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NEWS RELEASE

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NEW JERSEY -- THE HIGH TECH CAPITOL Governor Whitman Announces New Financing Programs

Gov. Christie Whitman today reaffirmed the state's commitment to high technology, by announcing two new financing programs that complement New Jersey's strategy for attracting and fostering high tech firms, during a visit to the laboratory of New Jersey's most famous inventor.

"New Jersey is known as the Invention State for good reason," Gov. Whitman said, while visiting Thomas Edison's laboratory in West Orange. "From Thomas Edison to Albert Einstein, New Jersey has been home to some of the world's most innovative inventors and scientists."

"These financing programs, together with the other programs we have created, will ensure that New Jersey remains the Invention State well into the 21st Century," Gov. Whitman said.

Gov. Whitman announced two new debt financing programs being launched by the New Jersey Economic Development Authority (EDA). These programs, which will provide more than \$100 million in financing to technology-based businesses, were developed in concert with the state's commercial banks and the business leaders of the New Jersey Technology Council, the Biotech Council and the Research and Development Council.

The first program is the New Jersey Technology Funding Program, a financing partnership between the EDA and area banks designed to fill the financing gaps in the availability of expansion capital for growing, technology-based enterprises. EDA will leverage its funds with bank financing to make loans available ranging in size from \$100,000 to \$3 million. The banks include: Fleet Bank, First Union Bank, Summit Bank, Chase Bank, Commerce Bank and PNC Venture Bank.

The second program, the New Jersey Seed Capital Program, is designed to fill financing gaps in the availability of seed capital for growing, technology-based enterprises. Loans will range from \$25,000 to \$200,000.

"Seed capital means just that - it will help us help inventive minds grow their ideas into viable businesses right here in the Garden State," said Governor Whitman.

The new financing program was just one of the recommendations made by the Edison Partnership, an advisory committee of Prosperity New Jersey, which advises the State on methods to improve the technology environment in New Jersey. The Edison Partnership, whose efforts the Governor applauded today, included the state's leading academics and industry leaders, and recommended several steps that the state could take to improve its climate for high technology businesses.

"We recognize that these growing high tech companies can become the Microsofts of tomorrow," said Commerce Commissioner Gil Medina. "Through innovative programs that Governor Whitman has spearheaded, New Jersey is poised to become a world leader in high technology. By helping these companies, we will create jobs and increase prosperity for New Jersey families."

Gov. Whitman has taken several innovative measures to ensure that New Jersey remains a leader in high technology. The Governor proposed in her FY '99 budget that \$5 million be set aside for a technology transfer fund. This fund, to be administered by the Commission on Science and Technology, will help bring ideas out of the laboratory and into the factory and stores. The increase in technology transfer funds was also a recommendation of the Edison Partnership.

"The Edison Partnership shows what can happen when you bring the public and private sector together," said Steve Kukan, Executive Director of Prosperity New Jersey. "These recommendations, made by leaders in the high tech field, will enhance New Jersey's reputation as a high technology state."

In January, Gov. Whitman signed into law a package of bills that will help stimulate the growth of the state's many start-up and smaller high-tech companies by providing technology tax credits to help offset the costs of research and development.

The State has also invested in venture and seed funds designed to help growth industries like high technology. The state's Economic Development Authority committed \$2.5 million in the \$60 million Edison Venture Fund III, which invests in growth companies in the Mid-Atlantic region.

The Commission on Science and Technology invested \$4 million in Early Stage Enterprises, a seed fund which will focus on making initial investments in technology-based start-up companies.

New Jersey is one of the few states in the nation that has developed its own high tech research park. This 50-acre site in North Brunswick, is a state-of-the art research park designed by the EDA to meet the needs of emerging research and development companies by offering affordable laboratory and production facilities. Currently, the research park has 130,000 square feet developed within four buildings. Tenants include: Advanced Care Products, Datamark Software, Inc., The Agriculture Research Project(IR-4) of Rutgers University's Cook College and Chubb Computer Services.

"The State of New Jersey, through the EDA, has made major commitments to develop capital and real estate programs targeted at the technology sector, " said Anthony R. Coscia, chairman of the EDA. "These initiatives developed with direct input from the technology industry, assure that New Jersey remains competitive in attracting and keeping these businesses of the future."

Approximately 1 out of every 10 New Jerseyans work in high technology. New Jersey now employs more than 168,000 high-tech electronics workers, with average salaries of nearly \$59,000. An additional 200,000 New Jerseyans work in the pharmaceutical, research and development, and engineering sectors.

The American Electronics Association recently issued a study that measured the economic effect of the high-tech industry, and ranked New Jersey as seventh on the list of "cyberstates."

In addition, the New Jersey Council of Economic Advisors reported in its "Review and Economic Outlook for 1998" that the high technology "cluster" of industries grew at a rate well above the statewide average in 1997.