

Int. 1070-2023 Letter of Support

Dear Council,

I am writing in support of passage of Int. 1070-2023 which would reinstitute the Biotechnology Tax Credit. This credit aligns with recommendations by the “New” New York Panel, a group of 59 civic leaders and industry experts convened by Governor Hochul and Mayor Adams to develop an action plan for the equitable recovery of the city.

The life sciences industry has never been more critical to NYC – both as a driver of economic growth and as a source of life-saving innovations. The importance of this sector is highlighted by Mayor Adams and NYCEDC’s creation of the bold LifeSci NYC program, a \$1 billion, 10-year initiative which supports the City’s continued significant growth in this industry.

This tax credit will promote investment and job creation in small and startup businesses in the life sciences. The high cost and risk of research and development, as well as the lengthy clinical development process, make it quite costly for life sciences startups to launch. This tax credit has the power to convince startups to choose NYC, which will lead to more of these companies forming, moving, or expanding here.

The life sciences industry also offers tremendous long-term value to NYC. Median salaries in the life sciences are significantly higher than the median per capita income in New York State, and the industry has already created nearly 150,000 jobs in the NYC metro area. Reinstating the Biotechnology Tax Credit for 2023 to 2025 will help grow this industry and continue to create high-quality, good-paying jobs for New Yorkers.

NYC has a rich history—over 200 years—as the birthplace of many innovative life sciences companies and storied scientific institutions. By investing in the growth and development of the life sciences industry today, we can continue to drive innovation and create new opportunities for businesses, entrepreneurs, and workers across the city.

Accordingly, I urge the earliest possible passage of Int-1070-2023. Together, we can ensure this critical industry thrives and drives progress here for years to come.

Sincerely,



B.J. Jones
Executive Director
“New” New York
NYC Office of the Mayor

New York City Economic Development Corporation
Testimony of Senior Vice President Susan Rosenthal

New York City Council, Committee on Finance
Hearing on the Reinstatement of the Biotechnology Tax Credit
October 4, 2023

Good morning, Chair Brannan, and members of the Finance Committee. Thank you for having me today. My name is Susan Rosenthal and I serve as the Senior Vice President of Life Sciences and Healthcare for the New York City Economic Development Corporation. I am joined by my colleague, Mikelle Adgate, who serves as EDC's Senior Vice President of Government and Community Relations, and Ziyang Li, Senior Director of the Business Income Tax Research Unit at the New York City Department of Finance. We are happy to have the opportunity to advocate for the passage of Introduction 1070, which would reinstate the New York City Biotechnology Tax Credit.

To ground our discussion of today's legislation, I'd like to quickly define biotechnology so that we can better understand how these industries impact our City. Biotechnology, a term often used interchangeably with life sciences, is the study and use of living organisms for the purposes of innovation and new products that have applications in many different areas, including agriculture, health, security, manufacturing, energy, and the environment.

Last year, Mayor Adams and Governor Hochul jointly released the *Making New York Work For Everyone Action Plan*, which aims to make New York City the best place to live and work. Of the

40 proposals intended to serve as a roadmap for the City's future, one of them specifically recognized the biotechnology industry as one of New York City's fastest growing and most economically significant sectors.

We are home to approximately 500 biotech companies located across all five boroughs. These companies employ our neighbors, offer internships for our young people, and provide vital job training. The industry also supports lifesaving medical interventions for our friends and family, operates community labs in our neighborhoods, and is constantly innovating to solve our City's most pressing challenges. It must also be noted that the biotech industry continues to play a critical role in the City's response to COVID-19, supporting the City's broad response for testing, treatment, and vaccination programs. The biotechnology industry will act as a barrier against future pandemics, developing new technology and products that will help keep the City, and the world, safe.

The biotechnology sector in New York City has undergone tremendous growth in recent years, becoming one of the City's largest and top-performing industries. Let me run through some data regarding the economic impact of this industry:

- The biotech industry currently employs approximately 20,000 New Yorkers and the City's goal is to double this number in the next 10-15 years;
- The life sciences are currently a \$5.3 billion industry. The City's goal is for the industry to create \$82 billion in overall economic impact over the next 10-15 years;

- The number of biotechnology companies in NYC grew by 43.7% over the past 5 years, far outpacing the 5% growth in the number of companies in the broader New York City economy;
- Similarly, biotechnology employment grew by over 50% over the past 5 years, compared to a 1.8% employment growth rate across the broader City economy; and
- The tremendous and intentional support of the growth of this industry has helped the NYC metro region become the largest life sciences economy in the country ahead of metro areas such as San Francisco, Boston, and Los Angeles.

EDC and the City have been intentional and bold in our investment in the biotech sector because we believe in the industry's high growth potential, commitment to providing high-paying jobs, and contribution to an innovative and future-focused economy. This commitment is reflected in the City's more than \$1 billion investment in the industry.

A central focus of our work has been to create equitable access to an education and training pipeline for New Yorkers to access the good-paying jobs offered by the life sciences industry. Examples include the Life Sciences internship program, which has provided over 750 high-quality internships to students from across all five boroughs since 2017, over 70% of whom identify as members of communities of color and 54% of whom were eligible for PELL or TAP grants; a \$700,000 investment in BioBus to expand their work in the Bronx providing hands-on K-12 STEM education; and the Science Park and Research Campus in Kips Bay, which I'll call SPARC Kips Bay from now on—a joint effort between Governor Hochul and Mayor Adams,

which will create a signature job and education innovation hub that will be the first-of-its-kind in the State.

These investments support job growth with diverse avenues of opportunity for New Yorkers. While many jobs in the biotech industry are tailored for graduates of New York City's higher education institutions, 2021 Census data indicate only about half of the jobs in the industry require a college degree, and necessary credentials can be obtained from certificate programs and on-the-job training. This industry also has an employment multiplier effect—for every person employed in a technical position, there are an average of three workers employed in other occupations, leading to a growing diversity of jobs tailored for all educational levels. It is important to note that these jobs are of particularly high quality and lead to sustainable, upwardly mobile, and family-sustaining careers.

For all of these reasons, I'm here today to thank you for your partnership and your introduction of this bill, which will reinstitute the biotechnology tax credit and will help ensure that New York City remains a desirable and affordable location for biotech startup companies. We are in an increasingly competitive environment to attract and retain biotechnology companies that will create high-quality jobs, invest in innovation, and advance this sector into the future. With the reinstatement of this modest tax incentive, we believe that we will prevent the loss of these businesses to neighboring cities, states, and regions.

This credit directly confronts the unique challenges that life science startups face. With the creation of our Life Sciences Advisory Council, composed of academic, industry, venture, and philanthropic leaders, as well as our Real Estate Life Sciences Advisory Board, we have heard directly from the industry about the difficulties they face. These challenges include the high upfront investment needed for research and development, the complicated funding environment that early-stage biotech companies face, lengthy clinical development processes, and the cost of life sciences incubator and research facility space which all make it exceedingly difficult—and in some cases, potentially impossible—for biotechnology companies to get off the ground in our City.

The Governor included the renewal of the New York City Biotechnology Tax Credit from 2023 to 2026 in her executive budget this year, which was adopted by the New York State Senate and Assembly. With the Council's adoption of this legislation, the City will provide a tax credit for part of the costs connected with research and development and certain costs connected with emerging technology industries. The proposed legislation also provides credit for qualified research expenses as well as high-technology training expenses, the latter of which will benefit employees across the City beyond their time at any supported companies.

It is important to note that the previous iteration of the biotechnology tax credit, which existed between 2010-2018, was successful in attracting and retaining biotech startups. There was high demand, and the program provided a median benefit of between \$62,000-\$72,000 to the approximately 30 businesses that received the credit each year. Multiple companies that

received the benefit have remarked that it was helpful, aiding them in building operations and training staff. For example, one company that utilized the previous iteration of the credit was Cresilon. With the support of the biotechnology tax credit, Cresilon was able to expand their labs and manufacturing facilities at Industry City in Brooklyn, grow their workforce to 60 employees, and recently received FDA authorization for a significant pharmaceutical product.

Additionally, the proposed credit is specifically tailored to small startup companies that desperately need support to start and stay in New York City. The legislation provides benefits to companies that have sales of \$10 million or less and fewer than 100 employees, at least 75 percent of whom must be employed in New York City. Furthermore, given that the tax credit has an annual cap of \$3 million, it represents a relatively modest investment by the City in startups which have immense economic potential and the likelihood of making an economic contribution to the City that far exceeds the amount they will receive through this credit.

We appreciate the opportunity to testify today in support of Introduction 1070 and strongly urge the Council to pass this legislation. This bill will help achieve the City's goal of creating an additional 20,000 high-quality jobs in the next 10-15 years and help the life sciences industry in New York City continue its rapid growth trajectory, cementing our City as a national leader in the field. We greatly appreciate the Council's work and collaboration so far and look forward to answering any questions.



DOWNSTATE
HEALTH SCIENCES UNIVERSITY

Downstate Biotechnology Incubator and Tech@710

September 27, 2023

Dear Councilwoman Gutierrez and the Finance Committee of the NYC Council:

Thank you for inviting me to testify before the New York City Council Committee on Finance on October 4, 2023 at 10:00 a.m. Unfortunately, I will not be able to testify in person or by Zoom at that time, but I do want to submit this testimony and give my strong support to your Bill Int. No. 1070.

It is my understanding that “This bill would renew lapsed tax credits against the General Corporation Tax, the Unincorporated Business Tax, and the Corporate Tax of 2015 for New York City-based companies engaged in biotechnology. The credit shall be allowed for the taxable years beginning on or after January 1, 2023 and before January 1, 2026. The aggregate amount of credit allowable shall not exceed \$3,000,000 in a given year. The department of finance shall determine how to allocate the aggregate amount of credit among eligible taxpayers by rule.”

As President of the not-for-profit Downstate Biotech Incubator and Tech@710 facilities, I can assure you that our companies would greatly appreciate this assistance. They need to use their money to buy equipment, supplies and to retain and hire personnel. I am proud to say our companies are very successfully creating exciting innovations and well-paying jobs. It is important for you to know that other states are trying to lure them away with various tax benefits, and so your renewal of the lapsed tax credits will be an additional incentive to keep them in New York City.

When you have time, we would be happy to have you visit and meet the companies at the Downstate Biotech Incubator and Tech@710.

Thank you for helping this industry grow!

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Eva Cramer'.

Eva Cramer, Ph.D.
Distinguished Service Professor of Cell Biology
Vice President for Biotechnology and Scientific Affairs
President, Downstate Biotech Incubator and Tech @710
SUNY Downstate Health Sciences University, MSC 1247
450 Clarkson Avenue
Brooklyn, NY 11203
eva.cramer@downstate.edu

From: David Eads <eads@mirimus.com>
Sent: Saturday, October 7, 2023 9:19 AM
To: Testimony <Testimony@council.nyc.gov>;

Cc: Prem Premsrirut <prem@mirimus.com>
Subject: [EXTERNAL] NYC Biotechnology Tax Credit

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Dear City Councilmembers:

As a member of the life sciences industry in New York City (NYC) I respectfully submit this testimony in strong support of the NYC Biotechnology Tax Credit.

Mirimus is located near SUNY Downstate Medical Center, and responded to the pandemic by pioneering pooled PCR testing to dramatically reduce the cost of high quality testing. The company performed over 4 million tests and hired over 200 people during the height of the pandemic. As we move beyond the pandemic, Mirimus' focus has shifted to developing new methods to detect and treat autoimmune conditions that are rapidly increasing in prevalence, and programs such as the NYC Biotechnology Tax Credit are key incentives to help promote investment and job creation in small and startup businesses in the life sciences. The high cost and risk of research and development as well as the lengthy clinical development process make it quite costly for life sciences startups to launch. These programs can help convince startups to choose NYC, which will lead to more of these companies forming, moving, or expanding here.

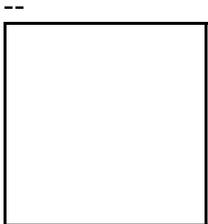
Life sciences has never been more critical to NYC and I support the City's continued significant growth in this industry. The life sciences sector is a powerful engine of discovery and innovation and ultimately leads to the development of the therapies that will shape the future of human health. Recent years have demonstrated how invaluable and resilient this industry can be: as partner, advocate, and responder to the immense challenges

presented by the COVID-19 pandemic. The life sciences industry also offers tremendous long-term value to NYC. Median salaries in the life sciences are significantly higher than the median per capita income in New York State, and the industry has already created nearly 150,000 jobs in the NYC metro area. Reinstating the Biotechnology Tax Credit for 2023 to 2025 will help grow this industry and continue to create high-quality, good-paying jobs for New Yorkers.

By investing in the growth and development of the life sciences industry today, we can continue to drive innovation and create new opportunities for businesses, entrepreneurs, and workers across the city.

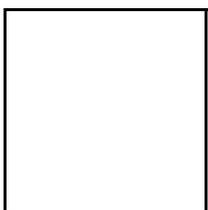
Accordingly, I urge the City Council to pass legislation to reinstate the New York Biotechnology Tax Credit. Together, we can ensure this critical industry thrives and drives progress here for years to come.

Most sincerely,

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David Eads

Chief Financial Officer



Mirimus, Inc.

760 Parkside Ave.

Suite 206

Brooklyn, NY 11226

817-929-9031

eads@mirimus.com

From: Server Ertem <server.ertem@sanavia.bio>
Sent: Thursday, October 5, 2023 10:41 PM
To: Testimony
Cc:
Subject: [EXTERNAL] NYC Biotechnology Tax Credit

Dear City Councilmembers:

I am the founder and CEO of Sanavia Oncology Inc., a NYC-based biotech company focused on developing novel therapies for millions of cancer patients in the US and around the world who do not benefit from current treatment options. As a member of the life sciences industry in New York City (NYC) I respectfully submit this testimony in strong support of the NYC Biotechnology Tax Credit.

The NYC Biotechnology Tax Credit will promote investment and job creation in small and startup businesses in the life sciences. The high cost and risk of research and development as well as the lengthy clinical development process make it quite costly for life sciences startups to launch. These programs can help convince startups to choose NYC, which will lead to more of these companies forming, moving, or expanding here.

Life sciences has never been more critical to NYC and I support the City's continued significant growth in this industry. The life sciences sector is a powerful engine of discovery and innovation and ultimately leads to the development of the therapies that will shape the future of human health. Recent years have demonstrated how invaluable and resilient this industry can be: as partner, advocate, and responder to the immense challenges presented by the COVID-19 pandemic.

The life sciences industry also offers tremendous long-term value to NYC. Median salaries in the life sciences are significantly higher than the median per capita income in New York State, and the industry has already created nearly 150,000 jobs in the NYC metro area. Reinstating the Biotechnology Tax Credit for 2023 to 2025 will help grow this industry and continue to create high-quality, good-paying jobs for New Yorkers.

NYC has a rich history—over 200 years—as the birthplace of many innovative life sciences companies and storied scientific institutions. By investing in the growth and development of the life sciences industry today, we

can continue to drive innovation and create new opportunities for businesses, entrepreneurs, and workers across the city.

Accordingly, I urge the City Council to pass legislation to reinstate the New York Biotechnology Tax Credit. Together, we can ensure this critical industry thrives and drives progress here for years to come.

At Sanavia Oncology Inc., we have been able to build our company in New York City over the last 3 years because of the NYC life science ecosystem that supported us. Reinstating the Biotechnology Tax Credit will ensure that companies like Sanavia can stay and grow in New York City.

Most sincerely,

Server Ertem

Server A. Ertem, PhD
Chief Executive Officer

Sanavia Oncology Inc.
430 East 29th Street, Suite 830
New York, NY 10016

[Website](#) [LinkedIn](#)

Phone: (917) 974-5046

E-mail: server.ertem@sanavia.bio

[Personal LinkedIn](#)

From: Matt Mezer <matt@utrtherapeutics.com>
Sent: Thursday, October 5, 2023 7:11 PM
To: Testimony
Subject: [EXTERNAL] UTR Therapeutics Inc, <> NYC Biotechnology Tax Credit

Dear City Councilmembers:

As a member of the life sciences industry in New York City (NYC), our organization respectfully submit this testimony in strong support of the NYC Biotechnology Tax Credit. We seek to be benefactors of this great benefit to companies at the leading edge of innovation and impact which will span not just our local community in NYC, but the entire world.

The NYC Biotechnology Tax Credit has been the cornerstone to UTR Therapeutics success while operating as a startup in NYC. There is ample academic research going on in world-renowned institutions which call NYC home, but it is often highly cost prohibitive to start a company and handle the high cost of Research and Development. The Tax Credit helps complement our companies' efforts by supporting our technology from the Academic institution to the bedside through the standard drug development commercialization process.

Look no further than the COVID-19 pandemic as cause to continue to invest in biotech companies which will champion solutions for our local citizens and businesses. Investing in the life-science sector is also a beneficial one for the community. Our company has personally seen the evolution of the live, work, and play of NYC as our entire founding team have been residents since at least 2018. It is in NYC's best interest to continue to focus on the life sciences as a catalyst to help reinvent vacant buildings and bring forward high-quality, good paying jobs for New Yorkers.

Our team at UTR Therapeutics Inc urge the City Council to pass legislation to reinstate the New York Biotechnology Tax Credit. Frankly, we would not be able to continue to thrive as a life science start-up without it, and together, we can ensure both companies like ours as well as the biotech industry thrives and drives progress here, in New York City, for years to come.

Best Regards,

UTR Therapeutics Inc.

Matt Mezer

Chidiebere Awah

Reeti Sanghrajka

From: Bradley Harris <bharris@envisagenics.com>
Sent: Wednesday, October 11, 2023 5:33 PM
To: Testimony <Testimony@council.nyc.gov>
Cc:
Subject: [EXTERNAL] NYC Biotechnology Tax Credit

Dear City Councilmembers:

As a member of the life sciences industry in New York City (NYC) I respectfully submit this testimony in strong support of the NYC Biotechnology Tax Credit.

Life science / Biotech work is inherently resource intensive. It requires specialized office space and expensive Capex, and it requires the clearing of myriad regulatory hurdles (which often require specialized knowledge and therefore expensive consultants). These factors make it challenging for life science and biotech startups to take flight and thrive in New York City, an area in which employers must pay higher-than-average wages because of higher-than-average costs of living for employees.

If NYC wants to be a leader in cutting edge, next generation healthcare solutions, it must build and maintain a fertile ground from which life science startups can grow. The Biotechnology Tax Credit is an essential program that fosters local healthcare innovation by lowering the financial barriers to entry for businesses like Envisagenics, a minority and women-led biotechnology company. Without such credits, NYC will continue to suffer from brain drain as our scientists and leaders in biotech flee to cities like Boston and San Diego that cater to innovation in the life science and biotech industries.

Accordingly, we at Envisagenics urge the City Council to pass legislation to reinstate the New York Biotechnology Tax Credit. Together, we can ensure this critical industry thrives and drives progress here for years to come.

Sincerely,

Bradley Harris



Bradley Harris

Chief Operating Officer & General Counsel

bharris@envisagenics.com

www.envisagenics.com

+1 929.577.9901

30-02 48th Ave, Ste 140, Long Island City, NY 11101

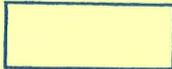


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**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card



I intend to appear and speak on Int. No. 1070 Res. No. _____

in favor in opposition

Date: 10/4/23

(PLEASE PRINT)

Name: Susan Rosenthal, SVP Life Sciences

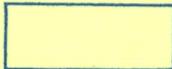
Address: One Liberty Plaza + Healthcare

I represent: NYCEDC

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card



I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 10/14/23

(PLEASE PRINT)

Name: Li, Ziying

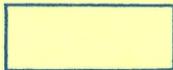
Address: 59 Maiden Ln

I represent: Dept of Finance, Business Income Tax
Research Unit

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card



I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Mikelle Adgate

Address: NYCEDC

I represent: Senior Vice President,

Address: Government & Community
Relations