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Creating 'Database of Deals' Would Be a Window for Public

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By the Editorial Board

A proposal by good government groups to create a "database of deals" to show which companies are getting state economic development subsidies could be just what's needed to justify programs like Start-Up NY, which was roundly criticized recently for its lackluster performance.

Gov. Andrew Cuomo's Start-Up NY, launched in 2013, created tax-free enterprise zones at colleges and universities in a bid to attract entrepreneurs. But according to the Associated Press, a report quietly released by his administration last month — three months after it was due — showed the program has created only 408 jobs, despite \$53 million in television and radio ads to promote it.

"I'm not seeing a whole lot of return on investment," said Assemblywoman Addie Russell, a Democrat from Jefferson County who called for "a serious rethinking of how this program is managed and run."

Lawmakers also cited a lack of transparency when it came to the deals made with companies getting the tax breaks. They said a recent audit that found Empire State Development Corp., the state's main economic development agency, cannot verify that companies receiving millions of dollars in tax credits through the Excelsior jobs program are meeting their obligations.

The report also found that the corporation lowered job creation goals after companies failed to meet expectations and didn't verify if jobs were full time or part time. When deals are made and companies renege, taxpayers lose.

Empire State Development President Howard Zemsky wasn't pleased with the criticism and questioned the audit's fairness. He urged patience with the Start-Up NY program, and dismissed some of the criticism as short-sighted and politically motivated.

Then maybe the proposal by The Citizens Budget Commission, the Fiscal Policy Institute and the group Reinvent Albany could help Zemsky make his case. Creating a "database of deals" would address transparency issues and could show precisely how the state is awarding public dollars.

That could certainly be adapted to include the specifics of deals made under programs like Start-Up NY.

Supporters of the "database of deals" say that too often the public doesn't know how the state is spending more than \$4 billion in economic development money. Liz Marcello of Reinvent Albany



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said the database would give New Yorkers a "clear, complete" picture of how the state is awarding public dollars.

That's what's needed. The state must be accountable for any money it spends and for any tax breaks given because that affects taxpayers, too. As Assemblywoman Russell suggests, 408 jobs hardly seems a good tradeoff for \$53 million in television and radio ads, not to mention the tax dollars New York state won't be getting as a result of the deals made.

The public deserves to know where its money is - or isn't - going. The proposed database would be a good way to open that window.