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300 Jericho Quadrangle, Jericho, NY/ Photo by Bob Giglione

Publishers Clearing House hits IDA sweepstakes

By: [Joseph Kellard](#) July 13, 2015 Comments Off

Publishers Clearing House, known for giving away oversized checks to its sweepstakes winners, was itself awarded with millions of dollars in tax breaks last week as the company plans to relocate on Long Island.

PCH will move its headquarters and 444 employees in Port Washington to a soon-to-be renovated facility at 300 Jericho Quadrangle in Jericho, after the Nassau County Industrial Development Agency granted the company's landlord, commercial real estate firm We're Group, a 20-year deal on property taxes at the 305,000-square-foot building. PCH will rent more than half of the office space at the building that will undergo renovations that are to start in October and take about six months to complete.

Under the PILOT, or payment in lieu of taxes, the property tax rate will remain flat for the first 17 years at the current rate, roughly estimated at \$1.2 million, according to the office of Joseph Kearney, executive director of the Nassau IDA. The tax will increase at a rate of 1.6 percent for

the final three years of the program. The tax breaks will start to take effect in 2018. While granted to We're Group as the owner of the property, the tax breaks will pass to PCH's benefit. "This allows for Publishers to occupy about 55 percent of the building, or 170,000 square feet, and the landlord will be able to renovate the remainder for the 305,000 square feet," Kearney said of the PILOT.

The total cost of the renovation project is \$64 million and will include a \$36.9 million investment from PCH and \$27.9 million from We're Group. We're Group received a maximum sales-tax exemption of up to \$1.4 million for construction materials and equipment, as well as \$105,000 reduction of the mortgage recording tax. The IDA's package also includes a sales-tax exemption of more than \$1.6 million on PCH's purchase of construction materials and other supplies.

In exchange for the benefits, PCH covenanted with Nassau IDA to add 66 new jobs to its workforce over three years. The first 26 positions are to be filled within one year of completion of the renovated facility, and 20 more jobs for each of the following two years. PCH's average compensation package per employee is \$90,000.

"With an average compensation package of \$90,000 per employee, PCH is a growing employer in Nassau and this project will generate \$136 million in economic benefit for the economy," County Executive Edward Mangano said in a statement after the IDA board approve the PILOT on June 30. While Cablevision Systems Corp. has leased space at 300 Jericho Quadrangle for the past 13 years, We're Group subleases that space to various tenants, including Aon (70,000 square feet) and State Farm Insurance (40,000 square feet).

"The owner will be able to secure world class tenants at that building, and he thinks that with Publishers' nearly 500 jobs, there will be an additional 700 jobs in that building, with a total of approximately 1,200 jobs there when it's all completed and renovated," Kearney said.

PCH and We're Group didn't return calls for comment.

Located in Port Washington for more than 50 years, PCH last year sold its 230,000-square-foot, two-building complex on 18 acres on Channel Drive to developer Parviz Farahzad of East Setauket-based Little Rock Construction and Management, a sale-lease deal.

Rick Busch, CFO for PCH, told Long Island Business News in February that the company had considered moving its headquarters to a number of locations. These included sites in Suffolk and Nassau counties, particularly I-Park in Lake Success and a building at Jericho Plaza, located near the company's future building at Jericho Quadrangle, as well as Portland, Maine, where the company operates a mobile advertising division.

"That space (Port Washington) isn't conducive to a new Publishers Clearing House," Busch said at the time. "The company has evolved as consumers have evolved. What that means is that we have to evolve, too."

PCH approached Nassau IDA about two years ago, Kearney said, as the company started to search for available property to move, but its pursuit of the two primary Long Island locations that it considered fell through.

"I applaud the patience of We're and I especially applaud the patience of Publishers Clearing House because they could have easily relocated to other parts of the state or outside the state," Kearney said. "But their commitment to working with the IDA and with the landlord to get this project to where it is today is a real benefit for Nassau County and Long Island."

PCH is one of three large Long Island-based companies in recent years that have received Nassau IDA assistance, including Dealertrack Technologies in 2014 and Hain Celestial Group in 2012.

