



Testimony of

Liz Marcello, Campaign Manager, Reinvent Albany and  
Member, NYC Transparency Working Group

before the

**New York City Council Committee on Economic Development**

Hearing on Oversight - Transparency & Reform of the New York  
City Economic Development Corporation

on December 8, 2016

Good afternoon, I am Liz Marcello, Campaign Manager for Reinvent Albany. My organization has previously testified on EDC and IDA transparency issues in our role as co-chair of the NYC Transparency Working Group.

We greatly appreciate the intent behind all of these bills, and this Committee's efforts to increasing the transparency and accountability of New York City economic development subsidies. This said, the Committee should know that my group and other members of the Transparency Working Group only learned of this hearing last night. We know of many groups not present here today who are interested in this important topic.

Given the brief time we have had to review the three bills, we have short substantive comments.

**Regarding Intro 1316-2016 (Garodnick)**

First, we support adding the Comptroller to the board of the EDC and note that the Comptroller's Office has a large professional staff with the expertise to assess complex projects more thoroughly than the interested public. We are strong believers in the importance of independent oversight of public spending, especially economic development subsidies.

Second, we support putting all EDC project data on the City's Open Data Portal, which exposes it to a broader share of the public, and ensures it can be downloaded in a reusable format with informative metadata.



Finally, we support the idea behind mandating the ESD release impact statements at least thirty days prior to the commencement of any project. However, we strongly suggest that the release of this information be mandated before a project is *approved*, not *commenced*. The public and their representatives should be fully informed about a project while it is still being evaluated, not after it is approved and about to start. We suggest the sponsor consult with EDC and IDA staff to determine what point in the evaluation process this information becomes available to them, and can thus be published for the public's use.

### Regarding Intro 1322-2016 (Johnson)

First, we strongly support adding mandatory recapture provisions to economic development contracts if the recipient of such assistance fails to comply with "material terms" of contract agreements. However, we suggest the sponsor consult with the EDC and IDA about whether this bill should implement a dollar-amount threshold for triggering recapture, since this may not make sense for some smaller contracts.

Second, given the limited time we had to evaluate this bill, we have questions about the specific bill language establishing the process for recapturing public funds. In particular we do not know if the key phrase in the bill—§1301(b-2)(5)(ii)—is taken from a best practice elsewhere or is the result of consultation with expert stakeholders or the EDC and IDA. Our take is that the phrase "promptly take all reasonable actions..." gives EDC and IDA a great deal of latitude how exactly they recapture funds. We note that EDC and IDA tends to have a collaborative relationship with recipient and that this phrase may need to be more specific and proscriptive to be meaningful.

### Int 1337 (Rosenthal)

We have no comment on this bill and have not had time to assess its provisions.

Thank you for your time.