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Yonkers IDA moves toward granting \$52 million in tax breaks for Macy's, downtown redevelopment

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YONKERS - The city's Industrial Development Agency took the first step yesterday toward granting more than \$52 million in sales, property and mortgage tax exemptions for redevelopment downtown and at the Cross County Shopping Center.

The IDA approved two resolutions for Macy's and Struever Fidelco Cappelli, a developer that is proposing to build \$1.4 billion in projects by the waterfront and around City Hall. The resolutions mean the IDA will negotiate tax breaks and bond agreements with the applicants and hold still-unscheduled public hearings on the projects.

SFC seeks \$50.7 million in sales and mortgage tax exemptions. The development partnership is also asking to negotiate its future property taxes, and it seeks an issuance of tax-exempt revenue bonds.

Ellen Lynch, president of the Yonkers IDA, said she expected the negotiations with SFC to be completed by the summer. Lynch said both companies are not paying any less than they are now.

"Without IDA assistance, these projects don't happen and the city loses the opportunity for increased values and future income streams that are projected for years to come," she said in an e-mail responding to questions about yesterday's meeting.

SFC estimates that its project will retain 100 jobs and create thousands of new positions.

Joseph Apicella, executive vice president at Fuller Development Company, a division of Cappelli Enterprises, Inc., attended the IDA meeting yesterday, and he said SFC's application seeks tax breaks and bonds that are essential to his company's proposals.

"In this horrible economy, you need every bit of assistance you can get to make a project as important and as large as this," said Apicella, contending the city's taxpayers would get their money's worth for SFC's tax exemptions.

"Your single-family home doesn't create 13,000 jobs in an economy that some people call depressed," said Apicella. "The IDA has to make important decisions regarding creating jobs."

Job creation and development are critical to the city as it struggles yearly to craft its municipal and school budgets.

Besides the current state and national financial crisis affecting the city, Yonkers is also losing local employers. Last week the Precision Valve Corp. said it will close its manufacturing plant in Yonkers, costing the city 200 jobs.

Apicella said SFC's next step in its project is to have the Yonkers Planning Board approve its site plan and obtain a land disposition agreement from the city for the site where its buildings will rise.

Macy's wants \$1.3 million in sales and use tax exemptions and an as-yet-undetermined break on property taxes. The retailer seeks these breaks to help finance a \$27.4 million expansion of its store at the Cross County Shopping Center.

In its application, Macy's estimated that the 92,500 square-foot expansion will create 54 new full-time jobs and retain 375 jobs, while the 18-month building phase will create 225 construction jobs.

Mayor Phil Amicone said the SFC and Macy's proposed payments in lieu of property taxes are good deals for the city because they create reliable revenue.

"Every three years Cross County Shopping Center files for tax adjustments, and they typically win," said Amicone, noting that the city lost \$5 million to \$6 million a year because of tax challenges. "We are guaranteed a tax payment every year that can't be challenged."
