

Getting Our Money's Worth: The Case for IDA Reform in New York State

9-Point Plan for IDA Reform

Industrial Development Agencies can and should be a local driving force of accountable, sustainable economic development in New York State. The 115 IDAs throughout the state represent the potential for a concerted statewide effort to promote economic health, create business opportunities, and improve the quality of life for all New Yorkers. By working together across the state and maintaining a focus on context and local needs, IDAs could push New York to the forefront of cutting-edge and innovative economic development programs.

The data reveals, however, that IDAs currently function inefficiently, wasting billions in taxpayers' dollars on companies that fail to deliver on the promises they make. With nearly \$400 million in subsidy aid provided each year, our IDAs and the businesses they subsidize must do better—it's about time that New Yorkers get their money's worth out of economic development subsidies. Here's how:

Business Standards

Reform 1: Prevailing and living wages to provide self-sufficiency and economic mobility for workers.

Reform 2: Regional hiring requirements and apprenticeship programs to ensure that development creates jobs and training opportunities for local workers.

Reform 3: High-performance building and environmental standards to prevent sprawl and encourage smart and sustainable regional growth.

Accountability Measures

Reform 4: Subsidy recapture mechanisms, or “clawbacks,” to provide a money-back guarantee against companies that default on their contract commitments.

Reform 5: Designated IDA Board representation to ensure that a broad range of stakeholder interests are included in decision-making.

Reform 6: Anti-raiding measures to prevent IDAs from engaging in unhealthy competition that results in job shifting from region to region rather than real job creation.

Transparency Reforms

Reform 7: Community Impact Reports that disclose the potential impacts caused by IDA developments and the proposed mitigation measures.

Reform 8: Increased monitoring of IDAs through improved reporting by IDAs and their projects on activities, performance, and commitments.

Reform 9: Publicized and accessible hearings to allow for meaningful input by local stakeholders on the impacts, costs, and benefits of IDA projects

Hundreds of organizations, elected officials, media outlets, and taxpayers are demanding better use of our tax dollars and public resources. Comprehensive reform of our Industrial Development Agencies is a necessary first step to just that—use our valuable local subsidies to generate *real* economic opportunities for *all* New Yorkers. We deserve to get our money's worth! Join the cause for better economic development statewide—contact New York Jobs with Justice at 212.631.0886 or visit www.nyjwj.org.