



Members of the Manufacturers Alliance of New York



MEMORADUM IN OPPOSITION A.22 (Magnarelli)/S.1717 (Skoufis)

MACNY, The Manufacturers Association, and The Manufacturers Alliance of New York, strongly oppose A.22 (Magnarelli)/S.1717 (Skoufis) as the bill would diminish local control of the Industrial Development Agencies (IDAs) across the State. Specifically, the legislation would overly prescribe how an IDA would work with project applicants in their communities, does not consider the market impacts outside the control of project applicants, and would harm the State's ability to attract new industries and secure investments from existing manufactures through the Site Selection Process.

Of the bill's three troublesome provisions, the first provision would require IDAs to implement its claw back policies removing the flexibility to take into consideration market conditions like a global pandemic, supply chain issues, or local challenges when deciding how to implement its claw back policy. This provision also implies that job creation/retention is the only metric when evaluating whether to provide or claw back incentives. Additionally, it fails to take into consideration other economic development goals such as renewable energy generation, downtown revitalization, and housing development that many IDAs are actively engaged in.

The second provision further limits flexibility by disallowing IDA assistance if the project were "in development." If a global pandemic hits, or if supply chains are disrupted and interest rates spike, IDAs would be powerless to help a business. This contradicts the State's FAST NY Shovel-Ready Grant Program which is designed to invest in infrastructure before a project has agreed to come to New York or apply for IDA incentives. A site that is "in development" with FAST NY could be ineligible for IDA assistance to a company interested in the site. Additionally, this provision would cause issues for the legislature's own IDA emergency loan and grant authority during the pandemic since those loans and grants would be going to businesses who are already operating.

The third provision is the most concerning as it would take the State out of the site selection process for any future industry attraction/expansion projects like Micron, GlobalFoundries, Fairlife, Great Lakes Cheese, or any affiliated supply chain projects that we anticipate through the Green Chips Program and the Federal CHIPS and Science Act. No other state requires a business to disclose incentive proposals from other states. This hurts the retention of existing companies and expansions since companies and Site Selectors would take the State off the list to avoid violating a non-disclosure agreement (NDA) with another state. This would give a huge competitive advantage to all other states including key states such as Texas, Florida, Arizona, North Carolina, and Tennessee.

It is for these reasons among others that we strongly oppose A.22/S.1717 and urge you to vote against this bill.