



New York comptroller says state's marketing campaign fell short

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New Jersey business leaders, who were skeptical that New York State's "Start-Up NY" ad campaign offered much of a threat in the border war between the two states for businesses and jobs, got some support Monday from an unlikely source: New York's comptroller.

An audit by the New York State Comptroller of a \$211 million advertising contract that included the omnipresent television campaign, as well as a campaign promoting tourism in the state, concluded that the effort "yielded no tangible results."

The audit found that the state spent \$45 million on the Start-UP NY campaign, which brought in 41 companies that are expected to create 1,750 jobs. That amounted to \$25,000 in advertising spent for each job, the report said.

"In terms of validating the payback and benefit of advertising, specifically with the Start-Up program, we think that shows a very weak connection, not the kind of return one might have thought," Comptroller Thomas DiNapoli told the Associated Press. Of the remaining money, \$36.5 million was targeted to promote tourism and business in the wake of Superstorm Sandy, and the rest went to Taste NY, a program to promote the state's agricultural economy, and other efforts.

The Start-Up program enables businesses that move into or expand in New York to get a 10-year exemption from property, sales and even state income taxes, if they locate in one of the state's special tax-free zones - sites close to a public college - and they "support" the school's mission.

The program was promoted with slick, 30-second commercials that were ubiquitous on tv.

John Boyd, a founder of the Princeton-based Boyd Co., which helps companies relocate, said he was surprised that the campaign was so weak, considering New York's reputation as a center of quality advertising.

"To me, the problem is that they focused on the wrong issues," he said. "It's all about no taxes. That is not a driver of corporate decisions. The tax issues aren't the leading driver. It's other factors, such as the cost of doing business, labor management relationships, transportation access, skill sets."

Lt. Gov Kim Guadagno, who heads New Jersey's economic development efforts, and Choose New Jersey, the state's non-profit marketing agency, declined to comment.

Still, New York State has rebounded from the recession far more quickly than New Jersey, and has regained all the jobs lost, while New Jersey has recovered only about 60 percent of them.

The Start-Up campaign, and the incentive program that it promoted, were generally not well-regarded in New Jersey, where officials closely watch New York State's economic development efforts because of their potential to lure companies from New Jersey.

In recent years, Bergen County has been particularly vulnerable to the movement of local companies across the New York State line to Rockland and Orange counties. Those who have taken that option include Hunter Douglas, Raymour & Flanigan and the Croton Watch Co.

State officials, however, said they did not expect Start-Up NY to attract many New Jersey companies because only a few companies would fit the requirements.

The New York State Comptroller's office said the ad campaign, which was created by the Empire State Development Corp. failed to set out clear objectives, or any way to measure its impact.

The Empire State Development Corp. said the campaign was aimed at changing perceptions of New York as a place for business and tourism, and on that measure it has been successful.

The campaign has created "greater awareness of our economic development programs," and increased "the perception that New York is a good or excellent place to do business by 122 percent among executives from out of state," the corporation said.