- *Accountability*
- *Transparency*
- *Integrity*

Status of IDA Completed Projects

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Executive Summary

Purpose and Authority:

The Authorities Budget Office (ABO) is authorized by Title 2 of Public Authorities Law to review and analyze the operations, practices and reports of public authorities. We reviewed a random sample of 25 projects that received financial assistance from Industrial Development Agencies (IDAs) and completed in 2011. The sample projects were from 16 IDAs located in 14 different counties. Our review was performed from March to July 2017 and was conducted in accordance with our statutory authority and compliance review protocols which are based on generally accepted professional standards. This review looked at the types of projects financed by IDAs, determined the status of the projects after financial assistance ended and determined whether the projects achieved the expected results for the assistance provided.

Background Information:

Industrial Development Agencies (IDAs) are authorized by Article 18-A of General Municipal Law to encourage economic growth and expansion in order to promote job opportunities and the general welfare of the residents of the State of New York. IDA's offer financial incentives to attract, retain, and expand businesses to improve economic conditions in their respective locales. The assistance granted by IDAs include low interest tax-exempt or taxable bonds, mortgage recording tax exemptions, sales tax exemptions, and real property tax exemptions. IDAs annually report project information in the Public Authorities Reporting Information System (PARIS), including the tax exemptions provided and jobs to be retained and created.

Results:

We found the majority of the projects (56 percent) were for manufacturing and warehousing. However, we also found other types of projects received IDA financial assistance, including retail, entertainment, housing, service industries, office facilities and schools, that may be questionable for financial assistance. General Municipal Law prohibits IDAs from providing financial assistance to retail projects, with some exceptions for tourism and distressed areas, yet 24 percent of the projects that we reviewed were for retail businesses.

The majority of the projects received some type of tax exemption. Of the 25 projects, 19 received real property tax exemptions (76 percent), 15 received sales tax exemptions, and 13 received mortgage recording tax exemptions. We found bond financing for projects to be less common, with only six projects issuing debt.

Providing financial assistance to businesses appears to be effective in promoting job opportunities, since 20 of the businesses continue to operate. However, we also noted that three of the businesses have closed, and although the other two businesses continue to own the property, it is no longer being used as originally intended.

Further, we found nearly half of the businesses received financial assistance for multiple projects, which were approved either prior to or subsequent to the sample project. There were a total of 32 additional projects that were related to the original 25 projects selected. Some projects began receiving financial assistance in the late 1990s, are still active and will continue to receive financial assistance until 2031 (a period of over 30 years). We found that some IDAs appear to treat the businesses like clients and strive to serve those clients whenever additional exemptions are requested. We found it rare for an IDA to deny financial assistance to returning businesses.

This review shows that IDA financial assistance does not always assist businesses in creating jobs or help to return properties to the tax rolls. We found that 15 of the 25 businesses failed to meet the job creations targets for the total number of projects that received financial assistance. Further, only 23 percent of the value of property owned by the businesses has been returned to the tax rolls as fully taxable.

We also found inaccuracies in the project information reported by IDAs results in a continued lack of transparency over the millions of dollars in tax exemptions. Of the 57 projects reviewed, 20 projects (35 percent) were indicated by IDA staff to be reported inaccurately in regard to financial assistance provided. We also found 33 projects (58 percent) where the jobs were not reported accurately in comparison to the project owner's application or the actual jobs reported by the businesses annually to the IDA.

Introduction and Background

Industrial Development Agencies (IDAs) are authorized by Article 18-A of General Municipal Law to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation and certain other facilities. There are currently 109 IDAs operating in every county of the State (a single IDA serves Warren and Washington counties, and a single IDA serves the five counties that comprise New York City).

IDAs offer financial assistance to encourage economic growth and expansion in order to promote job opportunities and the general welfare of the residents of the State of New York. Financial assistance granted to businesses by an IDA can include the issuance of low interest tax-exempt or taxable bonds to finance the costs of a project, as well as exemptions from real property taxes, mortgage recording taxes and sales and use taxes. IDAs hold title to property or equipment to be able to provide these exemptions to eligible businesses. Bonds issued by an IDA are conduit debt and not the liability of the IDA. For real property tax exemptions, a portion of the real property tax exemption is often recaptured in the form of payments in lieu of taxes (PILOTS) made by the assisted business to the impacted taxing jurisdiction. Real property tax exemptions are provided over a period of time concurrently with respective PILOT payments and vary depending on the IDA and the project. Mortgage recording tax exemptions are generally a one-time exemption provided to a business that is obtaining a mortgage to finance or refinance project costs. Sales tax exemptions are provided for the purchase of equipment or construction materials.

The mission of IDAs includes the creation of jobs and promotion of private investment, with a goal of returning properties to the tax rolls. Job creation is an important factor used to measure the success of IDA projects. As a result, IDAs have been under increased scrutiny regarding whether the financial assistance they provide is effective at producing the jobs promised by assisted businesses. General Municipal Law requires IDAs to annually report the number of jobs created and retained and the amount of tax exemptions authorized on all outstanding projects. This information is to be reviewed by IDA boards and management to monitor and evaluate the effectiveness of each project.

Since 2007, project information has been electronically reported in the Public Authorities Reporting Information System (PARIS). Prior to 2007, the information was manually reported to the New York State Office of the State Comptroller. A project is considered completed when there is no debt outstanding, no tax exemptions provided and the IDA no longer holds title to the project's property. Projects are reported annually until they are reported by the IDA as completed. Through 2015, IDAs have reported a total of 3,701 projects that have been completed since 2007.

Reporting Year	Number of Completed Projects
2007	110
2008	348
2009	379
2010	354
2011	403
2012	455
2013	647
2014	553
2015	452
Total Projects	3,701

Purpose

The Authorities Budget Office (ABO) is authorized by Title 2 of the Public Authorities Law to review and analyze the operations, practices and reports of public authorities, to assess compliance with various provisions of Public Authorities Law and other relevant State statutes, and to make recommendations concerning the reformation and structure of public authorities. The purpose of this review was to determine the status of IDA projects that have been completed for several years to evaluate the results obtained. The review attempted to determine the types of projects assisted, the types of financial assistance provided, whether the projects accomplished their intended goals and whether the businesses received additional financial assistance.

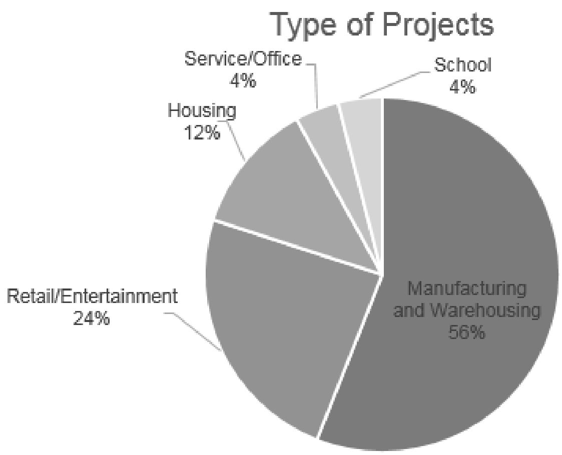
Methodology

We identified the 403 projects reported as completed in 2011 and randomly selected 25 to review. The selected projects received financial assistance from 16 IDAs (15 percent of the total) located in 14 counties, including New York City (see Appendix A-1). We visited each IDA and met with management to understand the purpose of the project and the financial assistance provided, as well as the extent to which additional financial assistance was provided prior to or after the completion of the selected project. We reviewed project information reported by the IDA as well as data and documentation maintained by the IDA for the sample project and any related projects. This information included project applications, board resolutions, closing documents, any respective project amendments, employment reports and real property tax records.

Review Results

Types of Projects

Our review revealed that the majority of projects receiving IDA assistance were manufacturing and warehousing projects. These are the types of projects that are traditionally viewed as typical to receive IDA financial assistance. Fourteen of the 25 projects reviewed (56 percent) were for manufacturing and warehousing. The other projects included retail, entertainment, housing, services, office facilities, and a school.



Under General Municipal Law, IDAs are restricted from providing financial assistance to retail projects, although there are exceptions to this restriction. These exceptions include tourism destination projects, projects that provide goods or services that would otherwise be lacking in the area, and projects located in highly distressed areas. While we did not expect that many of the sampled projects would be retail projects, we found that 24 percent of the projects reviewed were for retail related projects. These consisted of a retail and office facility, a pizza restaurant, a medical services facility, an automotive center, an amusement park, and an aquarium and hotel complex. Two of these projects were identified as tourism destinations, another project was indicated as located in a distressed area, and one project was described as providing services that would otherwise not be available in the county. However, for the other two retail projects IDA officials could not provide a reason for the exception, other than to indicate the projects were for business retention or expansion.

In addition, two of the projects we reviewed were for residential housing and a private school. These projects do not appear to fit with the legislative purpose of IDAs, since they appear to have little or no impact on job creation.

Of the projects reviewed, ten projects involved new construction and nine projects involved the expansion of existing buildings. In addition, three projects were for the purchase of equipment only, while the remaining three projects were solely for the re-financing of debt for a previously existing IDA project. Further, 19 of the projects (76 percent) were for the expansion of an existing business, while five projects were for new, start-up businesses. One project involved the redevelopment of a retail building, although it was unclear from IDA records whether the project was bringing newly created jobs or simply relocating existing businesses. We also found most of the projects reviewed were owned by the business submitting the application for financial assistance (21 projects or 84 percent). The remaining projects were owned by real estate developers with the intention of leasing or selling the project location to another business or individual.

Financial Assistance

The IDAs reported that the 25 projects received a total of $27.7 million in tax exemptions and paid $7 million in payments in lieu of taxes (PILOTs), resulting in over $20.6 million in net exemptions. The majority of the exemptions (54 percent) were for real property taxes, but almost half of this was recovered by the taxing jurisdiction in the form of PILOTs. IDAs issued bonds for six of the projects totaling $31.4 million.

All but one of the 25 projects received at least one form of IDA tax exemption; the other project was for bond financing only. Of the projects reviewed, 76 percent received real property tax exemptions, while 32 percent received every type of tax exemption offered by the IDA (sales tax, mortgage recording tax and real property tax exemptions). Twenty percent received both tax exemptions and bond financing.

Total Financial Assistance by Type	Number of Projects*	Sample Totals
Bond Financing	6	$31,475,000
Sales Tax Exemption	15	$5,710,210
Mortgage Recording Tax Exemption	13	$6,992,483
Real Property Tax Exemption	19	$15,016,125
Combined Tax Exemptions		$27,718,818
PILOTs	19	$7,069,532
Net Exemptions		$20,649,286

* Total number exceeds 25 since some projects received multiple types of assistance

Status of Projects

We determined the majority of the businesses that received financial assistance continue to be active businesses. While these businesses continue to employ individuals, only 23 percent of the value of the property owned by the businesses have been returned to the tax rolls as fully taxable.

To determine the status of the 25 sample projects' businesses, we reviewed the New York Department of State's corporations database, researched the business on the internet and discussed the project with IDA officials. We found 20 businesses remain active and operating under the same purpose expressed in their project application. However, of the remaining five, three businesses have closed. The other two businesses continue to own the project facility but no longer use the project facility as initially intended. For example, one business received IDA financial assistance to operate a manufacturing facility, however at the end of the project the manufacturing facility was no longer in operation. The business now acts as a landlord and leases the space to a retailer.

We also reviewed real property tax assessment information from each applicable county to determine whether properties had been returned to the tax rolls, and their assessed values. We found the total assessed value of all the project locations was $142.3 million. Based on the most recent assessment information, 14 of the 25 project locations are fully taxable with a total assessed value of $33.2 million (23 percent of the total value). The remaining 11 businesses are currently receiving some form of tax exemption on their property. The value of these exempt properties is $109 million. Eight of these businesses are receiving IDA tax exemptions, two are receiving tax exemptions from their respective local municipalities, and one is tax exempt as a nonprofit organization.

Property Tax Status	Breakdown of Projects	Total Assessed Value	Percent of Total Assessed Value
Fully Taxable	14	$33,248,053	23%
Tax-Exempt - IDA	8	$73,875,051	52%
Tax-Exempt - Local Gov’t	2	$9,580,400	7%
Tax-Exempt - Nonprofit	1	$25,587,000	18%
Totals	25	$142,290,504	100%

Job Creation

We found that 15 of the projects (60 percent) failed to meet the job creation goals that were expected as a result of receiving financial assistance from the IDAs. We reviewed project applications to identify the number of jobs that existed prior to the IDAs’ involvement and the number of jobs expected to be created from receiving IDA financial assistance. Cumulatively, at the time the project applications were submitted to the IDAs, the 25 projects indicated that 1,430 full time jobs (or full time equivalent positions), 77 part time jobs and 257 seasonal or contract jobs existed prior to receiving any financial assistance from the IDAs for the sample projects. In addition, a total of 783 full time jobs, 148 part time jobs and 128 seasonal or contract jobs were expected to be created. As such, the total jobs that were expected to be created and retained were 2,213 full time jobs, 225 part time jobs and 385 seasonal or contract jobs. In total, we found the full time jobs fell short of the expectations outlined in project applications. At completion, the 25 businesses reported having 2,174 full time jobs, 626 part time jobs and 328 seasonal or contract jobs. Although there was an increase of 401 part time jobs, there was a reduction of 39 full time jobs and 57 seasonal jobs.

In reviewing each business' individual results, we found 10 projects met their job creation goals by exceeding the expectations outlined in their application, while 15 did not meet their job creation goals.

Job Creation Results	**Number of Projects**	**Percentage of Total**
Did not Meet Jobs Goals Expressed in Application	15	60%
Met Jobs Goals Expressed in Application	10	40%
Totals	25	100%

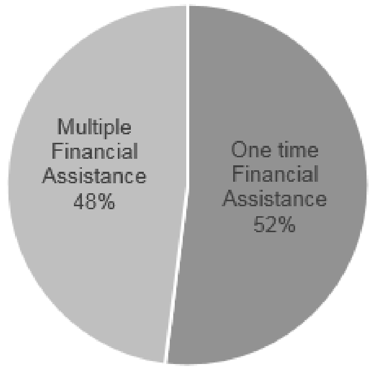
Of the 15 projects that did not meet their full time employment goals, seven projects actually resulted in a loss of jobs from the time of the applications. For example, two businesses were seeking mortgage recording tax exemptions as part of refinancing outstanding debt and indicated that they would retain all their existing jobs. Yet both businesses reported fewer jobs after receiving the financial assistance. Another project reported that it had 108 full time jobs when it applied to the IDA in 1999 and expected to create an additional 32 full time jobs. However, at completion the project reported only 80 full time jobs.

In addition, two projects' PILOT agreements were terminated early by the IDA due to failure to comply with terms of the agreement. Neither of these projects met its employment goals at the time the projects were terminated. One project received a 25-year PILOT, but it was terminated after 10 years because the business failed to maintain adequate insurance. Once the PILOT was terminated the business vacated the property. The other project received a 15-year PILOT but was terminated after three years because it failed to pay the PILOTs. Although this business had not met its job creation goals at the time the project was terminated, this business is still active and continues to operate without IDA assistance. We also found that one project had met its job creation goals at the time the project was completed, but the business closed within three years and all jobs were lost.

Additional Financial Assistance

In reviewing the 25 projects, we observed that many of the businesses received additional financial assistance beyond the selected project. We found that nearly half of the businesses (12 of the 25) received additional financial assistance from the IDA for two or more projects, which occurred either prior to or subsequent to the sample project's approval from the IDA.

Percent of Businesses Receiving Multiple Assistance Packages



In total, we identified 32 additional projects that received financial assistance, half of which were approved prior to the sample project and half that were approved subsequent to the sample project. The additional assistance that was provided to the project owner was in some cases for the original business start-up, and in other cases was to expand the project or to refinance existing debt.

In addition, as of July 2017 we found that eight of the 25 businesses (32 percent) continue to receive financial assistance from the IDA. Two of those projects were initially approved in the 1990s yet are not set to be completed until 2031. For example, one project was for the acquisition and renovation of a salt mine that began receiving tax exemptions and making PILOTs in 1998. As a result of the additional financial assistance provided through PILOT amendments and modifications, the project has remained tax exempt since 1998 and is not planned to return to the tax rolls as a taxable property until 2031. Another project was for the acquisition, renovation and construction of an aquarium. The tax exemptions and PILOT agreement began in 1999, and in 2010 was extended for an additional ten years as part of the construction of a hotel and conference center. The original PILOT was then extended a second time in 2015 for another ten years to include a second hotel and a restaurant. This company will continue to receive property tax exemptions until 2031 on all improvements made to the property since 1999.

In large part, this additional financial assistance is driven by the IDAs' perspective regarding its role in economic development. Some IDAs appear to consider and treat the businesses like clients, and try to continue serving those clients as often and frequently as requested. It also appears that once a business has been approved for financial assistance from the IDA, the business is likely to return to the IDA in the future to take advantage of the tax exemptions for additional renovations or expansions at the project location. Based on our discussions with IDA officials and our review of documents, it is rare for an IDA to deny financial assistance to a returning business.

Combined Financial Assistance

When combined, the total IDA financial assistance provided through 2016 to the 25 businesses for the 57 projects was $60.6 million. These projects paid a total of

$17.9 million in PILOTs, for total net exemptions of $42.6 million. Since eight of these projects remain active and will continue to receive financial assistance until they are completed, these totals will continue to increase over time. These amounts do not include additional financial assistance the project owner may have received from other economic development programs for the respective projects.

Financial Assistance by Type	Number of Projects (n=57)*	Combined Totals
Bond Financing	8	$49,475,000
Sales Tax Exemption	37	$8,348,571
Mortgage Recording Tax Exemption	29	$9,429,943
Real Property Tax Exemption	33	$42,856,731
Combined Tax Exemptions		$60,635,245
PILOTS	33	$17,979,721
Net Exemptions		$42,655,524

* Total number exceeds 57 since some projects received multiple types of assistance

Extended Financial Assistance

Although certain projects with additional financial assistance have been successful in their job creation goals, we also observed that some of these projects appear to be dependent on public subsidies and continue to receive financial assistance for extended periods of time beyond the initial requests. We found that 84 percent of the projects received IDA financial assistance for a period of 20 years or less. However, 12 percent of project owners are receiving ongoing financial assistance in the form of real property tax exemptions that will result in over 30 years of IDA financial assistance. This does not consider whether even more financial assistance will be requested and provided to those projects. For example, during a public hearing for a request to extend financial assistance for an additional ten years on a project, the project representative stated that the project expects to receive eight more similar extensions to be able to sustain the business.

Years of IDA Assistance	Number of Projects	Percent of Total
1 - 9 years*	4	16%
10 - 19 years	16	64%
20 - 29 years	2	8%
30+ years	3	12%

*Three of these projects were terminated early or not completed

Combined Job Creation

We found that 15 of the 25 businesses (60 percent) failed to meet the total job creation targets expected as a result of receiving financial assistance for multiple projects. We determined the number of jobs that were reported in the project application as existing prior to the IDA's financial assistance for the initial project and added all jobs expected to be created by that project and related projects to identify the total jobs that each project owner expected to create as a result of receiving financial assistance from the IDA. In total, the project owners indicated they expected to create and retain a total of 2,623 full time jobs, 229 part time jobs and 405 seasonal or contract jobs, for a total of 3,257 jobs.

We then determined the jobs reported as existing at the conclusion of the project in 2011, or as of the end of 2016 for projects that continue to be active. We found the project owners reported 2,564 full time jobs, 236 part time jobs and 397 other jobs. Although in total the 25 businesses did not create the number of full time jobs that they expected to create, they did meet the expectations for creating part time jobs. Overall, total job expectations (full time, part time and seasonal jobs), fell short by 60 positions.

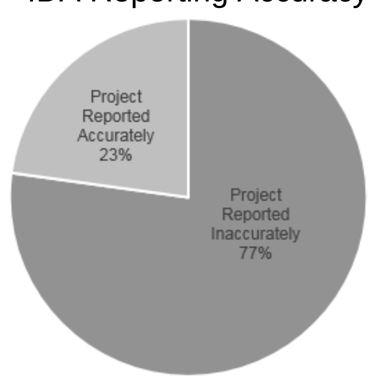
Combined Projects (n=57)	**Existing Jobs to be Retained**	**Jobs Expected to be Created**	**Total Job Expectations**	**Jobs Reported by Project Owner***	**Difference between Job Expectations and Jobs at Project Completion or Last Reported**
Full time Jobs	1,043	1,580	2,623	2,564	-59
Part time Jobs	55	174	229	236	+7
Seasonal Contract Jobs	257	148	405	397	-8
Totals	1,355	1,902	3,257	3,197	-60

*Jobs reported by project owner for project location as of the year of project completion (2011) or most recent jobs as of 2016 for active projects

PARIS Data Inaccuracy

The ABO has historically pointed out that the accuracy of the data reported in PARIS by public authorities is questionable, as authorities frequently report incorrect and inaccurate data. We found that all data reported by the IDAs was correct and accurate for only 14 of the 57 total projects.

IDA Reporting Accuracy



For example, nine of the 16 IDAs indicated that the financial assistance information they had reported was inaccurate for 20 of the 57 projects. For example, we found 15 projects where the IDA provided tax exemptions but never reported the tax exemptions that the project owner received. Five projects were never reported in PARIS, while the other ten projects were reported in PARIS but the IDA did not report all the exemptions provided to the projects.

The other five projects that were reported inaccurately were reported as receiving tax exemptions when those exemptions were not provided by the IDA. For example, three New York City IDA projects were reported as receiving tax exemptions totaling $3,609,557 and paying PILOTs of $1,212,567, for total net exemptions of $2,396,990. However, IDA officials told us that the numbers reported were incorrect and that one of the projects, although reported as receiving sales tax and real property tax exemptions, did not receive any tax exemptions and was only provided bond financing. IDA officials provided revised numbers that showed the total real property tax exemptions provided to the three projects was $2,431,756 and the total PILOTS were $362,874, for total net exemptions of $2,068,882.

IDAs are also reporting incorrect job data. We found 32 projects where the IDA reported a different number of jobs expected to be created by the project than the project owner stipulated in the application for financial assistance. In one instance, an IDA official stated that the IDA revised the job creation numbers for a project during its board approval process. The IDA reported the revised job creation number, not the number of jobs expected to be created that the project owner indicated in the application for financial assistance. In another instance, the project owner did not include any employment information in the application, but the IDA reported the project was expected to create 145 full time equivalent jobs (FTEs).

We also found ten projects where the most recent employment figures reported by the IDA in PARIS did not match the employment information provided by the project owner to the IDA. For example, for one project the company reported that it had 19 FTEs at the end of 2011; however, the IDA reported 11 FTEs in PARIS. For another project the project owner reported 359 seasonal and part time positions, but the IDA reported none of those jobs in PARIS. Officials from another IDA told us that it only reports full time jobs; if a business reports part time positions the IDA will ignore that data and only report the full time positions reported by the business.

Conclusions and Recommendations

Industrial Development Agencies (IDAs) often provide financial assistance to projects that are not directly related to the mission and purpose of the IDA and that are not providing the job creation results that are promised by businesses in exchange for financial assistance. As a result, it is difficult to measure the benefits obtained as a result of providing financial assistance. IDA board members have a fiduciary duty to ensure that projects they approve are in line with the mission and purpose of IDAs.

The role of IDAs in the State's economic development program should be reviewed and re-evaluated. While there are many projects where the IDA appears to have helped encourage new business development and attract businesses to the area, it also appears that long-term financial assistance is being provided to many businesses simply to help support the operations of the business.

In addition, the reliability of the data reported by IDAs in the Public Authorities Reporting Information System (PARIS) is a significant issue. IDAs require businesses to complete forms and submit records that provide the information to the IDA, yet IDA officials are unable to accurately report that data in PARIS. This causes the usefulness of the data to be tenuous, at best, and serves to undermine the transparency provisions of Public Authorities Law. IDA staff and board members have a fiduciary responsibility to provide the public with accurate data in accordance with both General Municipal Law and Public Authorities Law.

Appendix A

Sample Projects Completed in 2011

IDA Name	Project Name
Brookhaven Industrial Development Agency	Weiss Instruments
Brookhaven Industrial Development Agency	Dove Electronic Components, Inc.
Broome Industrial Development Agency	New Vision Industries, Inc.
Cayuga Industrial Development Agency	D&W Diesel Project 1
Cayuga Industrial Development Agency	Johnston Paper (May & May Associates)
City of Schenectady Industrial Development Agency	SROA Realty
Cortland Industrial Development Agency	Cortland Associates
Cortland Industrial Development Agency	Photo Vision
Erie County Industrial Development Agency	Oriskany Research, L.P.
Genesee County Industrial Development Agency	Manor House (Victorian Manor)
Genesee County Industrial Development Agency	Wellsville Carpet Town, Inc.
Hempstead Industrial Development Agency	Dentaco (III L Realty)
Herkimer Industrial Development Agency	Northern Safety Company 2
Herkimer Industrial Development Agency	Old Forge Properties
Lancaster Industrial Development Agency	Scott's Buffalo Pizza/Papa John's
Livingston County Industrial Development Agency	American Rock Salt Refinance
Monroe Industrial Development Agency	PAETEC Communications as Tenant to Uniland
Monroe Industrial Development Agency	Gates Towing Inc. - Veretec of New York Inc.
New York City Industrial Development Agency	Related Retail Hub, LLC
New York City Industrial Development Agency	L & M Optical Disc, LLC
New York City Industrial Development Agency	Famco Distributors Inc.
New York City Industrial Development Agency	Columbia Grammar & Preparatory School #2 (2000)
Riverhead Industrial Development Agency	Atlantis Holding Company, LLC
Saratoga County Industrial Development Agency	Fortress Partners, LLC (Createacor)
Yates County Industrial Development Agency	New Beginnings

Appendix B – Project Summaries

Brookhaven Industrial Development Agency – Dove Electronic Components

The project was to construct a distribution facility. The total project costs were $1,065,000. At the time of the application in 1996, the applicant indicated that there were 19 full-time jobs and 1 part time job and 1 seasonal job in existence and anticipated the project would create an additional 30 full-time jobs.

The IDA reported that the project received real property tax exemptions totaling $649,920 but IDA officials indicated that this was incorrect, since no exemptions were reported for 2009. IDA officials indicated that the correct amount of real property tax exemptions was $686,403 and that the total payments in lieu of taxes (PILOTs) made were $169,534, for a total net exemption of $516,869.

At the completion of the project in 2011, the project owner reported employment of 22 full time employees and 3 part time employees, although the IDA reported 25 full time equivalent positions.

At the time of our review in 2017, the facility continues to operate under the same ownership. The property is listed on the tax rolls with an assessed value of $10,200.

Brookhaven Industrial Development Agency – Weiss Instruments

The project was to acquire and renovate an existing building to be used as a manufacturing facility. The total project costs were estimated to be $2.4 million. At the time of the application in 1999, the applicant indicated that there were 108 full-time jobs in existence and anticipated the project would create an additional 32 full-time jobs.

The IDA reported that the project received mortgage recording tax exemptions and real property tax exemptions totaling $955,032, but IDA officials indicated that this was incorrect, since the exemptions received for 2007 and 2009 were not reported. IDA officials stated that the correct amount of tax exemptions was $1,185,083, and the total payments in lieu of taxes (PILOTs) made were $1,125,083, for total net exemptions of $60,000. The project also received financing through the issuance of $2 million in Industrial Revenue Bonds, which were fully paid off in April 2011.

At the completion of the project in 2011, the project owner reported employment of 80 full time employees and 3 part time employees, which the IDA reported as 82 full time equivalent positions.

At the time of our review in 2017, the facility continues to operate under the same ownership. The property is listed on the tax rolls with an assessed value of $28,660.

Broome Industrial Development Agency – New Visions Industries

The project was to purchase, renovate and equip an existing building in Endicott, Broome County to relocate an existing manufacturing company from Tioga County. The relocation was needed to accommodate the company's current and future business growth. At the time of the application in 2008, the company indicated it had 22 jobs in Tioga County and estimated that the relocation would create an additional 40 jobs by the 3rd year at the new location.

The IDA provided the project with sales tax, mortgage recording tax and real property tax exemptions, and entered a 15-year payment in lieu of taxes (PILOT) agreement. However, the project owner failed to make the PILOT payments to the county and school district and in 2011, the IDA terminated the agreement. The IDA commenced collection proceedings to recover the unpaid PILOTs and the project owner agreed to pay the amount owed, plus interest.

The IDA reported that from 2008 to 2011 the project received sales tax, mortgage recording tax and real property tax exemptions totaling $174,794 and made PILOTs to the town of $40,269, for total net exemptions of $134,525. Although the IDA terminated the project and reported the project as completed in 2011, the project continued to receive property tax exemptions in 2012, until it was returned to the tax rolls as fully taxable. During our review IDA officials stated that the property tax exemptions and PILOTs reported in PARIS were inaccurate. Based on IDA records the total tax exemptions for 2008 to 2012 were $128,677 and the total PILOTs owed were $116,835, resulting in a net exemption of $11,842. IDA officials indicated that it believes all PILOT payments have been made, since the IDA has not been notified of any lack of payment under the settlement agreement.

At the end of 2011, the project owner reported that there were 27 full time employees at the project location and the IDA accurately reported 27 full time employees. At the time of our review in 2017, the business continues to operate at the same location and under the same ownership. The property is listed on the tax rolls as taxable with an assessed value of $34,500.

Cayuga Industrial Development Agency - D&W Diesel

The project was for the construction of an addition to an existing manufacturing facility. The IDA did not maintain a copy of the project application, but according to board meeting minutes the applicant had 77 existing jobs and the project was estimated to create an additional 30 jobs. Total projects costs were estimated to be $650,000. The IDA did not report any tax exemptions for this project from 1996 through 2005, and only reported $76,361 in sales tax and real property tax exemptions from 2006 through 2011. The IDA reported that the project made payments in lieu of taxes (PILOTs) of $35,900 for 2006 through 2011, resulting in total net exemptions of $40,461. The IDA reported that this project was completed in 2011.

There have been several expansions to the project facility, as well as additional financial assistance provided by the IDA. In 2006, the project owner constructed another addition to the facility and purchased additional equipment. The total project costs were estimated to be $2.5 million. At the time of the application in 2005, the project owner indicated that 98 full time jobs existed and that the project would create an additional 20 full time jobs. For 2006 through 2011, the IDA reported that the project received a total of $156,049 in sales tax and real property tax exemptions, and made $32,680 in PILOTs, for net exemptions of $123,369. The PILOT agreement extended to 2021 for this project.

In 2011 a third addition was built and more equipment was purchased. The project costs were estimated to be $3.2 million. The project owner indicated that 155 full time jobs existed, and estimated the project would create an additional 25 full time jobs. This project also received sales tax and real property tax exemptions. The IDA did not enter into a new PILOT agreement for this project, but instead amended the existing 2006 PILOT agreement to incorporate the new addition and extend the existing PILOT agreement to 2027. Rather than report the 2011 project separately, the IDA reported results associated with the 2011 project as part of the 2006 project. As such, for 2012 through 2016 the IDA reported total exemptions of $465,709, and total PILOTs of $236,459, for total net exemptions of $229,250 for the two projects combined.

In 2015 the project owner built a fourth addition to the facility, with estimated costs of $354,640. On the application for this project, the project owner indicated that 215 full time jobs existed and the project would create an additional 13 full time jobs. The IDA reported the project received $21,500 in sales tax exemptions and was completed in 2015.

In total, for the four projects the IDA reported $683,036 in tax exemptions and $299,237 in PILOTs, for total net exemptions of $383,799. IDA officials stated that they were unable to verify the accuracy of the tax exemptions and PILOTs that they reported for the 1996, 2006 and 2011 projects, but estimated the project owner received $727,303 in tax exemptions and paid $461,567 in PILOTs from 1995 through 2016, for a total of $265,756 in net exemptions.

Prior to the first project in 1996, the project owner indicated that there were 77 full time jobs existing. Cumulatively, the various projects that were provided financial assistance by the IDA proposed creating an additional 88 jobs (30 jobs for the 1996 project, 20 jobs for the 2006 project, 25 jobs for the 2011 project, and 13 jobs for the 2015 project) for a total of 165 jobs. As of December 2016, the company reported 209 full time equivalent employees at the facility.

At the time of our review in 2017, the business continues to operate at the same location and under the same ownership. The total assessed value of the project facility is $4,453,000, of which $4,153,000 is tax exempt under the existing PILOT agreement which remains in effect until 2027.

Cayuga Industrial Development Agency - Johnston Paper (May & May Associate)

The project was for the construction of a warehouse and office facility in an IDA owned industrial park, to be used by an existing distributor. Total project costs were estimated to be $4.3 million. At the time of the application in 2001, the distributor indicated it would retain 60 jobs and the project was expected to create an additional 40 jobs.

The IDA reported that the project received sales tax, mortgage recording tax and real property tax exemptions totaling $8,029,167, but made no payments in lieu of taxes (PILOTs). However, during our review IDA officials stated this information was incorrect. Although the IDA approved a PILOT agreement for the project effective until 2024, IDA officials stated the project was the recipient of New York State Empire Zone benefits and therefore did not receive any real property tax exemptions from the IDA. They indicated that the project only received sales tax and mortgage recording tax exemptions, totaling $112,436.

Although the PILOT agreement was not terminated, the IDA reported the project as completed in 2011 due to no exemptions being provided to the project by the IDA. And even though the project owner did not provide any employment data to the IDA, the IDA reported there were 105 full time equivalent employees associated with the project.

In 2014 the company received additional financial assistance from the IDA to expand the existing facility. Total project costs were estimated to be $5.8 million. At the time of the application, the project owner indicated there were 113 existing full time jobs, and the expansion project was expected to create an additional 19 full time jobs by its third year. The IDA provided sales tax, mortgage recording tax and real property tax exemptions for the project. However, rather than enter into a new PILOT agreement, the IDA modified the existing 2003 PILOT agreement to include the addition and extend the agreement through 2030. Through 2016, the IDA reported total tax exemptions of $393,177 and total PILOTs of $189,327, for total net exemptions of $203,850. However, IDA officials again stated the reported information was incorrect, since $48,400 in mortgage recording tax exemptions was not reported by the IDA. IDA officials stated that the total net exemptions for the project were $252,249. As of 2016, the project owner reported that there were 114 full time employees at the project location.

At the time of our review in 2017, the business continues to operate at the same location and under the same ownership. The property is currently assessed at $10 million, but remains wholly exempt and subject to the existing PILOT Agreement until 2030.

City of Schenectady Industrial Development Agency – SROA Realty, LLC

The project was to acquire, renovate and equip an existing building on Liberty Street for the applicant. The building had previously been owned and operated by a medical provider but had been vacated. The project applicant wanted to consolidate and update its existing orthopedic and physical therapy services at the location, and anticipated selling its two existing locations in the City of Schenectady to other medical practices. At the time of the application in 2000, the company had 46 full time employees and the proposed project was expected to create an additional 4 full time and 5 part time jobs. The project applicant requested the IDA to issue bonds to finance the project as well as provide sales, mortgage recording and property tax exemptions.

The IDA reported that the project received only property tax exemptions totaling $432,465 and made payments in lieu of taxes (PILOTs) of $442,559, resulting in a negative net exemption of -$10,094. The IDA reported that bonds were not issued to finance the project and that no sales or mortgage recording tax exemptions were provided. However, during our review IDA officials stated that the reported information was inaccurate. IDA officials indicated that the total real property tax exemptions were $759,015 and the total PILOTs made were $741,623, for a total net exemption of $17,392, and that sales and mortgage recording tax exemptions were also provided to the company, but that the IDA could not determine the amount of these exemptions.

For 2011, when the project was reported as completed, the project owner reported that there was only 1 full time equivalent position for the project, but the IDA reported 0 jobs for the project. IDA officials told us that the project owner did not accurately report the job information for 2011 and that the IDA had not obtained the correct information. For 2010 the project owner had reported 84 full time equivalent jobs for the project.

It appears that in 2014, the project owner merged with another existing orthopedic service provider and the project owner company was later dissolved in September 2016. At the time of our review in 2017, the merged company operates an orthopedic practice at the project facility. The property is listed on the tax rolls with a taxable value of $1,859,200.

Cortland Industrial Development Agency – Cortland Associates

The project was to construct an 80-bed assisted living facility for senior citizens. At the time of the application in 1999 the applicant indicated that there were no existing employees and the project was expected to create 28 full time and 21 part time jobs.

The IDA reported that the project received real property tax exemptions totaling $1,477,827 and made payments in lieu of taxes (PILOTs) of $581,862, for total net exemptions of $895,965. The facility was sold to another owner in 2005 and the IDA transferred the tax exemptions and PILOT agreement to the new owner.

In October 2010, prior to the project’s completion in 2011, the project owner reported an average of 44 full time equivalent positions at the facility over the preceding twelve months. The IDA reported that the project had 44 full time equivalent employees when it closed the project in 2011.

At the time of our review in 2017 the facility continues to operate at the location although it appears that ownership of the facility has again been transferred, this time to a company located in Toledo, Ohio. The property is listed on the tax rolls with a taxable value of $4,217,000.

Cortland Industrial Development Agency - Photon Vision

The project was to construct and furnish an office building for a startup company to grow and develop. The startup company was involved with the design, testing and delivering of semiconductor imaging sensor chips. At the time of the application in 2001 the applicant indicated that 18 full time equivalent employees existed at the company. The project was expected to create an additional 32 full time jobs. This project also received financial assistance from the State in the form of grants and incentives.

The IDA reported that project received real property tax exemptions totaling $381,628 and made payments in lieu of taxes (PILOTs) of $200,582, for total net exemptions of $181,046.

IDA records indicate that this project experienced financial difficulties from the outset, and was acquired in 2003 by a company based in California. By 2005 another company in an unrelated industry began using some of the space in the office building.

As of October 2010, prior to the project’s completion in 2011, the project owner reported that there were an average of only 15 full time equivalent employees at the facility over the preceding twelve months. The company also reported that another unrelated company was located at the project and had an average of 25 full time equivalent employees at the location over the preceding twelve months. The IDA reported that the project had 15 full time equivalent employees when it closed the project in 2011.

At the time of our review in 2017 the office building still exists at the location but is now owned by the business that began using the space in 2005, an agricultural lending company. The property is listed on the tax rolls with a taxable value of $900,000. IDA records indicate that the project company was bought out in 2012 and the new owner relocated the company to Rochester, NY.

Erie County Industrial Development Agency - Oriskany Research, LP

The project was to renovate and expand an existing manufacturing facility, and to purchase equipment for the facility. The total project costs were estimated to be $724,000. At the time of the application in 1994, the applicant indicated that there were 51 full time jobs in existence and anticipated the project would create an additional 30 full time jobs.

The IDA issued $500,000 in tax exempt Industrial Revenue Bonds to finance the project, provided sales tax, mortgage recording tax and real property tax exemptions, and entered a payment in lieu of taxes (PILOT) agreement that would be in effect until 2011. The bonds were expected to be paid off by 2011. In 2003, another company purchased the facility from the project owner and the bonds were paid off. However, rather than entering a new lease and PILOT agreement with the new owner, the IDA allowed the company to assume the existing lease and PILOT agreement. The new company planned to lease half of the facility to the original project owner and the other half to two other tenants. Although there was a change of ownership for the project, the IDA did not close the original project and create a new project with the new owner, but instead continued to report the financial assistance provided to the new company under the original 1994 project. In 2010, the original project owner completely vacated the facility and was replaced by a new tenant. The project was reported as completed in December 2011.

The IDA reported that the project received sales tax, mortgage recording tax and real property tax exemptions totaling $630,677 and made PILOTs of $560,962, for total net exemptions of $69,715. As part of our review IDA officials were unable to verify the accuracy of this data, since the IDA no longer maintained those records. In 2011, the IDA reported that there were no jobs associated with the project. IDA officials indicated that employment information was requested annually from the project owner, but that no response was received, and therefore reported zero jobs. The IDA last reported jobs for the project in 2004 when the IDA reported 17 full time equivalent positions.

At the time of our review in 2017, the original project owner is no longer an active business but the project facility continues to operate under the company that purchased the facility in 2003. The property is listed on the tax rolls with a taxable value of $508,150.

Genesee County Industrial Development Agency - Wellsville Carpet Town

The project was for a furniture retail company to refinance an existing mortgage of $1,150,000 for its facility that originally received financial assistance from the IDA in 2006. At the time of the application in 2011, the applicant indicated it had 45 full time jobs. There were no jobs expected to be created from the refinancing.

The applicant had previously received IDA financial assistance in 2006 to acquire and construct a 100,000 square foot facility to relocate an assembly and distribution center for the applicant's furniture retail showrooms. The 2006 project was estimated to cost over $4 million. At the time of the application the company indicated it had 35 full time jobs and that the project was expected to create an additional 76 full time jobs for a total of 111 planned positions at the facility. The company also received a $586,000 state grant to assist in furnishing the facility.

The IDA reported that the project received $13,750 in mortgage recording tax exemptions for the 2011 refinancing. In addition, the IDA reported that the original project to acquire and construct the assembly and distribution center received sales tax, mortgage recording tax, and real property tax exemptions through 2016 totaling $780,896 and made PILOTs of $488,204, for total net exemptions of $292,692. Since the IDA approved a 15-year PILOT, this project continues to receive property tax exemptions through 2022.

At the end of 2011 when the refinancing project was completed, the company reported, 41 full time equivalent (FTE) employees, a decrease in jobs from the time of its application. For 2016, the project owner reported that there were 72 FTE employees and the IDA reported this number of FTEs.

At the time of our review in 2017 the business continues to exist and operate at this location. Since the PILOT for the 2006 project is still active the property continues to be exempt from property taxes until 2022. The total assessed value of the property is $2,000,000.

Genesee County Industrial Development Agency - Manor House

The purpose of this project was to refinance and provide additional financing for an existing IDA project for a senior living facility project. The application indicated the additional financing was needed to pay-off debt that was incurred by the previous project owner.

The IDA initially provided assistance to this project in 1999. This assistance was provided to enable the initial project owner to acquire and improve an existing senior living facility. This facility was being operated by a not for profit entity that had financed the original construction with bonds issued by a local housing authority. The IDA reported that the 1999 project received sales tax and real property tax exemptions totaling $980,016 and made payment in lieu of taxes (PILOT) payments of $655,320, resulting in net exemptions of $324,696.

Subsequently, in 2006 the facility was transferred to a new owner and the IDA provided financial assistance in the form of sales, mortgage recording and real property tax exemptions to expand the facility and add 40 to 45 additional residential units. The IDA reported that the 2006 project received $104,694 in real property tax exemption and made $37,121 in PILOTs, resulting in net exemptions of $67,573. However, the 2006 project was not completed and in 2008 the property entered into foreclosure proceedings because the project owner defaulted on the PILOTs and other debt related to the construction of the additional units. Prior to foreclosure, a new owner applied to the IDA for financial assistance to take over the facility, finish and expand the project to include an additional 50 residential units and pay off past debts of the prior owner. The IDA reported that the 2009 expansion project has received sales tax and real property tax exemptions through 2016, totaling $727,866 and has made PILOT payments totaling $252,107 resulting in net exemptions of $475,760. In 2011 the project owner refinanced the outstanding debt, and the IDA provided a mortgage recording tax exemption of $3,500. This project location is still active under the 2009 PILOT agreement that is set to expire in 2019.

As a result, of these various projects and requests for assistance, the IDA has reported that a total of $871,529 in net tax exemptions have been provided to this facility from 1999 through 2016. The 2009 project remains active, and continues to receive additional financial assistance.

In 1999 the project application indicated that there were 6 full time and 2 part time jobs and the project was expected to create an additional 3 full time jobs. The 2006 application indicated that there were 10.5 full time equivalent (FTE) employees and the project was expected to create an additional 8.5 FTEs. However, the 2009 application indicated that there were only 8 full time and 13 part time jobs at the project and that an additional 2 full time and 10 part time jobs would be created as part of the project expansion. At the time of the 2011 application, the project owner indicated that there were 18 FTE employees and that the project refinancing would result in creating an additional 3 FTEs within three years. In 2011 when the refinancing project was complete, the company reported that the project had 19 FTE employees. For 2016, the project owner reported having 46 FTE employees but the IDA reported 27 FTE employees for this project.

At the time of our review in 2017 the facility continues to be in operation at the project location. The project has continued under the same ownership as the 2009 project applicant. The project location, which consists of multiple separately assessed parcels, is listed on the tax rolls with a total assessed value of $5,434,500, of which $2,650,000 remains tax exempt under the existing PILOT agreement until it expires in 2019.

Hempstead Industrial Development Agency - Dentaco III L Realty

The project was for the acquisition, renovation and equipping of an existing 13,000 square foot facility for use as a manufacturing facility. The total project costs were $1,878,500. At the time of the application in 1999, the applicant indicated that there were 74 jobs in existence and anticipated the project would create an additional 30 full time jobs.

The project received financing through the issuance of $1,725,000 in Industrial Revenue Bonds. In addition, the project received real property tax and other exemptions totaling $1,263,495, and made payments in lieu of taxes (PILOTs) of $546,288, for total net exemptions of $717,207. In January 2012, the bonds were paid off.

Although the bonds were still outstanding as of the end of 2011, the IDA reported the project as completed in 2011. At that time, the project owner reported employment of 88 full time employees and 5 part time employees.

At the time of our review in 2017, the facility continues to operate under the same ownership. The property is listed on the tax rolls with a taxable value of $10,413.

Herkimer Industrial Development Agency - Old Forge Properties

The project was to expand an amusement park by increasing the number of water rides. At the time of the application in 1997 the applicant indicated that 18 full time and 250 seasonal employees existed at the park. The project was expected to create an additional 15 full time and 100 seasonal jobs.

The IDA reported that the project received sales tax, mortgage recording tax and property tax exemptions totaling $955,716 and made payments in lieu of taxes (PILOTs) of $702,180, for total net exemptions of $253,536.

At the end of 2011 when the project was completed, the project owner reported that there were 44 full time employees, 307 full time temporary employees and 52 part time temporary employees. However, the IDA reported only that there were currently a total of 44 full time equivalent positions in PARIS, but also noted that a total of 333 were employed by the company during the summer of 2011.

In addition to the project we reviewed, the project also received IDA financial assistance (sales tax and mortgage recording tax exemptions) in 2012 for an additional park expansion.

At the time of our review in 2017 the park continues to operate under the same ownership. The property is listed on the tax rolls with a taxable value of $3,299,000.

Herkimer Industrial Development Agency - Northern Safety Company 2

The project was to expand an existing warehouse and purchase equipment, furniture and related costs. At the time of the application in 2001 the applicant indicated that 137 full time and 9 part time employees existed at the project location. The project was expected to create an additional 70 full time and 6 part time jobs. This company had previously received IDA financial assistance in 1998 to construct the original warehouse and relocate its existing operations and expand in a larger building. There was no estimate of jobs to be created for this original project, but newspaper articles reported that 150 to 250 jobs were expected.

The IDA reported that the project received sales tax and property tax exemptions totaling $253,669 and made payments in lieu of taxes (PILOTs) of $77,697, for total net exemptions of $175,972. In addition, the IDA reported that the original project to relocate the company and construct the warehouse received sales tax, mortgage recording tax and property tax exemptions totaling $1,633,510 and made PILOTs of $1,076,622, for total net exemptions of $556,888.

At the end of 2011 when the project was completed, the project owner reported that there were 186 full time employees and 34 part time employees in total at the project location. This includes employees that were created as part of the initial warehouse construction and the warehouse expansion as well as employees that relocated from the original location. The IDA reported that there were currently a total of 203 full time equivalent positions for the project.

At the time of our review in 2017 this business continues to exist and operate at this location. The property is listed on the tax rolls as taxable with a taxable value of $4,418,700.

Lancaster Industrial Development Agency - Scott's Buffalo Pizza / Papa John's

The project was for the purchase of machinery and equipment to be used for a pizza restaurant. At the time of the application in 2010, the company indicated it had 10 full time and 40 part time jobs and estimated that the project would retain 10 full time jobs and 25 part time jobs. However, IDA staff stated that the jobs reported in the application were incorrect, and that there were no existing jobs at the time of application, but that the project owner was not required to revise the application. The IDA reported that there were no jobs prior to IDA assistance, and the project was expected to create 10 new jobs.

The IDA reported that the project received sales tax exemptions totaling $7,481. In March 2011, the project owner reported that there were 19 full time equivalent employees at the project location, and the IDA reported 19 full time equivalent employees.

At the time of our review in 2017, the business was no longer in operation at the project facility. Instead, the location appears to be occupied by other retail businesses. The property is currently listed on the tax rolls with a taxable value of $780,000.

Livingston County Industrial Development Agency - American Rock Salt

The project was to refinance the debt for an existing IDA project for a salt mine. The application indicated that the refinancing was needed to consolidate existing debt and to expand the operations.

The project owner initially applied to the IDA in 1998 for financial assistance to acquire and renovate an existing salt mine. According to the 1998 application, the project owner planned to construct new underground mine yards, support facilities on the surface, and purchase additional equipment. Total project costs were estimated to be more than $92 million. At the time of the application, the project owner indicated that there were 8 existing jobs and estimated that 165 additional jobs would be created as a result of the project. The IDA provided sales tax, mortgage recording tax and real property tax exemptions for the project and entered a 30-year payment in lieu of taxes (PILOT) agreement extending through

2031. Through 2016 the IDA reported total exemptions of $18,700,781 and total PILOTs of $7,054,502, for total net exemptions of $11,646,279 for this project.

There have been numerous changes and amendments to this project, as well as additional financial assistance provided by the IDA. In 2001 the company amended its loan agreement, but it does not appear that financial assistance was provided by the IDA. In 2004 the company refinanced a total of $62,141,113 but again it does not appear that financial assistance was provided by the IDA. In 2006 the company acquired additional equipment with a value of up to $5 million and appears to have received sales tax exemptions on the acquisition. However, the IDA did not report any financial assistance for this. And in 2007 the company began leasing additional rail cars for its operations, with these costs expected to be up to $5 million. It appears that sales tax exemptions were also provided for these leases, but the IDA did not report any financial assistance for this.

In 2009 the project owner expanded the project and obtained a second mortgage of $56,427,572. The project owner indicated that an additional 5 jobs would be created. It appears that sales tax, mortgage recording tax and real property tax exemptions were provided, but the IDA only reported sales tax exemptions totaling $66,836 for these two projects. The IDA did not enter a new PILOT for these projects, but instead amended the existing PILOT to include the expanded project**.**

In 2010 the project owner refinanced a total of $225 million to retire the outstanding mortgages and to obtain additional funds for working capital. The IDA reported that $2,250,000 of mortgage recording tax exemptions were provided for the project. The IDA also reported a second project in 2010 worth $106 million, but did not report any financial assistance provided. In 2011 the project owner again refinanced the existing debt of up to $500 million, and the IDA reported providing mortgage recording tax exemptions of $2,750,000. In 2014 the project owner refinanced the existing mortgages of $179,698,487 and the IDA reported providing $30,000 of mortgage recording tax exemptions. In 2015 the project owner expanded railroad service at the facility and proposed creating an additional 26 jobs. The IDA reported providing $24,464 in sales tax exemptions for this project.

From 1998 through 2016 the IDA reported providing a total of $23,822,081 in exemptions for the projects associated with this company ($18,700,781 for the 1998 project, $66,836 in 2009, $2,250,000 in 2010, $2,750,000 in 2011, $30,000 in 2014 and $24,464 in 2015.) The IDA also reported that the company paid a total of $7,054,502 in PILOTs, for total net exemptions of $16,767,579.

The project owner indicated that there were 8 jobs existing at the time of the initial application in 1998, and proposed creating an additional 196 jobs as a result of the financial assistance provided by the IDA on the various projects (165 jobs for the 1998 project, 5 jobs for the 2009 project, and 26 jobs for the 2015 project) for a total of 204 jobs. As of December 2016, the company reported 354 full time equivalent employees at the facility.

At the time of our review in 2017 the facility continues to be in operation at the location. Although the above ground facility has a taxable value of $45,326,751, it is wholly exempt under its existing PILOT agreement which extends to 2031.

Monroe Industrial Development Agency - PAETEC Communications as Tenant to Uniland

The purpose of this project was to construct a 100,000 square foot facility to be sublet to a telecommunications company for use as an operations facility and headquarters. At the time of the application in 1999, the applicant indicated that the tenant company had 200 existing employees and that the project was expected to create another 200 full time jobs by the end of the 3rd year of the project.

The IDA reported that, over the life of the project, the project received sales tax, mortgage recording tax and real property tax exemptions totaling $2,614,471 and made payments in lieu of taxes (PILOTs) in the amount of $1,083,879, resulting in total net exemptions of $1,530,592.

In 2002, 2004, 2005 and 2007, the tenant company also received financial assistance from the IDA to expand its operations, totaling more than $338,000 in sales tax exemptions. Cumulatively, these expansion projects, were expected to create an additional 114 jobs. Considering that the tenant had 200 existing employees in 1999 and was expected to create 200 jobs within three years, the tenant company was expected to have a total of 514 full time equivalent employees as a result of the financial assistance provided by the IDA. In 2011 when the project was completed, the project owner reported that the project had 482 full time equivalent employees.

In 2011, the tenant company was acquired by another telecommunications company. At the time of our review in 2017 the company continues to operate out of the project location. The property is listed on the tax rolls with a taxable value of $8,997,000.

Monroe Industrial Development Agency - Gates Towing, Inc. - Veretec of New York Inc.

The project was for an existing full service towing and emergency service company to expand its operations by purchasing four additional tow trucks at a total cost of $363,393. At the time of the application in 2009, the company indicated it had 13 full time equivalent (FTE) employees and that the project was expected to create an additional two FTE employees. The applicant had previously received IDA financial assistance in 2004 to purchase three tow trucks. The company indicated that it had three employees at the time of the 2004 application and expected to create five additional jobs.

The IDA reported that the 2009 project to purchase the four tow trucks received $41,446 in sales tax exemptions. In addition, it also appears that the 2004 project to purchase three tow trucks received $16,024 in sales tax exemptions. At the end of 2011 when the IDA reported the 2009 project as completed, the company reported that the project had 10 full time and 12 part time positions.

A related entity of the project owner also received IDA financial assistance in 2008 to purchase, renovate and equip a 25,000 square foot facility in Rochester to be used as its corporate headquarters. At the time of its application, the project owner indicated it had 17 full time and 11 part time positions, and that the project was expected to create an additional 20 full time and 11 part time jobs. The IDA reported that this project has received sales tax, mortgage recording tax and real property tax exemptions through 2016 totaling $184,089 and made PILOTs of $30,437, for total net exemptions of $153,652. For 2016 the company reported that it had 41 full time and 2 part time employees. The project is still active with a PILOT set to expire in 2018.

At the time of our review, the business continues to exist and operate at the project location. The property is currently owned by the IDA and wholly exempt under the existing PILOT until 2018. The total assessed value of the property is $1,434,600

New York City Industrial Development Agency - Columbia Grammar Preparatory School

The project was for a non-profit secondary school to refinance existing debt and to construct an addition on an existing building. The total project costs were $22,885,000. Of this total, $10,700,000 was the refunding of bonds originally issued by the IDA in 1994 to construct the facility. At the time of the application, the applicant indicated that 152 full time jobs and 19 part time jobs existed. The project was estimated to create an additional 19 jobs. In 2000, the IDA issued tax-exempt civic facility bonds totaling $21,650,000 for the project, with a maturity date of December 31, 2031. The IDA reported that the project received no additional exemptions or benefits.

The project was completed in 2011, when the bonds were paid off. At that time, the project owner reported 152 full time and 13 part time employees, a decrease in the number of part time jobs since the application.

At the time of our review in 2017, the non-profit school continues to operate and exist at the project location. The property has an assessed value of $25,587,000; however since the school is a non-profit entity the property is tax exempt.

New York City Industrial Development Agency - Famco Distributors, Inc.

The project was to renovate an existing building to be used as a manufacturing and warehousing facility. At the time of the application in 1998, the applicant indicated that there were 23 full time and 2 part time jobs in existence and anticipated the project would create an additional 10 jobs.

The IDA reported that the project received mortgage recording tax and real property tax exemptions totaling $708,508 and made payments in lieu of taxes

(PILOTs) of $353,394, for total net exemptions of $355,114. However, during our review IDA officials stated that the information reported for the project was inaccurate. IDA officials stated the total tax exemptions provided to the project were actually $454,644 and the total PILOTs were actually $252,349, for a total net exemption of $202,295.

The project was terminated in July of 2010, due to the company's failure to abide by the terms of project agreements. The IDA did not obtain job information for the final years of the project, but reported four full time equivalent employees for 2008 and 2009, and zero employees for 2010 and 2011.

At the time of our review in 2017, the facility is still owned by the company, but the business does not appear to be operating. The property is listed on the tax rolls with an assessed value of $952,650.

New York City Industrial Development Agency - L & M Optical Disc, LLC

The project was for the issuance of tax-exempt bonds to finance equipment purchases for a manufacturer of compact discs. Total project costs were estimated to be $4 million. At the time of the application in 1998, the applicant indicated that there were no existing jobs and estimated the project would create 50 jobs.

In 1998, the IDA issued $2.6 million in Industrial Revenue Bonds to finance the project. In addition to the tax exempt benefit of the bonds, the IDA reported that the project received sales tax exemptions of $30,000. Although the project was only for equipment and did not include real property, the IDA also reported real property tax exemptions of $580,819 and reported that the project owner made payments in lieu of taxes (PILOTs) of $580,819, resulting in total net exemptions of $30,000. However, during our review IDA officials stated that the reported information was inaccurate since the project did not receive sales tax exemptions or real property tax exemptions.

The applicant's project facility was originally developed with IDA assistance under a separate project, approved in 1997, for bond financing in the amount of $4.2 million. The IDA reported that this project received sales tax, mortgage recording tax and real property tax exemptions totaling $904,199 and made PILOTs of $460,576, for total net exemptions of $443,623. The IDA reported that this project had 73 full time equivalent positions existing before IDA assistance and was expected to create 27 jobs. For 2006, the last year reported by the IDA, the IDA reported that this project had a total of 22 full time equivalent positions. Combined, the project to purchase and renovate the facility and the project to expand the company's product line had 73 full time equivalent positions before IDA assistance and were expected to create an additional 77 jobs. At the completion of the product expansion project in 2011, the project owner reported employment of 96 full time employees.

At the time of our review in 2017, the project is still operating under the same ownership. The property is listed on the tax rolls with an assessed value of

$1,549,980; of which $356,760 is exempt from taxes under the New York City's Industrial and Commercial Incentive Program.

New York City Industrial Development Agency - Related Retail Hub, LLC

The project was for the redevelopment of an urban renewal site for retail and office space. The applicant purchased the property from the City of New York in 2001 to construct a retail and office building and renovate an existing parking garage. The applicant planned to develop the property and sublease space to various retailers, as well as lease office space to the City of New York Department of Finance. The total project costs were estimated to be $50.4 million. The applicant did not indicate the number of jobs expected to be created as a result of the project in the application, but later provided the IDA with agreements with its retailers indicating that 59 full time, 115 part time, and 13 contract employees were to be created by the project. However, the IDA reported that 208 jobs were expected to be created as a result of the project.

The IDA reported that the project received sales tax, mortgage recording tax and real property tax exemptions totaling $2,290,230 and made payments in lieu of taxes (PILOTs) of $278,354, for total net exemptions of $2,011,876. However, during our review IDA staff stated that the real property and PILOT information reported by the IDA for this project was inaccurate. They stated that the project received exemptions totaling $1,977,112 and made PILOTs of $110,525, resulting in total net exemptions of $1,866,587.

The project was completed in July 2010. At that time, the project owner reported 140 full time, 173 part time, and 21 contract employees existed at the various retail businesses. The IDA reported 247 full time equivalent employees for the project.

At the time of our review in 2017, the building and parking garage continues to be owned and managed by the project owner. According to the project owner's website, there are currently eight tenants at the location, including the City of New York. The property is listed on the tax rolls with an assessed value of $11,963,700; but $9,223,650 is tax exempt under the City's Industrial and Commercial Incentive Program.

Riverhead Industrial Development Agency - Atlantis Holding Company, LLC

The project was for the purchase of property to be developed as an aquarium in the Town of Riverhead. The project costs were $8.3 million. The IDA reported that the project received financing through the issuance of $3 million in Industrial Revenue Bonds, property tax and other exemptions totaling $3,085,035, and made payments in lieu of taxes (PILOTs) of $269,184, for total net exemptions of $2,815,851. However, following our review, IDA officials stated that some of the reported information was inaccurate. IDA officials indicated that the total sales tax, mortgage recording tax and real property tax exemptions were $3,242,561 and the total PILOTs made were $268,643, for a total net exemption of $2,973,918. The property tax exemptions and PILOT agreement were for 10 years, expiring in 2010, while the bonds were to be paid in 20 years. However, in 2006 the project owner borrowed funds from other sources to pay off the IDA bonds.

In 2009 as the original project was ending, the project owner requested additional financial assistance from the IDA to expand the aquarium and construct a hotel and conference center/banquet hall. The project costs were $24.3 million. The project owner also received a $2.4 million Restore NY grant to finance this expansion. The project remains active, and through 2016 the IDA reported the project has received sales tax and real property tax exemptions totaling $5,656,043 and paid $618,040 in PILOTs, for total net exemptions of $5,038,003. However, following our review IDA officials stated that they did not report the project’s mortgage recording tax exemptions and therefore the total exemptions were $5,829,293, and net exemptions through 2016 total $5,211,253. In addition, rather than enter a new PILOT agreement for the expansion, the IDA simply extended the 1998 PILOT agreement for an additional ten years, expiring in 2021. As a result, the original property continues to be exempt from property taxes, in addition to the expanded aquarium, hotel and conference center.

In 2015, the project owner requested additional financial assistance to renovate and construct an existing historic home located across the street from the aquarium into a boutique hotel and restaurant. The total projects costs were expected to be $9 million. The project also included borrowing an additional $15 million to pay off existing debt and to allow for additional expansions to the aquarium. The IDA approved granting mortgage recording tax, sales tax and real property tax exemptions through 2028 for this project. As part of this project, the IDA also extended the original PILOT agreement for the aquarium, hotel, and conference center/banquet hall for an additional ten years. As a result, the project owner is receiving 100 percent exemptions on all improvements made to the original project since 1999, and these exemptions will continue through 2031.

At the time of the application in 1998, the applicant indicated that there were no existing employees and the project was expected to create 44 full time equivalent jobs. When the project owner applied for additional assistance for the expansion in 2009, the owner reported that 72 full time equivalent jobs existed and the expansion would create an additional 103 full time equivalent jobs. At the end of 2011 when the initial project was reported as completed, the project owner reported that there were 244.5 full time employees, which appears to combine the jobs for the original project and the expansion. However, the IDA reported that there were 220 full time equivalent positions for 2011. In September 2015, when the project owner applied for assistance for the hotel and restaurant project, the owner indicated that 218 jobs existed at the aquarium, hotel and banquet hall, and that an additional 26 jobs would be created for the hotel and restaurant. As of December 31, 2016, the project owner reported having 197 full time equivalent jobs for the aquarium, hotel and banquet hall, and no jobs for the hotel and banquet hall since the project was still in the construction phase.

At the time of our review in 2017 the aquarium continues to operate under the same ownership. The property has a taxable value of $5,339,800, but is currently tax-exempt and expected to remain so through 2031.

Saratoga County Industrial Development Agency - Fortress Partners, LLC (Createacor)

The project was for a local developer to construct a 58,000 square foot manufacturing and warehouse facility in the Town of Halfmoon Light Industrial Park. The developer would then lease the facility to a company that manufactures trade show kiosks and exhibits. The company was looking to relocate and expand its business from a 40,000 square foot facility that it was leasing in another location in the County. At the time of the application in 2002, the developer indicated the company had 28 full time jobs and 1 part time job and that the company was expected to create an additional 10 full time jobs by the end of the third year in the new location.

The IDA reported that the project received sales tax, mortgage recording tax and property tax exemptions totaling $507,770 and made payments in lieu of taxes (PILOTs) of $61,612, for total net exemptions of $446,158.

At the end of 2011 when the project was completed, the developer reported that the company had 44 full time employees.

Following the completion of the original project, the IDA provided the developer with additional financial assistance in 2012 to expand the existing facility by an additional 13,200 square feet and allow the company to expand its operations. At the time of the application, the developer indicated the company had 43 full time jobs and 1 part time job and that the company was expected to create an additional 13 full time jobs by the end of the third year. This project is currently active and expected to be completed in 2019. For 2013 through 2016 the IDA reported that this project has received sales tax, mortgage recording tax and property tax exemptions totaling $311,973 and made PILOTs of $239,371, for total net exemptions of $72,602. For 2016, the project owner reported 51 full time employees for the company.

At the time of our review in 2017, the company continues to operate and lease the property from the developer. The property is listed on the tax rolls with a taxable value of $2,970,900 but is owned by the IDA and as such is wholly exempt from taxes.

Yates County Industrial Development Agency - New Beginnings

The project was part of a planned multi-phase 39 lot residential housing development. The applicant applied to the IDA for financial assistance to construct four single family homes as the initial phase of the residential development. At the time of the application in 2009, the company indicated it had four part time and six seasonal employees and estimated that the project would create three full time, one part time and 15 seasonal jobs. However, the project was to construct four residential houses, which would not create any long-term jobs. IDA staff stated that these jobs were for the applicant’s construction company and were expected to result from the work to build all 39 houses proposed, not just the four houses covered by the financial assistance provided by the IDA. However, the IDA did not require the applicant to modify the application to reflect the construction jobs that would result only from the construction of the four houses and that no long-term jobs were to be created by the project.

According to IDA officials, only one house was constructed and had yet to be sold at the time the project was completed. The IDA reported that the project received sales tax and real property tax exemptions totaling $8,011 and made payments in lieu of taxes (PILOTs) of $2,069, for a total net exemption of $5,942.

Although the project was still active in 2012, the IDA reported the project as completed in 2011. At that time the project owner reported two employees, while the IDA only reported one full time equivalent employee.

At the time of our review in 2017, the development company established by the project owner was no longer operating, but the project owner continues to operate the construction company. The four parcels included in the project are currently listed on the tax rolls as taxable with a combined assessed value of $214,800, all of which are owned by the project owner. The completed house is listed on the tax roll as a single-family residence and appears to be the primary residence of the project owner and the other parcels are listed as vacant residential lots.