



Office of the
New York City Comptroller
John C. Liu

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COMPTROLLER LIU ON TODAY'S ECONOMIC DEVELOPMENT CORPORATION'S IDA AND CRC VOTES

NEW YORK, NY - City Comptroller John C. Liu stated the following in response to questions about today's Industrial Development Agency (IDA) and Capital Resource Corporation (CRC) votes to approve four projects for public subsidies. Comptroller Liu voted against granting public subsidies to all of the projects due to concerns about the approval process and the effectiveness of the IDA and CRC programs:

"These projects contain plenty of merit, when viewed individually on their own, and provide benefits to the community through the use of stimulus funds and job creation. However, there is concern that the current system may not include clear processes and standards for project development and approval. My vote today is not a judgment on these projects, but rather reflects the need to examine how scarce public resources are used to advance our City's economic development.

"Although my dissenting votes today do not change the actions expected from the Economic Development Corporation (EDC), the votes will better enable me to help establish consistent standards and transparent processes when ascertaining which economic development projects deserve subsidies from the city, as well as better enable my office to review individual projects if the need for such review should arise. I look forward to forging a healthy relationship with the EDC to establish a standardized system of review to create a more transparent and accountable process so the City can responsibly support only the most deserving projects in a way that efficiently prioritizes the allocation of scarce resources."

The IDA provides corporations through the EDC with access to bond financing or city and state tax benefits to acquire or create capital assets, such as purchasing real estate, constructing or renovating facilities and acquiring new equipment. The CRC, a local development corporation overseen by the EDC, aims to encourage community and economic development and job creation and retention by providing lower-cost financing programs to qualified not-for-profit institutions and manufacturing, industrial and other business for eligible capital projects.

Comptroller Liu serves as an ex-officio board member on the IDA and CRC Boards. Comptroller Liu credited Carol Kostik, Deputy Comptroller for Public Finance, and Simcha Felder, Deputy Comptroller for Accounting and Budget, and their respective teams for providing the analysis and recommendations leading up to today's votes.

Comptroller Liu's remarks at February 9, 2010 IDA/CRC meeting:

Board members, thank you for your welcome. This is my first time here. I take very seriously the job I've been given by the people of this city, and I intend to clearly examine our city's finances, all the more critical in this tough economic period. That's why I'm happy to be here this morning.

In reviewing the past minutes and project financing for the items on today's agenda, I can see significant potential for great community benefits and improvements. However, we are also committing a substantial amount of taxpayer resources to these projects – over \$12 million today alone between IDA and CRC. It is therefore critical that my office gains a deeper understanding about the kinds of jobs taxpayers would be subsidizing, if the costs per job are reasonable, whether all applicants have been treated fairly and whether all benefits being conferred are truly necessary. Until I have completed such an in-depth review of standards and processes for granting these kinds of benefits, I cannot cast a "Yes" vote for any of these projects, however individually worthy.

So I ask for the EDC's cooperation in this review, so we can all be confident that every project that comes before our board receives the same level of attention with respect to existing and future community economic benefits. By their very nature, IDA and CRC aim to spur development, and I eagerly look forward to working together with the EDC, other board members as well as members of the community to ensure this is done responsibly. Thank you.

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