

Good morning Chairman White and members of the Committee on Economic Development. My name is Lee Miller and I coordinate the Empire Zones Program with the Mayor's Office of Industrial and Manufacturing Businesses. I am pleased to testify today in regard to Intro No. 603, which would authorize New York City to submit a technical correction of the Brooklyn Navy Yard/ North Brooklyn Empire Zones to Empire State Development Corporation.

With your support, we were able to re-designate 10 of New York City's 11 Empire Zones as of November 9<sup>th</sup>, 2006. Since November, we have certified 109 companies, which are projecting investments totaling more than \$487 million and plan to employ more than 3000 New Yorkers over the next five years.

The purpose of the re-designation in November was to comply with legislation passed by the State legislature in April of 2005. This enabling legislation required that our Empire Zones were reconfigured in such a way that they were comprised of no more than three distinct areas. In addition, no Empire Zone could exceed 1280 acres. As part of the process of reconfiguration, we looked at the metes and bounds definitions of our existing Empire Zones and converted them into Blocks and Lots, which is how we now delineate our City's Empire Zones in Local Law 421A. By defining the zone in this way, businesses and the public can more easily determine whether or not they may be eligible for Empire Zone benefits on a given site.

In the case of Block 3037, the location was on the edge of the Empire Zone, and it was not captured during the data conversion to blocks and lots. This block was previously part of the Brooklyn Navy Yard, North Brooklyn Empire Zone, as designated in 6/3/1998. It was the intention of both the City and the East Williamsburg Valley Industrial Development Corporation, which is the LDC administering the Brooklyn Navy Yard/ North Brooklyn Empire Zone, to retain this block and lot in the zone. However, as it presently stands, businesses locating on this block would be precluded from certification.

By submitting this technical correction to the State, we will be able to continue to offer valuable Empire Zone tax benefits to businesses that are looking to grow and expand in North Brooklyn. As many of you know, Empire Zones offer an array of tax benefits to eligible businesses, including Wage Tax Credits, Investment Tax Credits and Real Property Tax Credits, so long as businesses are creating jobs and making investments within the Zone. Our NYC businesses have benefited greatly from this program, collecting on average \$50 million in State tax benefits each year.

This local law would realize the intended configuration of the Brooklyn Navy Yard-North Brooklyn Zone. Empire Zone benefits are very often vital to the success of expanding New York City businesses and we ask that you support this technical adjustment to the Brooklyn Navy Yard/ North Brooklyn Boundaries. Thank you for your time. I'd be happy to answer any questions you may have.