

THE SENATE  
STATE OF NEW YORK



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SENATOR  
57TH DISTRICT

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September 9, 2022

Honorable Kathy Hochul  
Governor of New York State  
NYS Capitol Building  
Albany, NY 12224

Dear Governor Hochul:

As you know, the Public Authorities Control Board (PACB) recently voted to authorize Empire State Development (ESD) to enter into an agreement with New York City regarding the allocation of payments in lieu of taxes (PILOTs) between the City and ESD. While I am confident we can agree that a better functioning Penn Station would more adequately serve riders and both New York City's and the State's economy and transit needs, I fear that this vote, although limited in nature, could open the door to a full approval of the General Project Plan (GPP) that includes the controversial funding arrangement that will be used to support the Penn Station renovations. For this reason, I urge you to withdraw the GPP from consideration so that a better plan can be developed through a community-based process that is transparent and inclusive.

Additionally, before a new plan is developed, I ask that you approve my appointment to the PACB. During the Board's most recent vote, the Senate Republican Conference did not have a seat at the table. As you know, the PACB consists of three voting members appointed by the Governor with one appointed upon the recommendation of the Senate Majority and one upon the recommendation of the Assembly Majority. The Board also has two non-voting members appointed by the Governor upon the separate recommendations of the Senate Minority and the Assembly Minority. Currently, the Senate Minority does not have a sitting member on the Board despite the recommendation earlier this year by Senate Republican Leader Ortt. When Leader Ortt inquired in May about my appointment status, he was told by your office that I "continue to be in the background process." As a member of the Legislature and someone who seemingly has met all requirements in the law, myself and those who I represent waited for my approval as an issue of great interest came before the board, an issue that all taxpayers should have a say in. This issue must be rectified prior to any other such votes.

Furthermore, I urge you to sign S.7337 and S.8419 into law. S.7337 would repeal changes made to the PACB law passed by Governor Cuomo that reduced the power of the Legislature. S.8419 would make community advisory committees created by ESD and other governmental agencies to become open to the public and more transparent. These bills are a good first step in addressing some of the critical issues related to transparency and openness.

The GPP, its development, and the conditions that necessitate it highlight many of the State's weaknesses – development-restricting rules and regulations that precipitate the need for expensive and inefficient incentive-laden development deals, opaque approval processes that leave taxpayers in the dark about critical facts, the high cost of major projects, and the all too familiar ethics questions that have plagued deals in the Empire State for decades. It has never been clearer that there is a need for broad reform in the areas of ethics, transparency, and renewed efforts to curtail project costs.

One such condition that needs to be addressed is the high costs of infrastructure projects, which is of great concern to New Yorkers and voters. According to the Transit Cost Project's database, New York is home to four of the five most expensive transit projects worldwide on a cost-per-kilometer basis.<sup>1</sup> Controlling the costs of major construction projects, especially transit projects, should be a priority moving forward. Rationalizing the costs of major infrastructure projects and bringing them in line with the experiences of comparable projects in other states and cities will not only allow for a higher return on the taxpayers' dollars invested but will also ensure more and bigger projects are completed. This will help ensure New York State and New York City remain global hubs of finance, commerce, and talent. Reducing costs would also mitigate the need for risky revenue-raising schemes such as the funding mechanism being considered to support the Penn Station renovations.

It is my hope that the PACB's vote and the attention it received will catalyze action to address the Board's and process's flaws, provide a higher degree of transparency, ensure projects are without ethical conflicts, and reduce the cost of major projects including reducing development crushing laws and regulations. For these reasons, I believe the first step is ensuring all legislative bodies have representation on the PACB and ask that you move with haste to appoint me and sign both S.7337 and S.8419 into law.

Sincerely,



Senator George Borrello  
57<sup>th</sup> Senate District

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<sup>1</sup> <https://transitcosts.com/projects/>