



Accelerate Long Island releases its Long Island Technology Startups Report

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Accelerate Long Island released its inaugural report on the state of Long Island technology startups, offering the most comprehensive look to date at the region's emerging innovation economy.

Prepared over five months, the report is based on data collected from almost 200 local startups in IT, biotech and clean energy and through interviews with more than 75 economic development officials, educators, venture capitalists, and others working to support local innovation. It provides the most accurate picture so far of the local tech-focused entrepreneur ecosystem, which business leaders believe is the Island's best hope to replace defense as an economic anchor.

The report can be viewed in its entirety at accelerateli.org.

"The Long Island Technology Startups Report provides much-needed data and information regarding the technology startup community on Long Island. Hopefully, the report will allow for important benchmarking so that we can chart the success of Long Island's effort to create an innovation-based economy. The report's "glass-half full" conclusion is a sign that Long Island is heading in the right direction. Many thanks to John Kominicki, the sponsors of the report, and all of the startup companies for making this report possible," said Mark Lesko, executive director of Accelerate Long Island.

The report notes that Long Island has recently made significant strides towards its goal through the efforts of the Regional Economic Development Council, which has won hundreds of millions of dollars in state aid for local technology companies and programs. Start-Up NY, a state program that offers tax and other benefits to technology startups, is also playing an important role in the growth of technology in the region, according to the report.

The innovation economy is also being bolstered by:

- The growth of Hofstra University, which has recently added an engineering program and partnered on an acclaimed medical school with the North Shore-LIJ Health System. Hofstra has also announced the creation of a Center for Entrepreneurship, to open in fall 2015, and an innovation center inside the School of Engineering.
- A soon-to-be-announced state investment seed fund to nurture tech-related startups.
- The success of LaunchPad Long Island, a growing chain of co-working centers.
- Small, but significant, signs of institutional cooperation, including joint research projects and a

regional business plan competition.

- A new mentorship program launched by Accelerate Long Island and its founding members.
- Increasing focus on entrepreneurship at other Long Island colleges and universities, including LIU, NYIT and Molloy.
- Steady recent investment in local technology startups, including more than \$20 million by the Topspin venture fund, with more promised. Topspin has also partnered with local venture firm Jove Equity Partners to provide matching funding for startups awarded state grants through Accelerate Long Island.
- The Long Island Angel Network, which has made important investments in IT and clean energy startups.
- The state's Innovation Hot Spots program, just launching locally, which can extend tax-relief and some other benefits to off-campus incubators and co-working facilities.
- The reopening of the Broad Hollow Bioscience Park at SUNY Farmingdale, also a Start-Up NY site, making available more than 100,000 square feet of much-needed lab space for biotech startups.

Other key findings of the report include:

- Long Island's premier research and educational facilities play a large and important role in the emerging innovation economy, but are hampered by geography and the lack of a coordinated regional plan.
- Long Island's startup universe, though growing, is still small and fragile. While there are increasing numbers of programs focused on the whole, more should be done to nurture individual companies.
- Competition and infighting further restrict growth of a local innovation economy.
- The region suffers from a lack of vital pre-seed and proof of concept funding, especially for biotech and clean energy startups. Its angel investment community needs greater breadth.
- The Island has a chronic shortage of technology entrepreneurs and other business people who can mentor early-stage companies. There is similar demand for experienced executives to run startups spinning out of local research facilities.
- The region lacks consistent news coverage of startup companies and editorial advocacy for its efforts to grow an innovation economy, key elements in the development of other U.S. technology hubs.
- Long Island's technology talent pool is hurt by brain drain and birth dearth, although the steady influx of international students are a plus. Technology companies that do start here are overwhelmingly loyal to the region, with 74 percent saying they planned to remain here as they grow.
- Co-working spaces help create the networking and educational opportunities and sense of community that help build technology ecosystems, and local governments should continue to support and encourage them.
- Corporate defections and off-Island mergers have led business and government leaders to reconsider the region's long-held goal of becoming a distinct market, opening the possibility of better ties to the booming technology ecosystem in New York City. Nassau County universities – especially those with Start-Up NY programs – are uniquely positioned to take advantage of this just-emerging trend.

The report was made possible through the support of almost a dozen Long Island businesses and

institutions, including Bethpage Federal Credit Union, the law firm of Carter DeLuca Farrell & Schmidt, Ernst & Young, Hofstra University, the Town of Islip Industrial Development Agency, the Suffolk County Industrial Development Agency, the Rauch Foundation, Rechler Equity Partners, the law firm of Ruskin Moscou Faltischek, the Long Island Business Development Council, and Andrew Presberg/Bi-County Development Corp.

Accelerate Long Island is a unique collaboration among the region's world-class research institutions dedicated to commercializing research and creating an entrepreneurial ecosystem. Accelerate Long Island's Board includes Brookhaven National Laboratory, Cold Spring Harbor Laboratory, Hofstra University, North Shore-LIJ Health System, Stony Brook University, and private sector partners include the Long Island Association, Topspin Partners, Jove Equity Partners, Ernst & Young, Farrell Fritz, and the Rauch Foundation. Accelerate Long Island's Seed Fund has invested \$600,000 in six high-tech startups on Long Island with the Long Island Emerging Technologies Fund, comprised of Topspin Partners and Jove Equity Partners. For more information, visit www.acceleratelil.org. Twitter: @AccelerateLI.

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