

TESTIMONY OF
THE MAYOR'S OFFICE OF INDUSTRIAL AND MANUFACTURING BUSINESSES
BEFORE
THE COMMITTEE ON ECONOMIC DEVELOPMENT
OF
THE NEW YORK CITY COUNCIL

December 12, 2008

Good afternoon Chairman White and members of the Committee on Economic Development. I am Larry Scott Blackmon, Chief of Staff and Deputy Commissioner for Intergovernmental Affairs for the Department of Small Business Services. I am pleased to testify before you today on Intro 848, which would authorize the designation of Aesthetonics, Inc, doing business as Remains Lighting, as a Regionally Significant Project.

The Empire Zone program was created by the New York State Legislature in 1986 to stimulate private investment and job creation in disadvantaged communities. Through a variety of State tax incentives, including wage tax credits, investment tax credits and real property tax credits, the program allows municipalities to retain, attract and growth businesses that create jobs and sustain the local economy. The New York City Empire Zone program is facilitated by the Mayor's Office of Industrial and Manufacturing Businesses.

In April of 2005, the State Legislature adopted legislation extending the Empire Zones Program until June 30th, 2011 and, among other changes, created a provision allowing for Regionally Significant Project designation. This designation allows local businesses outside the distinct geographic boundaries of an Empire Zone to tap into valuable State tax credits. Often, manufacturing companies have facilities needs that cannot be met by the existing building stock within existing zone boundaries. The Regionally Significant Project designation gives us the ability to attract or retain businesses that otherwise would locate outside of New York City.

To ensure that the Regionally Significant Project designation is used prudently, the State Legislature has created an authorization process that involves the State, the local legislature, Zone Administrative boards, and an environmental review process.

Moreover, to qualify for this designation, the business must be either:

- 1) A manufacturer creating 50 or more full-time jobs;
- 2) An agribusiness, high-tech or bio-tech company creating 20 jobs and making an investment of \$10 million;
- 3) A financial, insurance or distribution entity creating 300 or more jobs; or
- 4) A clean energy research and development enterprise.

Remains Lighting will create 67 net new jobs in New York State and invest approximately \$4 million in capital improvements to the facility. In addition to the 67 new jobs, it will relocate 26 existing jobs from Rockland County for a total of 93 new jobs to the City. The staff will include designers, sheet-metal workers, platters, and engineers. These new jobs will range from \$10-\$27 per hour with full benefits. The company will be partnering with local religious institutions, workforce development organizations, local development corporations and City agencies to identify workers from surrounding communities.

The Company, which manufactures and distributes high-end lighting fixtures, is the type of business we want to attract and retain. It will create new manufacturing jobs while tapping into the City's creative community, provide job opportunities for both skilled and unskilled workers, and export its products outside NYC-- promoting NYC as a manufacturing and business friendly community. Most importantly, it will help fill a void as Remains Lighting will move into a facility formerly occupied by a manufacturing company that moved out of New York City seeking lower rents and operating costs.

The expansion of Remains Lighting is a rare opportunity for NYC to increase its manufacturing job base while supporting a home grown company. Remains Lighting originally opened in a Chelsea loft in April of 1996 as a company that sold architectural salvage. Its rapid growth and future relocation of its manufacturing arm to the City is a testament to the founder's commitment to the company and our City. This afternoon you will hear from Mr. Calligeros. He will describe what businesses like Remains Lighting mean to our economy and how the Regionally Significant Project designation can help them operate competitively and grow.

Thank you again for the opportunity to appear before you today. I am happy to address any questions you may have.

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