

September 29, 2003

Testimony of Assemblymember Scott Stringer
Before the IDA

I am here today to demand that the New York City Industrial Development Agency (IDA) allocates federal 9/11 rebuilding funds to truly spur economic development and affordable housing in this City. After the tragic events of September 11th, we were promised that Federal grants would be used to turn New York City into a vibrant community for the 21st century. Yet, this proposal would give a large proportion of the commercial Liberty Bonds program funding to a project that endangers job creation and the construction of affordable housing units in this City.

To help rebuild New York City after 9/11, the federal government granted the City \$8 billion in tax-exempt Liberty Bonds, \$2 billion of which can be used for commercial real estate projects outside of the Liberty Zone in Lower Manhattan. Using \$650 million of these precious funds and an unspecified quantity of sales tax exemptions to subsidize the Durst Organization and Bank of America, the building's main tenant, is a blatant misallocation of these precious resources. After the first attack on the World Trade Center (WTC) in 1993, the Bank of America misused a subsidy from the City to protect jobs at the WTC by firing over 1,000 employees. Given that the City terminated the Bank of America's future benefits in 1998, the current proposal to subsidize this institution represents an incomprehensible threat to the economic prosperity of our City.

If this project must move forward, the IDA must include a number of critical provisions in order for Durst Organization to receive this funding. First, the IDA must require a money-back guarantee if the Bank of America does not retain or create the jobs it agrees to, jobs that provide adequate salaries and benefits for New Yorkers. This project should also include an origination fee to the developer that will fund affordable housing throughout New York City, a provision already a part of the City's residential Liberty Bond program.

It is essential that the IDA also stipulate that a percentage of construction materials must come from New York City-based manufacturers. As the Durst Organization has agreed to use environmentally-friendly building materials during construction, the City, developers, and the manufacturing industry need to spur the creation of such materials for this project. Such actions will help put New York City at the forefront of a new, promising industry that will both protect the environment and promise tremendous economic benefits for New York.

Let's seize this opportunity to foster a new industry: green building manufacturing. Obviously there is a lot of interest in this new industry, especially since the blackout. In fact, as chair of the Assembly Committee on Cities, I am holding an event on Wednesday to educate co-op and condo owners on how to incorporate energy saving and other environmentally friendly systems into New York's residential buildings.

The IDA has a responsibility to allocate Liberty Bonds funding to support the economic revitalization and construction of affordable housing in our great City. A new Lower Manhattan and New York City must include New York's working families.

We must not allow this enormous opportunity to pass us by at a time when precious funding is committed and people have been motivated into action.

Thank you.

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