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**Testimony before the New York City Industrial Development Agency
Good Jobs New York - October 6, 2011
Re: Proposed Subsidies for Smith Electric Vehicles**

Good morning. Thank you for the opportunity to testify today. My name is Bettina Damiani and I direct Good Jobs New York, a project of Good Jobs First based in Washington, DC in partnership with the Fiscal Policy Institute, with offices in Albany and New York City. Good Jobs New York promotes accountability to taxpayers in the use of economic development subsidies.

GJNY is pleased to support the IDAs proposal to provide \$1.7 million in financing to Smith Electric Vehicles. Here's why:

Jobs: It is reflected only slightly in the project materials, but after discussions with IDA staff it seems the company proposed to create good jobs: they are full-time (as stated in the Employment Questionnaire question numbers 8-12); initial employment is low with seven employees but picks up very quickly in year two with decent wages and provides a full benefits package including vacation, medical, dental and vision coverage. If this is not the case, we urge IDA staff to correct us. If it is correct it is a disservice to the application that this information was not included. While some job standards information is included in the agency's annual Investment Projects Report, it would be more constructive if future IDA project materials provided job quality information as well.

Multiplier Effect: The application claims 100% of machinery and equipment (question 3, Core Application) will be purchased in the United States, with half of it purchased in New York City and New York State. This is an excellent standard that the IDA should expect from more of its applicants.

Diversifying the Economy: Supporting the expansion of a facility assembling zero-emission vehicles helps build the foundation for similar businesses to grow in the area; ideally ones that won't require subsidies in the future. The location near the Hunts

Point Market with its tremendous truck traffic makes this a good location to nurture this industry.

Environment: Port Morris and the surrounding South Bronx communities are part of the “asthma corridor” where residents suffer some of the highest asthma rates in the city. Minimizing the number of vehicles that run on carbon emitting fuels is an important step to help improve the air quality in the area.

Further clarification needed: Question 24 of the Environmental Assessment Form lists eight other public agencies that the firm is seeking benefits from. We urge the IDA to clarify the value of subsidies already approved for this project and provide an update on the estimate of subsidies that Smith Electric Vehicles is seeking. It’s impossible to put the firm’s IDA application for benefits in context without knowing the approximate value of other taxpayer investment.

Overall, Good Jobs New York is pleased to support the Smith Electric Vehicles proposal and hopes this project will fuel a larger trend toward building a prosperous, sustainable economy in the Bronx.

Thank you.