

The logo consists of the letters "GJNY" in a bold, white, serif font, centered within a solid black square.

# Good Jobs New York

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*Via email and Postal Mail*

Empire State Development Corporation  
Attention: JCRP Comment  
633 Third Avenue  
New York, NY 10017

April 29, 2009

To Whom It May Concern:

Thank you for allowing Good Jobs New York to comment on the proposed changes to the Job Creation and Retention Program (JCRP) created in the wake of attacks on the World Trade Center in September 2001.

Good Jobs New York is 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. Our website ([www.goodjobsny.org](http://www.goodjobsny.org)) contains the only publicly available database of the city's large corporate retention deals.

After the attacks of 9/11, we launched "Reconstruction Watch" to help the public better understand the many incentives available for the redevelopment of Lower Manhattan and track how they were allocated. Our reports (available at [www.reconstructionwatch.net](http://www.reconstructionwatch.net)) provide a critical eye on the use of the \$2.7 billion in Community Development Block Grant funds allocated by the Empire State Development Corporation (ESDC) and the Lower Manhattan Development Corporation (LMDC) and the other incentive programs that made up the \$20 billion of federal funds approved under the Job Creation and Worker Assistance Act of 2002.

We also have tracked post 9/11 Liberty Bonds and co-founded the Liberty Bond Housing Coalition, which expressed concern that Liberty Bond use was fueling gentrification of Lower Manhattan by building predominately luxury housing and catering to large financial firms at the expense of small companies that didn't have access to capital, especially after the terrorist attacks.

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**A Joint Project of the Fiscal Policy Institute and Good Jobs First**

For both the cash grants and Liberty Bonds, we believe the process by which the funds were made available was void of truly democratic decision making – the requirements that CDBG funds be used in low-income neighborhoods and that there be a public hearing prior to allocation were waived by Congress - and that small firms without already standing contacts at various city and state agencies had a minimal chance of obtaining grants.

Fortunately, in fall of 2007 the LMDC released monies as part of its \$45 million “Community Enhancement Fund” to numerous civic groups. Yet, this needless delay was a lost opportunity to help low-income residents and small businesses in Chinatown and the Lower East Side that disproportionately suffered for years after 9/11.

We greatly disagree with the ESDC’s premise in this proposal that tax breaks are an essential lure for companies to move downtown. In fact some of the largest recipients of these grants (American Express and HIP among them) said the firms would have returned to Lower Manhattan without the funds. The issues affecting a large firm’s growth largely depend on the management of the rebuilding.

To provide an understanding of how the current funds have impacted job growth in Lower Manhattan, we ask the Empire State Development Corporation to release:

- The number of jobs created and retained by firms that received CDBG funds each year since the beginning of the program;
- A list of firms that received CDBG funds and have not created or retained the jobs promised, including the job creation or retention discrepancy, what penalty or penalties were paid, and to which state agency those funds went.

Only after an accounting of the impact of past allocations can the public truly comment on whether the proposal to extend these benefits is a good one.

Best regards,

A handwritten signature in black ink, appearing to read "Bettina Damiani", is centered on a light-colored rectangular background.

Bettina Damiani  
Project Director