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James Skoufis

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JAMES SKOUFIS March 4, 2019

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Senators James Skoufis (D-Hudson Valley) and Shelley Mayer (D-Westchester) are introducing a package of bills aimed at reforming Industrial Development Agencies (IDAs). The bills aim to increase accountability and transparency in the IDA process, rein in corporate welfare, and reduce opportunities for conflicts of interest.

One of the eleven proposals will ban IDA assistance to projects already in development. Skoufis' announcement took place in front of Dana Distributors, a beer distributor in Goshen, Orange County. Late last year, Dana Distributors applied for, and received, IDA benefits for an expansion that was simultaneously under construction.

Senator Skoufis said, "These are commonsense bills that will begin to restore the public's trust in IDAs and local economic development. There ought to be a large, bright line between true incentives and corporate welfare; right now, that line is not only blurred, it's constantly crossed. These bills will inject some much-needed oversight and accountability into a process that currently resembles the Wild West."

Proposals to be introduced by Senator Skoufis:

- Ban IDA assistance to projects already in development. In some cases, IDA benefits exist to incentivize projects not to relocate to another area, but when Dana Distributors requested additional IDA benefits, their expansion was already under construction, suggesting that regardless whether or not they had an incentive by the IDA, they had no intentions of relocating.
- Ban IDA assistance where the project occupant is secret. Bluewater, a project developer that applied for IDA tax relief from the Town of Montgomery, has not publicly disclosed who the project occupant is.
- Prohibit elected officials within the jurisdiction of an IDA from serving on that IDA's board. In Orange County, we have a handful of elected officials who sit on the IDA board.
- Require notification of state legislators about upcoming IDA public hearings. Currently, only local elected officials are notified of public hearings, leaving state officials have to find out after the fact
- Close a loophole that enables IDA piracy - luring companies from one part of New York State to another via tax incentives
- Standardize the fees that IDAs charge companies for providing assistance in order to bring consistency to the process
- Require "claw backs" of incentives and tax breaks for projects that don't deliver on their promised job totals or other development guarantees. In 2017, New York State Comptroller Thomas DiNapoli audited the Orange County Industrial Development Agency and found that multiple IDA projects in Orange County did not meet job creation requirements.

Proposals to be introduced by Senator Mayer:

- Provide school districts a formal seat at the table during PILOT negotiations

- Require IDA boards to include a representative from organized labor
- Improve notification requirements: agendas must be made public at least three days before a meeting
- Require IDAs to provide a full report on their activities to the local school district.
Currently, they just have to provide the report to the municipality that created the IDA.

Senator Mayer said, "I am pleased to work with Senator Skoufis and my colleagues to ensure taxpayer assistance to IDA projects is well spent. As a strong supporter of economic development in my district, I am committed to ensuring that when tax dollars are spent, through expenditures or financing, they are spent wisely and transparently and that communities receive the maximum benefits from their investments. I look forward to ensuring the process for public investment through IDAs is transparent and provides the maximum benefit for public dollars."