



Beyond Amazon:

Reshaping New York's Approach to Economic Development

Late last year, New Yorkers reacted with outrage to the announcement that Amazon was going to force its empire building on the communities of Queens. Many of us cried out against the displacement of working families; against subsidizing a corporation that enables the Trump deportation machine; and against the predatory practices and monopoly power of Amazon.

But **regardless of one's position on whether Amazon HQ2 would have benefitted or hurt New York, it is clear that the HQ2 roll-out was a fiasco of gigantic proportions.** That fiasco laid bare long-standing problems with our state's approach to economic development.

The proposed HQ2 deal was particularly offensive by virtue of its size, the nature of Amazon as a corporation, and the secrecy of the negotiations. But those flaws were *yet another example* of our state's longstanding and corrupt model of giveaways to corporations disguised as "job creation" and "economic development." Deals like the Buffalo Billion exemplify the model - the people of this state invested \$750 million in an "economic development" project that promised thousands of "new jobs." The results? 700 jobs. And two officials convicted of public corruption.

Every year State and local governments give \$10 billion of our resources away to corporations with virtually no accountability and little public awareness. Meanwhile our schools, transit system, and public infrastructure suffer. Without Universal Rent Control, landlords and speculators use their power to raise rents and evict our neighbors. The home care sector is creating jobs in every corner of the state, but can't retain workers because of a lack of investment in that workforce. And our neighbors suffer through unemployment, under-employment and brutal low-wage jobs while wondering what happened to the good jobs promised by politicians.

There is a better way. In a state with abundant wealth, **all of our neighbors can thrive.** We can move beyond the corrupt practices that allowed for the Amazon HQ2 fiasco. And we can take back our future – **protecting our neighborhoods and reclaiming democratic power in our New York.**

This document presents some first steps - clear-eyed, common-sense, & urgent ways to reshape how we all come together to build New York. A New York for all of us.

Our Neighborhoods

WE HAVE A RIGHT TO THRIVE IN OUR TOWNS and NEIGHBORHOODS.

WE HAVE A RIGHT TO HOUSING, INFRASTRUCTURE, AND JOBS WITH DIGNITY FOR ALL.

1. We must INVEST DIRECTLY to create good jobs and meet neighborhood needs.

Public infrastructure investment can create thousands of good jobs for New Yorkers as we build a state that works for all of us. Investing in the caring economy and home care jobs, sustainable development approaches, a just transition to safe water and clean energy, parks, community centers, and mass transit will build on what makes this state an extraordinary place to live, work and establish businesses.

- **One approach is to reinstate New York’s stock transfer tax to generate \$14.6 billion annually and directly invest those revenues in the MTA, local infrastructure, schools and the caring economy.**

2. Subsidies must ALWAYS create *good jobs* for neighbors who need them most, and *public good* for our communities.

- **Social Impact Assessment** – Not a single dollar should be spent to subsidize any project until a full social impact assessment is completed – covering climate, housing and gentrification, transit, infrastructure, job quality and workforce development.

New Social Impact Legislation:

Today, Senate Deputy Majority Leader Mike Gianaris unveils plans for **legislation** mandating that major economic development deals incorporate a true social impact assessment into the cost-benefit-analysis. **A major contributing factor to the HQ2 fiasco was the total failure to address risks of displacement, gentrification, and burdens on infrastructure together with potential positive impacts.**

➤ **Basic labor standards –**

- We must respect workers’ right to organize for a voice on the job. **This means requiring labor peace for every major subsidized project** where the state has a proprietary interest.
- We must require a targeted local hire and first source hiring system: a **minimum of 30-50% of workers should come from low-income communities.**
- We must require robust investment in training and education of local workforce.

New Sweeping Economic Development Reform

Legislation Announced:

*Today Senator Jessica Ramos and Assembly member Ron Kim announce plans to introduce an amended version of **The Economic Accountability and Transparency Act**, an earlier version of which is pending in the Assembly (A07096 Kim). The legislation will implement many of the “Beyond Amazon” principles, including local hire mandates, protection for workers’ rights to organize, caps on subsidies, and limits on subsidies to corporations with massive gaps between average worker pay and CEO compensation.*

Our New York

NEW YORK BELONGS TO ALL OF US. WE MUST REDUCE THE ABILITY OF MEGA-CORPORATIONS TO BULLY COMMUNITIES AND ELECTED OFFICIALS.

1. We must CAP subsidies & tax breaks.

No one corporation should ever command more than a very small fixed percentage of any given economic development program, and we must create a cap on total tax credits or subsidies to any single corporation. We must also protect our tax base by setting a maximum percentage of the property tax base of our localities that can be abated to subsidize corporations.

- *These caps form part of the planned amendments to the **Economic Accountability and Transparency Act, A07096 (Kim)**, announced today by Assembly member Kim & Senator Ramos.*

2. We must SHINE A LIGHT on backroom economic development deals and take back the power to hold corporations accountable.

- **Create a Unified Economic Development Budget** – Let’s map the whole “budget iceberg” of giveaways by creating a Unified Economic Development Budget, with all forms of spending in one place - whether that spending is an appropriation, tax abatement or tax credit.

*Supported legislation: **The Unified Economic Development Budget Act – S3364***

(Krueger) – currently in Senate Corporations, Authorities & Commissions Committee

- **Implement a Real Database of Deals** – Track company-specific reporting on relevant data, such as jobs promised & jobs created, compiled into one searchable statewide database.

*Supported legislation: **Database of Deals A02334 (Schimminger)***

- **Ban Non-disclosure Agreements in Economic Development Negotiations**

*Supported legislation: **S3402 (Gianaris)** bans Confidentiality and Non-Disclosure*

Agreements in Economic Development Contracts.

- **Implement a Real Money-Back Guarantee (a.k.a. Clawbacks)** – Corporations must give us a refund when they fail to deliver what they promise.
 - **Reinstate Legislative Oversight of Economic Development Deals** – we must reassert the power of our elected representatives to hold corporations accountable and determine whether economic development deals are truly in our communities’ best interest.
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Our Future

WE HAVE THE RIGHT TO CONTROL OUR FUTURE.

“ECONOMIC DEVELOPMENT” IS TAKING PLACE AGAINST A BACKDROP OF MASSIVE WEALTH AND POWER INEQUALITY THAT WE MUST REMEDY.

Our economy is increasingly dominated by a few mega-corporations and their billionaire executives. And our economic development spending has been dominated by a small number of “megadeals,” of which HQ2, at \$3 billion, would have been the second biggest. They have accumulated much of “their” wealth through extractive practices, abusive labor conditions, and surveillance of all of us.

- **Start recouping our wealth.** A first common-sense step is to recoup a small portion of the wealth extracted from working communities, by implementing a **progressive tax on corporations whose CEOs earn more than 30 times their average employee pay.**
 - *Supported legislation: <https://nyassembly.gov/leg/?bn=A07454&term=2019> (A07454 Kim | S01659 Skoufis)*
- **Stop subsidizing inequality. No Corporation whose CEO receives compensation equaling more than 30 times its average employee should be eligible for subsidies.** It is absurd that our state continues to subsidize mega-corporations that DON’T need our help, disadvantaging smaller employers and concentrating more and more wealth and power in the hands of a few top executives. We should instead support smaller businesses that are rooted in our neighborhoods.
 - *This ban forms part of the planned amendments to the **Economic Accountability and Transparency Act, A07096 (Kim)**, announced today by Assembly member Kim & Senator Ramos.*

Endorsing Organizations

(List in formation)

ALIGN

Alliance for Quality Education

Brandworkers

CAAAY Organizing Asian Communities

Caring Majority

Center for Popular Democracy

CHHAYA CDC

Citizen Action of New York

Coalition for Economic Justice

DRUM

Empire State Indivisible

Fiscal Policy Institute

Food & Water Watch

Freedom to Thrive

Good Jobs First

Hand in Hand

Institute for Local Self-Reliance

Jews for Racial and Economic Justice

Jobs with Justice

Make the Road New York

Mijente

MPOWER Action

New Economy Project

New York Communities for Change

Open Markets Institute

Partnership for Working Families

Primed Out

Queens Neighborhoods United

Tech Workers Coalition