

.....PRESS RELEASE.....

from the 92nd Assembly District



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Brodsky and Hoyt Renew Authority/IDA Debt Inquiry

Assemblyman Richard Brodsky and Assemblyman Sam Hoyt today released the text of an inquiry they made concerning debt issuance practices by certain public and private institutions. The Chairmen asked Seth Pinsky, President of both NYC IDA and CRC to confirm and explain information that the NYCIDA had quietly increased its indebtedness for the new Yankee Stadium project by \$400 million, probably as a result of cost overruns at the project, and that CRC, a private, not-for-profit corporation now plans to issue debt formerly issued by the NYCIDA on behalf of other private not-for-profit corporations. In addition, the Chairmen inquired of the CRC as to its compliance with statutory disclosure requirements.

"The explosion of public debt issued by obscure semi-public and private institutions is reaching unmanageable proportions. These deals are usually negotiated secretly, with little accountability or public oversight, and directly or indirectly leave taxpayers on the hook. We must reform this entire process. The Yankee Stadium financing may or may not be a good thing, but it certainly should be done in the light of day," said Assemblyman Brodsky.

Chairman Sam Hoyt said, "We are trying to reform both authorities and IDA's and the information we're seeking will help both the Legislature and the public to understand the magnitude of the problem of public debt being issued by and for the benefit of private entities. The Committees will work cooperatively to reform our debt practices, and to bring democratic control back to these out of control corporations and authorities.