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Comments of Bettina Damiani
Project Director, Good Jobs New York
Before the Committee on Small Businesses of the New York City Council
November 4, 2010

RE: Intro 256 A Local Law to amend the New York city charter, in relation to the annual report required by certain entities which enter into contracts with the department of small business services.

Good morning and thank you for the invitation to testify before you today. My name is Bettina Damiani, Director of Good Jobs New York, a joint project of the Fiscal Policy Institute with offices in Albany and New York City and Good Jobs First, based in Washington, DC. Good Jobs New York promotes accountability to taxpayers in the use of economic development subsidies.

The New York City Industrial Development Agency allocated \$181 million in FY 2010.¹ And thanks to Local Law 48, passed by the New York City Council in 2005, New Yorkers have access to important details about these company-specific subsidy deals. Highlights of the law – the best municipal subsidy transparency law in the country – include information such as:

- Number of jobs created to date, retained to date and promised over the life of the deal;
- Percentage of jobs that are full-time, part-time, consultants or temporary;
- Annual wages are listed in four categories:
 - Below \$25,000
 - \$25,001 - \$40,000
 - \$40,001 - \$50,000
 - \$50,000 and above;
- Total amount of subsidy received by a firm to date and amount remaining;
- Value of any funds recaptured;
- The “trigger” that would make the firm eligible for penalty or recapture;
- The percentage of employees that are New York City residents.

A Joint Project of the Fiscal Policy Institute and Good Jobs First

The LL48 report, also known as the New York City Economic Development Corporation Annual Investments Project Report, brings a wealth of information to those who care about the employment needs of residents in our community (by listing job promises and current jobs by firm) and how tax dollars are invested in the name of job creation (by listing the value and type of subsidies received or promised over a number of years).

However, the report fails greatly in two areas that prevent the public from having a genuine understanding of how these subsidies benefit – or don't benefit – New York:

1. **Disappearing Deals** – After a project's first seven years, data on deals are not required to be in EDC's annual reportⁱⁱ. This is perplexing as most subsidy deals last approximately 20 years. For example, we estimate that approximately 50 large commercial subsidy deals worth hundreds of millions of dollars and potentially tens of thousands of jobs are now off-line and void of public review. These include:

<u>Firm</u>	<u>Year</u>	<u>Subsidies Promised</u>	<u>Job promises</u>	<u>Length of deal</u>
Bear Stearns	1991	\$30.7 million	Retain 1,435 Create 229	15 years
Chase Manhattan Bank	1988	\$211 million	Retain 5,000 Create 1,450	25 years
Prudential Securities	1995	\$122.9 million	Retain 5,000 Create zero	22 years
American Insurance Group	1996	\$58.8 million	Retain 5,180 Create 1,858	15 years
National Broadcasting Company	1998	\$72 million	Retain 4,000 Create zero	35 years
National Broadcasting Company (2 nd deal)	1996	7 million	Retain 2,250 Create zero	14 years

While Bear Stearns' 1991 deal has been timed out of the EDC annual report, the firm received a second deal in 1999 and it is in the most recent report (see the attached copy). This is an example of how important it is to have access to data because the report shows:

- The company dissolved (and that the IDA is re-negotiating its agreement with JPMorgan Chase which acquired Bear Stearns in the 2008 financial industry crisis)
- Has not maintained its job promises
- Its benefits have been reduced by \$20 million but it has not paid a penalty.

The proposed legislation seems to wean land sales off the reporting period at fifteen years. We understand the EDC's reluctance to maintain data for these deals, since not all are based on job promises, or have a clear end date like the IDA subsidized projects do. However, in a city where the power structure is so connected to real estate, maintaining a list (possibly on the agency's website) of all city land sales with basic information (block and

lot, date and value of sale, firm that purchased the property) would prove valuable to the public with minimal burden to the EDC staff.

Similarly, deals not negotiated under the current administration may not fit into the agency's compliance practices. Nonetheless, the EDC and IDA are responsible for holding all firms currently subsidized accountable and a methodology should be put in place that would allow information on old deals to be available publicly for its lifetime.

2. **Data in the Dark Ages** – While the information in the EDC's annual report is generally comprehensive, analyzing that data for trends is nearly impossible because the agency refuses to make public the data in a user friendly format, like Excel. GJNY submitted a Freedom of Information Request for a copy of the data in an electronic format but was denied because a database, we were informed, does not exist, (attached is our request and the agency's denial of our Freedom of Information request).

If in fact the data in the annual report is cobbled together from different databases this raises serious concerns about the low-level of technology infrastructure at the agency. If a database does exist, the agency should make it public, clearly available on its website and updated at least annually. The beneficiaries would be wide ranging: advocates, elected officials, community groups, academics and members of the media.

Take for example an IDA proposal this summer to amend a Reuters 1998 subsidy deal (the firm had merged with Thompson Media which wanted access to the city and state sales tax breaks approved for Reuters). Without up-to-date job and subsidy figures those interested in testifying on the project (in this case the Newspaper Guild of New York) had only information from 2005 to rely on. Instead of a public hearing based on the merits of the proposal, time was spent by members of the public to try and determine how best to respond to the proposal with insufficient information. In the end, the IDA did the right thing and re-released the proposal with more recent data and scheduled a new hearing date. This was a highly inefficient process that created unnecessary frustration for the public, and I'd assume, agency staff.

There is precedent for access to this type of data. The New York City Department of Finance has an excellent database on recipients of the Industrial Commercial Incentive Program, (amended by the state legislature in 2008 as the Industrial Commercial Abatement Program). Data for this subsidy - the largest economic development program in the city at \$568 million in FY2010 - is available in Excel or PDF format and broken down by borough.ⁱⁱⁱ

In the absence of a database from the IDA, GJNY painstakingly, manually entered LL48 data into an Excel database. As you can imagine, this was a tremendous undertaking. However, GJNY should not be the caretaker of this data and can't be responsible for addressing inaccuracies in the data or human error that may have occurred when we transcribed them. But the process gave GJNY a unique understanding of the data and allowed us to create user-friendly education tools about the IDA subsidy allocating process, like "Subsidy Snapshots". Samples are attached.

Subsidy Transparency Can be Improved

The IDA has done a commendable job broadening its public hearing process by releasing important information about proposals. In fact, of the 115 statewide IDAs, New York City is a leader in transparency. And this month, the agency will begin broadcasting hearings and meetings and will make materials of proposed projects available 12 days in advance of hearings (versus the six previously).^{iv} Thanks to the agency's efforts over the years, NYCIDA public hearings and board meetings have been more productive and transparent due to the ability of the public to comment on proposals based on IDA materials. The public deserves the same courtesy of having access to accurate and comprehensive information for the life of approved subsidized projects.

Denying the public information is a disservice to good government. In fact, the EDC and the public should be on the same side: working to ensure tax dollars are invested wisely and firms are accountable for promises made. But by leaving New Yorkers in the dark we instead are left with serious questions about the agency's compliance efforts.

We urge the council to support better subsidy transparency by approving Intro 256.

ⁱ New York City Tax Expenditure Budget, http://www.nyc.gov/html/dof/html/pdf/10pdf/ter_2010_final.pdf

ⁱⁱ However, the most recent annual report states information includes all subsidy deals from FY1999 and land sales since 2002; we are unclear if including deals not mandated by Local Law 48 is done voluntarily.

ⁱⁱⁱ The ICIP database is available at:
http://www.nyc.gov/html/dof/html/property/property_tax_reduc_incentive.shtml

^{iv} Press release, NYCIDA AND NYCCRC APPROVE REFORMS ESTABLISHING GREATER TRANSPARENCY AND ACCESSIBILITY September 21, 2010 available at
<http://www.nycedc.com/PressRoom/PressReleases/Pages/IDAApproveReforms.aspx>

NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION - LOCAL LAW 48 PROJECT REPORT TABLE

ASSISTANCE AND TOTAL REVENUES	Present Value Discounted to Project Start Date		
	FY 09	Through FY 09	FY 10 and After
(All dollar values in thousands. Italics denotes projections)			Total
Real Property Related Taxes			
Company Direct: Land	\$2,106	\$30,081	\$21,165
Company Direct: Building	\$17,176	\$71,569	\$172,633
Mortgage Recounting Tax	\$0	\$0	\$0
Pilot Savings	\$2,547	\$4,076	\$724
Mortgage Recording Tax Exemption	\$0	\$0	\$0
Indirect and Induced: Land	\$7,538	\$109,789	\$75,737
Indirect and Induced: Building	\$13,965	\$203,913	\$140,655
TOTAL Real Property Related Taxes	\$38,288	\$414,286	\$409,471
Income, Consumption & Use Taxes			
Company Direct	\$28,933	\$420,812	\$290,781
Sales Tax Exemption	\$600	\$13,623	\$51,377
Energy Tax Savings	\$55	\$174	\$27
Tax Exempt Bond Savings	\$0	\$0	\$0
Indirect and Induced	\$27,526	\$401,485	\$276,641
TOTAL Income, Consumption & Use Taxes	\$55,604	\$803,510	\$576,018
SUMMARY			
Assistance Provided	\$3,401	\$17,873	\$52,128
Recapture/cancellation/reduction amount	\$0	\$20	\$0
Penalty Paid	\$0	\$0	\$0
TOTAL Assistance (Net of recapture/penalties)	\$3,401	\$17,853	\$52,128
Company-Direct Tax Revenue (Before Assistance)	\$48,217	\$525,462	\$484,664
Indirect and Induced Tax Revenues	\$48,057	\$715,207	\$493,033
TOTAL Tax Revenues (Before Assistance)	\$97,274	\$1,240,669	\$977,617
TOTAL Tax Revenues (Net of Assistance, recapture and penalty)	\$93,872	\$1,222,816	\$925,489

LI-48 ID: 92363
Project Name: Bear Stearns Company, Inc. #2 (1999)
Location: 383 Madison Avenue
Borough: Manhattan
Council District: 3
Block: 1282
Lot: 21
Sq. Ft. Land:
Sq. Ft. Building:
NAICS Code: 523110

Program Name: Commercial Growth Project
Start Date: 06/28/1999
End Date: 09/27/2049
Project Amount (000s): \$1,500,000

Types of Assistance: NYCUS Energy Assistance, PILOT, Sales Tax Exemption

EMPLOYMENT INFORMATION

Current Jobs:
 Part Time Perm. Jobs: 3
 Part Time Temp. Jobs:
 Full Time Perm. Jobs: 1,997
 Full Time Temp. Jobs:
 Contract Employees: 300

Total Jobs Current: 2,300
Current Jobs (FTE): 3,649
Construction Jobs:
Job Trigger for Current Yr.: 5,244

Following not required for companies with fewer than 250 employees
 % Employees: 32
 Non-Exempt earning:
 < \$25,000: 0
 \$25,001 - \$40,000: 2
 \$40,001 - \$50,000: 4
 > \$50,000: 62

Total Jobs at Application (FTE): 5,700
Jobs Projected: 5,700

% Living in NYC: 53
Health Benefit Full Time: Y
Health Benefit Part Time: Y

FY 09 Amounts (thousands)
Bond Issuance: \$0
Value of Energy Benefit: \$600
REAP: \$0
CEP: \$0

DOE Incentive Programs

COMMENTS:

Project has multiple locations in borough(s) Brooklyn, Manhattan and council district(s) 1, 3, 4, 5, 33. Project "Location" refers to main location. Company applied for ICIP / ICAP. JPMorgan Chase & Co. (JPM) acquired The Bear Stearns Companies (Bear Stearns) on May 30, 2008. JPM has agreed to assume the obligations of Bear Stearns under its agreement with NYCIDA. NYCIDA and JPM are negotiating amendments to the agreement. The reported employment number does not represent all JPM employees.

The logo for Good Jobs New York, featuring the letters "GJNY" in a bold, white, sans-serif font on a black rectangular background.

Good Jobs New York

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www.goodjobsny.org gjny@ctj.org

September 2, 2008

Mr. David Shelley
Public Information Officer
Economic Development Corporation
110 William Street - 6th Floor
New York, NY 10038

Re: Freedom of Information Request

Dear Mr. Shelley,

Under the New York Freedom of Information Law, Article 6 of the Public Officers Law, I hereby submit the following request:

- An electronic copy of any electronic database containing all the information in Volume II of the New York City Economic Development Corporation FY 2007 Annual Investment Projects Report, pursuant to Local law 48 of 2005.

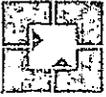
If possible, please provide the database in Microsoft Excel or Microsoft Access format if it is available in one of these or could easily be converted into either of these forms. Otherwise, please provide the database in the format currently available.

As you know, the Freedom of Information Law requires that an agency respond to a request within five business days of receipt of the request. Therefore, I would appreciate a response as soon as possible and look forward to hearing from you shortly. If for any reason any portion of my request is denied, please inform me in writing specifically as to what is denied, the reasons for the denial, and the name and address of the person and/or body to whom an appeal should be directed.

Please let me know if you have any questions regarding this request.

Sincerely,

Allison Lack
Research Analyst



New York City
Economic Development
Corporation

110 William Street
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Fax: 212.618.5738

www.nycedc.com

September 19, 2008

Allison A. Lack
Research Analyst
Good Jobs New York
11 Park Place, #701
New York, NY 10007
Allison@goodjobsfirst.org

RE: Freedom of Information Law Request

Dear Ms. Lack:

This letter is in further response to your request dated September 2, 2008 addressed to New York City Economic Development Corporation ("NYCEDC"), pursuant to the Freedom of Information Law ("FOIL"), Article 6 of the Public Officers Law, for an electronic copy of any electronic database containing all the information in Volume II of the NYCEDC FY 2007 Annual Investment Projects Report, pursuant to Local Law 48 of 2005.

NYCEDC diligently searched its files for records responsive to your request and we have been informed that the document does not exist in the format requested. The document is available on NYCEDC's website at the following address:
<http://www.nycedc.com/Web/AboutUs/FinStatementsPubReports/FinancialStatementsAndPublicReports.htm>

With provision of this information, NYCEDC considers your FOIL request to be complete.

Sincerely,

Judith Capolongo
Records Access Officer

**Testimony of Jason Wright
Chief Financial Office
New York City Economic Development Corporation
City Council Committee on Small Business**

**Hon. Diana Reyna, Chair
Hearing on Int. 256
Nov. 4, 2010**

Good afternoon Chairperson Reyna and members of the Committee. My name is Jason Wright and I am the Chief Financial Officer of the New York City Economic Development Corporation (NYCEDC). I will be speaking this afternoon about Proposed Intro No. 256 (Int. 256), which would amend parts of Local Law 48 (LL 48).

Transparency and accountability are among the cornerstones of responsible and effective government. NYCEDC has worked with Mayor Bloomberg and the City Council over the last eight years to improve the quantity and quality of data that we report to elected officials, stakeholders and the general public about our projects and performance. We share your belief that projects receiving City subsidies or support should be required to demonstrate a clear public benefit. To that end, NYCEDC has endeavored to make its operations and projects as transparent and accessible as possible. In recent years, NYCEDC has revamped its website to make it easier for the general public to access detailed information about the corporation's projects and finances and we have made both State and City reporting documents available online. We have significantly increased the budget of our internal Compliance Department and have more than doubled the Department's staff. NYCEDC has complied with, and in fact exceeded the requirements of Local Law 48. We publish a detailed yearly LL 48 report on NYCEDC, New York City Industrial Development Agency (IDA) and New York City Capital Resource Corporation (CRC) projects that is distributed to elected officials and is made available to the

general public. Local Law 48 reports going back to 2005 are also easily available on NYCEDC's website. NYCEDC voluntarily reports on the full lifetime for IDA projects initiated starting in Fiscal Year 1999, though LL 48 only requires that we provide seven years of data for projects in existence prior to July 1, 2005.¹ We make numerous presentations to City Council members and other stakeholders about NYCEDC's finances and project status and make every effort to update elected officials, community groups, and community boards regularly about our projects and initiatives. Additionally, IDA and CRC, which are operated by NYCEDC, recently adopted a new set of transparency and accountability measures. These measures require IDA and CRC to post more detailed information about projects on their websites and to disseminate this information in a more timely fashion, begin webcasting their meetings, and expand and enhance their meeting notification efforts.

Despite these many efforts at making information about projects accessible to the public, we hear that interested parties have sometimes found it challenging to locate our data. While NYCEDC's Local Law 48 reports are comprehensive, they are also large documents. Int. 256 would require NYCEDC to make the information required by LL 48 available "...in a non-proprietary database format." In order to comply, NYCEDC would need to determine if an acceptable database exists and if it could be modified to meet the requirements of Int. 256, as well as the cost of the database and making it compliant. Additionally, under Int. 256 NYCEDC would be required to produce both a "hard" and an electronic copy of its LL 48 reports, thereby creating an additional administrative burden and expense. Int. 256 as currently drafted would become effective immediately upon passage and this requirement would therefore affect the current reporting cycle. It would be difficult for NYCEDC to comply immediately since it would

¹ CRC's first project was in 2006.

not have the newly required database in place. However, we recognize the potential usefulness of providing the information contained in our existing LL 48 reports in a different manner and would be happy to work with the City Council to find a practical vehicle for accomplishing this goal.

Int. 256 would also expand LL 48 by extending reporting requirements to 15 years after a land sale closes and for the entire life of a ground-lease. Currently, NYCEDC complies with LL 48's seven-year reporting requirement for projects consisting of the lease or sale by NYCEDC of City-owned land. In addition, NYCEDC reports on tax incentive and financing deals (such as IDA and CRC transactions) going as far back as Fiscal Year 1999 (the limit of available data) in the case of IDA transactions. The current LL 48 reporting requirements provide elected officials and other stakeholders with voluminous information about NYCEDC, IDA and CRC projects for a given timeframe.

Int. 256 would require private entities that have already purchased City-owned property from NYCEDC with an expectation of reporting for seven years to provide information for fifteen years. Private companies that have entered into ground leases from NYCEDC would be required to now report for the entire life of the lease, which could run as long as ninety-nine years. Some of the leases were entered into years ago, before there was any reporting requirement and do not contain any language requiring the lessee to report. Other sale agreements and leases require seven years of reporting, consistent with Local Law requirements in effect at the time such sales were made or leases executed. It would be difficult to obtain more information from these purchasers and lessees than what they agreed to in their agreements. As Int. 256 includes no "grandfathering" language, NYCEDC would be required to somehow access this information from private companies that are not otherwise contractually or legally required

to provide such information to NYCEDC. These challenges would make it difficult, if not impossible, for NYCEDC to comply fully with these reporting requirements. While the new requirements could dissuade some private sector companies from choosing to do business with the City in the future, a revised version of the legislation affecting only transactions commenced after Int. 256's effective date would greatly simplify compliance.

The expanded reporting requirements in Int. 256 would also require that certain NYCEDC-managed real estate projects report detailed financial information for an extremely lengthy period of time. The City often sells City-owned property in order to encourage economic development and create new jobs in a community. In the case of land sales, the properties are often encumbered by deed restrictions that prevent the purchaser from developing it in a manner inconsistent with the City's public policy goals for a defined period of time. These projects might also receive other forms of financial assistance from the City. While it is clearly reasonable to expect that these projects would comply with LL 48's reporting requirements while they are either under a deed restriction or receiving a direct subsidy or incentive from the City, it would appear to be overly burdensome to expect them to continue reporting once the projects have been completed, the restrictions have lapsed and no direct subsidies or incentives continue to be available.

NYCEDC is fully committed to making its operations, projects and finances as transparent and accessible as possible. If requested, we would be happy to assist the City Council, the Mayor's Office and other advocates and stakeholders to develop a robust reporting regime that is both transparent and administratively feasible.



THE CITY OF NEW YORK
INDEPENDENT BUDGET OFFICE

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Testimony of Michael Jacobs
Supervising Analyst of Economics and Taxes Unit
At the New York City Independent Budget Office
To the New York City Council Small Business Committee
On Intro. 256-2010, a Local Law to Amend the City Charter
Regarding EDC's Annual Reporting Requirements

November 4, 2010

Good afternoon, Chairwoman Reyna and members of the City Council's Small Business Committee. My name is Michael Jacobs, and I'm the Supervising Analyst of the Economics and Taxes Unit of the Independent Budget Office (IBO). Thank you for the opportunity to speak at today's hearing on Intro. 256-2010, a Local Law which would address two major deficiencies in the New York City Economic Development Corporation's (EDC's) Annual Report on projects providing discretionary economic benefits to employers in exchange for agreements to preserve, expand, or relocate jobs to New York City.

As you know, IBO's mission is to provide information and increase public participation with respect to budgetary decisions facing the city. While IBO does not typically make policy recommendations, we do make an exception on proposals which affect the budget process or access to information. With this in mind, IBO supports Intro. 256, for it would greatly increase the usefulness and quantity of information available to elected officials, researchers, and the public regarding an important use of the city's resources—the provision of discretionary benefits as part of business incentive packages.

The city commits significant resources to these discretionary benefits. The total projected cost to the city (in present value terms) of the benefits provided to the 644 projects covered in the EDC Annual Report for fiscal year 2009 (the most recent report), is \$852 million—but that figure excludes the cost of benefits provided to a number of ongoing projects that EDC is not currently required to include in the report.

Intro. 256 would end the exclusion just mentioned as well as make the annual reports easier to use.

The reports would become easier to use because the proposed amendment to the City Charter would explicitly require EDC to issue its reports in an accessible database format, such as Excel or some other spreadsheet or database program. This would greatly enhance the ability of

researchers and others to work with and analyze the data. Currently, the reports are available on the EDC Web site only in *.pdf* format. To analyze the data, researchers must convert it to a database format, either by typing it in or going through a lengthy process of transferring it electronically (not a simple cut-and-paste process).

We know the amount of work involved from personal experience. Over the years IBO staff and interns have spent countless hours typing in data from the EDC Annual Reports, and in the interest of time we have limited the amount of data we've entered. In sum, if the Annual Reports are made available in a database format, IBO and other researchers would be able to make more extensive use of the reports' data as well as spend far less time merely inputting data.

The other important change in Intro. 256 would require EDC to report on all projects from when they begin to receive tax or other benefits to when those benefits end. Under current law, only projects begun as of July 1, 2005 (the start of fiscal year 2006) must be included in the Annual Reports for as long as benefits are received. For projects that began prior to fiscal year 2006 and involve land sales, current rules require that they be included in the annual reports for only seven years. Under Intro. 256, projects involving land sales would have to be included in the Annual Reports for a minimum of 15 years.

By requiring that data be provided for the duration of projects, Intro. 256 would increase the number of projects included in future EDC Annual Reports and thus provide a more complete picture of the fiscal cost and benefits of all on-going EDC projects involving discretionary economic benefits. This change is warranted because there are many projects begun prior to fiscal year 2006 that are scheduled to receive benefits for well more than seven years—many for 30, 40, and even 50 years.

From the EDC Annual Reports themselves, it is not possible to obtain a complete count of how many pre-2006 projects are still receiving benefits because until the 2005 annual report, the reports did not include the end date of projects' benefits. But a cursory scan of the 465 projects in the 2005 volume indicates that as many as 310 projects may not be included in the upcoming 2010 report though they may still be receiving benefits—some scheduled to receive benefits as late as fiscal year 2050—while some other projects may be dropped for noncompliance. In brief, any analysis of ongoing projects should include projects still receiving benefits, even if they were begun before 2006.

Thank you for the opportunity to speak in favor of Intro. 256. I would be pleased to answer any questions you may have.

Dear Members of the Committee on Small Business,

Thank you for having me here today to testify on economic development in NYC. My name is Josh Kellermann and I am the Policy and Research Associate at NY Jobs with Justice and Urban Agenda. Urban Agenda and NY Jobs with Justice, both coalition-building organizations dedicated to equitable economic growth, are in the process of merging. I am here to support the proposed amendment to Local Law 48, Intro. No. 256.

NY Jobs with Justice and Urban Agenda recently released the report “No Return on our Investment: The Failure of New York’s Industrial Development Agencies,” in which we call on IDAs to stop subsidizing poverty wage jobs and to increase transparency and accountability. The report states, “It is now more important than ever that economic development programs are closely examined to determine how they can be used more effectively to create a diverse and strong 21st century economy—an economy that creates and retains good jobs that fortify and expand the middle class and that sustains healthy, vibrant communities. New York’s economic development tools need comprehensive reform in order to play a meaningful role in creating real and lasting economic development for communities across the state. IDAs were created in the 1960s to serve as the main engine for local economic development and job creation in New York State. Unfortunately, they have been plagued by poor performance throughout much of their history.” A few simple changes to the law will lead to greatly improved performance.

The amendment to Local Law 48 will undoubtedly improve the performance of the NYC IDA. While LL48 has already taken an important step towards ensuring greater transparency and accountability over economic development in NYC, there are still significant improvements that need to be made before it is truly accountable and transparent.

Economic development can provide an essential benefit to communities when it strives to ensure quality job creation and strong communities. On the other hand, economic development can undermine communities through wasted tax revenue, inappropriate neighborhood development and poverty wage jobs. Because of the direct impact of economic development on communities, these communities deserve to be involved in decision making. Involvement begins with access to information.

Without adequate and accessible information on economic development, communities most impacted by economic development will be excluded from participating. We must continuously revisit our laws to ensure they include the most up to date transparency reforms. The proposed amendment to LL48 does just that. The first component of the amendment requires that data be made available in an accessible database. The second component is that data be reported for the entire life of a subsidy. We strongly urge this Committee and City Council as a whole to support these amendments.

Currently, data provided through LL48 is available only as a PDF. The PDF format makes the analysis of data extremely difficult. Placing the data in a more accessible format, such as Excel, is a brilliant idea that is simple to implement but would empower community groups to conduct their own analyses. The statewide IDA database released by the State Comptroller is an excellent example that can be replicated by NYC. Such a practice would increase oversight of economic development, which leads to greater accountability for each dollar spent. In a time of fiscal crisis, this is more important than ever.

The second part of the amendment is to require the NYCEDC to report on the entire life of a subsidy. Currently, LL48 only requires disclosure for the first seven years of the subsidy. This limited reporting requirement fails to capture the entire life of a subsidy, painting an incomplete picture of the cost of economic development. Most subsidy agreements last at least 12 years, while some, like the subsidy given to Bear Stearns, last up to 50 years. The proposed reform closes a significant loop hole in the law, allowing New Yorkers to view the full picture of our economic development investments. While the amendment to LL48 is intended to increase transparency, ultimately it will increase community members' faith in economic development, leading to stronger partnerships between government, business and community.

To conclude, economic development is not isolated from community. The purpose of economic development should be to encourage the values of strong and sustainable communities. These values encompass such issues as good jobs, economic security, empowerment, and equity. A transparent economic development system will help us to know whether our tax dollars are spent according to these values. If they are not spent according to these values, an accountable economic development system will allow us to have a voice in redirecting our tax expenditures towards community values. Please support this amendment to LL48.

Thank you for your time.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 256 Res. No. _____

in favor in opposition

Date: 11/4/10

(PLEASE PRINT)

Name: Michael Jacobs

Address: _____

I represent: Independent Budget Office

Address: 110 William Street, 14th Floor
New York, N.Y. 10038

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 256 Res. No. _____

in favor in opposition

Date: 11/4/10

(PLEASE PRINT)

Name: Josh Kellermann

Address: 50 Broadway St 1602 NY

I represent: Urban Agenda / NY Jobs with Justice

Address: Same

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 256 Res. No. _____

in favor in opposition

Date: 4 Nov '10

(PLEASE PRINT)

Name: Bettina Damiani

Address: 11 Park Place #701 NYC 10007

I represent: Good Jobs New York

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 256 Res. No. _____

in favor in opposition

Date: 11-4-10

(PLEASE PRINT)

Name: JASON WRIGHT

Address: 110 WILLIAM ST.

I represent: NYC EDC

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: ARTURO FERNANDEZ

Address: 75 PARK PLACE, NY 10002

I represent: OMB - Mayor's office

Address: 75 PARK PLACE

Please complete this card and return to the Sergeant-at-Arms