

New 'Excelsior' program will benefit all of New York

Every region of New York State has a lot to gain from Albany's recent decision to adopt Gov. David A. Paterson's Excelsior program, a new set of economic development incentives that reward companies for creating good jobs and expanding their business in our state.

Excelsior replaces Empire Zones, which has been the centerpiece of New York's economic development spending for more than two decades. Those zones rewarded companies for moving into distressed areas, even if they did not create one net new job.

As the years went by, we saw designated areas of distress grow and private sector business activity diminish. That is how New York ended up with skyrocketing taxes and a huge state budget deficit.

Why is much of our state still suffering economic decline, in spite of the investment of \$600 million a year on Empire Zones? In part, it is because most of the subsidy has gone to real estate, utilities, professional services and retail stores – industries that do not drive economic growth.

Excelsior targets benefits to advanced manufacturing, high tech, clean tech and other sectors that provide good jobs with big multipliers in the local economy. Companies spinning out of Buffalo's great universities, health and research facilities will likely be among the first to benefit from this fresh approach to economic development.

Excelsior is a clear program that any business can understand and access. Its adoption may be tough on some consultants who have earned a living off the complexity involved in negotiating Empire Zone deals. But everyone else should celebrate the end of Empire Zones and the beginning of a new era in which New York will have the economic development tools it needs to prosper.

Some have charged self-dealing by those of us based in New York City who advocated for getting rid of the bureaucracy, waste and politics that characterized Empire Zones. But our motives are pure: Empire Zones have not done the job.

New York needs incentives that compete with those offered by states like Connecticut and New Jersey that are successfully attracting jobs and encouraging business investment. With Excelsior, we have them.

From Buffalo to Brooklyn, we have a shared interest in the growth of our state's private sector economy and a broadening of our tax base. Excelsior is a starting point for the state's efforts to build a new, more competitive environment for business and high quality jobs. Let's collaborate and make it work.

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