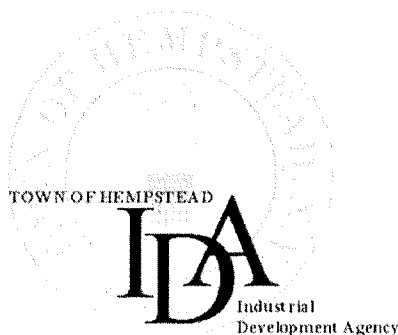


Frederick E. Parola
Chief Executive Officer



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To the Editor:

The recent Newsday story, "Critics seek to rein in Industrial Development Agencies," and information in the accompanying online database, "How Long Island's eight IDAs compare," portrays an unfair picture of the Town of Hempstead Industrial Development Agency.

We would like to clarify and correct some points that were excluded add comments that were not reported.

First, Hempstead tax abatement programs, known as PILOTs, rarely exceed 10 years, unlike those cited in the Newsday article.

Also, the Hempstead IDA does not assist businesses supposedly relocating just down the road. Those assisted are new to the town or are businesses considering a move out of our region.

Data for the Hempstead IDA found in Newsday's online database was from a June 2016 report to the State's Authority Budget Office (ABO) for the fiscal year ending 2014. The numbers in that report, which show a tax break of \$15.7 million for Covanta and Green Acres, were inaccurate. Green Acres was not in a PILOT until 2017. We notified the Authorities Budget Office, one of the state agencies we report to, on March 31, 2017, of the errors.

Corrected data shows Valley Stream Green Acres LLC paid approximately \$20 million in taxes in 2015. In 2016, they paid \$20,023,338.00. PILOT payments did not begin until the first half of the 2016/2017 school year. The IDA reported zero PILOT payments and the approximately \$20 million represented what the taxes would be for 2014/2015 and 2015. The Green Acres PILOT did not begin until the 2016/2017 reporting year and will be reported with PILOT payments during next year's reporting cycle. There has never been a \$20 million tax break on this property for any reporting tax year. The reporting erroneously suggests that an approximately \$20 million "tax break" was awarded by the IDA for this project.

Covanta does not have a PILOT with the IDA. Payments are made to the Town of Hempstead under a service agreement from the mid-1980's. The Town owns the land and thus it is exempt from real estate taxes.

As for correcting the Green Acres numbers, we are unable to officially make the change to zero with the ABO, because of litigation brought against the IDA by the owner of Green Acres.

I would like to note that in September 2017 the IDA had received a "Complete Project Audit" report from the State Comptroller which stated: "We found Hempstead accurately reported its project information."

Also, the State Comptroller found that the IDA's Board of Directors "generally provides effective oversight of the Agency's operations" and that starting in 2017, the Hempstead IDA has been requiring project owners verify project employment and salaries. Furthermore, the Comptroller's study also found that the IDA board indeed has terminated projects that failed to meet project goals.

Since its inception in 1971, the Town of Hempstead IDA has provided an important public service in creating jobs, stimulating economic activity and improving the quality of life in our communities. We hope to continue this tradition.

Sincerely,

Fred Parola,
Chief Executive Officer
Town of Hempstead IDA