

RESOLUTION DATED AUGUST 17, 2022

RESOLUTION GIVING PRELIMINARY APPROVAL OF THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY TO GRANT CERTAIN FINANCIAL ASSISTANCE TO DIXON 145 ASSOCIATES LLC, JAXSON LLC A/K/A INFINITY DRAIN LTD.

WHEREAS, representatives of Jaxon LLC a/k/a Infinity Drain LTD a limited liability company existing under the laws of the State of New York (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 construction and equipping of an approximately 18,780 square foot addition to an existing approximately 56,000 square foot building by 145 Dixon Associates LLC a limited liability company existing under the laws of the State of New York (the “Owner”), to be located on that certain lot, piece or parcel of land generally known as and located at 145 Dixon Avenue in Amityville, New York (the “Facility”), all for use by the Company as a manufacturing and distribution facility in its business of manufacturing and distribution of shower drains and related products in the plumbing industry; 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 and the Owner by taking or continuing to maintain leasehold title to or undertaking control of the Facility so as to afford the Owner and 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, the Agency has heretofore provided financial assistance to the Company pursuant to prior straight lease transactions (as defined in the Act) with respect to the Company’s facilities located on 145 Dixon Avenue in Amityville, New York in 2015 which straight lease transaction was amended and restated as of April 1, 2018 and the Company and the Owner have requested that the Agency further amend and restate said straight lease transaction with respect to the Project; 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) the proposed project is likely to be completed in a timely fashion; and (E) 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, 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;

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 abatements (collectively the "Financial Assistance") by the Agency with respect to the Project and 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 Project and 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 Owner and the Company propose a capital investment in soft costs, the land, building, machinery and equipment and capital improvements in the Facility of approximately \$8,047,000.
- (c) The Project will not have significant impact from local labor construction in the Town.
- (d) Wage rates for the employees of the Company average \$287,500 per year for management positions, \$72,000 per year for professional positions, \$70,000 per year for administrative positions, \$80,000 per year for supervisor positions and \$41,600 per year for laborer positions, not including fringe benefits.

- (e) The Company has a positive impact on regional wealth creation due to the fact that a significant portion of the Company's product is sold and shipped outside of the Town and result in revenue inflows into the Town and the Long Island region due to taxes and municipal charges paid by the Owner and the Company to the Town and Suffolk County.
- (f) The Project will not have a significant effect on in-region purchases.
- (g) The Project includes the installation of solar equipment which will have a significant effect on energy efficiency.
- (h) The Project will not affect existing land use or zoning.
- (i) The Project is important to the retention of a significant employer of the Town. The Company currently employs 98 full-time employees and such employment is anticipated to increase to 110 full-time employees within two years of the completion of the Project. If the Company does not receive financial assistance from the Agency for the Project, the Company will need to relocate to a larger facility possibly out side of the Town and the Company is considering relocating its current operations to Pennsylvania, Nevada or South Carolina 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 and 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. 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 6. 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 7. This resolution shall take effect immediately.

