



**Partnership for New York City**

**TESTIMONY SUBMITTED BEFORE THE NEW YORK CITY INDUSTRIAL  
DEVELOPMENT AGENCY**

**THOMSON REUTERS' PROJECT AMENDMENT REQUEST**

**THURSDAY, JULY 29, 2010**

**Presented on behalf of the**

**PARTNERSHIP FOR NEW YORK CITY**

Good morning Chair Pinsky and directors of the New York City Industrial Development Agency. Thank you for the opportunity to testify today on the proposed amendment to Thomson Reuters' project agreement with the IDA.

The Partnership represents the city's international and regional business leadership and its largest private sector employers. Our members employ 775,000 people in New York City and contribute over \$140 billion to the annual Gross City Product.

The Partnership supports Thomson Reuters' request for extension and restructuring of its retention and growth benefits agreement with the IDA. The original agreement stipulated that Reuters, as the anchor tenant of 3 Times Square, would be exempt from City and State sales and use taxes for a period of ten years. Due to economic conditions and its acquisition by Thomson in 2008, Reuters was unable to fully utilize the benefits conferred. Now poised for growth, Thomson Reuters is seeking to restructure and extend the term and application of the benefits provided under the original agreement, with no request for additional benefits.

Approval of the extension of existing benefits will induce Thomson Reuters to increase the original base employment commitment by 108 percent -- from 1,800 to 3,744 jobs -- and to permanently locate the headquarters of its combined operations in New York. The company is also investing in significant capital improvements to its facilities and is maintaining Thomson's historic presence in Lower Manhattan, adjacent to the World Trade Center.

By consolidating their headquarters operations from London and Connecticut in Times Square, Thomson Reuters is helping to reinforce New York's standing as the world's communications and media capital. The company currently employs over 5,000 people in New York State, eighty percent of whom work in New York City. Thomson Reuters has agreed to re-structure its existing deal to focus on job growth benefits rather than those committed solely to retention. These benefits will only be available once job targets are met and will be used for capital improvements that are certain to generate additional economic activity.

Thomson Reuters is a global company and a leader in the high growth information technology sector. A recent report by McKinsey & Company documented that multinational companies based in the U.S. "contribute disproportionately to private sector real GDP growth and labor productivity" and "play a critical role in fueling the expansions that followed past recessions." In fact, multinational companies support a supply chain that creates thousands of additional jobs in small business and all sectors of the local economy. Attracting headquarters operations of global companies is critical to maintaining New York's economic clout and tax base.

New York State ceded its status as the country's number one location of Fortune 500 listed company headquarters to Texas in 2007. Texas, it should be noted, has a highly competitive business environment, no income tax, and very low taxes on business. New York needs to use its IDA benefits in strategic ways to compete with Texas and other locations. Effective targeting of tax incentives pursuant to IDA agreements is necessary to attract operations of multinational companies that are certain to generate a positive return on investment for local government. We urge the IDA board to approve this amendment.

Thank you for your time and consideration.