Binghamton U. identifying first Start-Up NY companies

SUNY Broome identifying locations for tax-advantaged program

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VESTAL — Just days after being approved for Start-Up NY, Binghamton University has already been in communication with a handful of companies interested in taking advantage of a decade-long tax-free environment.

ChromaNanoTech, a five-person venture born out of BU not even a week ago, will likely be one of the first companies to do business at a startup suite at the Innovative Technologies Complex on Murray Hill Road later this year.

“We’re considered to be the pipe cleaner — the guinea pig, whatever you want to call it — as the first entity going through for Start-Up New York at the university’s site,” said William Bernier, co-founder of ChromaNanoTech and a research professor of chemistry and materials science and engineering at BU.

ChromaNanoTech will supply less-expensive nanomaterial composites to companies that manufacture glasses and plastics for use in the optics industry, ranging from windshields to television screens. Potential customers could include Corning Inc., General Electric Co. and defense contractors such as Boeing.

The new startup company is in the process of incorporating, and BU is currently working with ChromaNanoTech to evaluate its Start-Up NY application. The school would then send it along to Empire State Development, the state’s economic development agency, for a final technical review. If ESD approves the company’s application, ChromaNanoTech will be admitted into the Start-Up NY program.

The basics

So far, 12 schools have been approved to participate in Start-Up NY. While BU announced on Monday that it had been approved, the state approved eight colleges for the program last month, including Cornell University, Rochester Institute of Technology and the OK on Thursday.

Debra Morello, vice president for student and economic development at SUNY Broome Community College, said the school has identified two sites on its campus and will submit its application to SUNY in the next two weeks. If SUNY approves it, she said, the application will head to the state for approval to participate in Start-Up NY.

“We’re quite far ahead of other colleges,” Morello said. “It’s going quite well.”

While BU is targeting technology businesses with specializations in the areas of health sciences, smart energy and microelectronics integration and packaging, Morello said SUNY Broome is looking at agricultural manufacturing, food-processing and high-tech companies, among other fields.

While Morello serves as the Start-Up NY campus contact for SUNY Broome, that title at BU belongs to Per Strombaug, executive director of BU’s Entrepreneurship and Innovation Partnerships office.

The long-planned Southern Tier High Technology Incubator project in downtown Binghamton will provide about 20,000 square feet of space that can host up to 10 new high-tech businesses. BU also has 21 offices earmarked for startup companies in its Innovative Technologies Complex, where ChromaNanoTech is looking to locate.

“The program was made for companies like that,” Strombaug said. “It’s almost a no-brainer that they would be accepted.”

What does the law say?

Strombaug said that once companies send their applications to BU, the school has to do a competition analysis and make public the company’s line of business.

According to the Start-Up

From left: William Bernier, Kenneth Skorensko and Wayne Jones, are three of the founders of ChromaNanoTech, a company that will apply to participate in Start-Up NY. KRISTOPHER RACIÓN / STAFF PHOTOS

BENEFITS OF START-UP NY

- Businesses that participate in the program will avoid taxes for 10 years, including property, sales and corporate taxes. For the first five years, workers would pay no state income taxes. In years six through 10, employees would have to pay on income above $200,000 for single files, $250,000 for heads of household and $300,000 on married files.

- The number of new jobs eligible for income tax breaks will be capped at 10,000 a year. When the total number of new jobs is reached for the year, income tax benefits will not be granted until the next year, according to the legislation.

Source: Start-Up NY legislation
NY legislation, a school cannot accept any application to locate in a tax-free area from a business that would compete with other businesses in the same community but outside the tax-free area.

"We're not interested in giving a competitive advantage to certain companies," Stromhaug said.

Once it accepts a business, the school must provide the application and all supporting documentation of the given company to ESD for review. According to the legislation, ESD will review and make a decision on the application within 60 days.

To participate in the Start-Up NY program, a business must satisfy certain criteria, including:

1. The business must meet the benchmarks for the number of new jobs that must be created, and the number of new jobs that must be retained.
2. The business must have positive community and economic benefits.
3. The business must align or further the academic mission of the campus.
4. The business must create net new jobs. After the first year, it must maintain those net new jobs.
5. If a participating business fails to meet performance benchmarks, including falling short of the number of net new jobs that must be created, consequences can include suspension of the program.

Stromhaug said, "Hopefully, we can retain some of these really good students that we’re educating, so they don’t just return to where they came from," he said.

A new company

One of those students is Kenneth Skorenko, a BU graduate student studying chemistry with an emphasis in materials on pace to graduate in December. He’s also an equal partner in ChromaNanoTech.

"When I’m done here, I can literally transition over to a job," said Skorenko, 26. "I’m going to be creating, essentially, my own job based off my research so it’s an easy transition.

"I know the work. I don’t really have a learning curve. It has the potential for being a long-term career."

A new company

The five partners in ChromaNanoTech are currently applying for grants, which would provide additional funding for their start-up work. The company has requested 400 square feet of space for its suite at the Innovative Technologies Complex, which it hopes to move into by October.

Within a year, ChromaNanoTech plans to have two full-time employees. The company would also offer internship opportunities to BU students.

"Assuming that we are as successful in this market as we think we can be, it is not unreasonable to imagine a dozen employees or more," said Wayne Jones, co-founder of ChromaNanoTech and professor and chairman of BU’s Department of Chemistry.

In addition to Jones, Skorenko and Bernier, the company’s remaining partners are Frank Goroleski and Brad Galusha, two small business community members in Binghamton.

To Jones, the collaboration between a department head, an IBM Research professor, a graduate student and two small business professionals is exactly the purpose of Start-Up NY — blending together the resources of the university with the spirit of entrepreneurship.

"This is an idea where something that started in a lab at the university is now taking advantage of the day and to, hopefully, create a new company that is going to create jobs and opportunities for Broome County and New York state," Jones said.