

# NewYorkBIO

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## **Memorandum in Support of Gov Cuomo's New York State Life Science Initiative**

In mid-December 2016, Governor Cuomo announced an ambitious plan to support and grow the state's life science sector through various tax incentives, direct investments, and policy initiatives. Those proposals were also included in the Governor's budget, delivering a total investment of more than \$650 million to New York's life science sector over the next 10 years with the aim of creating 25,000 jobs in New York State. In particular, the Governor's proposal examines the shortage of affordable lab space for researchers and pre-commercial companies; increasing access to capital for early research; and the critical problem of attracting and retaining scientific talent.

NewYorkBIO welcomes the Governor's support for the life sciences, and since the announcement of this initiative has solicited feedback from our membership regarding how the various provisions within the proposal would affect our ability to research, develop, and commercialize life-saving technologies in the Empire State. Our findings and thoughts regarding the Governor's Life Science Initiative are below, separated by subject area.

### **Addressing the Lack of Affordable Lab Space**

NewYorkBIO strongly supports the provisions that designate state lands as tax-free zones under the StartUP NY program, as well as the grant funding for the creation of new life science incubators in the state. Several of our start-up companies have secured space at the SUNY Downstate incubator, the University of Buffalo Biotech Incubator, and other StartUp sites across the state.

While the availability of affordable lab space is a key concern for start-ups, a high value is also placed on the density of life science companies where they locate. Accordingly, we also support the restructuring of the StartUP NY program to make it easier for companies to find tax-free space and to aid in the development of life science clusters tied to institutions of higher education. We strongly feel that these provisions can help offset the high cost of built out lab space, while at the same time encouraging co-location.

### **Increasing Access to Capital for Early and Growth Stage Companies**

Several of our members expressed the challenges that they have with the refundability of existing tax credits. New Jersey addressed this problem decades ago by establishing a market whereby unprofitable companies could sell their tax credits to profitable companies at a discount. However, the refundable corporate tax credit contemplated in this initiative goes a step further to help early stage companies access capital. In doing so, New York is demonstrating an astute understanding of the drug development lifecycle while at the same time providing capital to the companies that need it most among our membership.

NewYorkBIO applauds this provision, and encourages the state to consider revisiting the refundability of other existing tax credits for early and growth stage companies. Should the Governor expand the eligibility for Excelsior job credits, as proposed, we would strongly encourage those credits to be refundable as well for early and growth stage companies. We are additionally pleased with the proposal to provide a tax credit for angel investors, as well as to award promising early and growth stage companies through a quarterly launch competition.

### **Attracting and Retaining Top Scientific Talent**

NewYorkBIO represents many of the state's leading research universities, and they have expressed that it is difficult to attract and retain top talent, particularly in the downstate region where the cost of living creates an additional burden. The pressures are additionally pronounced for early and growth stage companies that must contend with the high costs of the New York metro area without being able to offer any of the advantages or resources that come with a large scale research university.

The Governor's plan acknowledges these challenges and seeks to implement a life sciences researcher recruitment program in conjunction with the academic medical colleges. Additionally, the Governor envisions creating an Entrepreneurial Advisory Panel that matches mentors with emerging innovators that can help them maneuver the various challenges that early and growth stage companies face. NewYorkBIO has a wide array of experts within our membership who are enthusiastic about these opportunities to increase the connectivity of our industry, while helping the next generation of innovators succeed.

### **Conclusion**

NewYorkBIO strongly supports the Governor's Life Sciences Initiative, and we welcome the opportunity to be an active partner in bringing it to fruition. As the state's leading association for the life sciences, we look forward to further discussion with the Governor and his administration to make New York the premiere destination for life sciences innovation and research. For more information, please contact Executive Director Nathan Tinker at (212) 433-2623.

### **About NewYorkBIO**

NewYorkBIO is the leading trade association for the life sciences industry in New York City and New York State, representing more than 250 biomedical companies, universities, research institutions, and others dedicated to advancing life-saving research. New York is the largest and richest bioscience community in the world. With the largest concentration of academic research centers in the world, New York graduates more PhDs than any other region in the country, and is responsible for a quarter of all cancer clinical trials. The life sciences employ more than 75,000 New Yorkers at companies ranging from very small start-ups that rely on incubator space to the largest pharmaceutical companies in the world. For more information, see [www.newyorkbio.org](http://www.newyorkbio.org).