

**Testimony of Good Jobs New York
Bettina Damiani, Project Director
Before the Liberty Development Corporation
December 3, 2009**

Regarding WTC Properties application for \$2.6 billion in Liberty Bonds

Good evening. 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. 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.

The Proposal

Despite reservations, GJNY supports the use of Liberty Bonds for the development of office towers at the site of the World Trade Center. While many questions remain as to the viability of filling six million square feet of commercial office space, we believe that having the remaining \$2.5 billion in Liberty Bonds (that expire at the end of the year) go unissued would further hamper the struggling rebuilding efforts of the World Trade Center site.

Our reservations are:

- Should Silverstein Properties have difficulty finding tenants to fill the three towers, the firm should not expect the government to lease space to help meet its bottom line unless the space is offered at below market rates.
- The city and state should not create new subsidy programs –discretionary or as-of-right - for future tenants at the site.

We commend Silverstein Properties for its goal of acquiring a U.S. Green Building Council LEED certification. We encourage the developer to utilize to the fullest extent possible products and services from the city's growing green manufacturing sector. This will help create good, family sustaining jobs for New Yorkers and facilitate the city's efforts to diversify our economy.

The Public Hearing

Why did the LDC choose to hold a public hearing this evening when a winning vote on the proposal was taken yesterday morning? It is the height of hypocrisy for an agency that is allocating public financing not to consider public opinion before it votes on a project.

It doesn't have to be this way. When the New York City Industrial Development Agency (IDA) held a hearing on this project in 2005 numerous New Yorkers testified in support and against it *before* the board was expected to vote. (As indicated in the project materials, WTC Properties applied originally with the NYC Liberty Bond Program overseen by the IDA but it did not come to a vote). And in other controversial projects – Liberty Bonds for Bank of America in Midtown and Yankee Stadium, for example – the IDA's hearing process brought out a mix of New Yorkers who gave their opinion about the proposal. Because the IDA provides copies of its cost/benefit analysis, application and other supporting materials, people's testimonies were well-informed.

The process at the LDC is in sharp contrast to that of the IDA. Considering the impressive size of the project and the history associated with the World Trade Center site, the public deserves more than a four page description. It also should expect the board to hear testimony before voting. The current public hearing process fosters a distrust that raises questions not only of the LDC but of the validity of the projects this agency is supporting.

Taking into consideration that the state legislature passed Public Authority reform yesterday, we encourage the Empire State Development to seize the moment and incorporate a more trustworthy, transparent and accountable public hearing process.