

RESOLUTION DATED FEBRUARY 15, 2023

RESOLUTION GIVING PRELIMINARY APPROVAL OF THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY TO GRANT CERTAIN FINANCIAL ASSISTANCE TO MANHATTAN BEER DISTRIBUTORS, LLC

WHEREAS, representatives of Manhattan Beer Distributors LLC, a limited liability company organized and existing under the laws of the State of New York or any other real estate holding company created in connection with the foregoing (the “Company”) has filed or caused to be filed an application with the Town of Babylon Industrial Development Agency (the “Agency”) concerning a project (the “Project”) consisting of the renovation and equipping of an approximately 184,000 square foot existing two-story building and the construction and equipping of an approximately 15,000 square foot addition thereto, located on that certain approximately 14.8 acre lot, piece or parcel of land (the “Land”) generally known as and located at 401 Acorn Street in Wyandanch, New York (the “Facility”), all for use by the Company as a warehouse and distribution facility in its business as a wholesale beverage distributor; and

WHEREAS, in order to induce the Company to retain and grow additional jobs in the Town of Babylon (the “Town”), it appears necessary for the Agency to assist the Company by taking leasehold title to or undertaking control of the Facility so as to afford the Company of certain relief from real property taxation, sales and use taxation and mortgage recording taxation (if any) with respect to the Facility; and

WHEREAS, in connection with the Agency’s evaluation of the Project for the provision of financial assistance, the Agency has (i) assessed all material information relating to the project included in the Company’s project application (the “Project Application”) in order to afford a reasonable basis for the decision of the Agency to provide financial assistance to the Project; (ii) reviewed the Agency’s written cost benefit analysis for the Project which identifies the extent to which (A) the Project will create or retain permanent, private sector jobs; (B) the estimated value of any tax exemption to be provided to the Project, (C) the amount of private sector investment generated or likely to be generated by the Project; (D) reviewed the likelihood of accomplishing the proposed project in a timely fashion; and (E) considered the extent to which the Project will provide additional sources of revenue for the Town and the school district where the Facility is located; and

WHEREAS, in connection with the adoption of this resolution the Agency has reviewed the statement of the Company that the Project at the date of the Project Application, as amended, is in substantial compliance with Article 18-A of the General Municipal Law of the State of New York (the “Act”) including Section 862 thereof; and

WHEREAS, there has been submitted to the Agency an environmental assessment form with respect to this proposed action in accordance with the State Environmental Quality Review Act and the regulations promulgated thereunder (“SEQRA”); and

WHEREAS, provision of aforesaid financial assistance with respect to the Facility is to be negotiated by the Chief Executive Officer (“CEO”) or Chief Financial Officer (“CFO”) of the Agency with the result of said negotiations to be presented to a future meeting of the Agency for final approval; and

WHEREAS, the Agency would like to now indicate its intention to provide financial assistance to the Company with respect to the Project and the Facility; and

WHEREAS, the Company and certain affiliates thereof have commenced the acquisition of certain equipment and building materials for use at the Facility; and

WHEREAS, prior to the execution and delivery of final documents and agreements in connection with the Project, the Company has requested that the Agency provide the benefit of certain New York State Sales and Use Tax exemptions in connection with respect to the Project and execute certain preliminary sales tax agreements and/or documents.

NOW, THEREFORE, BE IT RESOLVED by the Agency as follows:

- Section 1. (a) The Agency hereby finds and determines that (i) the Project constitutes a “Project” within the meaning of the Act; and (ii) the granting of real property tax abatements, sales and use tax abatements and mortgage recording tax (collectively the “Financial Assistance”) by the Agency with respect to the Facility pursuant to the Act, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act.
- (b) It is desirable and in the public interest for the Agency to grant Financial Assistance to the Company with respect to the Facility.
- Section 2. With respect to the Agency’s evaluation criteria for Manufacturing, Warehousing and Distribution Projects the Agency makes the following determinations:
- (a) It has reviewed the information in the Cost Benefit Analysis with respect to the Project.
- (b) The Company proposes a capital investment in the land, building, machinery and equipment and capital improvements in the Facility of approximately \$28,000,000.
- (c) The wage rates for the approximately 239 full-time and 9.5 part-time employees at the Facility average \$156,344 per year for management positions, \$44,393 per year for administrative positions, \$80,115 per year for supervisor positions, \$58,808 per year for production positions, \$56,290 per year for laborer positions and \$49,125 for sales worker positions.

- (d) The Project will not have significant impact from local labor construction in the Town.
- (e) The Project will not have a significant effect on in-region purchases or research and development.
- (f) The Project will not have a significant effect on energy efficiency.
- (g) The Project will not affect existing land use or zoning.
- (h) Project is important to the retention of a significant employer of the Town. The Company currently employs 239 full-time and 9.5 part-time employees. If the Company does not receive financial assistance from the Agency the Company is considering relocating its current operations in the Town to a facility in New Jersey, which would achieve substantial costs savings for the Company.

Section 3. The CEO or the CFO of the Agency is hereby authorized to negotiate the terms of agreements between the Agency, the Company which will permit the Company to enjoy the grant of Financial Assistance with respect to the Facility as herein provided.

Section 4. The CEO or the CFO of the Agency shall present substantially final forms of such agreements with the Company incorporating the grant of such Financial Assistance for final approval by the Agency at a future meeting of the Agency.

Section 5. This Resolution shall also constitute a "declaration of official intent" under the Treasury Regulations of the Internal Revenue Code of 1986 as amended.

Section 6. The Agency will not grant any Financial Assistance to be granted hereunder in excess of \$100,000 to the Company until the Agency has held a public hearing with respect to the grant of financial assistance in accordance with the provisions of the Act.

Section 7. In accordance with SEQRA, the Agency finds that this proposed action will not have any significant environmental impacts based upon the following:

- (a) The proposed action will not result in a substantial adverse change in existing air quality, traffic or noise levels.
- (b) The proposed action is consistent with existing zoning at the site of the Facility.

(c) The proposed action will not result in the impairment of the character or quality of important historical, archeological, architectural, or aesthetic resources or of existing community or neighborhood character.

(d) The proposed action will not result in the creation of a hazard to human health.

(e) No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

Section 8. For purposes of providing the terms and conditions for which the Company will receive the benefit of certain New York State Sales and Use Tax exemptions in connection with the Project, preliminary sales tax agreements and/or documents (collectively, the "Interim Documents") in such form as the CEO of the Agency shall deem advisable are hereby approved; and the CEO of the Agency is hereby authorized and directed to execute, acknowledge and deliver the Interim Documents in the name of the Agency. The execution and delivery of the Interim Documents shall be conclusive evidence of due authorization and approval of the Interim Documents in their respective final form

Section 9. This resolution shall take effect immediately.

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

I, Paulette LaBore, the duly elected, qualified Secretary of the Town of Babylon Industrial Development Agency (the "Agency"), hereby certify that:

1. The foregoing is a true, correct and complete copy of the record of proceedings of the Agency had and taken at a lawful meeting of the Agency held at the Old Town Hall, 47 West Main Street, Babylon, New York on February 15, 2023, commencing at the hour of 8:00 A.M., as recorded in the regular official book, of the proceedings of the Agency, those proceedings were duly had and taken as shown therein.

2. All members of the Agency and the public were duly notified of that meeting pursuant to law.

IN WITNESS WHEREOF, I have signed this certificate and affixed the seal of the Agency the 15th day of February, 2023.

Paulette LaBore
Secretary

(SEAL)