



Show Us the Local Subsidies

Cities and Counties Disclosing
Economic Development Subsidies

**GOOD
JOBS
FIRST**

May 2013



Show Us the Local Subsidies:

Cities and Counties Disclosing
Economic Development Subsidies

by
Leigh McIlvaine and Philip Mattera
with Greg LeRoy

A Publication of:
Good Jobs First

May 2013

© Copyright 2013 Good Jobs First.
All Rights Reserved.

ACKNOWLEDGMENTS

Good Jobs First gratefully acknowledges the support of the Surdna Foundation, which made this research possible.

Our work on economic development accountability is also supported by the Bauman Family Foundation, the Nathan Cummings Foundation, the Ford Foundation, the Mertz Gilmore Foundation, and the Open Society Foundations.

COMPANION RESOURCES

Good Jobs First has published four “report card” studies rating the economic development transparency practices of the states, including two on the American Recovery and Reinvestment Act. The most recent is *Show Us the Subsidies*, published in December 2010 and available at: <http://www.goodjobsfirst.org/showusthesubsidies>.

At that time, 37 states disclosed to some degree. As of May 2013, Good Jobs First knows that 46 states plus the District of Columbia are disclosing. We are now preparing to conduct our fifth study of state transparency.

Subsidy Tracker is our 50-states-plus DC database of subsidy disclosure data, where users can search and download from almost a quarter of a million company-specific entries, many of them published for the first time by Good Jobs First. Learn more at: <http://www.goodjobsfirst.org/subsidy-tracker>

The Ideal Deal: How Local Governments Can Get More for Their Economic Development Dollar and **Community Benefits Agreements: Making Development Deals Accountable** are two among many of our publications that we know are useful to local development officials. See all of our publications at: <http://www.goodjobsfirst.org/publications>

A NOTE TO LOCAL GOVERNMENT OFFICIALS

If your economic development agency is already disclosing well, wants to disclose more effectively, or wants to start disclosing, we'd like to hear from you (and we'll add your data to Subsidy Tracker!). Good Jobs First is available to consult, speak or train on transparency and other forms of accountability. For more information, please contact:

Greg LeRoy, Executive Director, Good Jobs First
goodjobs@goodjobsfirst.org
202-232-1616 ext. 211

TABLE OF CONTENTS

Executive Summary	i
Introduction and Methodology.....	1
Results.....	6
Detailed Findings and Program Scores	7
Lagging Localities	11
Letting the State Do the Work.....	12
Commendable Disclosure Examples	13
Mapping Local Subsidies	18
In Full Disclosure: Revealing Our Transparency Fingerprints.....	20
Conclusions and Policy Recommendations	21
Appendix A: Disclosure Scoring System.....	22
Appendix B: Program Scores.....	23
Appendix C: Disclosure Links.....	24
Appendix D: Specific Program Disclosure Scoring Notes.....	25
Endnotes.....	30

EXECUTIVE SUMMARY

Taxpayers have come to expect a steadily rising level of government transparency. And in a time of prolonged high unemployment, people are rightfully concerned about job creation. Yet two-thirds of the local economic development subsidy programs in the nation's largest cities and counties do not even reveal online which companies are receiving the assistance, much less the costs of the deals, or how many jobs were created in return.

Among those localities that do disclose company names, the quality of reporting is very uneven: most fail to report the dollar value, and few disclose the jobs created. However, it is clear that localities are quite capable of providing the public with good information. Four localities have exemplary disclosure, scoring very high for presenting complete data in a user-friendly way.

Those are the key findings of our first-ever examination of the online economic development disclosure practices of local governments. This survey is part of Good Jobs First's ongoing effort to track and promote online transparency of economic development subsidies awarded to businesses for job creation and/or retention.¹

Specifically, in the 25 most populous cities and 25 most populous counties, we found:

- Thirty-six localities have locally-controlled economic development subsidy programs, and we rated one or two major programs in each for a total universe of 64.
- Among those 64 programs, only 21 (located in 16 jurisdictions) report online the recipient company names. The other 43 programs fail to disclose recipient companies.
- Even among those programs that do disclose, costs and benefits are mostly still missing. Only 10 of the 21 programs report the dollar value of the subsidies initially awarded, and only 6 report actual disbursements. Only 4 programs report jobs actually created, and only 9 report other outcomes such as wages.

The best disclosure practices are in: Memphis/Shelby County, Tennessee; New York City; Austin, Texas; and Chicago. These jurisdictions stand out for company-specific data with costs, benefits and more.

Local government disclosure matters: one expert estimates that fully half of the \$70 billion spent annually on state and local economic development subsidies comes from local governments, especially from property tax expenditures.² Despite its

widespread practice, this use of taxpayer funds remains controversial, but the absence of good information makes it impossible for citizens to weigh the costs and benefits to their communities.

This report explores disclosure practices for one or two types of subsidies per locality and grades those programs on the quality of company-specific disclosure. Most of the subsidies are property tax abatements and tax increment financing, although we also include corporate income tax credits and personal income tax diversion subsidies in some jurisdictions.³

We evaluate the disclosure quality of the 21 subsidy programs in four broad areas of transparency worth up to 100 points:

- basic recipient information (company name and address or mapping);
- subsidy commitments (approved subsidy value, subsidy term, and job requirements);
- subsidy outcomes (actual subsidy value received and actual jobs created); and
- user consideration (user-friendliness and accessibility).

We also offer three “bonus” categories worth up to 15 additional points:

- the span of time for which disclosure information was available;
- reporting of outcomes in *addition to* job creation; and
- the use of maps to demonstrate the location of subsidized projects.

The average disclosed program score (excluding the 43 programs which do not practice transparency) is 65 points. Most average-scoring programs earned points by disclosing recipient names (all 21 do so, since that is our definitional threshold), the term over which each recipient would be subsidized (15), the number of jobs recipients are contractually obligated to create or maintain (13), and by providing this information accessibly (18), or in a useful form (16). Disclosure practices are weakest when it comes to job creation and other outcomes.

Three programs earn perfect disclosure scores. Memphis/Shelby County, Tennessee’s economic development agency, the Economic Development Growth Engine (EDGE), practices full transparency of its Payment-in-Lieu-of-Taxes (PILOT, or property tax abatement) program with a comprehensive database of deal-specific documents. The City of Austin, Texas discloses annual activity of its Economic Development Incentive Grant program, including independent third party audits of each recipient company’s compliance every year. In New York, Local Law 62 requires the New York City Economic Development Corporation to provide an extremely detailed database of commitments and outcomes for almost every subsidized project in the city, which earns the Industrial Incentive program there a perfect disclosure score.

Local Economic Development Subsidy Programs with Online Disclosure

Locality	Program	Score
Memphis/Shelby County, Tennessee	PILOTS	110
New York, New York	Industrial Incentive	110
Austin, Texas	Economic Development Grants (Chapter 380 Incentives)	100
Chicago, Illinois	Tax Increment Financing	97
Detroit, Michigan	Industrial Property Tax Abatement	73
Wayne County, Michigan	Industrial Property Tax Abatement (PA 198)	73
Denver, Colorado	Tax Increment Financing	72
Tarrant County, Texas	Tax Abatements	65
Washington, District of Columbia	Tax Increment Financing	65
Washington, District of Columbia	Property Tax Abatement	65
Dallas County, Texas	Property Tax Abatements	60
Houston, Texas	Chapter 380 Incentives	60
Detroit, Michigan	Commercial Rehabilitation Tax Abatement	58
Wayne County, Michigan	Personal Property Tax Abatement (PA 328)	58
Fort Worth, Texas	Chapter 380 Economic Development Program Grants	55
Memphis, Tennessee*	PILOTS*	55
San Jose, California	Negotiated Discretionary Subsidies	55
Fort Worth, Texas	Tax Abatements (Chapter 312)	50
Columbus, Ohio	Downtown Office Incentive	32
Baltimore, Maryland	Business Assistance	30
Denver, Colorado	Business Incentive Fund	20

**The Downtown Memphis Commission manages PILOTS in the core of Memphis separately from Shelby County.*

While these types of dynamic, comprehensive disclosure practices are an encouraging development in making job subsidies more accountable and effective, it is disappointing that two-thirds of the large urban programs in our sample are hidden from online public view. Among the 20 large localities that we find are still failing to disclose are Broward County (Florida), Charlotte, Cook County (Illinois), Dallas, Harris County (Texas),

Los Angeles (both city and county), Miami-Dade County (Florida), Philadelphia, and San Francisco.

Taxpayers have a right to know where their investments in job creation went and whether they are paying off. Clearly, localities can disclose such basic information, and do so in a comprehensive, intuitive, and accessible manner by embracing the best practices we document here.

INTRODUCTION

Good Jobs First's mission is to promote accountability in state and local economic development subsidies. The cornerstone to all reforms is transparency—company-specific disclosure—that enables an informed debate about costs and benefits.

Towards that end, we have twice graded the 50 states plus the District of Columbia. In 2007, we found some form of company-specific disclosure being practiced in 23 states. Three years later, although we raised the bar to include only large subsidy programs controlled by state government officials, we found 37 states disclosing. In 2013, as we prepare to revisit the quality of state disclosure for a third time, we already know that 46 states and the District of Columbia disclose to some degree.

Between our 2007 and 2010 studies, we twice graded the websites created by the states to report on spending under the federal American Recovery and Reinvestment Act. Under that law, many state agencies were required to disclose project-specific spending and job outcomes every three months (often compiling data from local agency sub-recipients). Much of this spending would properly be categorized as procurement rather than economic development, but the federal stimulus was undeniably a crash course in disclosure for states and localities—especially on job-creation outcomes.

At the local-government level, there has been only one prior related finding. In January 2013, U.S. PIRG included subsidies as part of a broader examination of big-city spending transparency and found only five large cities practicing company-specific subsidy disclosure.⁴

In our most recent evaluation of state economic development transparency, *Show Us the Subsidies*, we identified those characteristics of disclosure necessary to make transparency useful. To qualify as disclosure at all, a program must identify recipients by name and be accessible online. The facial value of the subsidy, as it was originally awarded or earned, is also fundamental. But beyond those basics, effective disclosure balances the public's need to know all the details with ease of use for the average citizen. It makes available both the requirements of a subsidy deal at the time it was approved and the outcomes—the company's performance—on a regular basis. Balancing comprehensiveness with succinct presentation ensures that the public can locate relevant details easily and without time lost digging through more immaterial features of a deal.

In this evaluation of economic development subsidy disclosure, we focus on local programs, most of which take the form of tax expenditures. Property tax abatements and tax increment financing (TIF, a

diversion of property taxes and sometimes other revenue streams) are some of the most commonly used business subsidies at the local level. However, local governments also award grants, loans, and even tax credits in exchange for job growth or retention. Redevelopment or brownfield subsidies like TIF, while not always specifically tied to job creation, still represent massive expenditures that should be held accountable for their economic impacts, including the number of jobs generated by remediation, demolition, new construction or other redevelopment activity. Unlike program budgets or subsidies that involve disbursements (i.e., loans or grants), these types of tax expenditures are seldom accounted for through traditional budgetary means.⁵

The most recent estimate of the cost of local business subsidies ranges between \$25 and \$35 billion every year, although calculating this figure is a notoriously difficult undertaking.⁶ (Not only is the information highly fragmented in thousands of localities, but many agencies fail to compile the costs: most of our requests for the annual expenditures for our sample of programs were unsuccessful, since officials claimed not to have figures to provide.) During and since the Great Recession, the use of local subsidies, especially those designed to incentivize real estate development, has declined as commercial real estate vacancy rates have remained high in most markets. As the economy slowly recovers, it is especially important to be able to evaluate whether local subsidies are working and to hold recipients accountable to the taxpayers who fund their activities. Subsidy disclosure

will help build a stronger recovery at the local level, by helping prevent a repeat of the risky and speculative development decisions that defined the economy over the last decade.

METHODOLOGY

This report explores disclosure practices by identifying economic development subsidies offered at and controlled by the municipal or county level of government. In order for a program to be included in our study, both the responsibility for the funds and the decision-making power need to rest with local officials. We sampled the 25 most populous cities and 25 most populous counties in the country and sought to identify two subsidies per jurisdiction that met these conditions, or a potential universe of 100 programs.⁷ For both types of governments, we tried to exclude small business development loan programs and incentives for environmental sustainability. We also excluded private activity bonds from our sample unless other significant local business subsidies were tied to them.

Not all jurisdictions have a local subsidy program that meets these conditions. Of our sample of 50 jurisdictions, only 36 localities have one or more subsidy programs that qualified. Just 12 of the 25 counties have an eligible program—many populous counties rely upon municipal economic development agencies to perform economic development functions. Other counties do not exist as separate governments from the major city within the county boundary. All but one of the 25 cities in our sample had at

least one program we were able to include in our survey. Ultimately, we identified a total of 64 locally controlled business subsidies—46 municipal programs and 18 county-based programs—from our sample of 50 populous local jurisdictions.⁸

Locally Controlled Economic Development Subsidy Programs

Jurisdiction	Program	Recipients Disclosed
Austin, Texas	Economic Development Grants (Chapter 380 Incentives)	yes
Austin, Texas	Business Retention and Enhancement (BRE) Program	no
Baltimore, Maryland	Business Assistance	yes
Baltimore, Maryland	Payment in Lieu of Tax (PILOT)	no
Bexar County, Texas	Tax Increment Reinvestment Zone	no
Bexar County, Texas	Tax Abatement	no*
Boston, Massachusetts	Back Streets Backup Loan Program	no
Boston, Massachusetts	Tax Increment Financing/District Improvement Financing	no
Broward County, Florida	Broward County Job Growth Incentive	no
Broward County, Florida	Community Redevelopment Areas	no
Charlotte, North Carolina	Synthetic Tax Increment Financing	no
Charlotte, North Carolina	Business Equity Loan	no
Chicago, Illinois	Tax Increment Financing	yes
Chicago, Illinois	Laboratory Facilities Fund	no
Columbus, Ohio	Downtown Office Incentive	yes
Columbus, Ohio	Large Employer Office Incentive	no
Cook County, Illinois	Class 6b Property Tax Incentive	no
Cook County, Illinois	Class 7b Property Tax Incentive	no
Dallas, Texas	Property Tax Abatements	no*
Dallas, Texas	Business Development Chapter 380 Grant/Loan Program	no
Dallas County, Texas	Property Tax Abatements	yes
Dallas County, Texas	Tax Increment Financing	no
Denver, Colorado	Business Incentive Fund	yes
Denver, Colorado	Tax Increment Financing	yes
Detroit, Michigan	Industrial Property Tax Abatement	yes
Detroit, Michigan	Commercial Rehabilitation Tax Abatement	yes
El Paso, Texas	Tax Increment Reinvestment Zone	no
El Paso, Texas	Chapter 380 Property Tax Abatements	no
Fort Worth, Texas	Tax Abatements (Chapter 312)	yes
Fort Worth, Texas	Tax Abatements (Chapter 380)	yes

Locally Controlled Economic Development Subsidy Programs (continued)

Jurisdiction	Program	Recipients Disclosed
Harris County, Texas	Harris County Tax Abatement	no*
Harris County, Texas	Tax Increment Reinvestment Zone	no
Houston, Texas	Chapter 380 Incentives	yes
Houston, Texas	Tax Increment Reinvestment Zones	no
Indianapolis, Indiana	Real Property Tax Abatement	no
Indianapolis, Indiana	Personal Property Tax Abatement	no
Jacksonville, Florida	Community Redevelopment Areas	no
Los Angeles, California	Entertainment and Multimedia Business Tax Limitations	no
Los Angeles, California	Small and New Business Tax Exemptions	no
Los Angeles County, California	Personal Property Tax Exemptions	no
Los Angeles County, California	"Rebates and reimbursements"	no
Memphis (city only), Tennessee	Downtown Payment in Lieu of Tax (PILOT)	yes
Memphis/Shelby, Tennessee	Payment in Lieu of Tax (PILOT)	yes
Miami-Dade County, Florida	Targeted Jobs Incentive Fund	no
New York, New York	Industrial Incentive	yes
New York, New York	Industrial and Commercial Abatement Program	no
Philadelphia, Pennsylvania	Job Creation Tax Credit	no
Philadelphia, Pennsylvania	10 Year Property Tax Abatement	no
Phoenix, Arizona	EXPAND	no
San Antonio, Texas	Property Tax Abatement	no*
San Antonio, Texas	Economic Development Incentive Fund	no
San Diego, California	Business & Industry Incentive Program	no
San Diego, California	Business Cooperation Program	no
San Francisco, California	Central Market/Tenderloin Payroll Tax Exclusion	no
San Francisco, California	Stock Based Compensation Payroll Tax Exclusion	no
San Jose, California	Negotiated Property Tax Exemptions	yes
San Jose, California	Business Cooperation Program	no
Santa Clara County, California	Capital Investments Incentive Payment	no
Tarrant County, Texas	Tax Abatements	yes
Tarrant County, Texas	Tax Increment Financing	no
Washington, District of Columbia	Tax Increment Financing	yes
Washington, District of Columbia	Property Tax Abatement	yes
Wayne County, Michigan	Industrial Property Tax Abatement (PA 198)	yes
Wayne County, Michigan	Personal Property Tax Abatement (PA 328)	yes

**Limited company-specific disclosure is provided by the state of Texas for these programs.⁹*

We analyze these 64 programs in a point-based system in order to score and rank their quality of disclosure. Our scoring system measures only company-specific disclosure and evaluates four aspects of transparency:

- basic recipient information (company name and address or mapping);
- subsidy commitments (approved subsidy value, subsidy term, and job requirements);
- subsidy outcomes (actual subsidy value received and actual jobs created); and
- user consideration (user-friendliness and accessibility).

We also evaluated three “bonus” categories:

- the span of time for which disclosure information is available;
- reporting of outcomes in addition to job creation; and
- the use of maps to provide the location of subsidized projects.

To compare the relative quality of disclosure of each of these, we assign points to each of these components. Programs for which each of the basic components are disclosed receive a total of up to 100 points. An additional 5 points can be earned in each of the three bonus categories for a maximum possible 115 points. For more information about the points awarded in each category see Appendix A.



RESULTS

Our findings tell a mixed story. On the one hand, fully two-thirds of the 64 subsidy programs in populous cities and counties do not qualify as transparent. Just 21 programs—only 33 percent—disclose online at a minimum the names of companies benefiting from economic development subsidies. On the other hand, among these 21 programs offered by 16 different local governments are a handful that prove what is possible: thorough, user-friendly reporting of very basic subsidy information.

Six jurisdictions practice disclosure for each of the subsidy programs we analyze: Denver, Detroit, District of Columbia, Fort Worth, Memphis, Wayne County. However, disclosure for most programs is limited to recipient names and “press release”

accounting of job creation (i.e., only the originally announced job intentions, not actual follow-up compliance information).

For those agencies that do disclose, we were struck by the ease with which much of this information can be accessed. Rather than burying business subsidy expenditures in arcane budget documents and financial statements, most agencies we identified that do engage in basic disclosure also advertise their economic development activities and the value of funds used to finance those projects from prominent locations on their websites.¹⁰ Some practice company-specific disclosure through dynamic maps, spreadsheets, and user-friendly public documents databases.

Localities Disclosing Economic Development Subsidies

Austin, Texas	Detroit, Michigan*	New York, New York
Baltimore (city), Maryland	Fort Worth, Texas*	San Jose, California
Chicago, Illinois	Houston, Texas	Tarrant County, Texas
Columbus, Ohio	Memphis, Tennessee*	Washington, District of Columbia*
Dallas County, Texas	Memphis/Shelby County, Tennessee*	Wayne County, Michigan*
Denver, Colorado*		

**indicates each of the programs we analyzed in this jurisdiction disclose.*

DETAILED FINDINGS AND PROGRAM SCORES

Results by Disclosure Component

Company Name

Naming the private sector beneficiary of an economic development subsidy is the qualifying threshold for disclosure. We award 10 points to programs that disclose the names of businesses that receive incentives. Because construction and redevelopment constitutes so much of the economic development work of local units of government, determining the final corporate beneficiary of a subsidy can be a challenge. For programs such as tax increment financing, where multiple tenants may occupy subsidized projects, we award points if either the developer or the tenants are identified. A total of 21 programs of the 64 we analyzed engage in basic disclosure.

Facility Address

The ability to analyze where subsidies are being used for economic development is important from both an equity and efficiency perspective, especially given the large costs associated with the construction of infrastructure. We award 10 points to any program that lists the street address of the subsidized company or another physical description of where the project is located. Surprisingly, just 11 of the 21 disclosing programs provide this information.

Approved Subsidy Value

We award 15 points to programs that include information about the value of the subsidy at the time it was awarded. For most grant and tax credit or abatement programs, this value reflects the maximum that a company is eligible to receive over the term of the subsidy. Ten of the 21 programs disclose this information.

Subsidy Term

Information about the length of time that a company will be subsidized is critical, especially given that tax increment financing districts and property tax abatements can last for decades. We award 10 points to programs that disclose either the total term length or both the start and end date of subsidy contracts. Subsidy awarding agencies do a relatively good job on this metric; 15 of the disclosing 21 programs report the length of the subsidy term.

Job Requirements

Some (but not all) local subsidy programs require that a participating company hire additional workers or retain a specified number of jobs to either be eligible for funds or to continue receiving a subsidy. Whether or not there is a contractual jobs obligation for the subsidized company, it is important for an awarding agency to both track and report on job growth at subsidized companies. Even subsidies that are largely intended to fund temporary development activities like construction should be associated with job growth. In this scoring

category, we award 10 points to programs that disclosed either temporary (generally construction) or permanent jobs created or retained by the subsidized company. Thirteen of the 21 programs make some sort of job creation or retention information available on a company-specific basis.

Actual Subsidy Value

If an economic development agency discloses annual disbursement figures for multiple-year subsidies, totals-to-date, or final disbursements after a subsidy term ends, we award an additional 15 points. In addition to the maximum possible subsidy award that a company is eligible to receive at the time it is approved, it is important for awarding agencies to report on the actual values of subsidies claimed or disbursed. In the absence of better compliance information, this figure can serve as a good proxy for whether a company is fulfilling its contractual requirements to the awarding agency, and ultimately to taxpayers. Just 6 of the 21 programs make this information publicly available online: in Washington, DC, property tax abatements and TIF; Austin's Economic Development Grants; New York's Industrial Incentive program (actual value of associated tax subsidies is disclosed); TIF in Chicago; and Memphis/Shelby County PILOTs.

Actual Jobs Created

Economic development agencies perform especially poorly when it comes to disclosing outcomes of taxpayer investments in business incentives. We award 10 points to the programs

that disclosed this information. Only 4 of the 21 programs report on how well a company is fulfilling its jobs obligation (or in the case of redevelopment subsidies, how many temporary jobs were actually created during the construction phase): Austin's Economic Development Grants; New York's Industrial Incentive program; Memphis/Shelby County PILOTs, and Dallas County Tax Abatements.

User-Friendliness

We award 10 points each to 16 programs for producing disclosure documents or websites that are easy to use, search, and understand. Most programs that received points for user-friendliness produced some form of spreadsheet that is searchable by company name. Other programs produce annual reports or webpages that summarize the year's subsidy activities in an intuitive and succinct but detailed manner. Programs that do not receive points for user-friendliness tend to disclose information through low-quality, scanned pdf documents, or issue reports that do not contain consistent information and are therefore difficult to use.

Accessibility

In addition to being easy to understand and use, disclosure information needs to be located in an intuitive or readily accessible place online where the general public will not have trouble finding it. We award 10 points to those 18 programs that provide this information on a webpage linked directly from an informational webpage about the subsidy, or in a clearly marked

annual report, or a transparency database or similar location. The three programs that were not awarded points in this important disclosure category require users to search for keywords in webpage search engines to obtain information about recipients or bury documents in difficult-to-find areas of their websites. Disclosure information about Tarrant County Tax Abatements, Denver's Business Incentive Fund, and negotiated discretionary subsidies in San Jose is difficult to access.

Extra Points:

Multiple Years' Disclosure Information

Many economic development agencies post either an annual report or a list of "active" subsidy recipients. We award five extra points to subsidy programs that disclose activity for multiple years. If the disclosure source is unclear on when business incentives were approved or disbursed, no points are given in this category. Seventeen of the 21 programs provided company-specific disclosure in some form for multiple years.

Extra Points:

Reporting Additional Outcomes

Programs that report on additional outcomes receive five extra points. We refer to data beyond jobs—such as actual wages, benefits, and/or capital investment that are clearly of concern to taxpayers and other community stakeholders. Nine programs received points in this category.

Extra Points:

Recipient Mapping

The proliferation of online disclosure by both states and localities has resulted in many variations in how subsidy data is visually represented. As both a public engagement tool and an infographic, maps are an especially effective method of subsidy disclosure. We award up to five extra points for either of two different types of mapping we encountered. A total of seven programs qualified in this category. Three localities present static maps that indicate the location of a subsidized project or company; we awarded them two points: Columbus's Downtown Office Incentive, Chicago TIF, and Denver TIF. Dynamic geographic information systems-based maps that can be manipulated by the user in some way receive three extra points—we award four programs three extra points each for using GIS, all of which are mapped by the Michigan Economic Development Corporation (see pages 18 and 19 for examples): Industrial Property Tax Abatement and Commercial Rehabilitation Tax Abatements in Detroit; and Industrial Property Tax Abatements and Personal Property Tax Abatements in Wayne County.

Program Scores

Our scoring system allows for a maximum of 100 regular points, plus up to 15 extra credit points. Three programs—in Memphis/Shelby County, New York City and Austin, Texas—win the full 100 regular points, and the first two each receive an additional ten extra credit points. The worst-scoring programs with disclosure—Denver’s Business Incentive Fund, Columbus’s Downtown Office Incentive

Fund, and Baltimore’s ambiguous “Business Assistance” program—earn very few points because they use promotional/marketing-style annual reports that contain very little information other than lists of companies subsidized that year. Most programs fall in the middle of our range. See the table for a list of overall scores. Detailed scoring information by program is available in Appendices B and D.

Local Subsidy Program Online Disclosure Scores

Locality	Program	Score
Memphis/Shelby County, Tennessee	PILOTs	110
New York, New York	Industrial Incentive	110
Austin, Texas	Economic Development Grants (Chapter 380 Incentives)	100
Chicago, Illinois	Tax Increment Financing	97
Detroit, Michigan	Industrial Property Tax Abatement	73
Wayne County, Michigan	Industrial Property Tax Abatement (PA 198)	73
Denver, Colorado	Tax Increment Financing	72
Tarrant County, Texas	Tax Abatements	65
Washington, District of Columbia	Tax Increment Financing	65
Washington, District of Columbia	Property Tax Abatement	65
Dallas County, Texas	Property Tax Abatements	60
Houston, Texas	Chapter 380 Incentives	60
Detroit, Michigan	Commercial Rehabilitation Tax Abatement	58
Wayne County, Michigan	Personal Property Tax Abatement (PA 328)	58
Fort Worth, Texas	Chapter 380 Economic Development Program Grants	55
Memphis, Tennessee	PILOTs	55
San Jose, California	Negotiated Discretionary Subsidies	55
Fort Worth, Texas	Tax Abatements (Chapter 312)	50
Columbus, Ohio	Downtown Office Incentive	32
Baltimore, Maryland	Business Assistance	30
Denver, Colorado	Business Incentive Fund	20

LAGGING LOCALITIES

Despite taxpayers' indisputable interest in the investments made in private companies through economic development subsidies, over half of the local governments we evaluated in this study still fail to even name recipient companies online. Business loans, property tax abatements, other forms of tax exemption—even diversions of workers' personal income taxes—remain hidden from the public in 20 of the 36 incentive-awarding jurisdictions we examined in this report.

In many of these places, the claim of “business confidentiality” is used to interfere with the public's right to know. In this case, the claim is extended from the period when a business conducts its site location search to years after its decision has been rewarded with taxpayer subsidies. There is no validity whatsoever to assertions that fully disclosing in ways that would earn 115 points here would harm any business or any locality's “business climate.”

We at Good Jobs First are familiar with this problem because in addition to conducting the research for this study, we have also been gathering local subsidy data and adding it to Subsidy Tracker, our national online database. Many agencies refuse to provide company-specific subsidy disclosures, even off-line, or require interested parties to pursue time-consuming and sometimes fruitless Freedom of Information Act (FOIA) requests. In an example of disclosure-done-wrong, Miami-Dade County actually uploads County Commission Resolutions containing very specific business subsidy information to its legislative file database. However, the county (and many localities in the state of Florida) does not disclose the recipient company's name in many cases, instead using code name monikers such as “Confidential Project Vision.”¹¹ This sort of “public information” is the antithesis of transparency.

Localities With No Online Disclosure

Bexar County, Texas	Harris County, Texas	Phoenix, Arizona
Boston, Massachusetts	Indianapolis, Indiana	San Antonio, Texas
Broward County, Florida	Jacksonville, Florida	San Diego, California
Charlotte, North Carolina	Los Angeles County, California	San Francisco, California
Cook County, Illinois	Los Angeles, California	Santa Clara County, California
Dallas, Texas	Miami-Dade County, Florida**	Tarrant County, Texas
El Paso, Texas	Philadelphia, Pennsylvania	

LETTING THE STATE DO THE WORK

For some localities, the fact that they fail to provide online disclosure of their subsidy awards does not mean the information is unavailable on the web. In at least eight states, compilations of local subsidies for programs such as tax increment financing or property tax abatements are compiled by state agencies and posted online. This is the basis for the disclosure we cite for Detroit and Wayne County. There are other compilations that cover programs not in the sample for this study. Here's a list of all the significant state compilations we have found with locally awarded recipient data:

- Illinois: Comptroller's compilation of TIF district annual reports¹²
- Michigan: brownfield TIF portion of Michigan Economic Development Corporation map-based website¹³
- Michigan: state Treasury Department's compilation of Commercial Rehabilitation exemptions¹⁴
- Michigan: state Treasury Department's compilation of Industrial Facilities Exemptions¹⁵
- Michigan: state Treasury Department's compilation of New Personal Property exemptions¹⁶
- Minnesota: Department of Employment and Economic Development compilation of Non-JOBZ Business Assistance Reports from localities¹⁷
- Missouri: state auditor's database of local tax increment financing reports¹⁸

- Nebraska: Department of Revenue report on tax increment financing projects (not all listings show recipient names)¹⁹
- New York: state comptroller's compilation of property tax abatement and sales tax exemption awards by Industrial Development Agencies²⁰
- Tennessee: state comptroller's compilation of properties with PILOT agreements (no subsidy values)²¹
- Texas: state comptroller's compilation of Chapter 313/Economic Development Act agreements²²
- Texas: state comptroller's central registry of local property tax abatements²³

There are also at least two state compilations of subsidies derived from local revenue sources but controlled and granted by state bodies: the Nevada Commission on Economic Development²⁴ and Louisiana's Board of Commerce & Industry.²⁵

For local subsidy programs that are enabled by state law and exist in comparable form in all cities or counties, it makes sense for the state to assemble the information and provide it all in consistent form in one place on the web. This is especially true for property-tax based subsidies, since property tax revenues remain the largest source of support for many local services. Good Jobs First's model legislation lays out such as unified reporting system. On their websites, localities should link to those compilations while also reporting on their unique local programs.

COMMENDABLE DISCLOSURE EXAMPLES

Based on our close observations of subsidy disclosure since our founding in 1998, it is clear that web-based transparency is becoming the default posture for state and local development agencies rather than the exception. Below are examples of three local agencies committed to full disclosure that we hope will serve as models for members of the economic development community that have yet to adopt transparency (or see room for improvement). Each of these agencies report development expenditures, recipient obligations, and project outcomes in an easily accessible, user-friendly format.

GROUND-UP TRANSPARENCY: MEMPHIS-SHELBY COUNTY, TENNESSEE PILOTS

In 2011 the Memphis-Shelby County region of Tennessee consolidated multiple local economic development agencies into a single “one stop shop” organization designed to serve the entire county. Backed by mayors of both Memphis and Shelby County, the regional Economic Development Growth Engine (EDGE) assumed administration of the vast majority of Payment-In-Lieu-of-Tax (PILOT) subsidies issued in the region.²⁶ (The Downtown Memphis Commission retained control over PILOTs issued in the central urban area of Memphis.)

In its first two years, EDGE has already approved 15 PILOTs valued at approximately \$200 million.²⁷ Such high costs have made PILOTs a major public issue there, affecting the tax base for all local public services, including education. Indeed, Shelby County alone is abating almost one third of all revenue lost to PILOTs throughout the entire state of Tennessee. As well, public services are unusually dependent on property taxes in Tennessee because the state has no income tax. A number of high-profile deals in recent years have brought increased attention to the issue of property tax revenue forfeited through the program, resulting in additional public scrutiny of EDGE’s deals and calls for various reforms.²⁸ EDGE has responded with enhanced transparency.

Although EDGE’s predecessor agency in Shelby County was disclosing moderately well before the city/county agency merger, since late 2012 it has sought to improve. According to EDGE Information Specialist Trey Heath, a former journalist: “We created a goal to be the most transparent agency in the country. We are very new, but every step we take from the information side is to make our programs transparent. The main reason is that we believe we’re making a positive impact. And if we believe that, we should be as transparent as possible to the community on a day-to-day basis.” Heath expressed the importance of transparency designed to be

accessible to all members of the community. “Program documents are created by lawyers and are complicated to understand...we need to make this available to people who aren’t familiar with public records requests. The first step toward being truly transparent is to ease the friction to allow the general public to have access to *all* of the information.”

The friction Heath refers to began in the spring of 2012 when various public employee unions and community groups,

including AFSCME Local 1733 and the Memphis Education Association, began questioning the mounting costs of PILOTs and their impact on public services. The EDGE Board responded by creating a Review Commission and adopting a set of reform recommendations in January 2013. (See more below in the box entitled “In Full Disclosure: Revealing Our Transparency Fingerprints.”)

EDGE ECONOMIC DEVELOPMENT GROWTH ENGINE FOR MEMPHIS & SHELBY COUNTY

EDGE: (901) 341-2100

search site

HOME ABOUT NEWS PROJECT ASSISTANCE PROJECTS ARCHIVE CONTACT

Project Diversity Plans PILOT Program Documents Project Summaries Resolutions Meeting Audio Meeting Minutes

EDGE ARCHIVE

The EDGE Archive provides online access to past EDGE and Industrial Development Board project files.

File Archive

home - Data By File Type

	Applications	Wednesday 3rd of April 2013 12:58:14 AM	0 bytes	Wednesday 3rd of April 2013 12:58:14 AM
	Bill of Sale	Wednesday 3rd of April 2013 12:58:14 AM	0 bytes	Wednesday 3rd of April 2013 12:58:14 AM
	Closing Summary	Wednesday 3rd of April 2013 12:58:14 AM	0 bytes	Wednesday 3rd of April 2013 12:58:14 AM

So far, EDGE has committed over \$200,000 to the development of a public and searchable online database that will contain both commitment and compliance information for each subsidized company.²⁹ Part of that process has required the agency to scan various contracts and compliance documents for current and former PILOT program recipients. While the database is being developed, EDGE elected to post all of the scanned material online in its agreement “Archives” of the agency’s website. Interested parties can currently download company-specific PILOT documents, council meeting audio recordings, and compliance reports dating back to the 1980s while the database is under development. The past compliance of companies is of special interest to taxpayers today because some past recipients are now seeking additional or extended PILOTs.

Heath described the agency’s inspiration for its transparency commitment as contagious. The Downtown Memphis Commission practices company-specific disclosure of its PILOT subsidies through a spreadsheet maintained on its website. “Downtown Memphis Commission was a model for us—they had this huge spreadsheet, everything they approved was always on the website, you could download it and see where they stood. From a transparency standpoint that was really important.” Now the Commission looks to EDGE as a model: “We’re inspiring them to do better than what they have.”

Importantly, EDGE’s open government perspective hasn’t harmed its ability to work with the business community. “We compete

with northern Mississippi where they don’t have any of those [disclosure] requirements at all,” says Heath. “Nobody yet has said if you’re going to put all this information out in the public domain that we’re not going to come here.” For Heath, economic development is about more than just business: “Transparency is important for economic development agencies because [it means] we’re involving the community in what we’re doing. When you’re transparent, you can get the community to buy in and when that happens you have the most success—not just with the business community but the entire community.”³⁰

COMPLIANCE TRANSPARENCY 2.0: AUSTIN, TEXAS—ECONOMIC DEVELOPMENT GRANTS

The City of Austin reduces many businesses’ property taxes through its Economic Development Grant program (also known as Chapter 380 Incentives). The Economic Growth and Redevelopment Services Office—the city’s economic development arm—maintains records of participating businesses and puts much of this information online. Among other commendable community development goals, the program requires prevailing wage be paid to construction trades workers and that subsidy recipients comply with the city’s Women and Minority-Owned Business Enterprise (W/MBE) diversity ordinance. Agreements typically include detailed local hiring efforts and permanent-job wage requirements.

Significantly, in 2007 the Austin City Council adopted a resolution requiring all Economic Development Grant recipient companies to submit to annual audits by an independent third party to confirm that the companies are in compliance with all terms of the economic development agreements. Third party compliance reports confirm not only contractual employment obligations, but each community benefit included in the economic development agreement including (but not limited to) local business supplier usage, environmental quality conditions, and individual employee wages.

Austin makes all of this public information available on a prominently linked webpage.

The main disclosure page lists each business receiving development incentives and the amount of subsidy awarded to date. Accessible from this table are the original subsidy agreements and the City Council resolutions awarding each subsidy. On the same page, public users can download pdf documents of both the recipient companies' annual compliance reports and the independent auditor's compliance report for that company.³¹ This type of comprehensive monitoring and disclosure is critical to ensure that business subsidies are applied efficiently and equitably, and they enable Austin's taxpayers to draw their own well-informed conclusions about such expenditures.



The screenshot shows the Austin Texas Government website. The header includes the logo "austintexas.gov" and a search bar. Navigation links include "Pay Online", "Services", "Calendar", "Media Center", "Departments", and "3-1-1". A secondary navigation bar has buttons for "Resident", "Business", "Development", "Government", and "Environment". The breadcrumb trail reads "Department » Economic Growth » Programs » Agreements Payments Information". The main content area features a banner for the "Economic Growth and Redevelopment Services Office" with the title "AGREEMENTS PAYMENTS INFORMATION". Below this is a table with the following data:

Agreement	Payment	Payment Date	Compliance Report / Certificate	Independent Party Compliance Report
Home Depot, Year 4	\$0	12/10/2012	PDF	PDF
Samsung, Year 5	\$7,187,543.01	10/30/2012	PDF	PDF

COMPREHENSIVENESS DONE RIGHT: NEW YORK CITY'S LOCAL LAW 62

The problem of “big data”—datasets so large that they are difficult to use or understand—is quickly becoming a reality in many policy areas, and economic development subsidy transparency will be no exception as more communities come online. Simple disclosure, including evaluation of costs and benefits, creates a lot of information when variables like new jobs, tax revenue, environmental costs and community benefits are being considered. Taxpayers should have access to all of this information, but the possibility of data becoming overwhelming to laymen users should be taken into consideration. New York City's disclosure system does a fine job walking the line between unwieldy datasets and totally comprehensive, usable information.

New York City first began publicly disclosing economic development expenditures in 1993. Local Law 69, passed that year, required the Industrial Development Agency in the city to report the costs and benefits associated with each subsidized project.³² Over the past eight years improvements have been made to address limitations of that law, especially Local Law 48 in 2005 and Local Law 62 in 2010. LL62 enhanced existing disclosure requirements by expanding availability of reported information through a required non-proprietary database available for

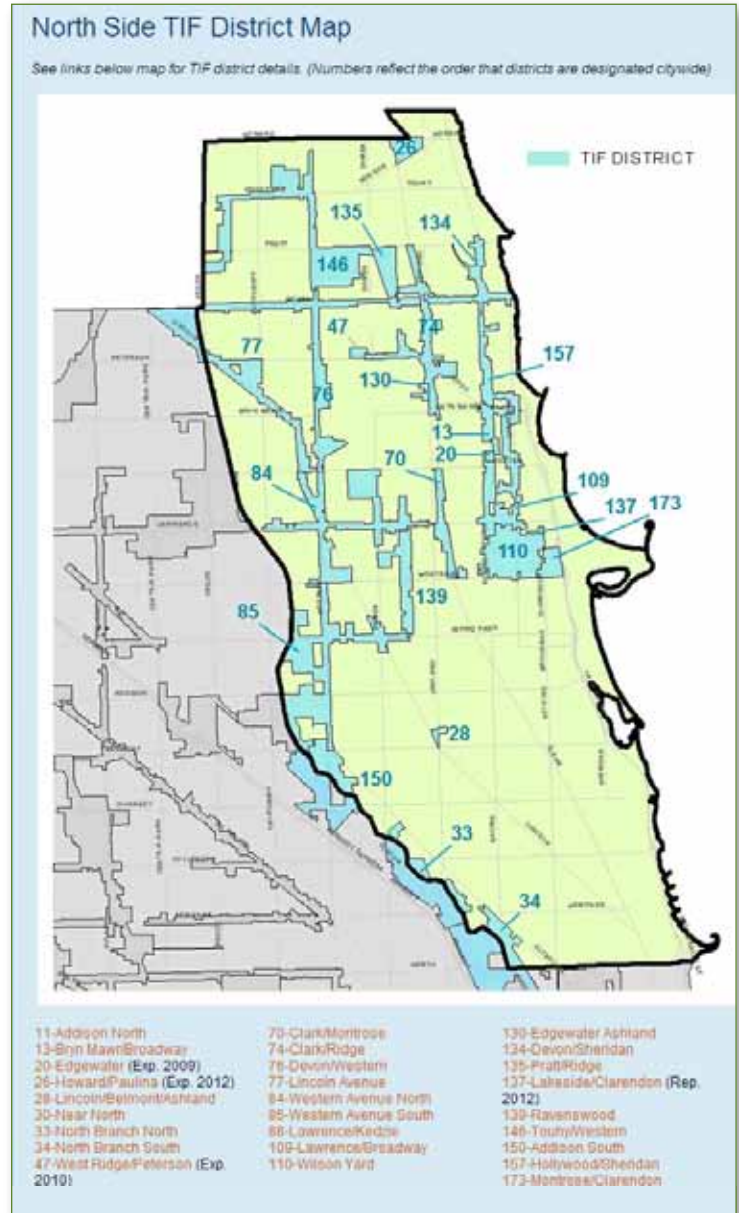
public use. Pursuant to this law, the NYC Economic Development Corporation (NYCEDC) maintains a downloadable Excel spreadsheet on its website with company-specific summaries for all IDA-subsidized projects.³³ To assist users in understanding the enormous volume of data associated with subsidized economic development projects, the NYCEDC produces a succinct but detailed guide containing definitions for each of the 126 columns of data in the spreadsheet.³⁴

The database's level of detail of costs and benefits of subsidized projects is impressive. In addition to identifying subsidy recipients, the LL62 spreadsheet provides NAICS identifiers, whether or not health insurance is provided by recipient companies, permanent and temporary job requirements and outcomes, annual employment targets, and whether a clawback has been imposed—as well as many more details. One of the most helpful transparency features is a column that lists of each type of subsidy awarded to the recipient. For companies benefiting from the Industrial Incentive we examined for this report, there are commonly three to four additional types of tax subsidies listed for each recipient.³⁵ This simple feature allows users to see the “whole picture” of business subsidies in one single line of data, rather than having to piece together information from multiple disclosure sources.

MAPPING LOCAL SUBSIDIES

As local governments rely more on geographic information systems and the associated spatial data used to inform decisions, more visual information is being made available to the public. Some cities have begun using sophisticated maps to demarcate tax increment finance districts, enterprise zones, and other geographically targeted development areas. An early leader in this form of disclosure is Fort Worth, Texas, which launched its TIF disclosure maps in the early 2000s.³⁶ Through the city of Chicago's TIF disclosure website, users can view static maps of TIF districts and access information about the projects from the map page. Chicago also hosts a dynamic GIS-based web application that allows users to compare TIF maps against other kinds of data, but this service does not include project- or company-specific data.³⁷

Chicago TIF Disclosure Map

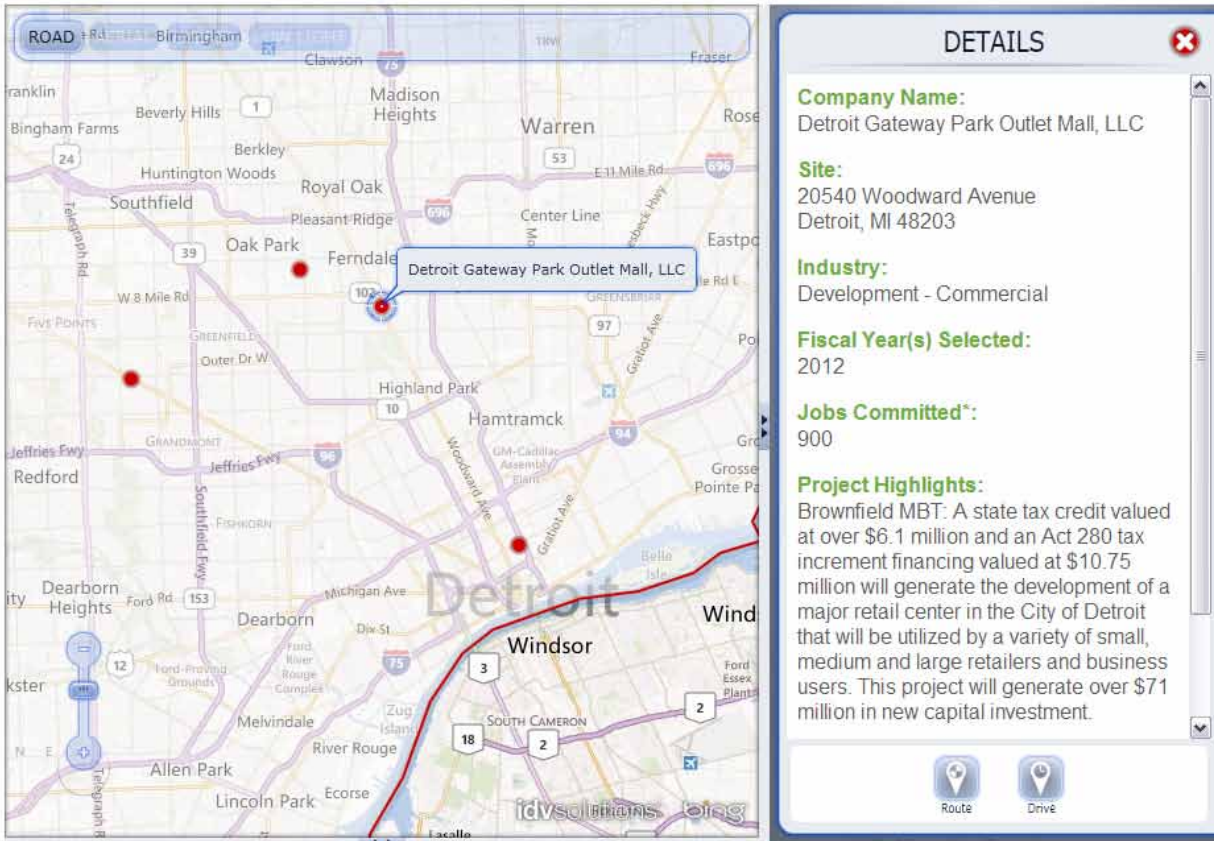


MEDC TIF Disclosure Map

Welcome to the MEDC Projects Map

Use the panel on the right to choose whether to view by county or legislative district. Click on the map to select a specific county or district, and use the Year, Incentive and Industry filters to narrow your project selection. Click on any project to get project details. Please note that the State of Michigan's fiscal year begins on October 1 and ends on September 30.

To zoom in and out, use your mouse wheel or the slide switch below the map. If you need assistance, please contact the MEDC Customer Contact Center at 1.888.522.0103.



DETAILS

Company Name:
Detroit Gateway Park Outlet Mall, LLC

Site:
20540 Woodward Avenue
Detroit, MI 48203

Industry:
Development - Commercial

Fiscal Year(s) Selected:
2012

Jobs Committed*:
900

Project Highlights:
Brownfield MBT: A state tax credit valued at over \$6.1 million and an Act 280 tax increment financing valued at \$10.75 million will generate the development of a major retail center in the City of Detroit that will be utilized by a variety of small, medium and large retailers and business users. This project will generate over \$71 million in new capital investment.

Route Drive

Today, one of the most sophisticated disclosure mapping systems is generated by the Michigan Economic Development Corporation (MEDC). The mapping application available on its website combines company-specific disclosure information such as subsidy value and capital investments with geographic data.

Users can filter MEDC projects to locate and analyze subsidized companies in specific localities (in addition to filtering by incentive type or industry). Because the state tracks TIF commitments for local governments, it is not necessary for each municipality to maintain its own disclosure site for this subsidy.

IN FULL DISCLOSURE: REVEALING OUR TRANSPARENCY FINGERPRINTS

In two of our top-rated localities, Good Jobs First knows especially well how good transparency was achieved—because we were directly involved.

In New York City, since 1999 our Good Jobs New York project has collected and published subsidy data. Before disclosure became electronic there in late 2011, we had *manually entered* 20,000 lines of data and put them online in a searchable, downloadable “Database of Deals” at www.goodjobsny.org. After extended negotiations with the New York City Department of Finance, in April 2013 GJNY won the expansion of sunshine to include the value of properties participating in the Industrial and Commercial Incentive Program (ICIP), the most expensive economic development program in the city. (ICIP was reformed in 2008 and is now called the Industrial and Commercial Abatement Program.) Good Jobs New York has been directed by our Bettina Damiani for more than 12 years, and her success in winning greater transparency has involved dozens of episodes in which she has assisted community-based organizations, journalists, labor unions, and environmental groups who sought more information about pending and past deals.

In Memphis and Shelby County, Good Jobs First has actively assisted AFSCME Local 1733 and its many community allies since spring 2012 as they have sought to win more accountability from the city/county Economic Development Growth Engine (EDGE). Our executive director Greg LeRoy was on site twice in 2012 to meet with grassroots groups and public officials; in November he testified before the EDGE board, which includes elected officials, and senior staff. Many of the final administrative reform recommendations adopted by the board draw directly from our testimony, with improved transparency prominent among its earliest actions.

More broadly, we know from many communications, news reports and more than 800 trainings that our studies and best-practice models have inspired many public officials. For example, we know that our 50-state report card studies have come to the attention of high executive-branch officials in two-thirds of the states, including some governors and commerce secretaries. In other cases, we surmise our influence. For example, the sophisticated mapping of subsidies by the State of Michigan we cite here began after we published our 2006 study, *The Geography of Incentives*, in which we analytically mapped 4,000 deals in seven Michigan metro areas (to our knowledge the largest such study ever performed in the world).

CONCLUSIONS AND POLICY RECOMMENDATIONS

In the two and a half years since we published *Show Us the Subsidies*, at least nine more states have come online with subsidy transparency, for a total of 46; the District of Columbia has also started disclosing. Given the tremendous growth in company-specific subsidy disclosure in recent years by state governments, it is not hard to predict a parallel trend among local governments. The practice of states compiling and reporting on locally awarded subsidies on behalf of those localities is also increasing, and we recommend more states follow suit.

We are also encouraged by the sophistication with which a few of the local governments included in this study report on business subsidy activity. We look forward to seeing the future innovations that these early-adopter localities create in the pursuit of transparency.

However, many local governments still leave taxpayers in the dark on where and how public dollars are being used for economic development. Subsidy programs in 20 of the United States' most populous cities and counties are hiding job subsidies from taxpayer supervision. And many of the programs that are currently disclosed lack important information such as outcomes and compliance status reporting—key details that keep citizens informed are missing entirely from the public realm.

We encourage the 20 localities currently not practicing transparency to look to their peers in at least 15 major U.S. cities and 46 states plus the District of Columbia where company-specific disclosure is now standard procedure. City and county governments awarding economic development subsidies need to disclose which companies receive those funds and where they are located. The public has a right to know the costs of the deals and what its contributions to those businesses has bought—how many jobs the recipient businesses are obligated to grow or retain in exchange for public funds.

Economic development agencies should also inform taxpayers on the status of deals over the years they play out, i.e. how much funding has actually been disbursed to the recipient and whether or not the business is complying with its side of the agreement. Finally, all localities of every size that are not disclosing this information need to provide it in a comprehensive, intuitive, and accessible manner to demonstrate their commitment to serving the public interest through transparency.

Appendix A:

DISCLOSURE SCORING SYSTEM

Category	Points
Recipient name only	10
Approved subsidy value	15
Actual subsidy value	15
Subsidy term	10
Job requirements (permanent or temporary)	10
Actual jobs created (permanent or construction)	10
Facility address	10
User-friendliness	10
Accessibility	10
TOTAL POSSIBLE POINTS	100
Bonus Categories	Points
Multiple years of data	5
Other economic outcomes (wages, benefits, community benefits)	5
Static mapping	2
Dynamic GIS mapping	3
TOTAL POSSIBLE BONUS POINTS	15

Appendix B:

PROGRAM SCORES

		basic disclosure	approved subsidy value	actual subsidy value	subsidy term	jobs estimate (permanent or construction if TIF)	jobs actual (permanent or construction)	facility address	usability/searchability	ease of access	mult years data	other outcomes	static map	GIS	Total
Austin city, Texas	Economic Development Grants (Chapter 380 Incentives)	10	15	15	10	10	10	0	10	10	5	5	0	0	100
Baltimore city, Maryland	Business Assistance	10	0	0	0	10	0	0	0	10	0	0	0	0	30
Chicago city, Illinois	Tax Increment Financing	10	15	15	10	10	0	10	10	10	5	0	2	0	97
Columbus city, Ohio	Downtown Office Incentive	10	0	0	0	0	0	10	0	10	0	0	2	0	32
Dallas County, Texas	Property Tax Abatements	10	0	0	0	10	10	0	10	10	5	5	0	0	60
Denver city, Colorado	Business Incentive Fund	10	0	0	0	10	0	0	0	0	0	0	0	0	20
Denver city, Colorado	Tax Increment Financing	10	15	0	10	0	0	10	10	10	0	5	2	0	72
Detroit city, Michigan	Industrial Property Tax Abatement	10	0	0	10	10	0	10	10	10	5	5	0	3	73
Detroit city, Michigan	Commercial Rehabilitation Tax Abatement	10	0	0	10	0	0	10	10	10	5	0	0	3	58
Fort Worth city, Texas	Tax Abatements (Chapter 312)	10	0	0	10	10	0	0	10	10	0	0	0	0	50
Fort Worth city, Texas	Chapter 380 Economic Development Program Grants	10	0	0	10	0	0	10	10	10	0	5	0	0	55
Houston city, Texas	Chapter 380 Incentives	10	15	0	10	10	0	0	0	10	5	0	0	0	60
Memphis City, Tennessee	PILOTs	10	0	0	10	0	0	10	10	10	5	0	0	0	55
Memphis/Shelby County, Tennessee	PILOTs	10	15	15	10	10	10	10	10	10	5	5	0	0	110
New York, New York	Industrial Incentive	10	15	15	10	10	10	10	10	10	5	5	0	0	110
San Jose city, California	Negotiated Discretionary Subsidies	10	15	0	10	10	0	10	0	0	0	0	0	0	55
Tarrant County, Texas	Tax Abatements	10	15	0	10	10	0	0	10	0	5	5	0	0	65
Washington city, District of Columbia	Tax Increment Financing	10	15	15	0	0	0	0	10	10	5	0	0	0	65
Washington city, District of Columbia	Property Tax Abatement	10	15	15	0	0	0	0	10	10	5	0	0	0	65
Wayne County, Michigan	Industrial Property Tax Abatement (PA 198)	10	0	0	10	10	0	10	10	10	5	5	0	3	73
Wayne County, Michigan	Personal Property Tax Abatement (PA 328)	10	0	0	10	0	0	10	10	10	5	0	0	3	58

Appendix C:

DISCLOSURE LINKS

Locality	Program Name	Disclosure Website
Austin, Texas	Economic Development Grants (Chapter 380 Incentives)	http://austintexas.gov/page/agreements-payments-information
Baltimore, Maryland	Business Assistance	http://baltimoredevelopment.com/print-materials
Chicago, Illinois	Tax Increment Financing	https://data.cityofchicago.org/Community-Economic-Development/TIF-Projection-Reports/zai4-r88e
Columbus, Ohio	Downtown Office Incentive	http://econdev.columbus.gov/uploadedFiles/Business_Development/Downtown%20Office%20Incentives.pdf
Dallas County, Texas	Property Tax Abatements	http://www.dallascounty.org/department/plandev/documents/2012abatamentreport.pdf
Denver, Colorado	Business Incentive Fund	http://www.denvergov.org/Portals/690/documents/New/OED%20Annual%20Report%202012%20for%20web.pdf
Denver, Colorado	Tax Increment Financing	http://www.renewdenver.org/redevelopment/dura-redevelopment-projects.html
Detroit, Michigan	Industrial Property Tax Abatement	http://www.michigan.gov/taxes/0,1607,7-238-43535_43925-164513--,00.html
Detroit, Michigan	Commercial Rehabilitation Tax Abatement	http://www.michigan.gov/taxes/0,4676,7-238-43535_43925-210862--,00.html
Fort Worth, Texas	Tax Abatements (Chapter 312)	http://fortworthtexas.gov/uploadedFiles/HED/Tax_Abatements.pdf
Fort Worth, Texas	Tax Abatements (Chapter 380)	http://fortworthtexas.gov/uploadedFiles/HED/2012HED_Annual_Report.pdf
Houston, Texas	Chapter 380 Incentives	http://www.houstontx.gov/ecodev/380.html
Memphis, Tennessee	Downtown PILOTS	http://www.downtownmemphiscommission.com/documents/pilots_issued_2013.pdf
Memphis /Shelby County, Tennessee	PILOTs	http://growth-engine.org/?page_id=1445&g=/PILOT%20Closing%20Packages
New York, New York	Industrial Incentive	http://www.nycedc.com/about-nycedc/financial-public-documents
San Jose, California	Negotiated Property Tax Exemptions	http://sanjoseca.gov/index.aspx?NID=145 city clerk maintains records of council meetings. Counted as disclosure because it's literally the only item they have to report.
Tarrant County, Texas	Tax Abatements	http://courtbook.tarrantcounty.com/sirepub/docs.aspx?pagetype=results&Permits={fulltextcriteria%20=%20'abatement' }&Council%20Agendas={fulltextcriteria%20=%20'abatement' }
Washington, District of Columbia	TIF	http://cfo.dc.gov/page/unified-economic-development-reports
Washington, District of Columbia	Property Tax Abatement	http://cfo.dc.gov/page/unified-economic-development-reports
Wayne County, Michigan	Industrial Property Tax Abatement (PA 198)	http://www.michigan.gov/taxes/0,4676,7-238-43535_43925-164513--,00.html
Wayne County, Michigan	Personal Property Tax Abatement (PA 328)	http://www.michigan.gov/taxes/0,1607,7-238-43535_43925-164518--,00.html

Appendix D:

SPECIFIC PROGRAM DISCLOSURE SCORING NOTES

AUSTIN, TEXAS

Economic Development Grants (Chapter 380 Incentives)

Austin's website contains both an easy to read list of subsidy recipients and compliance documents for those recipients. It includes recipient names (10) and current levels of payment on the initial page (15). Recipient compliance agreements list the total approved subsidy and the term over which the subsidy is to be disbursed (15, 10). They also list total job requirements and job creation compliance levels to date (10, 10). Facility addresses are not listed in any of the compliance, audit, or original subsidy ordinance. Disclosure information is easily located and organized in a comprehensive manner (10, 10). We award extra points for multiple years worth of subsidy information (5) and reporting of additional outcomes such as actual capital investment and wage levels in the compliance documents (5).

BALTIMORE, MARYLAND

General Business Assistance

Baltimore publishes an annual report that contains a list of businesses that have received assistance and/or subsidies. Multiple types of subsidies are included under the general "business assistance" heading in the report. Subsidized companies are named (10) and a jobs estimate is provided (10) but the report contains no other information pertaining to the subsidy. We award points for accessibility (10) but not usability as the report is not well structured for subsidy disclosure. Despite the availability of multiple years' worth of subsidy disclosure, we do not award bonus points in this category as the Baltimore Development Corporation has not made annual reports available for 2011 or 2012 as of yet.

CHICAGO, ILLINOIS

Tax Increment Financing

Chicago's TIF disclosure website lists redevelopment/TIF areas and includes specific projects within those areas by name (10). Redevelopment agreements for individual projects contain budgets detailing estimated city expenses so we award points for estimated subsidy value (15). In the linked data portal, payments to private projects are listed as negative values so we award points for actual subsidy value (15). Subsidy term is listed in both redevelopment agreements and the city data portal as an "end" date (10). The number of jobs required of each individually subsidized project is listed in the redevelopment agreements (10). Project addresses are included in redevelopment agreements (10). We award points for both usability and accessibility based on the searchable database and clear TIF area project list (10, 10). We also award bonus points for multiple years of data (5).

COLUMBUS, OHIO

Downtown Office Incentive

Columbus produces a limited document naming the recipients of the Downtown Office Incentive (10). It is easily accessible from the main city website (10) but contains very little information. It does, however, point out the location of each subsidized facility on a static map (2 points extra).

DALLAS COUNTY, TEXAS

Tax Abatement

The Dallas County website contains a documents list that includes a report to County Commissioners on all tax abatements entered into by the county. The report lists recipients by name (10) and although it discloses both the year that the abatement was approved and the end date for older agreements, it does not disclose the subsidy term for newly abated projects. Total abatement value is also not listed. The document does include job requirements where applicable (10), and discloses the status of both completed and current subsidy agreements, including job creation status (10). The spreadsheet is intuitively and simply structured (10) and clearly linked from the county's economic development page (10). Bonus points are awarded for multiple years worth of data (5) and reporting additional outcomes (project status, including terminations, 5).

DENVER, COLORADO

Business Incentive Fund

Denver discloses a small amount of information about recipients of tax reimbursements through this subsidy in its annual report. The report names participating companies (10), but unfortunately only includes aggregate program information about subsidy value. Separate company narratives list the anticipated number of jobs (10) associated with each deal without consistently disclosing the subsidy value. We award no points for accessibility because the annual report is not posted in an obvious location on the website. No other annual reports with this type of information are available on the “studies” page. No points were awarded for usability, as it is unclear if information listed in the report is comprehensive.

Tax Increment Financing

The Denver Urban Renewal Authority maintains a website with information about each TIF-subsidized area. Each TIF-area webpage lists the name of the developer (10). The value and type of anticipated TIF subsidies (15) is viewable on the fact sheet, but not reimbursement to date. No mention of job creation, construction or otherwise, is made on the project web pages. Subsidy terms are listed as a TIF-expiration date (10). Stylized but rudimentary maps of the urban renewal areas are included on the project pages (10). The pages are easy to understand and use (10) and clearly linked from the main DURA home page (10). Extra points are awarded for disclosure of additional outcomes through the detailed program narratives (5). It is not clear on the website how many years' worth of TIF subsidy information is being disclosed so we award no extra points in this category.

DETROIT, MICHIGAN

Industrial Property Tax Abatement

The State of Michigan discloses all city and county property tax abatements made by this program through the State Department of Treasury. Uploaded pdf spreadsheets contain the name (10) and physical address (10) of the companies that are exempted from property tax. Although investment figures are disclosed, subsidy value is not so we award no points in this category. We award points for reporting estimated jobs (10) and subsidy term (10). Data is easily accessible (10) and searchable (10). Extra credit points are awarded for multiple years worth of data—2007–2012 (5). We also award extra points for additional outcome reporting on businesses that had status revoked or expired (5).

Commercial Rehabilitation Tax Abatement

Through the same Department of Treasury location, the state discloses recipient names (10) but not subsidy values. Jobs are not disclosed, but subsidy term is (10). Data is accessible (10) and searchable (10). Extra credit points are awarded for multiple years worth of data (5).

FORT WORTH, TEXAS

Tax Abatements (Chapter 312)

Fort Worth discloses tax abatement recipient businesses in a spreadsheet posted online and updated annually. The spreadsheet contains the names (10) of businesses but fails to report approved or actual subsidy value. We do not award points for disclosing the percentage of abatement, but the subsidy term is disclosed (10). The city reports on the number of jobs required for the abatement in some cases and in others actual job creation. We award 10 points in this category because job accounting is inconsistent. The spreadsheet is both easy to search and to locate, linked from the main subsidy information page (10, 10). Although there are business listings from multiple years, only active abatement recipients are disclosed, so we do not award bonus points for multiple years of data.

Economic Development Program Grants (Chapter 380)

Fort Worth discloses information about projects receiving subsidies through this program in an annual report that also discloses other economic development spending. The report discloses project/recipient names (10) but does not disclose the estimated or actual value of the subsidy in a dollar figure. We do not award points for a description of the percentage of taxes abated without absolute numbers. We also do not award points for job figures as goals/full employment are inconsistently reported and missing from some project descriptions. The report does list the total subsidy term in almost all cases so we award points in this category (10). Addresses are listed in the report (10). The report is easily found on the city's website (10) and lists projects in an intuitive, accessible fashion (10). We award extra points for the disclosure of W/MBE contracting percentage (5).

HOUSTON, TEXAS

Chapter 380 Incentives

Houston posts Chapter 380 tax abatement agreements online by project/developer name (10). Some of these agreements cover the actual tax abatement and not just the redevelopment specifications. They list the maximum subsidy allowable so we award points for estimated but not actual subsidy value (10). Tax abatement terms are listed in the subsidy agreements (10). Job creation/retention requirements are listed in most agreement documents, but no actual job figures are reported (10). Subsidy facility addresses are not consistently available in reports so we do not award points. Documents are low quality pdfs that are not searchable and do not contain consistent information so we award no points for usability. They are, however, easily accessible from the program's information page (10). We award bonus points for making available multiple years' worth of reports from 2010 to 2013 (5).

MEMPHIS, TENNESSEE

PILOTS

The Memphis Downtown Commission maintains a spreadsheet that contains information on PILOTS issued for the downtown area. The spreadsheet names recipient companies (10) and provides addresses (10). It also discloses the term of each subsidy (10). Subsidy values are not disclosed, nor are jobs associated with each project. The spreadsheet is intuitive (10) and easily located on the Commission's website (10).

MEMPHIS/SHELBY COUNTY, TENNESSEE

PILOTS

The Memphis Economic Development Growth Engine (EDGE) has assembled all public PILOT subsidy documents into a database. The database is searchable by company name (10). Approved subsidy value can be viewed by company name under the “term sheets” folder in the database (15 points, we award full points in this category although the subsidy summary sheets have not yet been created for every company). Because the incentive is a set figure based on the PILOT, we also award points for actual subsidy value (15). Expected job creation is also reported on the summary sheet (10) but can be viewed in the “closing documents” folder as well. Actual job creation can be viewed in the “performance reports” section of the database (10). Facility address and subsidy term are both reported in original PILOT agreements posted in the “closing packages” folder (10, 10). We award points for usability/searchability because despite the scanned documents, EDGE is providing a wealth of information about subsidies awarded through this program and will continue to create summaries of each deal that are more user-friendly (10). The database is clearly linked from the EDGE website so we award points for accessibility (10). We award bonus points for multiple years’ worth of subsidy information dating back to the 1980s (5). Bonus points are also awarded for reporting additional outcomes such as the percentage of DBE receiving contracts through subsidized businesses (5).

NEW YORK, NEW YORK

Industrial Incentive

Recipient names are listed (10). Tax exempt bond savings (subsidy value is included as estimated city taxes forgone) are listed in the spreadsheet, so we award points for estimated abatement value (15). We also award points for actual subsidy value (15). Subsidy term is listed (project start and end dates, 10). Projected and actual jobs (both temporary and permanent) are reported (10, 10). Project address is reported (10). We award points for both usability and ease of access because the document is provided as a sortable Excel spreadsheet that is easily found under the Financial and Public Documents section of the NYCEDA website. We also award bonus points for multiple years of data as early as the 1980s are included in the spreadsheet (5). We award bonus points for additional outcomes reported such as benefits and indirect and induced jobs figures (5).

SAN JOSE, CALIFORNIA

Negotiated Discretionary Subsidies

San Jose includes information about the properties that are awarded subsidies in its city council synopses maintained by the city clerk. Council agendas contain links to subsidy proposals considered at meetings. From those subsidy proposals, the clerk maintains links to “Incentive Agreements.” In the case of San Jose, only one subsidy has been awarded in recent years (to Samsung). Disclosure information can be reached by either a keyword search for the company name or for “Incentive Agreement.” Companies that receive awards are identified by name (10). Subsidy terms are listed in the proposals (10). Approved subsidy value (15) and job creation expectations (10) are disclosed but not actual subsidy or actual jobs. Facility addresses are listed (10). We award no points for accessibility or usability, as links from pdfs are difficult to locate and not intuitive. Although a decade’s worth of meeting minutes is available, we award no bonus points for multiple years of data because the data has not been distilled from these documents.

TARRANT COUNTY, TEXAS

Tax Abatements

Tarrant County posts tax abatement summary terms for each subsidized company in its public access documents library called “Courtbook.” The documents are named by abated business (10). Total approved subsidy levels (15) and subsidy term (10) are reported in a separate spreadsheet for each company titled “Estimated Abatement Revenue Values.” Job creation requirements are reported in the summary sheet (10). Abated property addresses are not consistently reported so we award no points in this category. Although it is not immediately obvious where the tax abatement disclosure information is located, the project summary sheets are easy to comprehend so we award points for usability (10). Abatement documents from 2011 through 2013 are available so we award bonus points for multiple years (5). Documents additionally contain information about W/MBE and recapture terms so points are awarded for reporting additional outcomes (5).

WAYNE COUNTY, MICHIGAN

Industrial Property Tax Abatement

The State of Michigan discloses all city and county property tax abatements made by this program through the State Department of Treasury. Uploaded pdf spreadsheets contain the name (10) and physical address (10) of the companies that are exempted from property tax. Although investment figures are disclosed, subsidy value is not so we award no points in this category. We award points for reporting estimated jobs (10) and subsidy term (10). Data is easily accessible (10) and searchable (10). Extra credit points are awarded for multiple years worth of data—2007–2012 (5). We also award extra points for additional outcome reporting on businesses that had status revoked or expired (5).

Personal Property Tax Abatement

Through the same Department of Treasury location, the state discloses the names (10) but not subsidy values of exemption recipients. Jobs are not disclosed, but subsidy term is (10). Data is accessible (10) and searchable (10). Extra credit points are awarded for multiple years worth of data (5).

WASHINGTON, DISTRICT OF COLUMBIA

Tax Increment Financing

Recipient names are listed (10). Proposed/estimated TIF allotment on a per-project basis is included in the current year’s unified development budget (or UDB, 15). The previous year’s UDB contains “previously authorized expenditures” (15). No subsidy term or jobs estimates are provided. Reports are clearly titled and located under the economic publications page of the District CFO (10). Projects are listed in spreadsheet format (10). Bonus points for multiple years of data (back to 2010) are also awarded (5).

Property Tax Abatement

Recipient names are listed (10). Proposed/estimated abatement value on a per-project basis is included in the current year’s unified development budget (15). The previous year’s UDB contains “previously authorized expenditures” (15). No subsidy term or jobs estimates are provided. Reports are clearly titled and located under the economic publications page of the District CFO (10). Projects are listed in spreadsheet format (10). Bonus points for multiple years of data (2010 through current) are also awarded (5).

ENDNOTES

- 1 Good Jobs First's initial report on economic development subsidy disclosure, *The State of State Disclosure*, was published in 2007. Our next survey of state-based subsidy disclosure, *Show Us the Subsidies*, was released in 2010. We also issued two studies grading the states' American Recovery and Reinvestment Act websites: *Show Us the Stimulus* in 2009 and *Show Us the Stimulus (Again)* in 2010. All four reports are available online at <http://www.goodjobsfirst.org/publications>.
- 2 Kenneth Thomas, Middle Class Political Economist Blog. October 10, 2011. Online at <http://www.middleclasspoliticeconomist.com/2011/10/almost-all-government-layoffs-are-local.html>
- 3 Most personal income tax diversion programs are administered by state economic development agencies. For more information about this type of subsidy, see Good Jobs First's report *Paying Taxes to the Boss*, published in 2012 and online at <http://www.goodjobsfirst.org/taxestotheboss>.
- 4 U.S. PIRG Education Fund. *Transparency in City Spending: Rating the Availability of Online Government Data in America's Largest Cities*. January 2013. http://uspirg.org/sites/pirg/files/reports/%232USP_transparent_ciites_v6_screen_2.pdf
- 5 The Governmental Accounting Standards Board (GASB) has never promulgated regulations for the reporting of tax expenditure-based economic development spending.
- 6 Kenneth Thomas, Middle Class Political Economist Blog. October 10, 2011. Online at <http://www.middleclasspoliticeconomist.com/2011/10/almost-all-government-layoffs-are-local.html>
- 7 Population ranks were determined with U.S. Census data from 2010.
- 8 Many of the most populous county governments do not issue business subsidies or do not exist as separate units of government from the major municipality located within its boundary. In some jurisdictions, economic development functions of the county and city are combined into a single agency.
- 9 The Texas Comptroller has in the past published annual reports on the use of Chapter 312 property tax abatements. The most recent information available online from the Comptroller is from 2010 and that data is in a problematic format for viewing online. For these reasons, we do not count this state-reported information as adequate disclosure. Chapter 312 tax abatement logs can be accessed online at http://www.texasahead.org/tax_programs/proptax_abatement/reports/.
- 10 There are, however, still some localities that practice disclosure by uploading the resolutions of the governing body to the city/county website. Reliance on the general website "search" box to provide company-specific information is not a good disclosure practice but we allowed it in certain instances. We counted these programs as "disclosed" if there were actual separate subsidy agreement documents or specific council/commission resolutions related to individual deals. Localities that rely on meeting minutes transcripts for transparency received no points for disclosure, even if recipient companies are identified in those transcripts.
- 11 The unidentified "Project Vision" was awarded a \$3.5 million subsidy by the Miami-Dade County Commission in July 2012. Some details available at <http://www.miamidade.gov/govaction/matter.asp?matter=121484&file=true&yearFolder=Y2012>.

- 12 Illinois local disclosure information available at: <http://www.ioc.state.il.us/index.cfm/departments/local-government-division/tif-districts/>
- 13 Michigan local disclosure information available at: <http://www.michiganadvantage.org/Projects/>
- 14 Michigan local disclosure information available at: http://www.michigan.gov/taxes/0,4676,7-238-43535_43925-210862--,00.html
- 15 Michigan local disclosure information available at: http://www.michigan.gov/taxes/0,4676,7-238-43535_43925-164513--,00.html
- 16 Michigan local disclosure information available at: http://www.michigan.gov/taxes/0,1607,7-238-43535_43925-164518--,00.html
- 17 Minnesota local disclosure information available at: http://www.positivelyminnesota.com/Government/Business_Subsidy_Reporting/Business_Subsidy_Annual_Reports/Non-JOBZ_Business_Assistance_Reports.aspx
- 18 Missouri local disclosure information available at: <http://www.auditor.mo.gov/TIF/SearchTIF.aspx>
- 19 Pennsylvania local disclosure information available at: http://www.revenue.ne.gov/PAD/research/TIF_Reports/TIF_REPORT_2011.pdf
- 20 New York local disclosure information available at: http://www.osc.state.ny.us/localgov/datanstat/finddata/index_choice.htm
- 21 Tennessee local disclosure information available at: <http://www.comptroller.tn.gov/sboe/idbsumm.asp>
- 22 Texas local disclosure information available at: http://www.texasahead.org/tax_programs/chapter313/forms.php
- 23 Texas local disclosure information available at: http://www.texasahead.org/tax_programs/proptax_abatement/reports/
- 24 Nevada local disclosure information available at: http://tax.state.nv.us/DOAS_FORMS/Assessor%27s%20Annual%20Report%202011.pdf
- 25 Louisiana local disclosure information available at: <http://www.louisianaeconomicdevelopment.com/additional-resources.aspx?rc=27>
- 26 The Memphis/Shelby County EDGE website is located at: <http://growth-engine.org/>.
- 27 Email communication with Trey Heath, Memphis-Shelby County EDGE. April 1, 2013.
- 28 In recent years, large subsidies have been considered (and some awarded) for International Paper, Electrolux, and Kruger Products, L.P. For more information on the regional tensions with Mississippi, see Good Jobs First, The Job-Creation Shell Game, pages 35 and 36, at: <http://www.goodjobsfirst.org/sites/default/files/docs/pdf/shellgame.pdf>.
- 29 Bailey, Thomas Jr. "Tax-break contracts being posted online; Better access to public info to boost transparency." The Commercial Appeal. November 13, 2012.
- 30 Phone interview with Trey Heath, Memphis-Shelby County EDGE Information Specialist. May 1, 2013.
- 31 The City of Austin's Economic Development Grant disclosure page can be accessed at <http://austintexas.gov/page/agreements-payments-information>.
- 32 The New York Department of Finance is not subject to such disclosure rules, so the ICIP/ICAP program is not transparent and receives no score for disclosure in this analysis.

- 33 This law also covers land sales, leases, and other subsidy programs by the EDC.
- 34 The NYCEDC LL62 disclosure companion document is available at http://www.nycedc.com/sites/default/files/filemanager/About_NYCEDC/Financial_and_Public_Documents/Landing_page/LL62/LL62_FY12_Project_Information.pdf
- 35 Many Industrial Incentive recipient businesses are awarded tax subsidies including, but not limited to Business Incentive Rate, MRT Exemption, PILOT, Sales Tax Exemption, and Tax Exempt Bonds.
- 36 Fort Worth now utilizes a GIS-based system through which TIF districts can be viewed. The GIS application is available here: http://mapit.fortworthtexas.gov/HED_Map/
- 37 Chicago's GIS website is accessible here: <https://gisapps.cityofchicago.org/zoning/viewframe.htm>