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IDA Approves Tax Breaks for Large-Scale Projects

By Nathan Mayberg

Monticello – Business is afoot in the area.

The Sullivan County Industrial Development Agency (IDA) continued to approve tax breaks for area businesses with the recent passing of an inducement resolution for M & M Ford in Liberty.

The resolution paved the way for the company to receive sales tax abatements for the construction of their new showcase room next door to their existing building on Mill Street.

The board still has to pass a final resolution.

A final resolution, however, was passed for four 20-year tax breaks for Sullivan Equities, which has combined three buildings into one on 457 Broadway in Monticello. Those breaks are property tax exemptions, sales tax abatements, mortgage tax exemptions and real property tax abatements.

The new 23,000-square-foot building will continue to house Monticello Travel. The developers, whose parent company is Emanon, in Long Island, hope to use the building for both commercial and residential use.

Due to its partial designation as a residential unit, the company will receive tax exemptions and abatements on the remaining 90 percent of the space which is not residential. The company will also receive Empire Zone tax breaks.

According to Jeremy Gorelick, a partner in the development, the company has signed a contract with the Literacy Volunteers of America for office space. The group previously worked out of an office near the United Way building in Monticello. They received a grant from New York State Senator John Bonacic to help them relocate.

Gorelick is also expecting some office space to be used by accountants and lawyers. Three artist lofts, at 1,000 square feet apiece, will be available.

Gorelick informed the board recently of his proposal for a 570-home and combined commercial development in Woodbourne. That currently is before the Town of Fallsburg Board. The board has to give approval for the project as a Planned Unit Development. Afterwards, Gorelick will go to the Town of Fallsburg Planning Board for site plan approval. He would apply for tax breaks through the IDA, if he received approval for his project.

That project will include approximately 45,000 square feet of commercial space. Each home would range in size from 1,000 to 3,000 feet. The property is located on 197.7 acres.

Gorelick hopes to entice a national chain store, local bank, a general store, office space for accountants and lawyers, and a possible day care facility.

The IDA recently passed a resolution handing four long-term tax breaks to Mama Sez (New World LLC), a manufacturer of Italian cookies. The project has applied to be included in the Empire Zone as well.

The IDA is funded on and appointed by the Sullivan County Legislature, and the county has recently proposed a 9 percent real property tax hike in its tentative budget.

Legislature Chairman Chris Cunningham said he wasn't aware of the recent breaks. However, Republican Minority Leader and Legislature Rodney Gaebel had a mixed reaction about the effect the tax breaks might have on the county.

He called it a "double-edged sword." The legislator said the county had to compete with neighboring counties for industry and jobs.

"You have to be competitive," he acknowledged.

Yet he added it was important for the IDA to keep an eye on whether the companies which received the tax breaks hire as many workers as they initially proposed. He believes the IDA is doing a good job of that.

Overall, he said the IDA is important in that it helps create jobs. Job creation has been at the top of the list of needs for the county for many years, he added.