



BABYLON IDA 101



What is an Industrial Development Agency (IDA)?

An Industrial Development Agency (IDA) is a public benefit corporation established by state legislation to promote economic development within a specific geographic area. Its primary purpose is to attract, retain, and expand businesses to create jobs, stimulate economic growth, and improve the quality of life within the communities it serves. By providing financial incentives, resources, and expertise, IDAs facilitate new investments to support the growth of local industries.

The Town of Babylon Industrial Development Agency (Babylon IDA) serves as the economic and workforce development arm of the Town of Babylon. The mission of the Babylon IDA is to:

- Catalyze economic growth by attracting and supporting businesses.
- Enhance community well-being through initiatives that improve the quality of life for residents.
- Cultivate a skilled workforce by offering training programs and partnering with educational institutions.
- Facilitate housing and transit-oriented developments that support sustainable, livable communities.

The Babylon IDA is dedicated to fostering a vibrant and sustainable economic landscape for the Town of Babylon, a key business hub in Long Island. Its work benefits the community by improving job opportunities, expanding economic activity, and creating a solid foundation for future growth. The IDA has supported various industries, including musical instrument accessory manufacturing, healthcare services, and housing development.

By working collaboratively with local businesses, elected officials, and community organizations, the IDA aims to shape a thriving, inclusive community that serves as a model for economic development in the Long Island region. The Babylon IDA plays a pivotal role in enhancing the town's economy and ensuring a prosperous future for its residents and businesses through a strategic approach to economic development, housing, and workforce initiatives.

KEY FUNCTIONS OF THE IDA

1. Tax Incentives:

- **Property Tax Abatements:** Temporary relief from property taxes for businesses that invest in new facilities or equipment.
- **Sales Tax Exemptions:** Exemptions on the sales tax for purchases of materials and equipment related to the project.
- **Mortgage Recording Tax Exemptions:** Exemptions on taxes that would otherwise be due when recording a mortgage for business-related transactions.

2. Financing Assistance:

- **Tax-Exempt Bonds:** The IDA issues tax-exempt bonds to provide lower-cost financing for qualified projects.
- **Grants and Loans:** The IDA facilitates low-interest loans and federal grants for approved projects through partnerships and collaborations.

3. Land and Property Development:

- **Site Development:** The IDA assists businesses with selecting sites, acquiring land, and improving infrastructure to suit operational needs. It can also help with expediting building permits in certain situations.
- **Leasing and Owning Property:** Businesses can access necessary commercial and industrial spaces to support their expansion.

4. Workforce Development:

- **Training Programs:** The IDA partners with educational institutions and local workforce agencies to ensure a well-trained labor pool for growing industries.

5. Housing and Transit-Oriented Developments:

- The IDA promotes well-designed, sustainable communities that integrate with existing transportation and infrastructure systems, supporting accessibility and livability in the town.

FREQUENTLY ASKED QUESTIONS

What projects does the Babylon IDA support?

The Babylon IDA supports various projects, including commercial, industrial, manufacturing, and non-profit initiatives. Projects are selected based on their potential for significant economic impact, such as job creation or substantial capital investment in the town. Special attention is given to business expansions, training programs, and the development of housing and transit-oriented communities.

The IDA focuses on businesses that align with its mission to promote sustainable development, enhance community well-being, and cultivate a skilled workforce. Priority is given to companies that have the potential to foster workforce development, invest in the community, and contribute to the long-term economic vitality of the Town of Babylon.

Are my tax dollars used to fund the IDA?

The Babylon IDA is self-funded and does not use taxpayer dollars for its operations. While the IDA facilitates tax abatements and incentives, which can affect local tax revenues in the short term, these efforts are designed to create long-term economic benefits, such as increased job creation, business expansion, and future tax revenues.

Does the IDA give away money to businesses?

No, the Babylon IDA does not hand out money. Instead, it provides financial incentives, such as tax abatements and exemptions, to businesses that meet specific eligibility criteria. These incentives intend to help reduce operational costs, making it more attractive for companies to invest and expand within the Town of Babylon.

The IDA has previously created support systems for local businesses to receive funding and loans. One instance of this can be seen during the COVID-19 pandemic when the IDA launched the Babylon Is Back Loan and Grant Program. During this time, the IDA also offered programs for reimbursements for PPE. However, these programs are typically only implemented during special occasions.

How do PILOT agreements affect my taxes?

Payment in Lieu of Taxes (PILOT) agreements are arrangements in which businesses make lower payments than regular property taxes. While these agreements can reduce immediate tax revenue, they are used strategically to attract or retain businesses that will provide economic benefits in the long term. Over time, the business investments often lead to job creation and increased tax revenue for the town.

What is the Babylon IDA's role in housing development?

The Babylon IDA supports the development of sustainable housing that connects with local transportation and infrastructure, enhancing both accessibility and quality of life. As housing options for workers and young professionals across Long Island are often limited and cost prohibitive, the IDA provides financial incentives to make these projects viable.

By facilitating diverse housing options, the IDA helps local businesses attract and retain skilled workers, reduce turnover, and ensure a more stable workforce, which are key factors in supporting and fostering economic growth in our town.

Where can I find more information about the Babylon IDA?

You can learn more about the Babylon IDA and our work by visiting www.babylonida.org or emailing our office at info@babylonida.org.