

ECONOMIC DEVELOPMENT

HIGHER EDUCATION

and

ENERGY COMMITTEE

of the

SUFFOLK COUNTY LEGISLATURE

Minutes

A regular meeting of the Economic Development, Higher

Education & Energy Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on Wednesday, September 13, 2006.

MEMBERS PRESENT:

Legislator Wayne Horsley • Chairman

Legislator Rick Montano • Vice • Chair

Legislator Tom Barraga

Legislator Jon Cooper

Legislator Lynne Nowick

Presiding Officer Lindsay • Acting Member

ALSO IN ATTENDANCE:

George Nolan • Counsel to the Legislature

Joe Schroeder • Budget Review Office

Joe Muncey • Budget Review Office

Renee Ortiz • Chief Deputy Clerk of the Legislature

Ben Zwirn • County Executive's Office

Carolyn Fahey • Economic Development

Charles Stein • Suffolk Community College

George Gatta • Suffolk Community College

James Morgo • Commissioner • Economic Development

All other interested parties

MINUTES TAKEN BY:

Donna Catalano • Court Stenographer

(* THE MEETING WAS CALLED TO ORDER AT 1:23 P.M. *)

CHAIRMAN HORSLEY:

May we all stand for the Pledge of Allegiance.

SALUTATION

CHAIRMAN HORSLEY:

And may we stand for a moment of silence for those who are protecting our freedoms overseas and in this week of the World Trade Center terror, that we salute those who lost their lives.

MOMENT OF SILENCE

CHAIRMAN HORSLEY:

Thank you very much. Please be seated. All right. Good afternoon, everybody. Welcome to the new time for the Economic Development, Higher Education, and Energy Committee Meeting. My apologies for starting a few minutes late. We were dealing with economic development issues out in the hall. So please accept my apologies. We will start with the cards, the public portion. And start with the cards in which I have, I have several. First of all, let me call up George Gatta of the Suffolk County Community College.

MR. GATTA:

Good afternoon and thank you for the opportunity to address you this afternoon on a topic and a project that is very important to the future of Suffolk County Community College and workforce development within the County and the region. Back in •• back in June at the meeting of this committee on

June 7th, you were discussing IR 1511, which was the appropriating resolution for the Heating, Ventilating, Air Conditioning and Refrigeration Facility that has been in the works and in planning for six years at the college.

At that time, I presented you with a chronology, I'll just quickly recap that. Six years in the planning, in 2002, the project was • the curriculum for the program was approved by SUNY. Also in 2002, the County included the project, \$5.4 million project to construct that facility in the County Capital Program. In 2003, we began instruction, the first class entered. In 2005, the County appropriated funding for the design the facility, 336,000. The project is currently in design. In May of this year, the County Executive introduced that Resolution 1511, we discussed it at the meeting. At that meeting, the Presiding Officer requested that that resolution be tabled for one cycle to allow us to address some concerns that had been expressed at the 24th hour by construction trade union.

The County Executive staff did convene a meeting, Frank Nardelli and Bob Dow, our Labor Commissioner, convened a meeting, which was attended by representatives of the College, Local 638 Steamfitters and Sheet Metal Workers. We thought we had made some progress at that meeting. That meeting was held approximately June 16th. On June 20th, the County Executive withdrew the resolution.

There was communication between the College and the Executive Office relative to a follow-up Meeting. The County Executive's representatives at that meeting with the unions suggested a memorandum of understanding between the College and those unions. Their concern as expressed at that time was that we were in competition with their program, and that we were looking to have our program become a certified

apprenticeship program for New York State Department of Labor certification purposes. We assured them that was not our intention, our plan or our desire. And we certified that not just verbally at the meeting, but in a follow-up letter to them in August to John (Tourpie) at the Steamfitters Union. I expressed it again and expressed our willingness to develop that MOU.

Since then we've had no response from Local 638 despite repeated calls and letters. I have copies of those if you would like copies of those along with copies of our curriculum for the program. We are now at a point where our funding for the capital project is in jeopardy. SUNY only borrows funds once a year through their Capital Program for community colleges. We had initially been advised that it would happen some time later in the year. We are now advised the Board of SUNY will meet on September 26th, and if we don't have a County appropriating resolution for the construction funding of the project, the project will be delayed at least one year. And further, if the County appropriating resolution isn't adopted by the end of the year, as you know, the County Capital Program dollars disappear, they are not carried over from year to year.

Also today, you will hear from industry representatives as you heard on June 7th, this program was put in place in response to their requests. We are anticipating four to 500 retirement here on the Island in the next few years as baby-boomers leave the profession. These are good paying jobs. We built the program when SUNY Farmingdale had ended it back in the mid '90s. So there is a need within the region. One other element that you'll hear today, and there are some representatives from manufacturing firms that we're working with as a result of our federal grant for advanced manufacturing training and other training through our corporate training center, our intention •• our plan at this point is to include a manufacturing lab within this facility to help us work more closely and support the manufacturing industry on the Island.

I don't think most people recognize, but there are still 1000 businesses engaged in manufacturing on the Island, employing some 85,000 workers. Very important to our economy in terms of exporting goods and the multiplier affect on the local economy. If there is a project that exemplifies the work of the college in terms of workforce development and also a project that should be of keen interest to this committee in terms of your overall responsibility, economic development, supporting economic development, supporting workforce development, supporting higher education, helping the College meet its mission to the community and the region and lastly energy, dealing with new and emerging technologies with energy and energy efficiency and training people to enter careers within HVAC, this is in my opinion the poster child of what this committee should be discussing and supporting and promoting.

So with that, I will end my comments. If there are questions, I'd be certainly glad to respond. I had mailed every member of the committee an e•mail on Monday in the wake of the Newsday story which appeared last Sunday just to let you know that time is short and the funding for this currently is in jeopardy. And we are requesting and we have requested the County Executive to reintroduce the resolution. We have not had any assurances that that will happen. If that is not the case, I am asking members of this committee and other members of the Legislature to get together and reintroduce a resolution to appropriate the funds for the construction so that we don't lose the SUNY funding and our ability to meet the workforce development needs within this very important industry here in Suffolk County. Thank you.

CHAIRMAN HORSLEY:

Thank you very much, Mr. Gatta. Ms. Nowick.

LEG. NOWICK:

I just need to be straight in my mind for the record, \$336,000 was appropriate for design money; is that correct?

MR. GATTA:

That's correct. Last year, 2005.

LEG. NOWICK:

Okay. The legislation that we had was withdrawn?

MR. GATTA:

It was withdrawn on June 20th by the County Executive, yes.

LEG. NOWICK:

Okay. But from what I'm understanding, and I need to hear it, because it sounds so logical, you had a Memorandum of Understanding, and in that memorandum of understanding, you, the college, said that it is not their intention to have this as an apprenticeship program; is that correct?

MR. GATTA:

Well, partially. What we did was at the meeting with the unions that was convened by the County Executive and staff, we agreed that we do that and we agreed that we would work on language. Subsequent to the meeting, there was no communication. It was one way, we would call, we would get no response, we would call, we'd get no response, we would send a letter, we would get no response. So we have a willingness to develop the MOU, however, it has not been developed. However, in a letter to MR. {Tourpie}, President the Steamfitters on •• and I have a copy of that, which I'll give to you •• on August •• I believe it's August 18th in writing on behalf of the College, I expressed that we would be willing to enter into an MOU and we would •• it is not our intention to have this program become anyones •• any unions apprenticeship program. We are an educational institution. Our program is educational, academic and technical for all of the residents of the County, not to any •• not to benefit any one union or any one employer, but the County as a whole.

LEG. NOWICK:

And when was that dated? Was that recent?

MR. GATTA:

I'll give you a copy. It's August 18th.

LEG. NOWICK:

Since then there has been no correspondence ••

MR. GATTA:

No, there hasn't.

LEG. NOWICK:

From Mr. {Tourpie}?

MR. GATTA:

No. I did have one conversation with Jack Kennedy at the Building Trades Council, however, phone calls •• there's been no responses to my phone calls or 638 or to that letter.

LEG. NOWICK:

And if the Legislature does not act within the next, I guess, two weeks, right, September 26th, is that it?

MR. GATTA:

September 26th is the SUNY Board of Trustees Meeting at which they will approve the authorizing resolutions for bonding this capital •• • these capital funds.

LEG. NOWICK:

How much is that for?

MR. GATTA:

The total project would be bonded at about 5.4 million. That would include the design money and the construction money, half of which is state funds, half of which are County funds. So what we've •• what I've asked the Executive Office in conversation with Chief Deputy County Executive Kevin Law is for a Certificate of Necessity for the meeting next week so that we would be able to pass something in time to meet SUNY's deadline.

LEG. NOWICK:

And if we •• George, if we pass something just to protect ourselves as far as getting that SUNY money, could we pass something and then iron out the details later, is that possible?

MR. GATTA:

I'm willing to iron out the details this afternoon, tomorrow, Friday, Saturday, Sunday, Monday or Tuesday up until the time of the meeting.

LEG. NOWICK:

So you're waiting for a return call is what it is.

MR. GATTA:

Yes.

LEG. NOWICK:

Thank you.

CHAIRMAN HORSLEY:

Thank you very much Legislator Nowick. Legislator Barraga.

LEG. BARRAGA:

George, I want to make sure I understand the problem as you have detailed it. It seems to me it's not so much the funding or whether or not you're going to be late as far as the Capital Program is concerned. It seems to me the problem is that if the resolution has been withdrawn by the County Executive, what is the incentive on the part of Mr. {Tourpie} from the Steamfitters to sit down and talk with you at all? I mean, it's sort of a dead issue.

Now you're asking this committee to reintroduce the resolution. I guess if we reintroduced it, it might put some pressure on the union to sit town and talk with you. But, you know, this reminds me of so many bills over the years where •• and so many matters over the years that I've seen in public life where on the merits it's a great program, but there's one more element, whether it be a union or some other group that's dead set against it. Until there's some sort of cooperation between two

groups this thing doesn't really fly. I mean, it just seems to me that you've got to have some means to mutually bring you and the union together to come to an agreement before this goes through. If you don't do that, this is kind of a dead issue.

I mean, we could reintroduce the resolution in the committee. But maybe •• I don't know if the Chairman will be willing to reach out to the union to see if they're willing to sit down and have further discussions before this is reintroduced again. So that, you know, when you get to a point to reintroduce the resolution, either we do it here or the County Executive, it goes through because everybody's on board. But as long as one major arm, in this case the union, feels that this program is a threat, this thing is dead in the water.

MR. GATTA:

Well, I can't disagree with your assessment. Yes, there is a need to sit down to work this out. As you heard on June 7th, there are employers who are •• who employ unions employees of that union and different unions, there are many unions, some of which are here today, that support this. But we never wanted it to get to be a battle between, well, this union supports it and this union doesn't. We think this is something that is very important to the residents of the County, homeowners and businesses.

LEG. BARRAGA:

I don't disagree. All I'm saying is that in this particular instance you have a major union that has problems with this particular proposal. And until something is done to settle that situation where you and that union sits down, you work it out, I'm not so sure there's much of a future associated with this proposal.

CHAIRMAN HORSLEY:

Thank you very much, Legislator Barraga. Legislator Nowick.

LEG. NOWICK:

George, did you have communications with the County Executive as to why this was withdrawn?

MR. GATTA:

I had a number of conversation and e-mails with both Frank {Nardelli} and with Kevin Law, and in the middle of July after a number of communications back and forth, the Executive's Office advised me that they wanted us to work it out with the union that they did not see they're having a role in this until there was a meeting of the minds between the College and the union. So at that point, even though they had convened the first meeting, they decided to disassociate themselves with the process.

LEG. NOWICK:

I was hoping maybe they could get a call back for you just so everybody knows who is on board and who's not on board and what the problems are. Like Legislator Barraga says, people can talk and work this out, that would be a wonderful thing if you could get some •• establish some communication.

MR. GATTA:

Well, I've been communicating, I've been dancing as fast as I can. Communication is a two-way venture, and it hasn't been coming from the other direction, so it's hard.

CHAIRMAN HORSLEY:

Any further questions from the Legislature? Mr. Gatta, thank you very much.

MR. GATTA:

Thank you for the opportunity.

LEG. HORSLEY:

By the way, we all realize your effort here on this issue. We're following you very closely.

MR. GATTA:

Thank you very much.

CHAIRMAN HORSLEY:

All right. James Canniff, Suffolk County Community College.

MR. CANNIFF:

Good afternoon. As Vice President for Academic and Student Affairs, I want to thank you for the opportunity to speak to you today about the Heating, Ventilating, Air Conditioning and Refrigeration AAS Degree Program at Suffolk County Community College. I also want to thank each of you for your continued support of Suffolk County Community College. It is appreciated by our students, faculty, administrators and our Board of Trustees.

As you know, this program was developed in response to employment needs in the heating, ventilating, air conditioning industries. Students who graduated from this program are provided with a broad foundation of requisite knowledge and skills so that they can begin their careers and advance to upper level supervisory and management positions within the HVACR industry. The fact that our HVACR curriculum is the only Associate Degree granting program offered at a public institution of Higher Education in either Suffolk or Nassau County provides significant access to students interested in entering this field.

This is important to note by definition, an Associate Degree not only requires sufficient technical courses, it also requires foundational courses from within the Liberal Arts. As you know, we are an open•access cost•effective college where students can come and explore career and educational opportunity. We assume the responsibility for promoting intellectual discovery, social and ethical awareness and economic opportunities through education for all of our students. A strong Liberal Arts curriculum is vital in achieving this mission.

In today's complex society, we believe it is crucial for our students to not only develop the distinctive technical and educational skills, but also to build on their critical thinking and literacy abilities so that they can become more productive and socially responsible citizens. Forty percent of the required credits in the HVACR Program come from the Liberal Arts and Sciences. Students graduating from this program will have taken at least two courses in interpersonal communication, writing, math, science, two courses in the social science, which might include history, psychology, geography, political science or economics. In addition, they will have taken one accounting or business management course.

Should students want to further their education after receiving their AAS Degree, they would be able to transfer to Bachelorette Degree granting institutions such as SUNY Farmingdale. If graduating students choose to go straight into the workforce, they will not only be trained as service technicians, but by completing the 35 •• 35 credit HVR requirement by this degree, they will have an understanding of system installation, system design elements for both commercial and residential applications.

In short the HVACR Program at Suffolk County Community College provides students with the broad knowledge base that prepares them for a wide range of positions in this industry, including the installation, service, managing, estimating sales and supervision. The plans for the HVACR building to be constructed on the Grant Campus also includes space for an advanced manufacturing technology laboratory to support the manufacturing industry on Long Island. An AAS Degree Program is planned for implementation in advanced manufacturing technology, which is part of the \$2.4 million Megatronics Grant given at Suffolk Community College.

When this building is completed, the College will have a state-of-the-art facility to educate community residents who want to enter these two important industries in Suffolk County. I, therefore, now am strongly asking you for your continued support of this program. We firmly believe that students graduating from the HVACR Program and in advanced manufacturing will have the experience and the abilities to contribute to Long Island's high quality workforce, and they will understand how to become community builders. Thank you very much for your time and attention.

CHAIRMAN HORSLEY:

Thank you very much, Mr. Canniff. Mr. Gary Zanazzi of Swezey Fuel Company.

MR. ZANAZZI:

Good afternoon. My name is Gary Zanazzi, and I'm Vice President and owner of Swezey Fuel Company, which is located in Patchogue. I'm also past-president of the South Country Board of Education. Our company services approximately 12,000 accounts all located in Suffolk County. We employ 30 service technicians, and we are looking at a number of retirements in the next five years.

Our industry is currently experiencing a critical shortage in trained technicians as there's been a lack of young people entering our industry. The program at Suffolk County Community College represents an important workforce development and educational opportunity for those interested in working in our industry. Expansion of the HVACR Program has

been in the planning stages for the past six years during which Suffolk County Community College and its industry partners worked have worked hard to gain \$2.7 million in capital funding from New York State. I ask for your leadership and support in sponsoring an appropriating resolution that will ensure this 2.7 million in crucial state funds are not lost and the project can continue to move forward. Thank you.

CHAIRMAN HORSLEY:

Thank you very much, Mr. Zanazzi. All right, Mr. Rooney, Kevin Rooney of the Oil Heat Institute of Long Island. Kevin, welcome.

MR. ROONEY:

Presiding Officer Lindsay, Mr. Chairman, Members of the Committee, for the record my name is Kevin Rooney, I'm the Chief Executive Officer of the Oil Heat Institute of Long Island. I've come before this committee on numerous occasions to voice our strong support for the Suffolk Community College's HVACR Training Program and also to support an expansion of that program in a new state-of-the-art facility at the Brentwood Campus.

We have supported this program with our time, our labor and our financial resources, because we believe in expanding opportunities in the technical trades, all of them, not just our own and to all who wish to work in the field. What is different about today is a sense of urgency, a sense of losing potentially a golden opportunity. This new HVACR facility and almost two and a half million dollar in state funding are in jeopardy of being lost to the absolute intransigence of a labor union local and the indifference of the County Executive.

Local 638 of the Steamfitters Union says that they oppose this program expansion and this new facility because it could be used to satisfy the apprenticeship requirements of state and county law. The College has offered to develop a legally binding Memorandum of Understanding to ensure that this could not happen. Local 638 has consistently rejected this compromise by simply refusing to meet and cooperate in the development of the MOU. And they will not meet and negotiate an MOU as long as they have no reason to in answer to your question, Mr. Barraga.

The real reason for their opposition as they stated in a meeting coordinated by Commissioner Dow, which I attended, is that the college program if expanded could compete with their own training program, which is located in Long Island City in Queens County in the City of New York very, very far away from right here in Suffolk County. The College HVACR Program is all about expanding economic and academic opportunity through technical skills development. It is inconclusive, it is open to any and all who apply from the community. Graduates of the program are free to work where and for whom they chose, that is their prerogative.

By contrast, the Local 638 Steamfitters Training Program is by definition exclusive. It is only open to their members. It is not even open to members of other unions. Let me see if I have this straight. This union local wants to stop this state approved technical training program because they don't want any competition to their own program. If this fact pattern applied to any other situation other than a labor union in a dispute with a governmental academic institution, elected official such as yourselves would be screaming bloody murder about anti •competitive practices, restraint of trade, restraint of commerce and asking the Attorney General to initiate an anti•trust

investigation. But it doesn't apply because it's a college and it's a union.

CHAIRMAN HORSLEY:

Would you please •• it's over three minutes.

MR. ROONEY:

Okay. Please bear with me.

CHAIRMAN HORSLEY:

I am.

MR. ROONEY:

Through his subordinates, the County Executive says to the College and the Union, "Work out your differences among yourselves." Seemed like very good advice until that same County Executive withdrew the funding resolution and with it any reason or impetus for the union to continue bargaining or negotiating in good faith. They can kill this project, maybe even kill the program itself simply by doing nothing, all with the tacit acquiescence and approval of the County Exec.

For this project to be held hostage and in limbo to the demands of one union local is nothing short of shameful. Your constituents, all of them, not just a handful, deserve better than

this. In our opinion, it is time for somebody on this Legislature step up, introduce a new resolution, force the union to come back to the bargaining table and negotiate an MOU and move this very, very worthwhile project forward. Thank you for your time and attention.

CHAIRMAN HORSLEY:

Thank you very much, Mr. Rooney. Legislator Nowick.

LEG. NOWICK:

Hi, Kevin, how are you? I just want to ask you a question, and you probably have the answer. If a student goes and takes the HVAC Program, graduates, comes out of that program and wishes to obtain a job in the Steamfitters Local 638, do they •• don't they have to go through then the union's apprenticeship program again?

MR. ROONEY:

Mike O'Rourke is here. I think he's going to speak. His company, a very large air conditioning company, is a 638 shop. And when you join a company, when you go to work for a company, if they have a union workforce, you then become a member of that union as part of the terms of your employment.

LEG. NOWICK:

So then do you go through their apprenticeship program?

MR. ROONEY:

And then if you as employer wanted to send them for additional training, you can send them to the 638 program.

LEG. NOWICK:

Okay. Thank you.

MR. ROONEY:

But this is all about bringing people into companies whether those companies are union, whether they're Plumbers Local 20, whether they're Local 355 Service Workers, whether they're 553 Teamsters, whether they're Local 25 IBEW, it doesn't matter. These are people who are coming, taking this program and then entering the workforce. And in many, many, many cases going to work for union shops. This Union 638, says, uh•uh, we don't want them entering any shop except ours.

LEG. NOWICK:

This is the only union then •• they can come out of the HVAC Program and get jobs in the Plumbers Union or other unions. So this is the only one that ••

MR. ROONEY:

Yeah. My friend Mario {Mattera} at Local 20 of the Plumbers

would love to have people coming out of this program and going into companies that are Local 20, you know, members, absolutely. This one local, just one local of one union doesn't like this program and brought this entire project to a standstill. This is mind boggling. This is •• with all due respect, this is interest•group politics at its absolute blatant worst, worst.

LEG. NOWICK:

Thank you.

MR. ROONEY:

Thank you.

CHAIRMAN HORSLEY:

Any further questions? Thank you, Mr. Rooney. Michael O'Rourke, speaking of, from Best Climate Control Organization.

MR. O'ROURKE:

Good afternoon. Michael O'Rourke, President of the Best Climate Control Corporation. I am a Local 638 contractor. I had the opportunity to speak to you in June also. I also maintain all of the HVAC buildings for Suffolk County. I'm pleased to have that.

I spoke thank you about two months ago about the need for the

program. And as Kevin Rooney has just mentioned, I echo his thoughts on it wholeheartedly. Legislator Nowick mentioned about the program. At the present time, as a 638 contractor, I have three people that go to the union contractor program in Long Island City. Those people, they can graduate from that program and they work for me, I pay for their education. I would also love to take people out of the HVAC Program at Suffolk Community College. There is no union hall hiring for the service contractors portion of Local 638. I can hire you tomorrow as a service tech, as an apprentice and then put you into the union, all right? That's the benefit of the 638 metal trades portion, the service portion. There's no, quote, unquote hiring hall for that.

This Sunday's Newsday, just to use as an example, in Suffolk County, there are six technician •• contractors are looking for six technicians, an estimator, service manager, service coordinator, project manager. There's so many out there. I had an ad in the paper two weeks ago just to try and get a service coordinator and a service and installation technician. Hardly anyone applied. People that applied had no reason to even apply other than they said, gee, that may be fun. But I needed someone that had some experience. So what I end up doing is end up stealing from my fellow contractors and then end up, you know, paying someone over scale and then we're stealing from one another. If we had more people in the training program, we wouldn't have to do that.

We've been trying to get this thing •• we're expanded the program. This is nothing new. We want to increase it so we have more people out there, because they are retiring. I'd like to retire myself. We've tried to work with Local 638, as George Gatta has mentioned. I don't know what more to do. I mean, they're holding us hostage, and it's really not fair. I as a 638 contractor, my fellow 638 contractors don't understand why. George has done everything but go to the guy's house and ask

him to sit on his front porch. We can't do anything more. It's just frustrating that they keep reaching out, the College to the union, to say, hey, let's work it out and there's no response.

Newsday has an article in Sunday. The Newsday editor •• or reporter tried to get a response, no response. So they're just letting it die a slow death, and it's really not fair. We're losing a lot of money from the state. And as George mentioned, if we don't do anything in two weeks, the program is done for another year. And there's just not enough people out there. It's just very, very frustrating. We need to move forward on this program. And I hope that one of the Legislators here will put a resolution together to resurrect it once again so we can vote on it and get it approved. Thank you.

CHAIRMAN HORSLEY:

Thank you very much, Mr. O'Rourke. David M. Bottomley of ADDAPT.

MR. BOTTOMLEY:

David Bottomley, Executive Director of ADDAPT, it's an organization that represents 105 aerospace companies on Long Island. You might ask why I am here on this issue. As you heard from George Gatta others, this training facility will not only train people in the HVAC industry, but it will also train hands•on training in advanced manufacturing or Megatronics that is affecting my organization, which represents 12,000 employees on Long Island. I'm also in alliance with the HIA and representing them here today. And that's another 12,000 employees in high tech, good jobs, jobs that average 55 to \$60,000 a year.

And the limits on these two groups is we can't hire anybody. Kids coming out of high school, kids even coming out of the standard college curriculum cannot enter any of these industries. To give you a scope of the industries on Long Island, as I said we represent the HIA and ADDAPT, 24,000 employees on Long Island. These are not all the employees in these industries, we don't represent everybody. The two industries in question aerospace and then commercial related industries don't do any business with the Federal Government in defense, but they all the same platform technologies. As a matter of fact, many of them used to be in the aerospace industry.

The numbers are staggering. This Island does \$3.4 billion a year in sales in aerospace. In the related commercial industries, it does 3.6 billion, and it has a total has a total of 52,000 employees. And the industries is dramatically affected, it's growth, it's survival here. We can't hire anybody. And the Megatronics Program is an answer to that. We've supported it from the beginning. Suffolk Community College is doing a dynamite job. The program has started, the curriculum is being developed, and as we speak, ADDAPT and HIA incumbent workers are in that course.

I appeal to you, don't let this opportunity go away, because as the curriculum develops for the aerospace and the related industries, we need an up•to•date facility that has actual equipment in it, modern equipment that students can experience working on this equipment in this industry. As you all know, there's a 1000 companies in manufacturing on Long Island. You folks know that, most people don't know that. I've given you the overall figures of the impact on both employment and economic input into the community. If we cannot hire people on Long Island •• I've work in the aerospace industry all my life, I'm a consultant to it now. We can't hire people here, you know

what's going to happen? We won't stay here. It happened in the 1990s, everybody left town. So I appeal to you, don't let this happen. Thank you very much.

CHAIRMAN HORSLEY:

Thank you very much Mr. Bottomley. All right. Mr. John •• John Lombardo of Suffolk County Community College.

MR. LOMBARDO:

Thank you very much. I'm new a member of Suffolk Community College. I've been here about nine months, spent 25 years in industry, mostly manufacturing. Most of my career working to train and provide workforce training programs. The reason that I came to Suffolk was because of their world class training programs, training workers for the automotive industry, training workers for the HVAC industry, training workers for Verizon programs, leading•edge nursing programs. Every training program Suffolk Community College touches becomes a world class program.

Money comes to those programs as a result of success and providing workforce training opportunities for this region. The more relevant the programs we have, the more student that come to them, the more success we have, the more money we seem to raise. And over the past ten years, we averaged over two million dollars in grants from a variety of agencies to strengthen these programs. With this committee's support, we recently received \$2.4 million to train manufacturing workers. That training is going on on the Grant Campus. And we have right now a pipeline of over 100 incumbent workers receiving a broad base of training that's very successful and provides them with foundation skills. And these skills allow them to look at

alternative job opportunities. That's the most successful part of the this. They get the basic skills training, they learn what they need to be a support service to the companies, they understand the mission of the company, and most importantly, have the opportunity to look at other jobs.

The value of integrating this training under one roof with the HVAC Program provides all of the students that run through it with a variety of skills, a variety of equipment skills, and more importantly, they get an opportunity to work on equipment that is not laboratory equipment, but real manufacturing equipment. We as a college sit right now with hundreds of thousands of dollars worth of endowments from industry to provide equipment to put on the floor of this facility so that all the people that come through it have an opportunity to train on world class equipment. And we do compete in a global economy. And in order to continue to compete in that global economy, we need the most sophisticated facility in the country.

We are now one of 13 colleges around the country that are involved in this Department of Labor Educational Training for Advanced Manufacturing. We are certainly one of the leaders in the country. And this facility will put our program at the top in the country. The referenced building that we talk about will provide integrated technical training. That means that as technology changes every six months, the equipment we house in this facility will change with it. The skills that these workers and these students will be provided with will provide them with something that no other institution in the register provides, options for alternative career opportunities. If you remember looking under the hood of your car 20 years ago, you could smell, listen and hear what was wrong with it. That's not the case any more. Suffolk trains these workers. We are an advanced training institute, and we your need help to be better. Thank you.

CHAIRMAN HORSLEY:

Thank you very much, Mr. Lombardo. Bill Sicari, Festo Corporation.

MR. SICARI:

Good afternoon. My name is Bill Sicari, I'm General Manager at Festo Corporation in Hauppauge, New York. And I would first like to thank the Legislature for the opportunity to speak here today. Festo Corporation is a \$1.8 billion global manufacturer of advanced automation products sold throughout the world to multiple industries. We are also an industrial partner of Suffolk County Community College.

As a global manufacturer as one heavily entrenched in the United States with manufacturing facilities on Long Island, in Chicago and in California, we work throughout the United States on workforce development issues and programs as we are working with Suffolk County Community College. So I'm here today just to encourage the Legislature to help the school secure the funds that they've applied and that have been appropriated in the past to continue the development of this advanced manufacturing center.

We were directly instrumental in helping the school secure a large grant from the US Department of Labor to develop the advanced manufacturing facility that they are building right here in their Brentwood Campus. So this initiative is closely associated with our advanced manufacturing interests for the school and for Long Island.

It's interesting to note that a recent study published by the US Department of Commerce indicated that by the Year 2010, and that's only about three and a half years from now, roughly 80% of the high technology, high skilled jobs required to man and manage and run the global factories of tomorrow will go unfilled, 80% of those jobs unfilled unless we train our workers properly. It's a fact. What that means today on Long Island is that manufactures cannot find the skilled workers they need to run their factories. Suffolk County Community College's program will help provide those skilled workers.

So the message is very simple and direct. As I would like to refer to Mr. Lombardo just now about the Chevrolet that you may have driven and had repaired in 1965 cannot be repaired as the automobile built today with nine on-board computers and a multitude of electronics and information technology. So we implore you to move ahead on this program for the benefit of Long Island, its jobs and its growth, and we need that. Thank you very much.

CHAIRMAN HORSLEY:

Thank you Mr. Sicari. Appreciate your comments. Lenny Van Sicklin of Anron Heating and AC.

MR. VAN SICKLIN:

Yeah, Anron Heating and Air Conditioning. Thank you for the opportunity to speak here. I am Lenny Van Sicklin, and as you mentioned, I am the service manager for Anron Heating and Air. I've been the service manager for the last ten years. And

we are a 638 Shop, 638 A and B, also a Local 28 Shop. Also, I'm a member of the Refrigeration Service Engineers Society, I was past vice•president. Part of my duties in that position was to organize training, monthly training, for the local HVAC workers. I'm also a member of ASHRAE, which is the American Society of Heating and Air •• Refrigeration and Air Conditioning Engineers. And our company is also a member of ACCA, which is Air Conditioning Contractors of America.

With all my involvement being a service manager as well as these organizations, it seems to me the number one problem is finding any kind of help, be it good help, bad help, just a warm body. It's very hard to find in our industry. And hearing Suffolk County Community College's efforts to make this program bigger and better compared to what Farmingdale had years ago, which I am also a graduate of. I helped out with attending fund raisers, giving our money from Anron to support the project. And when I heard what was happening on the 638 trying to squash it from happening, I was upset. I called my local delegates from the union, same response, no response. Nobody can give me an answer why it was happening. So I'm here to voice my opinion as a 638 Shop that I am in support of this program, and so is Anron. That's pretty much all I have to say. Thank you very much for your time.

CHAIRMAN HORSLEY:

All right. Thank you very much, Mr. Van Sicklin. I believe that wraps up the public portion. Anyone else like to speak on this or any other issue? All right. I'm going to make a statement, just very measured here.

MS. { HABERMANN } :

May I?

CHAIRMAN HORSLEY:

You may. Your name and address, then you'll fill out a card for the record.

MS. { HABERMANN } :

Absolutely. I'm Janet { Habermann } from { Forecast Consults } . I'm a small manufacturer. We manufacture technical furniture. We have been in business 27 years, and currently I employ about 30 people, so I'm one of those small businesses that nobody knows about. Yet in listening to everyone else speak, my problems are no different. Twenty seven years ago it was easy to hire people and find people that could do the jobs that we needed to be done to survive as a company. Today that's not the case. It's almost impossible to find skilled workers.

So what we're taken to doing is if someone is breathing, we interview them, and then next, if they appear to have a decent work ethic, we hire them hoping that we will be able to train them so that they will be able to be an intricate of my company. And with only 30 employees running the entire gamut, we don't have a lot of extra people to do a lot of extra things, so we need a lot of cross•training. If someone goes on vacation, we really have to be able to have someone else step into his or her shoes.

Through the years we have had tried to train our people, not successfully, because most of the programs and courses we enroll them in were taught traditional in a classroom where they

were lectured at. If my employees would have been •• have done well in high school, they probably would not be working for me in my manufacturing plant. So they have different needs.

And when I was fortunate to be introduced to John Lombardo and find out about Suffolk County Community College's Megatronics Program, I thought this sounds terrific. I was fortunate enough to be able to enroll a few of my employees, and I felt as if we had struck gold. They came back and could not believe that someone was actually teaching them in a hands •on style where they were able to understand the theory but also see the application so that when they came back to my facility, they were able to implement it and become much more available employees. At the same time through the integrated program, they're learning other skills that they will never be taught just if they were being trained by my foreman and my lead people.

I have to say it is very disheartening and upsetting to find out that John and his committee members have so worked, they've secured this grant, they have found teachers who are not just teachers, they're master teachers, they understand the students' needs and can teach to those needs so that people are not being lectured at, but they're actually being trained in valuable ways. And to know that there's equipment waiting to be used to do more hands•on training, it's disheartening to know that this may all just disappear.

And once again, manufactures and the workers of Suffolk County, our needs are going to be ignored, and we're going to be underserviced and not get the training that we need. I don't have the statistics that the larger companies have and are able to do, but when I sit here and hear the numbers and I know firsthand we're not going to have the employees we need to stay

on Long Island or I'm going to be forced to go to China, which unfortunately, I've started to do, even though I held off for years. So I came to ask you to please, especially the more I hear how tiny this one union is, to really get something going where the negotiations can really happen because it would be an extreme disservice to Suffolk County to not get the program up and running. Thank you.

CHAIRMAN HORSLEY:

Thank you very much. Would anyone else like to be heard? Would anyone else like to be heard? All right. Just first of all, the comment that you're •• you have been ignored, I don't believe is true, at least •• at least as this committee stands. What I'm going to do is •• and obviously the College, we recognize, has put forth a good program and has spent a lot of time with this, and we respect it. And most of us •• I've polled the group here •• acknowledges that we love the concept.

But that being the case, the time clock has not run out on this issue. What we're going to do •• we have •• we have the ability even up to Tuesday, whether it's a late starter or whatever the mechanism may be, we're going to go into overdrive, I have a commitment from this board to negotiate this or jump into the fray as well as Presiding Officer Lindsay and hope outreach to the County Executive and see if we can resolve this issue.

So we're going to leave this as a comment and hope within the next couple of days we can see an attempt to break this log jam. And I thank you for everyone attending on this issue. We are all •• it is all heart felt. Thank you. All right. We're moving along. I'm going •• on behalf of Commissioner Morgo who is back there trying to flag me down in the middle of both the press conference and now in the middle of a heart felt

statement, he wants to •• he has apparently other business, and he's asking us to •• if we could do the agenda first. And I will acquiesce because he is such a formidable figure. If no one has an objection, we'll move to the agenda, then we have •• okay. Mr. Morgo, is there anything you would like to open with at this in point?

COMMISSIONER MORGO:

Yes. Thank you for your good sense in recognizing me, Mr. Chairman. But I, of course, would always show proper decorum and never interfere with anything you were doing. I just want to give you some perspective on the application of US Web to be the County's second regionally significant project under the New York State Empire Zone Program.

You remember on August 16th at your last committee meeting, I was here with •• if John Busa and Vinny Pelliteri would just come up here also. You met Mr. Pelliteri and Mr. Busa at that meeting. And we had an introduction to the application that went to the Suffolk County, Town of Riverhead Empire Zone, the application for a regionally significant project. Then a public hearing was held on September 5th. Carolyn Fahey of Economic Development and Workforce Housing accompanied the gentlemen to my left, and they all presented and questions were asked. The hearing was closed, and the local law was sent back to today's committee meeting.

The department strongly recommends your approving this resolution. Again, this local law is needed along with concurring resolutions from the municipality of Riverhead and the municipality of Huntington. And this is really about the third

step in the process. The ultimate decision, of course, is the Empire State Development, because most of the benefits, the great majority of the benefits, are New York State benefits. But again, not to go over all the reasons; the 270 employees, the growth within five years, the expansion, I don't want to get through that. I would like to turn it over to Mr. Pelliteri and Mr. Busa, the principals. Vinny is actually a consultant for the RSP, and to see if you have any questions. I would very much ask you to approve this resolution today.

LEG. HORSLEY:

Thank you very much, Mr. Morgo.

MR. PELLITERI:

Thank you. I think I presented an awful ••

LEG. HORSLEY:

Could we talk into the mike, please.

MR. PELLITERI:

I presented most of the facts I can about the company and its growth and its potential. And I'd really like to answer any questions anybody has. And Mr. Busa, the owner, is actually here to help. There were some questions that I'd just like to answer from the last time. One was about our employee population and how many resided in Suffolk County, and 82% reside in Suffolk County.

CHAIRMAN HORSLEY:

Did you have the minority figure also? I know that was another question.

MR. PELLITERI:

Yes. And minorities represent •• Blacks and Hispanics and Asians represent about 67% of the employee base. Just to give you by sex, we have 44% female and the rest are men. We believe we can grow. We believe we can continue to do well in Suffolk County if we get some of the benefits that we know are available through the zone. And it's primarily the employee tax credit that we would benefit from. We don't own the building we are in today, so that the tax on that building is not something we can benefit from at the moment, although we would like to be able to some point in time. But it is the employee tax credit.

CHAIRMAN HORSLEY:

Okay. Thank you very much. The quick question, because I know it came up from the public, and I •• because there are some public benefits issues here. I'm sure the Commissioner has investigating this issue thoroughly. To your knowledge •• I hate to even ask this, because I know the answer, but I want it to be on the record •• are there any representatives from Suffolk County as far as either in your employ, ownership, or have any connections involving this?

MR. PELLITERI:

No.

CHAIRMAN HORSLEY:

No. I just wanted to put that on the record, because someone asked it, and I wanted that to be clear. Are there any questions from ••

P.O. LINDSAY:

I'd like to just •• really for Mr. Morgo and his expertise in this matter. A lot of times you look at something like this and someone will call it great economic development, and the opposite view, it's corporate welfare. Where does the line ••

COMMISSIONER MORGO:

A cost benefit analysis has to be done, Mr. Presiding Officer, which looks at the wages and benefits paid to the new employees, the capital investment. And that's balanced against any of the public benefits; things like what Vinny just referred to, the employee tax benefit. And that's required for every one of these programs that you have to do a cost benefit analysis. This comes out very much in favor of the public by the new jobs, retaining the jobs, and the expansion of the capital investment. It's that •• your question, of course, goes beyond US Web.

P.O. LINDSAY:

Absolutely. Absolutely.

COMMISSIONER MORGO:

But in this singular circumstance, that has to be •• another question that, if I may, one of your colleagues brought up was does this in any way hurt the existing Empire Zones. And there has to be a public record to show that it would be impossible for the entity to actually locate into an existing Empire Zone. But a cost benefit analysis has to be done as part of the process here that balances the benefits to the private sector entity against the public benefits. And it always has to come out, if we proceed, in favor of the public, the benefits to the public, the public purpose.

P.O. LINDSAY:

Do we ever receive applications where that analysis is not in favor of it?

COMMISSIONER MORGO:

Since I've been Chairman of the Empire Zone, which is only, what, since January, I haven't seen it. Carolyn •• let me turn to Carolyn who has a longer history than I do.

MS. FAHEY:

This part of the Empire Zone Program has only been in place less than a year, so this is the second application we've entertained. We haven't had any that haven't not met •• met the Cost benefit analysis. Usually those companies who are interested who cannot meet the job criteria don't go any further.

COMMISSIONER MORGO:

What about any of the companies trying to get Empire Zone benefits when they do the cost benefit analysis? Have we ever had it negative?

MS. FAHEY:

The cost benefit analysis is then redefined are more stringent with the RSP process. In the past I'm not recalling any that have been denied. It's really •• it was based upon location prior, not necessarily the need at their current location. So cost benefit analysis wasn't weighed as heavily as it is here, because you're taking a zone designation out of its original area.

P.O. LINDSAY:

Okay.

CHAIRMAN HORSLEY:

Thank you very much. Any further questions from the committee? All right. That being the case, gentlemen, thank you very much for come down. We appreciate your growth.

COMMISSIONER MORGO:

As a courtesy to them, could this possibly be taken out of order?

LEG. NOWICK:

I'll make a motion.

CHAIRMAN HORSLEY:

Is there anything else you would like to talk about, Mr. Morgo, since we always have trouble phoning each other, you know, getting in touch?

LEG. NOWICK:

Mr. Morgo, you seem to really feel that this is going to help economic development jobs in this area. It sounds like you are very convinced that this is a good thing.

COMMISSIONER MORGO:

I am, Legislator. You know what else is good about this? We were talking about manufacturing, and I'm sure you will remember the way this committee was so flexible for Uncle Wally when Uncle Wally's wanted to expand. These are •• they are not making muffins, obviously, but it's the same type of manufacturing jobs.

LEG. NOWICK:

Did he bring anything?

COMMISSIONER MORGO:

Do you have any mailings you want to give them? But my point is these are the kinds of manufacturing jobs of lower skilled folks, if you will, people we are losing. But if I may speak for the gentleman on my left, what Suffolk County brings to the table is a work ethic among its workforce that is really not available in other parts of the country. I think if you remember, Mr. Busa at the first meeting of the 16th said wants to stay in Suffolk County. It really is •• he would have certainly wider profit margins if he went some place else, but he's committed to this area. And these are the employees would not find employment so easily if they had to •• if they were to leave. In the immediate future, he would you •• you are staying in Suffolk •• what would your preference be?

MR. BUSA:

We prefer to stay in Suffolk County, if that's your question.

MR. PELLITERI:

If I might. I think that we certainly want to stay on Long Island. There's a great benefit. It's a fairly heavy equipment kind of manufacturing organization. Move it is expensive. So for the short term, regardless of the decision that's made by the Legislature, we are going to stay on Long Island and we're going to pursue growing our business. Whether we can actually attain the growth with our cost structure on Long Island is the question. We might have to move some of it off the Island to attain the growth we'd like to get.

COMMISSIONER MORGO:

I withdraw my request. Could I reinstate my request?

LEG. HORSLEY:

All right. I'll make the motion, first of all, to •• 2026 •• to pull 2026 out of order. Do I have a second on the motion?

LEG. BARRAGA:

Second.

CHAIRMAN HORSLEY:

Seconded by Legislator Barraga. All in favor? So moved. We now have 2026 on the table.

2026, A Local Law amending the Suffolk County Empire Zone Boundaries to include US Web Inc., (SCTM No. 0400 • 104.00 • 01.00 • 050.000).

I'll make a motion to approve 2026, do I have a second on the motion?

LEG. BARRAGA:

Second.

CHAIRMAN HORSLEY:

Seconded by Legislator Barraga. All in favor? Opposed?
**APPROVED (VOTE:4•0•0•2 • Presiding Officer Lindsay
voted • Not Present • Legis. Montano and Cooper).**
Congratulations, guys.

All right. We're going to move to **1747, A Local Law to
establish the Gabreski Airport Conservation and
Assessment Committee.**

I'll make a motion to table the •• table the motion. Second on
the table?

LEG. BARRAGA:

Second.

CHAIRMAN HORSLEY:

Seconded by Legislator Barraga. All in favor? Opposed? So
moved. **Tabled. (VOTE:4•0•0•0•2 • Presiding Officer
Lindsay voted • Not present • Legis. Montano and
Cooper)**

2028, A Local Law authorizing the establishment of a Suffolk County Local Development Corporation for the purpose of developing WI•FI Network in Suffolk County.

CHAIRMAN HORSLEY:

I'll make a motion to approve 2028, do I have a second on the motion?

LEG. BARRAGA:

Second.

CHAIRMAN HORSLEY:

Seconded by Legislator Barraga. All in favor? So moved.
Approved (VOTE:4•0•0•0•2 • Presiding Officer Lindsay voted • Not present • Legis. Montano and Cooper)

M. 31, Memorializing Resolution in support of replacing LIPA'S appointed Board of Trustees.

CHAIRMAN HORSLEY:

Any motion? I'll make a motion to table if nobody has the •• second on the motion to table. All those in favor? The motion has been. **Tabled (VOTE:4•0•0•0•2 • Presiding Officer**

Lindsay voted • Not present • Legis. Montano and Cooper).

That concludes that portion of the agenda. I now would like to introduce •• and, Joe, I'm sorry that this is putting you against the gun on here as far as time •• but I'd like to introduce •• the short timing on this is not any reflection on the quality and the importance of this speaker. Joe Scaduto in charge of Life Sciences ••

MR. SCADUTO:

Long Island Life Sciences Initiative.

CHAIRMAN HORSLEY:

Long Island Life Sciences Initiative. I'm sorry, I don't see it in front of me. And I've been to a number of his programs that he's held in one of the local hotels, which is literally supported by hundreds of hundreds of corporations, people looking to expand life sciences. And no one can say this better than Joe himself. So I will •• without any further adeu I'd like to introduce Joe Scaduto.

MR. SCADUTO:

Thank you, Legislator Horsley. I appreciate the opportunity to be here today. I should also mention that in addition to running the Long Island Life Sciences Initiative, which is really a grassroots effort to support the industry here on Long Island, I'm also a business development manager at the Center for

Biotechnology at Stony Brook University. This is my first time formally presenting to the committee, and I appreciate the opportunity. I'm excited about the opportunity because it gives me the chance to highlight the broadly defined Life Sciences industry on Long Island and propose a series of potential programs that the County could consider to support the industry's long term growth. I'd also like to thank the County Executive and Jim Morgo and Lisa {Braaten} in the Department of Economic Development and Housing for their sincere commitment and support in reviewing some of these programs to try and determine how the County can help.

So just to begin, I want to give you a sense for what the industry is all about. We try to be very broad in our definition of life sciences to include companies in the pharmaceutical, biotechnology, medical device industries and more broadly the nutraceutical personal care companies on Long Island, research products, agriculture, consumer products and their related industries all can fit within this broad definition of life sciences.

And when you use that broad definition, we get a list of about 300 firms across Long Island. So it's a very substantial industry. If you top at the 50 publically traded companies on the island, about 20% are life sciences companies. They represent over 6 billion in annual revenues. And Deloitte & Touche does a technology Fast 50 every year. In 2003, 16 of the 50 companies, fastest growing technology companies on Long Island were life sciences firms, and that was the largest industry represented in the list. So we're talking about a substantial and rapidly growing industry. And of course, you are already aware that Long Island and Suffolk County in particular is home to world renowned research institutes; Brookhaven National Laboratory, Stony Brook university, educational institutions, Suffolk Community College, Farmingdale State University, etcetera, all supporting the development of this industry.

CHAIRMAN HORSLEY:

Cold Spring Harbor.

MR. SCADUTO:

Yes. Nassau County, Cold Spring Harbor, North Shore Long Island Jewish just received a major endowment for their life sciences for medical research. The mission of the Long Island Life Sciences Initiative is really to understand what issues are important to growing this industry in the region with our counterparts across the state really, and of course, look at the broad attraction retention development mission for long term sustainability and growth to enhance corporate competitiveness, productivity, efficiency and profitability.

So one of those issues of strategic importance that we're trying to address, obviously, a support of public policy structure will be important, workforce development, there is a need for high skilled in this industry from research and development all the way through business development and regulatory affairs, strong foundation of academic research, which we just noted, effective technology transfer, moving those technologies being developed in our academic community into the real world, into these corporations for commercialization.

It's a highly capital intensive business, and so access to investment capital is extremely important, sites that are suitable and desirable for facilities expansion, capitalizing on economies of scale, grouping all the companies together, specialized research facilities and access to them and obviously the global

recognition of Long Island as a center, a dynamic center for life sciences activity.

There are a variety of impact metrics that we use to measure success and driving strategic change for this industry; obviously, the number of companies; the average •• I should note that average wage is seemingly higher than other industries and a good point for economic development in the region; revenues to those companies; FDA approved products, which is somewhat unique to this industry that there's a rigorous regulatory process to move products to market; market and capitalization; facilities investment that's being leveraged; patents and royalties and scientific wherewithal of the scientists here on the Island, both in the academic community and in industry.

So how do we drive this strategic change in Suffolk County? There are basically six main areas that the Long Island Life Sciences Initiative is focused on; early stage discovery and innovation, financing to drive new company formation and emerging firms, facilities and incubation for growth and expansion, workforce training and entrepreneurship, tax incentives and quality of life, and then marketing outreach and strategic networking for the industry.

So there have been a series of program recommendations that we've talking with the Department of Economic Development and Workforce Housing as well as Legislator Horsley. And so I just want to take a few moments to go through each one of them. Nascent BioVentures is new concept. I've been working with the New York State Small Business Technology Investment Fund that has established a •• basically a mini fund in western New York along with town and county IDAs to invest small amounts of money in early stage start off companies. They've committed to the Long Island Life Sciences Initiative \$250,000

in seed funds so that we can duplicate that effort here on Long Island, specifically for the life sciences industry.

In parallel, Stony Brook University has moved forward with the establishment of an angel investment network called "Tech Island Angels," and it's a perfect forum for the Life Sciences Initiative with these funds and hopefully funds from the County or the County IDA to invest in these emerging companies out of our academic institutions putting basically angel investor level dollars into those companies in return for an equity. I consider this a community development fund not meant for profit, but instead any returns that come back from investments in these early stage companies would be plugged back into the fund for future investments and for future opportunities.

The next concept on the list is a technology commercialization clinic. This is modeled after a program at Syracuse University's Science and Technology Law Center where groups of four to six law students become a consulting team to a university or an early stage company providing a 200 page report that includes an in depth market analysis, a competitive analysis, a commercialization strategy for the technology and basically marketing and business plans for the client companies. It's a free service to the companies that we'd like to duplicate at Stony Brook University with students at the College of Business and in the Department of Biomedical Engineering at Stony Brook, which is actually one of fastest growing departments on campus. So resources for that program to allow us to hire a course director and move forward with these teams of student to provide these services to, say, incubators companies, for example, would be very beneficial.

One of things that the Center for Biotechnology at Stony Brook has launched, both at Stony Brook and Stony Brook Manhattan

is a new workforce training program called "The Fundamentals of the BioScience Industry," allowing graduate students with scientific or incumbent workers that are probably less than five years in a company to gain additional experience and training in the business side of the bio•science industry that would include strategies for project development, moving through the regulatory process of the FDA, raising money around the company, business plan writing, etcetera. And it's been a very successful program with these multiple modulars through the spring semester. It's non•credit bearing. We've had multiple industry representatives teaching various components of the course, and many of the students have participated in internships and have been hired full time by companies in the region.

So support for expansion of that program. And one of the things we have considered is scholarships or fellowships for students wanting to participate would be a reasonable way of helping the industry attract the types workers with the types of skills required. One of the other new concepts put on the table •• I'll take a step back and note that Long Island and Suffolk County in particular already has very successful Long Island high technology incubator at Stony Brook university, the Phase I Broadhollow Science Park as Farmingdale State is full. The construction on the second phase building is almost complete. I believe that all of that space is already spoken for as companies look to expand and grow on the Island, the new Calverton incubator as well.

One of the concepts we've been floating is the idea of capitalizing on the scientist entrepreneur on the academic campus that wants to take a shot moving their technology into the real world, and instead of having them take that leap of faith and move into a formal incubator facility, to establish what we're calling pre•incubator space on campus with equipment and infrastructure that they can utilize to further their advance their

technology before taking the leap of faith into •• into the real world. So we're looking for the potential of County funds to help equip that laboratory and make it available to those scientist entrepreneurs wishing to take the risk.

One of things that Legislator Horsley mentioned is our industry events and strategic networkers that have been very successful. One of the other options for the County to support this industry and really market the region as a center for life sciences activity is through support of our annual Life Sciences Industry Summit. Last year, the County was a sponsor. And then the establishment potentially of a series, a breakfast series, a strategically targeted networking breakfast series that would have panel discussions and keynote speakers addressing specific issues that are important to industry growth, whether that be dealing with the Food and Drug Administration or tapping into federal and state sources of funding or attracting and training skilled workers, etcetera. So we'd like to launch that program in 2007, and your support would be appreciated.

One of other concepts we've discussed is an online •• what we're calling an online bio book. And as I mentioned earlier, this is a capital intensive industry, particularly at the earlier stage of corporate development, as companies need to raise first angel rounds of funding and then serious venture capital. One of the things we'd like to do to market those companies and try to attract investors to this region is establishing this online bio book that will highlight all the companies, profile them, provide data about their technology, their management team and get the word out that Long Island and Suffolk County in particular has deal flow for investors to consider. I actually have some mock•ups for that website I can provide to you some time in the future.

One of the things that Dr. { Ann Marie Shitte } at Stony Brook University and Economic Development has pushed for in recent years is the Dare to Risk Entrepreneurship Program, which allows groups of students to identify a technology maybe that they have developed or a University faculty member has developed, write a business plan around that and enter into a competition with a cash prize and the ability to move in to the Long Island high technology incubator at reduced rates. It's been a successful program to date, details of which can be found from Dr. { Ann Marie Shitte }, I would encourage you to contact her directly. But we're certainly supportive because of the opportunity for these student groups to identify technology and start companies based on those technologies for the purpose of economic development.

The last program I want to talk about, particularly important to me, and I think to the industry, is this innovation match program to advance and commercialize technology in Suffolk County, this potentially with a grant writer services program. I'll tell you that the Federal Government has small business invasion research and small business technology transfer program current available to emerging companies. Phase I grants are typically \$100,000 for six months to a year, Phase II grants are \$750,000 for up to two years. And in order for a company to receive a Phase II •• a successful Phase II application, they have now had to go through two rounds of scientific review, and their Phase II application needs a commercialization plan for that technology.

So we're talking about more advanced companies than early stage start•ups that are just emerging from our academic institutions. One of the things that I would like to see Suffolk County accomplish is attracting more of these federal dollars to our local companies by providing letters of support and match funding to companies that are successful in the application process for these Phase II grants. Somewhere between 50,000

and \$100,000 auto can be provided to these companies to help them protect their intellectual property, hire additional staff, purchase additional equipment, maybe renovation of a facility.

And I believe because I've talked to some of the reviewers on the federal side for these applications, they like to see match dollars either from the company itself or the academic institution with which they're partnering or potentially a government source. And those letters of support raises the level of creditability of that company and its ability to attract these federal dollars.

I do have some data about how New York State compares to other states in the country. Here just looking at the National Institutes of Health, which I know is Life Sciences dollars coming from the Federal Government, 2004, New York State ranked fourth in the nation as opposed to the top two states in the Life Sciences industry; California, Massachusetts, but more importantly, how does this translate to dollars? California attracted almost \$80 million in these Phase II SBIR and SDTR grants; New York State, around 25 million.

I think that a regional program from Suffolk County and then eventually a state program available to companies throughout the region would really help us attract more of these dollars and help companies at a critical stage of their development as they move that commercialization plan, which, as I mentioned, is required for their application to the Feds.

So basically in summary, we're looking to have a clear vision for developing the Life Sciences industry in Suffolk County and throughout Long Island. There are a variety of components,

strengths and weaknesses that we need to address. Academic research, infrastructure, the technology transfers process, start up and incubation, financing and investment, expansion facilities, product development, education and training and the service industries. The programs that I've discussed today certainly address a variety of these difference issues, and we hope to have the County's support. I've given you a variety of options, so depending upon your preference, we can talk about the details and I'm happy to do so. If you have any questions, I'm happy to take them.

CHAIRMAN HORSLEY:

Thank you very much, Joe. Again, a fine job. And I'm hopeful that we're working with, I know, the IDA •• Suffolk IDA as well as Economic Development folks, Jim Morgo, etcetera that we can work towards some of these goals. Vivian Viloría•Fisher.

D.P.O. VILORIA•FISHER:

I have a couple of questions, Joe. Thank you for the presentation. There was a lot of ••

MR. SCADUTO:

I talked fast, I knew we were pressed for time.

LEG. HORSLEY:

I'm sorry.

LEG. VILORIA • FISHER:

Yeah. We're a half hour behind our next committee. But I just had a couple of brief questions, because I could really ask questions about any number of things there. The tech angels, would that money be able to be used for a start•up that would be using one of incubators?

MR. SCADUTO:

Absolutely. The idea behind the Tech Island Angels Group is to have a series of high net worth individuals or small venture funds reviewing a series of companies in a variety of technology sectors, but certainly notwithstanding life sciences, and have them individually determine whether or not they want to make investments. And it's really a resource for local companies that are coming out of the Stony Brook Universities of the world and Cold Spring Harbor Labs and BNL to have a forum to present what they have to offer and get that first round of financing into their coffers.

And it would be great if the Long Island Life Sciences Initiative first with the state dollars from the small business technology investment fund and then potentially with County funds or County IDA funds to make direct investments and specific opportunities as we see fit. Investors in the fund, Nascent BioVentures as we're calling it, would likely have board seats depending on the level of investment they put in, and therefore, a say in how the money ought to be invested in these companies and what percentage equity to take, etcetera.

D.P.O. VILORIA • FISHER:

But they can use them when they are going •• when they are at the incubation stage?

MR. SCADUTO:

Definitely. In fact, I would say that it's most appropriate, because as companies get to later stages of development, they're not looking for the first 50 or \$100,000, they're looking for the first million, 5 million, \$10 million.

D.P.O. VILORIA • FISHER:

Now, you discussed the preincubator, and it sounded to me that the preincubator seems to be serving the purpose that I've thought that the incubator served.

MR. SCADUTO:

Yeah. So I think what's happening is companies within the incubator are becoming increasingly successful and having more wherewithal as time goes on.

D.P.O. VILORIA • FISHER:

And buying more floor space in the incubator.

MR. SCADUTO:

And definitely buying more floor space in the incubator. I'm

sure you've started to learn from •• about some of the companies there. I think the preincubator space is really for much higher risk, much earlier stage, technology that has not yet reached a point where ••

D.P.O. VILORIA • FISHER:

A garage band.

MR. SCADUTO:

•• an investor would be interested.

LEG. VILORIA • FISHER:

We're talking about the garage band.

MR. SCADUTO:

Yes, basically. What we envision here is setting up core infrastructure that multiple start•up companies •• I really should say scientist entrepreneurs •• can access. And one of the advantages of having this space available to them is that it's necessary, for example, to apply for the federal grant dollars, to have corporate space that you can point to that some of this work with get done.

D.P.O. VILORIA • FISHER:

And where would that be sited? Is there a site?

MR. SCADUTO:

The Center for Bio Technology has an applied bio science laboratory that they've, you know, talked about making available for these ••

D.P.O. VILORIA • FISHER:

And they've set aside some space there, okay. The last question, Mr. Chair, you spoke of NIH grants, now I've spoken to a number of researchers at the University who are doing medical research, and NIH grants are very hard to come by in those fields, as we know. What is the status, you said \$25 million, but we're seeing that number in a vacuum. Why does that compare to what it has been in the past?

MR. SCADUTO:

That is actually a really good question, and I don't have the answer to it, because I don't have at my fingertips the data for years past, but that's something that I can research for you.

D.P.O. VILORIA • FISHER:

Also, Department of Defense grants. We've run into the same issue where we have researchers who are unable to hire lab techs, because there's numbers no money coming. And I've had a number of them speak with me from the University.

MR. SCADUTO:

And I'll also confirm that the pool of dollars available and the competition for those dollars, the pool is shrinking and the competition is going up, and that's very much the case for the academic research that's trying to get their typical grant dollars for their research. This program, it's mandated by the Federal Government that a portion of that pool, that broader pool, is set aside for small business development. So these are not academic PIs looking for research dollars for their academic, but instead corporate investigators that are trying to get money into their company. And it's non dilutive, because the Federal Government is not taking equity. So it's basically free money for the company.

D.P.O. VILORIA • FISHER:

Okay. And they're not competing with our medical researchers, because you say it's a set•aside, it's a different pool.

MR. SCADUTO:

Different pool of funds.

D.P.O. VILORIA • FISHER:

Thank you, Mr. Chair. By the way, Joe was my student, so I'm very proud. He can do it in Spanish too.

CHAIRMAN HORSLEY:

Okay. If there are no further questions, thank you very much, Joe. We do appreciate you coming down here. I'm looking forward to working with you through our different County entities.

MR. SCADUTO:

Thank you very much.

CHAIRMAN HORSLEY:

Okay. Motion to adjourn. All those in favor?

(* THE MEETING WAS ADJOURNED AT 2:52 P.M. *)

{ } DENOTES BEING SPELLED PHONETICALLY