TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 19, 2018

AGENDA ITEM #1

TYPE OF RESOLUTION: CALL TO ORDER

COMPANY: N/A

PROJECT LOCATION: N/A

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

INVESTMENT: N/A

MEETING OF THE TOWN OF ISLIP

INDUSTRIAL DEVELOPMENT AGENCY

June 19, 2018

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 15, 2018**.

3. To consider the adoption of an Authorizing Resolution for **CPI Aerostructures, Inc.** Located at 91 Heartland Boulevard, Edgewood. (SCTM# 0500-13400-0300-005000).

4. To consider **any other business** to come before the Agency.

TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 19, 2018

AGENDA ITEM #2

TYPE OF RESOLUTION: TO CONSIDER THE ADOPTION OF A RESOLUTION ON BEHALF OF THE TOWN OF ISLIP IDA TO APPROVE THE **MINUTES** FROM THE MEETING ON MAY 15, 2018.

COMPANY: N/A

PROJECT LOCATION: N/A

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

INVESTMENT: N/A

MEETING OF THE TOWN OF ISLIP

INDUSTRIAL DEVELOPMENT AGENCY

May 15, 2018

Meeting Minutes

1. Call the meeting of the Town of Islip Industrial Development Agency to order on a motion by Chairwoman Angie Carpenter and seconded by Councilman John Cochrane.

   Members Angie M. Carpenter, Councilwoman Mary Kate Mullen, Councilman John C. Cochrane Jr., Councilman James P. O'Connor and Councilwoman Trish Bergin Weichbrodt were present and the Chairwoman acknowledged a quorum.

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 24, 2018.** On a motion by Councilman John C. Cochrane Jr. and seconded by Councilwoman Mary Kate Mullen, said motion was approved unanimously.

3. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and **CPI Aerostructures, Inc.** Located at 91 Heartland Boulevard, Edgewood. (SCTM# 0500-13400-0300-002000). On a motion by Councilwoman Mary Kate Mullen and seconded by Councilman James P. O'Connor, said motion was approved unanimously.

4. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **North Atlantic Industries.** Located at 110 Wilbur Place, Bohemia. (SCTM#0500-19100-0200-065004). On a motion by Councilman John C. Cochrane and seconded by Councilwoman Mary Kate Mullen, said motion was approved unanimously.

5. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **Aerotech Industrial, LLC/Sartorius Stedim North America, Inc.** Located at 545 Johnson Avenue, Bohemia. (SCTM# 0500-19200-0100-012004). On a motion by Councilman James P. O'Connor and seconded by Councilwoman Mary Kate Mullen, said motion was approved unanimously.

6. To consider the adoption of a Resolution authorizing the financing of 2120 **Smithtown Realty, LLC/Piping Rock Health Products.** Located at 2120 Smithtown Avenue, Ronkonkoma. (SCTM# 0500-10603-0100-003006). On a motion by Councilwoman Trish Bergin Weichbrodt and seconded by Councilman John C. Cochrane Jr., said motion was approved unanimously.

7. To consider the adoption of a Resolution approving a Tenant Agreement between the Town of Islip Industrial Development Agency and **Park Avenue Rarities, Inc./FEIL Organization.** Located at 3500 Sunrise Highway, Great River. (SCTM# 0500-21100-0100-005006). On a motion by Councilman John C. Cochrane Jr. and seconded by Councilwoman Mary Kate Mullen, said motion was approved unanimously.

8. To consider **any other business** to come before the Agency. Meeting adjourned by Councilman James P. O'Connor and seconded by Councilwoman Trish Bergin Weichbrodt.

TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 19, 2018

AGENDA ITEM #3

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION

COMPANY: CPI AEROSTRUCTURES, INC.

PROJECT LOCATION: 91 HEARTLAND BOULEVARD, EDGEWOOD

JOBS (RETAINED/CREATED): **RETAINED** - 230 -
CREATE - 055 -

INVESTMENT: $ 582,000.00

Date: June 19, 2018

At a meeting of the Town of Islip Industrial Development Agency (the "**Agency**"), held at Islip Town Hall, 655 Main Street, Islip, New York on the 19th day of June, 2018 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 leasehold title to a certain industrial development facility more particularly described below (CPI Aerostructures, Inc. 2018 Facility) and the leasing of the facility to CPI Aerostructures, Inc.

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 APPROVING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY AND APPROVING THE APPOINTMENT OF CPI AEROSTRUCTURES, INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF CPI AEROSTRUCTURES, INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING AN INDUSTRIAL DEVELOPMENT 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, CPI Aerostructures, Inc., a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of CPI Aerostructures, 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 177,000 square foot building (the "**Premises**"), located on an approximately 13.80 acre parcel of land located at 91 Heartland Boulevard, Edgewood, New York (the "**Land**"), the renovation of approximately 30,000 square foot portion of the Premises (the "**Improvements**"), and the acquisition and installation therein of certain equipment and personal property (the "**Equipment**"; and together with the Premises and the Improvements, the "**Facility**"), which Facility will be leased by the Agency to the Company, and used by the Company as a manufacturing space in its business as a manufacturer of sub-assemblies for helicopters and fixed wing aircraft (the "**Project**"); and

WHEREAS, the Agency, by resolution duly adopted on May 15, 2018 (the "**Inducement Resolution**"), decided to proceed under the provisions of the Act; and

WHEREAS, the Company has acquired a leasehold interest in the Facility pursuant to a certain Agreement of Lease, dated June 30, 2011 (the "**Ground Lease**"), by and between Heartland Boys II L.P. (the "**Landlord**") to the Company; and

WHEREAS, the Agency will acquire a subleasehold interest in the Facility pursuant to a certain Company Lease Agreement, dated as of June 1, 2018 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 sub-sublease and lease the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of June 1, 2018 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, 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 amount not to exceed $19,000, 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; and

WHEREAS, the Ground Lease is currently set to expire on April 30, 2022. It is anticipated that the Ground Lease will be extended, however, if the Ground Lease is not extended to cover the term of the PILOT Schedule, the PILOT Schedule shall terminate simultaneously with the Ground Lease; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed transaction is necessary to maintain the competitive position of the Company in its industry; 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 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.

(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.

(e) Based upon representations of the Company and counsel to the Company, 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.

(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 subleases the Facility from the Company; and

(h) The Lease Agreement will be an effective instrument whereby the Agency sub-subleases and leases 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; and

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) sublease the Facility from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) sub-sublease and lease the Facility to the Company pursuant to the Lease Agreement, and (iv) execute, deliver and perform the Lease Agreement.

Section 4. The Agency is hereby authorized to acquire the Facility 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 amount not to exceed $19,000, 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, the term of which shall be subject to the extension of the Ground Lease term), 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 agent 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 $19,000 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 completion of the transaction and the execution of the documents contemplated by this resolution.

Section 7. The Company hereby agrees to comply with Section 875 of the Act. The Company further agrees 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 Loan Documents to which 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 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, and the Lease Agreement to which 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 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 19th day of June, 2018, 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 public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 19th day of June, 2018.

By: _____
Assistant Secretary

EXHIBIT A

Proposed PILOT Benefits

Formula of PILOT Payments less any amounts payable by the Company in connection with any special ad valorem levies, special assessments or Special District Taxes and service charges levied against the Facility to the Town of Islip, Brentwood School District, Suffolk County and Appropriate Special Districts:

Formula: 10-year abatement starting at 50% decreasing 5% annually

CPI Aerostructures Inc.
91 Heartland Boulevard, Edgewood, New York
Tax Map Number: 0500-134.00-03.00-002.000

2019/2020 - 100% normal tax on the taxable assessed value of $659,200
2020/2021 - 100% normal tax on the taxable assessed value of $725,120
2021/2022 - 100% normal tax on the taxable assessed value of $791,040
2022/2023 - 100% normal tax on the taxable assessed value of $856,960
2023/2024 - 100% normal tax on the taxable assessed value of $922,880
2024/2025- 100% normal tax on the taxable assessed value of $988,800
2025/2026 - 100% normal tax on the taxable assessed value of $1,054,720
2026/2027 - 100% normal tax on the taxable assessed value of $1,120,640
2027/2028 - 100% normal tax on the taxable assessed value of $1,186,560
2028/2029 – 100% normal tax on the taxable assessed value of $1,252,480