

PARTNERSHIP
for New York City

January 30, 2015

David R. Bean, CPA
Director of Research and Technical Activities
Governmental Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06858-5116

RE: Project No. 19-20E

Dear Mr. Bean:

The Partnership for New York City represents the city's business leaders and largest private sector employers. We work together with government, labor and the nonprofit sector to promote economic growth and job creation in New York.

We support a well-run and fiscally responsible government which is achieved, in part, by implementing data-driven, outcome-based programs. States and cities spend an estimated \$70 billion a year to attract and retain jobs and investment. Given the massive amount of government dollars spent, the Partnership commends GASB on proposing new rules for how states and cities report the costs of tax-based economic development subsidies for the first time ever. Up until now, it often has been difficult to verify the outcomes of these subsidies, such as the number of jobs created or the amount of capital invested. We recommend GASB go one step further to include company-specific, deal-specific disclosure which will allow for more vigorous evaluation of tax abatement outcomes by industry and location.

In 2010, the Partnership led successful efforts to overhaul the state's approach to economic development, resulting in the enactment of the Excelsior Jobs Program (Excelsior) and the end of the wasteful Empire Zones Program. Excelsior provides refundable tax credits for growth sector companies that create new jobs, invest in upgraded facilities and carry out R&D functions. In 2011, the Partnership backed expansion of the program to provide job creation and investment tax credits to businesses in targeted industries that offer high value-add jobs such as high-tech, finance, media, logistics and manufacturing. Last year, Excelsior landed New York eighth place on Good

Jobs First's state ranking for providing company-specific, performance-based data that is publically available online, and for being a model to other states.

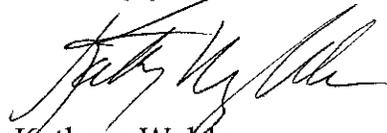
New York City also reports deal-specific outcomes of economic development subsidies on its tax-based industrial incentive program. Good Jobs First's latest local ranking put the City on the top of this list for enacting one of the best online disclosure requirements. Reporting of tax-based subsidies has not proven to be a deterrent for business location decisions, which are based on a wide variety of factors such as the regulatory and legal environment, access to talent, and quality of life. Nine years after implementing reporting standards, the city still enjoys a strong, diversified economy growing at an annual rate of 3 percent over the past five years, compared to 2.2 percent in the nation.

Opening up company- and deal-specific tax abatement data will create a more level playing field across cities and states, and could lay the groundwork for a regional economic development process. As the Brookings Metropolitan Policy Program has made clear, economic growth in America is increasingly driven by its metro regions. The New York City Metro Region is by far the largest in the country and among the largest in the world, with more than \$1.47 trillion in annual economic output. Disclosure and comparative analysis of subsidy contracts within the tristate Metro Region would be instructive locally and could lead to a more fiscally-sound and cooperative approach to regional economic development.

Deal-specific subsidy data will allow business and government to make better decisions about investment and public policy. By imposing clear standards, GASB can help ensure that government subsidy dollars deliver on the goal of building stronger, healthier economies across the nation.

Thank you for the opportunity to submit comments.

Sincerely yours,



Kathryn Wykle
President and CEO