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NASSAU SENATE DELEGATION HIGHLIGHTS NEW STATE INCENTIVES TO CREATE HIGH- TECH AND BIOTECH JOBS

NASSAU COUNTY, NY (June 10, 2005) - Delegation Provided Funding For New Phase II Incubator At Broad Hollow Park

Nassau County's New York State Senate Delegation today held a press conference at the Broad Hollow Bioscience Park at SUNY Farmingdale highlighting a comprehensive package of state incentives specifically designed to create high-technology and biotechnology jobs. In addition, the Nassau Delegation visited the Bioscience Park to review the ongoing construction of a new, 47,000 square foot incubator facility that will house start-up biotechnology companies.

As Chairman of the State Senate's NextGen Task Force, Senator Dean G. Skelos developed a plan that would enable the state to attract, retain and grow high-technology and biotechnology companies. The 2005-06 New York State Budget enacted a significant portion of this package, including first-in-the-nation tax incentives for research, development and training expenses, a complete reorganization of the state's economic development programs for high-technology and biotechnology companies and reforms to the Empire Zone program that allow these sought-after technology companies to receive Empire Zone-style benefits wherever they locate.

More specifically, the Budget (1) doubles the existing tax credit available for the purchase of research and development property and dramatically expands it to include production and commercialization costs, (2) establishes the nation's first tax credit for in-house research costs and (3) creates the nation's first tax credit for high-technology employee training.

These new tax incentives are available to high-technology and biotechnology companies with no more than 100 employees (75% of whom must be employed in New York State), a research and development costs-to-net sales ratio of at least 6% and gross revenues of \$20 million or less.

Most importantly, these tax credits are fully refundable

The State Budget also:

- dedicated \$30 million over the next 10 years to encourage private investment in growth-stage technology companies,
- expanded the Empire Zone program and created "Flex Zones" to provide Empire Zone-style benefits to high-technology and biotechnology businesses creating at least 20 jobs and investing a minimum of \$10 million, wherever they locate, and
- replaced the New York State Office of Science, Technology and Academic Research ("NYSTAR") with a new Foundation for Science, Technology and

Innovation that will have regional offices throughout the state, provide capital investments in small and mezzanine-stage companies and serve as a single "port-of-call" for companies to access information about government economic development programs.

In 1998, Governor Pataki and the State Legislature partnered with SUNY Farmingdale and OSI Pharmaceuticals, Inc. to construct the Phase I incubator facility at the Bioscience Park, ensuring OSI's continued presence on Long Island. Through the "Gen*NY*sis" program, Nassau's Senate Delegation provided \$71.5 million in public and private investments for the County's premier research and education institutions in 2002, including over \$15 million for the Phase II incubator building. Construction on the Phase II facility began in April and completion is scheduled for April 2006.

Karin Dunker, Executive Director of the New York Biotechnology Association, said, "The New York Biotechnology Association commends Senator Skelos and the members of the Nassau Senate delegation for their vision and leadership in recognizing biotechnology's potential as a driver of economic development in NYS. NYBA was excited to be a part of the NextGen hearings last year and we are extremely pleased with the resulting programs. We know they will provide the biotechnology industry with valuable resources and enhance New York's position as a world class biotechnology hub."

Ken Morrelly, President of the Long Island Forum for Technology, said, "This is a well thought out series of incentives that encourages investments in intellectual property and capital equipment. This is a powerful combination in creating growing and bringing world class companies into the region and into New York State. The Long Island Forum for Technology believes that this kind of support will impact regional growth for decades to come."

Senator Dean G. Skelos (R-Rockville Centre) said, "Long Island is blessed with premier research institutions, close proximity to New York City and a wealth of scientific and entrepreneurial talent. But we've lacked an aggressive set of incentives that enable us to compete on an equal basis with other states, and foreign countries, to attract and retain promising high-tech and biotech companies. This package will ensure that Long Island's small companies of today stay here and join OSI, Computer Associates, Northrop Grumman and EDO as pillars of our region's new economy."

Senator Charles J. Fuschillo, Jr. (R-Merrick) said, "Attracting, increasing and retaining high-tech, career oriented jobs will allow Long Island to retain its graduating students and to offer real jobs with real pay to the entire region. These job creating incentives will continue the growth we have seen in the Route 110 corridor and throughout our area. This is beneficial for the individual worker as well as for the economic future of our region as a whole."

Senator Michael Balboni (R-East Williston) said, "Small and smart businesses in the high-tech arena are key to Long Island's future. Today's investment will yield tomorrow's dividends."

Senator Kemp Hannon (R-Garden City) said, "The high-tech and biotech tax

incentives in the 2005-06 state budget are a significant investment in the future of Long Island. This plan will create new high-paying jobs and secure the region's role as a leader in biotechnology research and economic development."

Senator Carl L. Marcellino (R-Syosset) said, "These new state incentives are playing a fundamental role in fueling the economic expansion of Long Island and New York State. The Nassau County Senate Delegation will continue on our mission to nurture and attract quality start up biotechnology companies by providing capital investments that will in turn create new jobs vital to our continued growth."