

**Comments by Dan Steinberg
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**Public Hearing of the New York City Industrial Development Agency
On Proposed Incentives for The Center at Albee Square**

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My name is Dan Steinberg, Research Analyst for Good Jobs New York, a joint project of the Fiscal Policy Institute and Good Jobs First. Good Jobs New York promotes accountability to taxpayers in the use of economic development subsidies.

Generally Good Jobs New York supports policies geared toward bolstering commercial districts in the outer boroughs. But it is unfortunate that the city is in the position where it has to use subsidies to achieve its desired outcome on this site, since the property was rezoned so recently. Perhaps a more restrictive or innovative zoning designation would have been an effective way to avoid the use of subsidies. The city made it allowable for a developer to build a condo project with no office component, and it now appears that more effective land-use planning could have saved taxpayers \$1.78 million in tax breaks.

Good Jobs New York is also concerned that subsidies are being offered before some of the most critical questions about the overall project are answered. As the owner of the land, it appears that the city has a great deal of leverage in terms of shaping the project. So why are any incentives being offered before we know exactly how many affordable units will be created? Why not require that the hundreds of jobs created by the project pay decent wages and offer health benefits? What will happen to the current businesses that have endured years of uncertainty about the future of the site and the disinvestment that often accompanies this sort of speculation?

Offering subsidies before these and other issues are resolved puts the city in a weaker position to ensure that this project benefits the existing community it will affect. Considering the size of the project and the city's strong negotiating position, it would be in the interest of the city to have a truly public process for determining how best to make this project work for everyone. Otherwise the value we created by rezoning the property is simply being transferred directly to the new developer and the former owner of the land.

Thank you for the opportunity to testify today.