

EXPANSION OF EMPIRE ZONES

\$187 Million in New Investment, Creation/Retention of more than 3,549 Jobs.

April 28, 2003

Governor George E. Pataki today announced revisions to the boundaries of the Onondaga County Empire Zone that will allow 23 businesses to move forward with \$187.1 million in investment and expansion plans, creating 1,182 new jobs, retaining 2,367 more, and leveraging 2,271 indirect jobs.

"By making these smart revisions to the Onondaga County Empire Zone, we will strengthen local businesses, stimulate millions of dollars in new investment and create new job opportunities for the people of Onondaga County," Governor Pataki said. Despite the fiscal challenges that we face as a result of September 11, 2001 and the national economic downturn, economic growth and business prosperity remain a top priority -- we will continue to create jobs and promote policies that encourage growth."

"For the second consecutive year, New York State received its strongest ranking ever in Site Selection magazine - a clear sign that our nation-leading tax cuts and smart economic policies have successfully established an outstanding environment for private sector investment and new job creation," the Governor said.

The boundary revisions to this zone replace three acres of land with 118 acres that have greater potential for near-term development. According to local economic development officials, among the employers that will benefit from these revisions are:

- 1) Byrne Dairy, which plans to invest \$12 million, creating 100 new jobs, 30 indirect jobs, and retaining 497 jobs;
- 2) Cintas Corp, which plans to invest \$7 million, creating 200 new jobs, 70 indirect jobs, and retaining 20 jobs;
- 3) Sysco Food Services, which plans to invest \$7 million, creating 100 new jobs, 40 indirect jobs, and retaining 500 jobs;
- 4) Shoppingtown Mall, which plans to invest \$39 million, creating 3 new jobs, 749 indirect jobs, and retaining 180 jobs; and,
- 5) Great Northern Mall, which plans to invest \$35 million, creating 3 new jobs, 952 indirect jobs, and retaining 65 jobs.

Charles A. Gargano, Chairman of Empire State Development, which administers the Empire Zones program, said, "No one has worked harder than Governor Pataki to create new jobs and opportunities for all New Yorkers. Under Governor Pataki's leadership, New York State's Empire Zone program has become one of the most effective economic development initiatives in the nation."

Empire Zones enable New York State to have a competitive advantage when vying against other states in the country to attract companies. There are currently 72 Empire Zones across New York State. Empire Zones are designated areas throughout the State consisting of a maximum of either

2 square miles, or 1,280 acres, or 1 square mile, or 640 acres, that offer significant incentives to encourage economic development, business investment and job creation.

Businesses operating inside a zone are eligible for a range of tax benefits that are applied against new capital investments. Benefits include tax reduction credits, real property tax credits, sales tax exemptions, wage tax credits, and utility rate reductions, among others. The tax benefits can reduce a company's tax liability to as little as zero.

The March 2003 issue of *Site Selection* magazine reported New York State remains at a solid 3rd in the nation in attracting new and expanded corporate facilities. In 2002 New York attracted 812 expansion projects, compared with only 75 in 1994 when the state placed a disappointing 20th.