

**Comments of Good Jobs New York
Bettina Damiani, Project Director
Before the New York City Capital Resource Corporation**

June 4, 2010

Re: Proposed Recovery Zone Facility Bonds for E Smith Legacy Harlem LLC

Good morning. My name is Bettina Damiani, Director of Good Jobs New York, a joint project of the Fiscal Policy Institute, with offices in Albany and New York City, and Good Jobs First, based in Washington, DC. Good Jobs New York promotes accountability to taxpayers in the use of economic development subsidies.

We are greatly concerned about E Smith Legacy Harlem LLC's application for \$19.7 million in Recovery Zone Facility Bonds. The proposal to develop a hotel in Harlem might be acceptable one, yet this request for tax-exempt bond financing fails to demonstrate that.

Most notably:

- The applicant's refusal to answer the question on projected average quarterly wages of its employees is unacceptable. It should be agency policy that any application that refuses to answer this question – which is most rudimentary and does not jeopardize a firm's privacy – is not permitted to move forward.
- It's unclear if the projected employment question includes the retail component of the project. We believe that only the jobs expected to be created with the portion of the development that that is applying for Recovery Zone Facility Bonds should be included in that figure.
- As an administrative matter, it seems unusual that the entity to which the bonds would support has yet to be incorporated. Are there previous applications that either the Industrial Development Agency or Capital Resource Corporation allowed an application to be completed without this information?
- Page 6, question 3 of the Core Application asking where machinery and equipment for the project will be purchased is answered "to be determined". Isn't this question essential in determining the economic and environmental impact of this project to the city? Having exact percentages may not always be feasible, but there was no attempt by the applicant to answer this question.

As many of the board members and staff may know, in recent months there has been great interest by various communities to incorporate good job standards and employment opportunities for New Yorkers at subsidized developments. To reflect that, we encourage that the CRC (and by default IDA) application include questions relating to the potential for local hiring and training and wage break out by occupation at proposed projects.

Thank you for the opportunity to present our testimony to you today.