



State supreme court justice dismisses Valley Stream School Districts' Green Acres Mall lawsuit

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Hempstead, NY Fred Parola, CEO of the Town of Hempstead Industrial Development Agency (IDA), said that a Nassau State Supreme Court justice has dismissed a lawsuit brought by four Valley Stream school districts seeking to overturn five-year extensions of tax breaks provided by the IDA to the owner of Green Acres Mall and an adjacent shopping center.

Justice Christopher McGrath, sitting in Mineola in an April 2 ruling dismissed the suit filed last August against the IDA and Macerich Co., Green Acre's owner. The suit was filed in August 2024 by the Valley Stream Central High School District and Valley Stream School Districts 30, 24, and 13.

The court found all actions undertaken by IDA were legal and that the school districts lacked standing to challenge IDA PILOTs, or Payments-In-Lieu-of Taxes, as they are not taxpayers. McGrath also ruled that the school districts also lacked standing to assert claims that the IDA failed to undertake environmental impact studies before its actions to extend the PILOTs.

The school boards' lawsuit asked the court to declare the IDA's extension of the PILOTs and lease agreements for the mall and the Green Acres Commons shopping center illegal and sought a judgment ordering the IDA to recapture benefits or force the mall's owner to pay increased PILOT payments to be distributed among the school districts.

An extension of the payment-in-lieu-of-taxes agreements, or PILOTs, on Green Acres Mall and Green Acres Commons, was approved by the IDA in the Spring of 2024. The school districts argued that the extension was illegal because Macerich failed to meet job commitments tied to the tax breaks approved by the IDA in 2014 and 2015.

Macerich, which owns the mall and the adjacent Green Acres Commons shopping center, announced in January 2024 that it was planning a more than \$100 million redevelopment at Green Acres Mall and asked the IDA to extend the PILOT for the mall by five years and lower the employment commitment from 2,774 to 2,400 full-time equivalent jobs at the property. Macerich also requested a PILOT extension for Green Acres Commons and that its employment requirement be lowered from 570 to 496 full-time equivalent jobs.

"We're very pleased that the court agreed with our arguments," said Parola. "This is a total victory confirming that the IDA has done everything legally in its work to encourage economic development in the Town of Hempstead. We hope this ends the long-running controversy involving Green Acres."

