
Let's give IDAs a break -- at least for right now

Before we question their effectiveness, state needs to get its data in order.



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Industrial development agencies, which have played pivotal roles in various economic development projects in many upstate areas, have come under a lot of scrutiny lately.

IDAs are public agencies that can offer financial benefits as incentives for public or nonprofit entities to locate or expand in a particular area.

Chemung County's IDA, one of 115 that operate around the state, put together the sales tax exemption and payment in lieu of tax agreements for the local leg of the Millennium Pipeline project. The sale of the low-interest bonds used to finance the Clemens Center expansion project was arranged through the IDA. The Black Hawk helicopter finishing facility in Big Flats was built by the IDA and leased to Sikorsky Aircraft subsidiary Schweizer Aircraft Corp., also in Big Flats.

But lately, IDAs have garnered negative publicity for granting the benefits for job-creating economic development projects but failing to ensure the jobs promised actually materialize.

Critics also have called into question an IDA's ability to secure financing for projects by nonprofit groups. And they've criticized the agencies for failing to mandate living-wage pay scales for the tradesmen who work on IDA-supported building projects.

In May, a coalition of environmental and labor groups called New York Jobs with Justice released a report claiming that in 2005, IDA-financed projects fell far short of their job-creation goals. Those projects were supposed to create 217,000 new jobs, the New York Jobs With Justice report claims, but only 79,000 were created.

The New York State Economic Development Council returned fire by commissioning the Center for Governmental Research to analyze the same programs. On Tuesday, the council released a report that said just the opposite; job creation from IDA-assisted projects was 124 percent higher than projected; 309,504 jobs were created vs. 250,599 jobs projected.

There were projects that fell short of their job goals and both groups are close to agreement on the numbers. The NYJWJ says 47 percent and the council's report says 45 percent. But the NYJWJ group says 25 percent of the projects it reviewed reported job losses while the Economic Development Council report counts 16 percent. The NYJWJ group also reported that 13 IDAs backed projects that resulted in job losses. The council only counted one.

As one might expect, spokespeople for each group have vouched for the accuracy of their respective reports, which were compiled by each group looking at statistics provided to the Office of State Comptroller by the individual IDAs.

So how are the radically differing results explained? Simple, says the report backed by the council. The NYJWJ report was based on uncorrected data while the Center for Governmental Research report analyzed data that was revised after the errors were made known.

For example, the duplication of 46 projects in the comptroller's database, when combined with 17 other data-entry errors, resulted in the underreporting of almost 10,000 jobs. Other errors involve miscues, such as entering 1,233 jobs when the correct figure was different or leaving blanks in job creation data.

One mistake was particularly glaring -- the job projections for IDA projects in Tioga County were entered as 120,651, which is more than two times the county's entire population and was the figure used in the NYJWJ's analysis. The Center for Governmental Research report found that Tioga County projects created 128 more than the 419 new jobs they were projected to add.

As the center verified the data it used by contacting the individual IDAs, it also became clear the agencies had problems accurately completing the reports they later forwarded to the state. And in the cases where the information was correctly reported, it was sometimes incorrectly entered in the comptroller's database.

The politics surrounding IDAs aside, it's disturbing that the comptroller office's recordkeeping is that inconsistent. It's worrisome that the agencies are having trouble with the reporting procedures required for their oversight. Those problems are compounded when the data -- which may or may not be correct -- is used by a group looking to reshape state policy.

I have a suggestion.

Leave the IDAs alone for the time being because, with the mish-mash of data supposedly measuring their performance, who knows what they're actually doing. Instead, let's wait for the comptroller office's to finish revamping its electronic reporting system before using its data to evaluate something that could/could not be good for the state's economy.

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