

## **Empire State Development News**

### **Press Office**

(716) 856-8111 (Upstate)  
(212) 803-3740 (Downstate)

[www.nylovesbiz.com](http://www.nylovesbiz.com)

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## **ESD TAKES UNPRECEDENTED MOVE TO DECERTIFY EMPIRE ZONE COMPANIES**

### **26 Companies Identified and Put on Final Notice**

Empire State Development today announced that, for the first time in the history of the Empire Zone program, 26 companies have received notification that they are being decertified as part of the ongoing process to hold companies more accountable.

The 26 companies notified that the decertification process has begun have not responded to ESD's request for information and have fallen substantially short of the jobs or investment projections made in return for receiving Empire Zone benefits. The companies now have 30 days to request an administrative hearing and, if a hearing is not requested, the company will then be decertified.

"We must ensure that public resources are invested wisely," stated Upstate Empire State Development Chairman Daniel C. Gundersen. "Elected leaders and the citizens of New York state expect that there are accountability measures in place whenever public funds are disbursed. Empire State Development is doing its job today by moving forward with decertification of non-compliant companies."

"The tax benefits Empire Zone companies enjoy come in return for commitments that the companies will invest in the state and create jobs. These reforms demonstrate our resolve to ensure that state tax dollars are spent wisely to achieve the maximum economic development returns to benefit all New Yorkers," said ESDC President Avi Schick.

In prioritizing a list of businesses providing the least economic return to the state compared to the zone benefits they were receiving, ESD identified 171 companies earlier this year. These companies were each sent letters and asked to contact ESD offices to explain the reasons for continued non-compliance. All but 26 have responded.

The 145 companies who responded and who are in communication with ESD are in the process of having their reasons reviewed for final determination.

The notification is part of a review process that began in July 2007. It is the first time in the program's history that Empire Zone certified companies were informed that they were out of compliance with the jobs or investment projections they made when applying for participation in the Program.

Based on the review of 2006 Business Annual Reports provided by firms in the EZ program, nearly 2,400 businesses have failed to meet at least 60 percent of their goals.

Empire State Development is New York's chief economic development agency, encompassing business, workforce and community development. ESD also oversees the marketing of "I LOVE NY," the State's iconic tourism brand. For more information, visit [www.nylovesbiz.com](http://www.nylovesbiz.com).

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