

How 812 projects infused \$12 billion into LI economy – Long Island Business News

Commentary

The New York State Comptroller's Office recently released its annual performance report on the State's 109 Industrial Development Agencies (IDAs). The report details, among other things, the number of projects, tax abatements and job creation performance for all IDA projects active during 2016.

On behalf of, and in conjunction with, the heads of Long Island's seven other IDAs, I'm pleased to say the comptroller's report concluded that Long Island's IDAs performed extremely well.

There were 812 projects being supported by Long Island IDAs in 2016. Combined, those 812 projects received net tax incentives totaling \$124.7 million. While this may seem like a lot to some, it represents less than .001 percent of the property taxes collected on Long Island.

Still, IDAs are Public Benefit Corporations, so what does the public get in return for these incentives? Here is what the comptroller's report says.

The 812 projects collectively made private capital investments of more than \$12 billion in our local economy. That \$12 billion spent to purchase, construct, renovate and equip buildings equates to thousands of construction jobs and increased revenue and staffing at thousands of vendors and suppliers across the Island.

The 812 projects also created more than 51,000 new jobs, leading all IDA regions throughout the state. That's more than New York City, the Mid-Hudson Valley or the Capital District. It's also 13,000 (35 percent) more than were promised when the companies entered into contracts with the IDAs.

In addition to the 51,000 new jobs, the companies retained more than 50,000 employees. Combined, that is 100,000 Long Islanders making a total annual payroll of between \$4-6 billion because of IDA incentives.

Not included in the report are the thousands of units of downtown, transit-oriented or affordable rental apartments that would not have been built without IDA assistance. Increasing the amount of rental units on Long Island is an economic development imperative. Not only are they responsible for the revitalization of communities such as Patchogue, Mineola, Farmingdale, Bay Shore and Riverhead, but they also provide the critical housing options needed to attract and retain the next generation of workers our employers so desperately need.

As the economic development professionals heading Long Island's IDAs, we are cognizant to the fact that some in the public philosophically disagree with what we do or that some projects can be controversial. There's always room for productive discussion and improvement.

However, the fact remains that Long Island's IDAs have performed extremely well in what is a very difficult business environment. Every day, Long Island companies are being offered incentive packages to relocate to lower cost states. Our quality of life, superb schools and top-notch workforce are major reasons why they stay, but bottom lines dictate business decisions and it is often IDA incentives that make the difference.

We are proud of the role our agencies have played in fostering economic growth and job creation on behalf of Long Island. \$125 million in short-term incentives has leveraged \$12 billion in private capital investment and the creation or retention of over 100,000 full-time jobs. We think that's a return on investment the public can be proud of, too.

Bill Mannix is the executive director of the Town of Islip Industrial Development Agency. This column was written in conjunction with the heads of Long Island's seven other IDAs:

Nassau IDA:

Joseph J. Kearney

Executive Director

Suffolk IDA:

Tony Catapano

Executive Director

Hempstead:

Fred Parola

Executive Director/Chief Executive Officer

Glen Cove:

Ann S. Fangmann

Executive Director

Islip:

William G. Mannix

Executive Director

Riverhead:

Tracy Stark-James

Executive Director/Chief Executive Officer

Babylon:

Matthew McDonough

Chief Executive Officer

Brookhaven:

Lisa M. Mulligan

Chief Executive Officer