

I'm skeptical about the Mount Vernon Industrial Development Agency. Here's why.

IDAs are so called "Public Benefit Corporations" with the authority to grant a variety of tax breaks and tax exemptions to private corporations. Created by NYS in 1969, the theory behind IDAs is that giving tax breaks to private corporations, frequently real estate developers, will increase economic activity and be a net benefit to the communities in which IDAs exist. The assertion by those who give the tax breaks (the board of the IDA) and those who receive the tax breaks (private corporations), is that the system works- they create jobs and stimulate economic activity more than if no tax breaks are given. I'm skeptical because the evidence to support this assertion is just not there.

"Local governments, especially in certain economically depressed parts of the state, understandably want to invest in economic development; however, granting power to allocate taxpayer funds to more than 100 IDAs and almost 300 LDCs with imperfect reporting and minimal accountability has not been successful in improving suffering regional economies."

David Friedfel, Director of State Studies for the Citizens Budget Commission. Testimony submitted to the Assembly Standing Committees on Local Governments; Corporations; and Oversight, Analysis, And Investigation (November 22, 2019)

<https://cbcny.org/advocacy/testimony-industrial-development-agencies-and-local-development-corporations>

Also see:

- 2006 IDA Background report from former Comptroller Alan Hevesi: <https://www.osc.state.ny.us/files/local-government/publications/pdf/idabackground.pdf>
- Comptroller DiNapoli's 2022 IDA performance report: <https://www.osc.state.ny.us/files/local-government/publications/pdf/performance-of-idas-in-nys-2022-annual-report.pdf> (in particular, see New Rochelle's IDA results in the appendix on p17)

I'm skeptical because the MVIDA has not provided evidence that it can convert tax breaks given to real estate developers (for example), into sustainable, well-paying jobs, and net positive revenue generating economic activity. I'm skeptical because if tax breaks given out by the MVIDA to private corporations have social validity, we'd be able to see and feel the evidence of that social validity.

I'm open to persuasion if presented with compelling evidence. However, thus far, *the evidence compels me to believe that the IDA functions to shift the local tax burden away from private corporations and more squarely onto the shoulders of residents.*

Recently, the MVIDA revised its "Uniform Financial Assistance and Benefits Recapture Policy" (UTEP). You can access the proposed revisions here: <https://cmvny.com/257/Industrial-Development-Agency> In my view, the revisions extend the (already broad) authority of the MVIDA with new provisions such as the following:

- Section 1.2 Discretionary Project Factors. Agency decision-making to provide any Financial Assistance in in the Agency's sole discretion.

- Section 4.1 Mortgage Recording Tax Exemptions. C. Waiver. The Agency, in its sole discretion, may waive all or any portion of any payment owing by the Company for any reason.
- Section 4.2 Sales Tax Exemptions. C. Waiver. The Agency, in its sole discretion, may waive all or any portion of any payment owing by the Company for any reason.
- Section 5.1 Deviations From Policy. The Agency may in its discretion deviate from the uniform PILOT policy, and increase or decrease the level of public subsidy and/or the term of the benefits depending upon whether the Company's business and/or development program includes, among other things: [26 bulleted items follow]

The public comment period on the revised UTEP extends through October 13, 2022 at 10am. Written comments can be sent to the attention of the "Director of Business Development" and accepted until 5pm on October 12, 2022, by regular mail: 1 Roosevelt Square, Mount Vernon, New York, 10550. Or by email at mvbiz@cmvny.com.

Additional public comments will be heard on Thursday, October 13, 2022 at 10:00 AM in the Mayor's Conference Room. The public may also attend the meeting via livestream on the Agency's Facebook page at <https://www.facebook.com/mountvernonny>.

Like me, I suspect that a lot of the residents who- *the evidence suggests*- will be picking up the tab for corporate tax breaks handed out by the MVIDA, won't be around to attend this meeting. We'll be working.

Public Benefit Corporations are expected to contribute to the public good, for the benefit of all members of our society, not just private corporations. I hope other residents join me in asking for evidence that the MVIDA is living up to that expectation.