



July 13, 2015

The Honorable Andrew Cuomo
Governor
Executive Chamber
State Capitol
Albany, NY 12224

Chairman

Edward Skyler

Vice Chairs

Walter Harris

Calvin Mitchell III

Merryl Tisch

Honorary Chairs

Lawrence Buttenwieser

Kenneth Gibbs

H. Dale Hemmerdinger

Lawrence Huntington

Eugene Keilin

Richard Levine

James Lipscomb

Richard Ravitch

Treasurer

Alair Townsend

Secretary

Anthony Mannarino

General Counsel

Edward Wallace

Executive Committee

Irene Baker

William Floyd

Brian Horey

David Javdan

Michael Kuh

Denise Richardson

Marissa Shorenstein

Claudia Wagner

Ronald Weiner

David Winter

President

Carol Kellermann

Dear Governor Cuomo,

I am writing on behalf of the Citizens Budget Commission in support of S5867/A7915 and to urge your signing it.

Each year New York spends more than \$8 billion on economic development through myriad state and local programs, yet little is known about their effectiveness. One problem is a lack of uniform review and monitoring procedures among the 109 local Industrial Development Agencies (IDAs). These public benefit corporations provide \$660 million in tax breaks annually, yet their practices and effectiveness vary widely.

S5867/A7915 would improve IDA practices in three ways. First it requires a standard application that includes a detailed description of the project and the projected costs. Applicants would need to assert the project would not occur without financial assistance, or if the project could be completed without assistance, applicants would have to explain why the project is worthy of assistance anyway. Second, IDAs would have to develop standard criteria for evaluating and selecting projects, including a cost-benefit analysis for each project. Finally, the bill requires uniform project agreements and standard policies to discontinue or recoup benefits if projects fail to meet targets.

IDAs were created to promote economic activity and the economic welfare of the citizens they serve. S5867/A7915 would help meet this important mission and ensure public resources are invested wisely.

Sincerely,

Carol Kellermann