



KARL A. BRABENEC  
Assemblyman 98<sup>th</sup> District

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

RANKING MINORITY MEMBER  
Labor Committee

COMMITTEES  
Aging  
Cities  
Election Law  
Local Governments

April 29, 2016

Howard Zemsky  
President & CEO of Empire State Development and  
Commissioner of the New York State Department of Economic Development  
625 Broadway  
Albany, NY 12245

Dear Mr. Zemsky:

I think we can agree that in a world marked by accelerating change, government needs to be adaptive. Experimentation has value. It is important that we try new things, embrace new technologies and implement programs that harness innovation to improve people's lives.

Experimentation's twin obligation is restraint. Serious scientists collect data. These practitioners are accountable to real results even when they don't support a treasured hypothesis. They're willing to change course because their credibility depends on it. To proceed otherwise would be senseless and perpetuate false hope. Not every vaccine tested in a clinical trial eradicates disease.

While the goals of the controversial Start-Up New York program remain admirable, I believe it is time for us to move on from this failed experiment.

Start-Up New York has raised many interesting questions. Was the advertising too political in nature? Is it fair to offer tax breaks to out-of-state firms when family businesses struggle to keep their doors open? Are public-private partnerships a smart way to incentivize investment in promising economic sectors, or do they inevitably lead to cronyism and pay-to-play contracts?

While these queries make great fodder for editorial boards, I believe there is a more important question to ask, with a much tidier answer:

Is there any evidence to support that this experiment is working?

I believe the data is clear. According to a 2015 report by the state Comptroller, \$45.1 million taxpayer dollars powered an extensive marketing campaign that only created seventy-six jobs. Spending \$593,421 to create one job is flagrant and unsustainable. This price tag doesn't even take into account other marketing efforts undertaken by Empire State Development that total over \$200 million since 2011.

Last year, a press release accompanying this illuminating report said that the advertising had generated "no tangible results" and that "When government spends hundreds of millions of taxpayer dollars to send a message that New York is a place to visit and open for business, it should have clear objectives and show the public actual results."

Direct and insightful as the report was, it did not prevent the governor and the legislative majorities from allocating another \$66.5 million to fund Start-Up New York and the governor's trade missions during the upcoming fiscal year.

It was not a mistake to try Start-Up New York. It is a grave mistake to continue funding a program when there is no progress report and quantifiable proof that it simply is not working.

I am encouraging your office to suspend payments to this initiative until a report is delivered and it can be determined that the taxpayer-funded program is worth continuing.

Sincerely,

A handwritten signature in cursive script, reading "Karl A. Brabenec".

Karl Brabenec  
MEMBER OF ASSEMBLY