

IDA tax breaks keep Sherman Specialty from moving to S.C.

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Adam J. Krosser, president of Sherman Specialty Company Inc., wears one of his products at company headquarters in Syosset on Wednesday, Feb. 10, 2016. The third-generation family-owned business sells novelty items and giveaways, including drawing kits that restaurants give to small children to occupy them while their parents eat. Photo Credit: Newsday / Alejandra Villa

A small business that sells novelties for children has expanded in Nassau County because of tax breaks rather than move to South Carolina, officials said.

The owners of Sherman Specialty Co. Inc. made a couple of trips to South Carolina and identified suitable buildings. They were encouraged by former employees who live there and touted the cost savings.

“Our competitors have moved down there, and the costs are less,” President Adam J. Krosser said earlier this month.

As he was weighing his options, he was contacted by the county’s Industrial Development Agency, which said it wanted to keep 65-year-old Sherman Specialty from leaving.

“We’ve been working with this company for two years,” said Nicholas T. Terzulli, the agency’s business development director. “I heard from a business associate that Sherman was considering a move off Long Island.”

Last month, Sherman Specialty received IDA tax breaks to support its \$2.5 million purchase and renovation of 141 Eileen Way in Syosset for use as its corporate office.

The IDA granted Sherman Specialty a sales-tax exemption of up to \$15,000 and \$21,500 off the mortgage recording tax. A 15-year deal on property taxes will freeze the tax rate for the first three years, to be followed by 1.56 percent increases in each of the next 12 years.

In return, Sherman Specialty will add three people within the next three years to its headquarters payroll of 37. Records show employees earn, on average, \$30,000 per year excluding medical and retirement benefits.

Sherman Specialty has kept the nation’s children entertained at the pediatrician’s office, during restaurant meals and at bar mitzvahs and other teen parties.

The company reckons it has sold more than a trillion crayons to diners and other family eateries. The crayons usually come with place mats and other materials to keep kids occupied.

The third-generation, family-owned business also sells toys and novelties to physicians and dentists to give to patients, and party favors to entertainers for use at Sweet 16 parties and other teen events.

Sherman Specialty buys products from overseas and packs them in a warehouse outside Albany, where another 40 employees are based.

Krosser's grandfather, Paul Sherman, started the business in 1950 to serve medical practices. It added restaurants five years later and in 1981 entered the party favors market. The 4FunParties.com website was launched in 1998 and features more than 6,000 items.

Sherman Specialty operated for decades from a company-owned building in Freeport before selling it and renting office space in Jericho Quadrangle in Jericho.

"We've been on Long Island forever," Krosser said. "I'm glad we found the building in Syosset ... We want to be there for a lot of years."

Gary Weiss, who has served on the IDA's board of directors since 2002, said retaining companies is central to the agency's mission.

Noting Sherman Specialty's long history in Nassau, he said, "My favorite projects are those that keep local businesses in business on Long Island."