

'Closed for business'

Experts bemoan loss, fear harm to NY recruitment

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New York State is no longer open for business — that's the effect of Amazon's decision to cancel plans for a second headquarters in Long Island City, Queens, some experts said Thursday.

"New York should be ashamed of itself. . . . I'm embarrassed as a taxpayer here," said Thomas Stringer, a Bay Shore resident who helps large corporations decide where to locate facilities as head of site selection services at BDO USA LLC in Manhattan. "You cannot counter what happened today with ads. . . . This will last for 20 years."

He and others said the demise of the Amazon HQ2 project, which would have produced \$27.5 billion in tax revenue over 25 years in return for nearly \$3 billion in tax breaks, undermines efforts to attract and retain businesses. Each year, the state spends several million dollars on television commercials with the slogan, "New York Open for Business."

Still, some business leaders and economists, while regretting the loss of HQ2, said the economy would continue to grow, albeit more slowly without the infusion of 25,000 Amazon jobs in Queens.

Nick Samuels, vice president of the financial research firm Moody's Investors Service in Manhattan, said New York City had suffered "a setback that illustrates politics and anti-business sentiment can derail economic development despite competitive strengths." But he said, "The city's economic fundamentals remain positioned to grow strongly in the future."

On Long Island, the dismay among business people was widespread. Many saw the Amazon project as a catalyst for more housing around Long Island Rail Road stations, supply contracts for local businesses and jobs for young peo-



Sam Meyers of Long Island City protested against Amazon's plans in a Nov. rally. ■ Video, de Blasio slams Amazon: newsday.com/nyc



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ple who often move to the city. "New York State was dumped on Valentine's Day," said Kyle Strober, executive director of the Association for a Better Long Island, a developers' group. He added, "This retreat will have an enormous rippling effect, sending a strong signal to all Fortune 500 companies that New York State is closed for business."

Economic development officials and attorneys who represent expanding companies predicted some would think twice about doing projects in New York, though the pool of skilled workers and quality of life here remain key attractions.

The Nassau County Industrial Development Agency had been formulating plans to aid

housing projects within an easy commute of Long Island City and to help local businesses become suppliers of goods and services to the proposed Amazon office.

"What this project would have brought to Nassau County is extraordinary," said Richard Kessel, executive director of the county's Industrial Development Agency. "This is a big 'no' to businesses. It's going to be a challenge going forward."

This isn't the first time in New York or nationally that politics has caused a marquee company to scrap plans to open a large facility with hundreds of jobs.

In 2016, an Austrian chip maker, AMS, abandoned plans to hire 1,000 people to work in a \$2 billion factory proposed

for Utica. At the time, executives said Gov. Andrew M. Cuomo's administration wasn't moving fast enough to construct the building, in part because of a corruption scandal involving state officials assigned to work on the AMS project.

A few months earlier, PayPal revoked plans for an operations center in Charlotte, North Carolina, after that state passed a law that restricted bathroom usage by transgender people.

On Thursday, John H. Banks, president of the Real Estate Board of New York, which represents city developers, cautioned against sky-is-falling reactions to Amazon's withdrawal. "New York's renaissance over the past 40 years has been due in part to our abil-

ity to work through difficult issues that have led to record population and job growth," he said.

While many business people acknowledged being shocked by Amazon's decision, some also are thinking about how New York State can recover its economic development mojo.

Stringer said there needs to be a recognition that politics, not economics, scuttled HQ2.

"From the get-go, we have to get officials at all levels of government involved," he said, adding he works on eight to 12 projects a year in North America. "This quickly became political because some local officials were cut out. . . . The state needs to be more inclusive going forward."

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