



CITY OF LONG BEACH

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JACK SCHNIRMAN
CITY MANAGER

February 19, 2016

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

Re: *Long Beach Superblock – iStar Tax Abatement Application*

Dear Mr. Kearney:

As you are aware, iStar's application for tax abatements has generated significant attention in and around the Long Beach community. To date, however, the Nassau County IDA has not released any economic analysis, or any financial data whatsoever, evaluating the impact of iStar's planned development. Consequently, many of our residents have expressed frustration over the fact that they have been left with no way to gauge the possible economic advantages of this project (in terms of local job creation and overall economic growth), in comparison with the tax abatements sought by iStar.

Given that none of the IDA's findings were readily available, the City submitted a Freedom of Information Law (FOIL) request for the above information in December. In response, your agency indicated that it did "not have any documents responsive" to our request. This position appears to be inconsistent, however, with the IDA's rules, which require applicants to submit "a \$2,500 expense deposit for the cost/benefit analysis with respect to the project contemplated by this Application (the 'Cost/Benefit Deposit')." Surely, after two separate applications for tax abatements, one public hearing, and after years of direct negotiations between your agency and iStar, the IDA must have prepared a cost/benefit analysis containing the economic studies and data sought in our FOIL request. Given the IDA's subject matter expertise, and mandate, we also surmise that the IDA relied on this analysis in its denial of iStar's initial application for tax abatements. We cannot see how iStar's application could have been fully evaluated without this critical information. Along those lines, the New York State

Comptroller's Office, which has oversight over IDAs, has repeatedly recommended as a best practice in their audits of New York State IDA agencies that cost/benefit analyses be completed and used for decision-making purposes.

To promote healthy and informed public dialogue on this issue, we feel it is essential that the IDA, which is responsible for determining iStar's application for tax abatements, publicly release its cost/benefit analysis. The enhanced insight provided by these materials will only serve to benefit all stakeholders, regardless of whether they ultimately choose to support or oppose iStar's application for tax abatements.

We look forward to your response.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jack Schnirman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jack Schnirman
City Manager