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## **Study: Big Cities and Counties Fail to Disclose Costly Job Subsidies**

Washington, DC, May 30, 2013--Two-thirds of the economic development subsidy programs run by the nation's largest cities and counties do not use the web to report which companies are receiving the tax breaks and other forms of financial assistance. Among the third of programs that do practice online transparency, most do so poorly, failing to disclose the dollar value of the subsidies. An even smaller number reveal key outcomes such as how many jobs were created.

These are the central findings of a report released today by Good Jobs First, a Washington, DC-based non-profit research center on economic development accountability. The report, *Show Us the Local Subsidies*, is available on the Good Jobs First website at [www.goodjobsfirst.org/localsubsidies](http://www.goodjobsfirst.org/localsubsidies).

“While a handful of cities enable taxpayers to see the costs and benefits of every deal, we were disappointed by the poor state of transparency in most major localities,” said Leigh McIlvaine, a research analyst at Good Jobs First and principal author of the report. “Taxpayers in those cities and counties deserve better.”

The report is part of an ongoing effort by Good Jobs First to track and promote online transparency of economic development subsidies awarded to businesses for job creation and/or retention. It is a companion to our 2010 study *Show Us the Subsidies*, which graded online disclosure practices by state programs. (Local governments account for about half of the \$70 billion spent annually by states and cities for economic development.)

“Most major localities are far behind state governments when it comes to job-subsidy transparency,” said Good Jobs First executive director Greg LeRoy. “We hope that our new report will inspire them to improve their disclosure practices.”

*Show Us the Local Subsidies* looks at transparency in the country's 25 most populous cities and 25 most populous counties. Thirty-six of those localities have locally-controlled economic development subsidy programs. One or two major programs in each were graded for a total universe of 64. Key findings:

- Among those 64 programs, only 21 (located in 16 jurisdictions) report recipient company names online.
- 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.
- Among the 20 large localities 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.

Good Jobs First evaluated the 21 programs with disclosure on a scale of 0 to 100 based on their inclusion of: basic recipient information; subsidy commitments; subsidy outcomes ; and user-friendliness and accessibility. Three “bonus” categories worth up to 15 additional points include: the span of disclosure years; reporting of outcomes in *addition to* job creation; and the use of maps to demonstrate the location of subsidized projects.

*Local Economic Development Subsidy 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

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

“Taxpayers have a right to know where their investments in job creation went and whether they are paying off,” McIlvaine said. “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.”