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Business

# Valley Stream mall owners criticize IDA's tax break reversal

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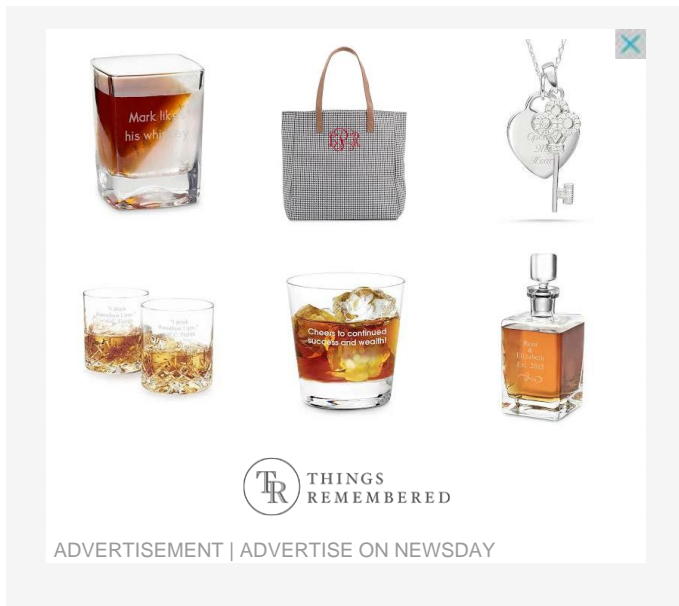
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Green Acres Mall in Valley Stream is seen on Thursday, April 27, 2017, the day the Hempstead IDA voted to rescind tax breaks that had been granted to Macerich, the mall's owner, in December 2014. Photo Credit: Howard Schnapp

The owner of the Green



Acres Mall in Valley Stream has demanded that the Hempstead Town Industrial Development Agency reinstate its tax breaks, documents show.

The IDA board last week revoked Macerich's



2014 tax breaks, which included a sales-tax exemption and a payment in lieu-of taxes, or PILOT, after opposition grew from residents, school districts and elected officials. The IDA cited an alleged lack of job creation as its reason for revoking the deal.

The mall's California-based owner, Macerich, called the IDA's decision "a blatant violation" of its rights, according to a letter to IDA officials. The letter also stated the IDA failed to give Macerich written notice or time to fix any potential issues, as required by their agreement.

## STORY

[Read the letter to the IDA](#)

"The IDA's disregard of its contractual obligations and the internal policies adopted by the IDA reeks of bad faith," Macerich lawyer Frank Carone said in the May 2 letter. "It appears that the Board succumbed to recent opposition to the PILOT projects and articulated

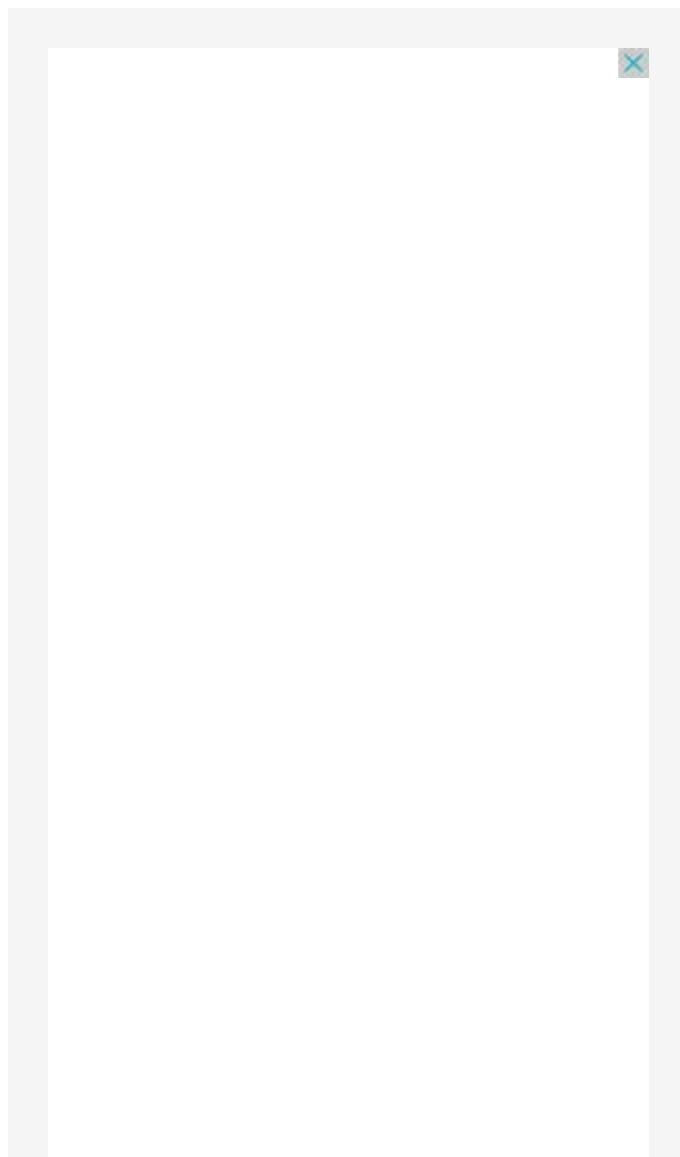
a feigned basis for revocation to support its efforts to appease certain community members.”

Valley Stream property owners opened their school tax bills in October to find hikes of as much as 12.2 percent. Many homeowners and elected officials blamed the mall's tax breaks for the increases.

IDA officials have said, however, that budgeting practices of Valley Stream school districts are the root of the tax increases. Officials with the Central High School District and District 30 said they were not told the percentage of the PILOT payments they would receive, so they had to estimate and then under-budgeted. IDA board members have said the schools were told how much they would be receiving.

On April 27, the IDA voted 5-0, with an abstention and a recusal, to rescind the tax breaks, which had been granted by a different IDA board in December 2014 for the mall's renovation and the construction of an adjacent shopping center, the Green Acres Commons.

An attorney for the IDA on Tuesday declined to comment on Macerich's letter.





IDA board chairman Arthur Nastre said during the April 27 meeting that Macerich “grossly misstated” the number of jobs it would create and has been uncooperative with the IDA.

“The board is not at all convinced that they have met, or have even come close to meeting, any of their employment representations,” Nastre said at the meeting.

In its letter, Macerich said it is not required to create permanent jobs until Dec. 31, 2017, at the commons and Dec. 31, 2018, at the mall, though it has fulfilled some of its obligations early. Macerich also disputes the IDA’s claim that the company has been uncooperative.

The revocation comes with many questions that the IDA couldn’t answer at the meeting,

including if the termination of the deal would be retroactive. Nastre said a lawsuit would likely decide that.

The tax breaks, the IDA and District 30 are being audited by the state and the Nassau County comptrollers' offices.



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