

RESOLUTION NO. 74

REQUESTING THE COUNTY EXECUTIVE TO DEVELOP AN ACCOUNTABILITY SYSTEM TO REQUIRE ORGANIZATIONS THAT RECEIVE ECONOMIC DEVELOPMENT INCENTIVES TO COMPLY WITH BENEFIT REQUIREMENTS

Introduced: 2/10/14

By Ms. McLean Lane and Mr. Clenahan:

WHEREAS, Throughout New York State, many organizations are granted monies and/or other benefits for the purpose of advancing economic development, and

WHEREAS, Organizations that receive assistance are normally required to create new jobs or provide other public benefits in order to qualify for the economic development incentive benefit, and

WHEREAS, A system needs to be in place that tracks the subsequent performance of subsidy recipients, including a mechanism to act against those that fail to deliver any required benefits, and

WHEREAS, Provisions in economic development agreements that require companies that fail to meet job or other commitments to return some or all of the benefits received have been referred to as "Subsidy Clawbacks", and

WHEREAS, Albany County needs to develop such a Subsidy Clawback system that will provide taxpayers with a "money back guarantee" if a company that receives economic development subsidies fails to create new jobs, maintain its current employment level or fails to deliver any other incentive requirements, and

WHEREAS, The County's Subsidy ClawBack needs to recapture all or a portion of the subsidy from corporations that do not fulfill the requirements needed to obtain the subsidy, now, therefore be it

RESOLVED, By this Honorable Body that the County Executive is requested to establish a Subsidy Clawback accountability system to track the subsequent performance of subsidy recipients and recapture all or a portion of the subsidy from organizations that do not fulfill the requirements needed to obtain the subsidy, and, be it further

RESOLVED, That the Clerk of the County Legislature is directed to forward certified copies of this resolution to the appropriate County Officials.

Referred to Audit and Finance Committee. 2/10/14