the same from Hartz Mountain would you be able to provide us with this information. Mr. Rhatican said Mr. Catapano sent the request last night and he did not have a chance to review it with his colleagues. Mr. Rhatican stated we did supply the supplemental information and construction update that was requested by the Board Members as of Friday it was sent to Mr. Catapano. Mr. Rhatican stated from an operational stand point a project of this size we would expect the tenant to absorb all of the operating expenses, certain taxes and insurance. The supplemental information that was submitted from Nelson Pope Voorhees (NPV) firm in relation to the cost of land acquisition is very high and construction costs are very high. We have managed to stabilize it, they are still higher then when we first applied. The taxes are excessively higher here and the cost of labor factoring all of that in not only the construction the operation being undertaken by a tenant it will be higher here. Mr. Rhatican stated last month Mr. Slaughter asked for a comparison to other regions the best way to compare that was to look at other regions where we have a substantial hold which is located in the NPV letter dated May 12, 2022 that was distributed to Board Members. This report is used throughout the industry and illustrates the cost to construct on Long Island which is about 7.9% higher than Northern New Jersey, 33% more than Atlanta, GA and 35% more than Charlotte, NC. Mr. Slaughter stated his concerns at the last IDA Meeting were not with the comparison of the regions he understands it is more expensive here. It is really the merits of this project and the face value, what your costs are what the operating income is going to be minus the debt service, what is your cash flow. Mr. Slaughter stated this is the breakdown, he needs to feel comfortable with the project. Mr. Slaughter said he would like to

see the same thing reported that was given to us from for Venture One project . Mr. Rhatican said after the last meeting he received an email from Mr. Catapano summarizing information that he thought the Board was looking for. The letter submitted on May 12, 2022 and included a breakdown of the development process as requested. Also included is the acquisition, soft costs and construction costs. The debt ratio is not something we can calculate, we don't evaluate projects that way. Mr. Slaughter said because you are funding them yourself, Mr. Rhatican said we will construct it our self-using cash or invest our own capital we will finance the project eventually after it is built. Mr. Harvey asked if Mr. Rhatican voluntarily submitted the fiscal and economic impact summary statement and Mr. Rhatican said yes. Mr. Harvey said it was submitted as part of the application and was not requested by staff as a requirement and Mr. Rhatican agreed. Mr. Harvey stated this is something we would like to see on all future projects you are commended for submitting it voluntarily the more information we have the better position we are in to make an informed important decision. Mr. Gremse stated that he reviewed this project last night and noticed a few differences between Hartz Mountain and Venture One applicants. On both Venture One and Hartz Mountain the development costs are high this project is roughly \$98 to \$230 a square foot. Mr. Gremse indicated that he looks at the operating budget as what they will need to get rent to justify that cost. The \$106 million dollars and after looking at the NPV report they were reporting market rate for this space at \$16 per square feet it illustrates that the evaluation is less than \$106 million dollars. Mr. Gremse stated both of the developments are similar but you have to push the market to get a higher lease rates higher than what is typically captured for a comparable space. What they needed is more than what is needed for this facility because the previous projects developments costs were higher. It is still a higher rent then what is captured in the market place the PILOT addresses the ability to do that. Mr. Rhatican said we don't want to push the rents higher than they should be and Mr. Gremse replied because those taxes are still passed on to them. Mr. Rhatican this was vacant property and it was generating very little tax we are projecting 250 permanent jobs with an annual salary of \$15 million dollars a year and \$30 million during the construction phase. Mr. Beedenbender said the letter you shared and the statement made is that this building is physically unsuitable for last mile. What type of business would take such a large facility. Mr. Rhatican replied it could be warehousing, there is a need for it and assembly manufacturing. We have buildings not quite this large that are used for television studios. Mr. Beedenbender asked Mr. Rhatican how he distinguishes between the two, last mile and warehouse. Mr. Rhatican replied last mile warehouse is a smaller operation and the last mile warehouse is not a large distribution center you don't need 400,000 square feet for that type of operation. The goal for that type of operation is to have the larger number of warehouses at convenient locations to be able to get to residences and businesses quickly. This building is not designed for last mile warehousing. Mr. Beedenbender indicated that he is struggling to give an approval for this project. He read the letter provided and he has general concerns it all comes down to a large company spent \$37 million dollars on a piece of land in 2019 that they already acquired and the whole thing is contingent upon this organization providing the benefits. Mr. Beedenbender said he has not seen enough he feels compelled that it is going to get built anyway. Mr. Rhatican replied before we bought the property we met with IDA staff to discuss the project and we were told back then that they felt it was a project that they could support. We purchased the property with that understanding, not an expectation I can't say that it will not get built. The incentives will facilitate construction, marketing and leasing to attract tenants to bring to the area. The biggest element of the incentive package is the real estate taxes which seems to attract tenants and jobs we don't get the benefit of that other than how it affects the rent the user gets the benefit. Mr. Catapano stated over 10 years ago businesses were eyeing this property, it takes time for these things to develop and come to fruition. This project was delayed with the labor issues and it was initially considered by the Board in May of 2021 and was tabled until now.

After further discussion and;

Upon a motion by Mr. Harvey, seconded by Ms. Cochran, it was:

RESOLVED, to approve a final resolution for Hartz Mountain Industries, Inc. Spagnoli Road facility.

The motion failed to carry 3/2 with Ms. Wright, Mr. Harvey, & Ms. Cochran voting yes and Mr. Slaughter and Mr. Beedenbender voting no. A roll call was taken for the vote.

Fairfield Townhouses at Selden LLC (formerly known as Westfield Green): Request for consent to additional financing.

Mr. Catapano presented Exhibit D. Fairfield Townhouses at Selden LLC (formerly known as Westfield Green) involved the construction of 14 buildings totaling approximately 190,000 sq. ft. on 14.25 acres to be used for 126 residential rental units consisting of 94 units at market rate and 32 units of workforce housing; (75% market rate units & 25% of workforce units). Twelve townhomes; 41 ground floors units with a garage; 41 upper level units with a loft; 16 upper level workforce units and 16 lower level workforce units. Mr. Beedenbender had a question for Mr. Wexler, stating he worked on this project when he was employed by the Town of Brookhaven administration is there any restriction for him with participating in a vote on this project. Mr. Wexler replied do you have any personal interest in it, Mr. Beedenbender replied no and Mr. Wexler said there is no prohibition. Mr. Catapano stated this project was formerly the Westfield Green project it closed in 2017. One of the partners past away and in order to settle the deceased partners estate, the project was then sold to a reputable apartment complex owner Fairfield Properties. They purchased the facility in September 2019, there is about \$7.3 million in additional financing that they are requesting consent to in order to remove an equity partner. There are no additional benefits being asked for or being provided. The money is not coming from financing or any loans from the Agency. The Agency has to sign onto the new mortgage and needs Board consent because the previous authorization when Fairfield purchased the property had a certain dollar amount limit. This is new money to take out the institutional equity investor and it requires Board Member's consent. Mr. Beedenbender asked this is already built and this is procedural because the people who financed the project need to change because we are a party to this project and we need to ratify that the ownership is changing hands. There are no additional benefits or release of obligations just a financial transaction between the owners. Mr. Catapano replied correct and Mr. Bill Weir is here and is the transaction counsel for this project. Mr. Weir stated the mortgage is Freddie Mac federal government mortgagee the construction loan mortgage was granted by the IDA they are requiring this new loan to be executed by the IDA. It is not a recourse to the IDA one of the equity investors that came in it was only intended to be during the construction period in order to meet the loan to value ratios during construction and is now being taken out in accordance with their original plan of finance. The Freddie Mac mortgage has been approved for this loan.

After further discussion and;

Upon a motion by Mr. Beedenbender, seconded by Mr. Slaughter it was:

RESOLVED, to approve the request for consent to additional financing for Fairfield Townhouses at Selden LLC (formerly known as Westfield Green) facility.

Unanimously carried 5/0. A roll call was taken for the vote.

Minutes

The Minutes of the April 28, 2022 IDA Meeting were accepted by Board Members.

After further discussion and;

Upon a motion by Mr. Beedenbender, seconded by Mr. Slaughter, it was:

RESOLVED, to adjourn the Regular Meeting of the Suffolk County Industrial Development Agency.

Unanimously carried 5/0. A roll call was taken for the vote.

The Meeting adjourned at 2:25 p.m.

The next Regular Meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for June 23, 2022.