

Many firms that got Industrial Development Agency tax breaks to aid Bronx have cut jobs

BY [Daniel Beekman](#)

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Lanzilote for News Don Gringer has cut jobs at his Allway Tools plant in the Bronx, but blames the bad economy.

The city gave them a break to boost the [Bronx's](#) struggling economy.

But some firms awarded [Industrial Development Agency](#) tax breaks and bonds for local projects have actually shed jobs, according to a new report by

[Borough President Ruben Diaz Jr.](#) and the watchdog Good Jobs New York.

Some firms blame the bad economy.

"The economy is tough right now," said Don Gringer, who has cut jobs at his Allway Tools manufacturing plant in [Zerega](#). "We just lost [Wal-Mart](#) as a customer."

The Bronx Subsidy Snapshots report, based on data from 2009, maps 91 IDA projects. Of those, 31 had fewer jobs in 2009 than when they were approved for IDA benefits.

"We want to keep track of the IDA and push for a more transparent and accountable subsidy process," said [Bettina Damiani](#) of Good Jobs New York.

Diaz said his goal is to help "get the most out of the city's public investment."

Only 10% of IDA projects are required to create new jobs.

"If you want a public benefit, your project must benefit the public," he said.

Some IDA benefits go to small firms, such as Apthorp Cleaners, with a [Mott Haven](#) dry cleaning plant and \$130,000 in benefits through 2033. Others go to large firms, such as the [New York Yankees](#), with a new stadium and \$58 million through 2046.

The IDA, run by a board of directors and the city Economic Development Corp., posts project results online, but the data is hard to find and harder to analyze, argued Damiani, with the Snapshots report offering a better breakdown.

She and Diaz hope job seekers and workforce developers use the report to target firms that could

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be hiring.

BronxWorks workforce developer [Jessica Nathan](#) called the report "a useful road map," but said too few IDA deals include job requirements.

All IDA projects must report job numbers, but only commercial projects such as the [Gateway Center](#) shopping mall are required to create new jobs, said EDC spokeswoman [Julie Wood](#).

Most of those deals include "claw-backs" that allow the city to recover benefits when projects don't create new jobs.

But manufacturing and nonprofit projects account for 90% of all IDA deals and need not create new jobs. They are geared to keep existing jobs in the city.

City Controller and IDA board member [John Liu](#) has voted "no" on every new IDA deal this year, arguing for tougher job requirements and a more transparent process.

"It's not unreasonable to expect more good jobs from private development subsidized by public monies," said Liu spokeswoman [Sharon Lee](#).

Although the IDA has invested across the borough, 35 projects are in the industrial [South Bronx](#). Mott Haven, [Port Morris](#), [Longwood](#) and [Hunts Point](#) boast 35 projects.

But the Snapshots report shows South Bronx locals don't always benefit, said Damiani. Some projects, such as a [New York Post](#) printing plant in Port Morris, employ more workers from elsewhere than from the city, let alone the Bronx.

The reports shows IDA benefits can work. Tax breaks kept Forma Glass from moving to [New Jersey](#) in 2006 and helped create seven jobs at her Mott

Haven plant, said owner Xenia Trikoulis.

"Hard work has allowed us to expand," she said.

Over the past 12 months, the city's private job market has grown at double the rate of the rest of the country, Wood said.

But many projects are struggling, according to the report. Lucky Polyethylene used a \$765,000 IDA bond to build a new Bronx plant 10 years ago. It paid back its bond, but the downturn has ravaged the plastic-bag maker. It has lost 62 of 65 jobs, and no longer manufactures bags in the Bronx. Instead, it now rents its Mott Haven plant to a bakery wholesaler.

"The economy hit me hard," said owner [Josh Lowe](#).

Allway initially created more than 20 jobs on the strength of a \$1million IDA bond, but has shed 70 positions since.

Gringer said a snapshot is no way to judge Allway's value to the Bronx. The firm could have moved to New Jersey or outsourced to [China](#) years ago, and Gringer expects to add jobs as the economy rebounds. Allway's bond has no job requirements.

"We're down now," he said. "But these are tough times."

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