

February 28, 2008

Senator Dale Volker
NYS Senate
143 N. Main Street
Warsaw, New York 14569

Dear Assemblyman Volker:

The Livingston County Chamber of Commerce opposes A.8703 (Hoyt) which would significantly increase costs for IDA project owners, impose a regulatory regime that few if any businesses would subject themselves to, add new legal liability that would prevent an IDA from ever issuing bonds to assist businesses that want to invest and create jobs in New York State, and make IDAs accountable to special interests rather than to their home rule local government sponsors.

This legislation would add significant new costs to IDA economic development projects by requiring payment of prevailing wages; payment to employees of IDA projects of at least the median wage for ALL occupations, require IDA-assisted project owners to meet new environmental and energy standards not required anywhere else in law.

IDAs exist to provide a financial incentive to private entities to invest in New York communities. These provisions would more than offset the financial incentive IDAs were created to provide.

This legislation would place new open-ended legal liabilities on IDAs and project owners that would prevent the sale of bonds to assist businesses. These include establishment of an open-ended complaint process that could result in public hearings, investigations by ESD and the Attorney General regardless of merits; a statement by the applicant indicating whether any officer, employee or shareholder has violated any state, federal or local law or regulation pertaining to the environment, taxation, worker protection, or financial assistance. The accuracy of this information would have to be certified by the CEO. Many businesses that IDAs assist have thousands of employees and millions of shareholders. Obviously, it is not possible to know if any employee or shareholder has violated any of such law or regulation, and no CEO would certify to the accuracy of such data.

Each of these provisions would establish open-ended legal liabilities for IDAs and project owners that would discourage buyers from purchasing IDA bonds because they never could be certain of the status of the project.

This legislation would impose sweeping new reporting requirements on IDAs and borrowers. These include new financial reports to the Comptroller by IDAs, a new community impact report by applicants, and a financial assistance agreement that would require the applicant to commit to stay in location for five years after the IDA assistance expires.

IDAs are required now to file extensive annual reports with the Comptroller for each project with outstanding indebtedness, NYS Department of Tax and Finance, and the Authority Budget Office. These new requirements would result in the expenditure of significant staff time and result in little, if any additional benefit.

Finally, by requiring the appointment of representatives of labor, school boards, environmental organizations to IDA boards, repealing the option of appointing a business representative, establishing four year terms for board members, and repealing the requirement that members serve at the pleasure of the local governmental legislative body, IDAs would become accountable to special interest groups rather than to their home rule local government sponsors.

This legislation would prevent the Livingston County Industrial Development Agency from helping Livingston County create and retain jobs, the mission it was created to fulfill. As a collaborating partner of the IDA and promoter of business development and quality of life in Livingston County we urge your opposition.

Sincerely,

Carl Lutz
Chairman of the Board