



Hempstead IDA revokes PILOT agreement with software company

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Hempstead, NY According to Frederick Parola, CEO of the town of Hempstead Industrial Development Agency (IDA), the agency has terminated a PILOT program halfway through its course for a Uniondale software company.

The IDA board voted unanimously at its Feb. 28th meeting to revoke the Payment in Lieu of Taxes (PILOT), for OpenLink Financial, LLC, which has its offices at RXR Plaza. The IDA cited OpenLink's failure to obtain the required IDA approval for its acquisition a year ago by Dublin, Ireland-based Ion Group Ltd. from Hellman & Friedman, a private equity firm in New York, and its failure to meet employment requirements.

OpenLink received the PILOT in 2014 to assist in a \$22.3 million renovation of its offices. The company leases 89,000 s/f spread over four floors. OpenLink, which provides software to financial services and commodity trading firms, agreed to bring its employment up to 390 jobs from 385 by the second year of its 10-year PILOT and to maintain that level for the duration of the PILOT. Instead, the company last year reduced staffing to about 220.

As a result of the IDA decision due to OpenLink's failure to comply with its agreement, the company's space will be put back on the tax rolls and the taxing entities — the county, the town and the school district — will be legally able to collect the full assessed taxes on the property. In addition, the IDA will seek to recapture the benefits received by OpenLink.

"IDAs have come under scrutiny for their failure to take action against companies that have not complied with terms of their PILOT agreements," said Parola. "This action shows that we take compliance very seriously. We have a fiduciary responsibility to the taxpayers of the town that we acted upon."

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