



Hon. George Maragos
Nassau County Comptroller



OFFICE OF THE COMPTROLLER
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June 9, 2015

Hon. Joseph J. Kearney
Executive Director
Nassau County Industrial Development Agency
Theodore Roosevelt Executive & Legislative Building
1550 Franklin Ave., Suite 235
Mineola, NY 11501

Dear Hon. Kearney,

The State Comptroller's Audit, dated May 15, 2015 for the Fiscal Year Ending 2013, indicates that the Nassau County Industrial Development Agency ("NCIDA") underperformed when compared to neighboring Counties in the region. In our telephone conversation you expressed concern regarding the accuracy of the States numbers and indicated that you will submit updated NCIDA performance data by next Monday.

You should be aware that our analysis of the New York State Comptroller's report, as illustrated in Table 1 below, for fiscal year ending 2013, credits the NCIDA with creating or retaining 1,835 jobs while granting \$43.3 million in net tax exemptions, or \$23,611 per job, with an additional Operating Expense of \$2.5 million.

During the same period, the Suffolk County IDA is credited with creating or retaining a far greater number of jobs with significantly less exemptions being granted and lower operating costs. Suffolk created or retained 14,080 jobs while granting only \$9.1 million in tax exemptions, or \$644 per job, with an additional \$1.0 million in operating costs. Similarly, Westchester County also outperformed Nassau County by creating 7,982 jobs while granting \$9.1 million in tax exemptions, or \$1,563 per job, with less than \$1.0 million in operating costs.

In comparison, the \$23,611 in exemptions which created one job in Nassau would have created more than 36 jobs in Suffolk or 15 jobs in Westchester Counties.

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County	No. Jobs Created/Retained	No. Projects	Jobs/Project	Exemption/Job	Total Exemptions	IDA Operations Cost (2013)
Nassau	1,835	278	7	\$ 23,611	\$43.3M	\$2.5M
Westchester	7,982	92	87	\$ 1,563	\$12.5M	\$902K
Suffolk	14,080	134	105	\$ 644	\$9.0M	\$1.0M

**Office of the New York State Comptroller, Division of Local Government and School Accountability*

Table I further illustrates that, the NCIDA may have funded or assisted projects of lesser quality than its neighboring Counties. During fiscal year 2013 the Nassau County IDA, assisted 278 projects, to Suffolk's 134 and Westchester's 92 projects. Comparatively each project in Nassau created or retained on average seven jobs while Westchester created or retained 87 jobs per project and Suffolk created or retained about 105 per project.

The above alleged sub-par performance by the NCIDA should be addressed as soon as possible. The NCIDA plays an important role in ensuring that our County remains competitive within the region by maintaining and attracting new jobs. It is disappointing that we have fallen behind in these critical areas. According to New York State Labor Statistics, the County has not fully recovered from its pre-recession employment levels. The County had approximately 18,000 less jobs in 2014 compared to its pre-recession high of 670,000 jobs in 2007. At the same time the national economy has recovered and created an additional 11 million jobs.

The role of the NCIDA is critically important to maintaining the County's competitiveness. We urge them to review their existing job creation strategies, personnel performance and to institute appropriate changes to achieve better results. Additionally, serious consideration should be given on the types of projects being supported by the NCIDA in favor of higher quality projects that have the potential to create or retain a higher number of jobs. I am available to assist as required.

Sincerely,



George Maragos
County Comptroller

Cc: Hon. Edward Mangano
Hon. Norma Gonsalves
Hon. Kevan Abrahams