

New York City's Tech Future

**An Interview with Howard P. Milstein,
Chairman and Chief Executive Officer, New York Private Bank & Trust**



Grand Central Tech at 335 Madison Avenue

EDITORS' NOTE Howard Milstein is the third generation to lead the Milstein business and philanthropic family. An entrepreneurial builder of innovative companies, Milstein also chairs and operates his family's real estate companies, and is an investor and partner in numerous entrepreneurial ventures. In the philanthropic arena, Milstein is Chairman of the New York Blood Center, the American Skin Association, and the Milstein Medical Asian American Partnership Foundation. He is a trustee at Cornell University and an overseer of Weill Cornell Medical College, and serves on the Dean's Advisory Board of Harvard Law School. Milstein has received numerous awards, including the 2008 Entrepreneur of the Year award from Cornell. He also serves as Chairman of the New York State Thruway Authority, spearheading the landmark design-build contract for the new Tappan Zee Bridge in Westchester County, New York, that saved taxpayers nearly \$2 billion.



Howard P. Milstein

Many, if not most, of the customers these start-ups serve have offices right here in New York. This provides enormous opportunities for developing relationships, mentoring, and other forms of intellectual and economic support. This is an advantage that is crucial to our tech community, and one of the factors that will ensure New York remains the true capital of the global economy for the remainder of the 21st Century. In order for New York to grow and thrive, however, we need to ensure that we are fostering opportunity and entrepreneurial drive,

so that New York retains its leadership position worldwide. Both public and private sectors must do their part. Together, we can create an environment where the companies and technologies of tomorrow are born.

In 2005, you created the Internet banks Emigrant Direct and Dollar Savings Direct, two of the first banking institutions to exist solely on the web. What made you feel that a web-based bank could be successful?

As technology became more important to the lives of our customers, I realized that the traditional brick-and-mortar, branch-based banking model was no longer necessary for many customers. Of course, there were also enormous savings in overhead that could be passed along as better rates on savings and lending products. It is a natural evolution of the banking industry, and it will continue as more financial and wealth management services move online. So while we still offer branch banking at our flagship location in Midtown Manhattan, we have moved much of our deposits, our lending, and our wealth management and investment businesses online to better meet the needs of a new generation of investors and entrepreneurs.

In 2009, you founded Summitas, a web portal designed to provide information and collaborative services to high-net-worth individuals, family offices, and registered investment advisors. What are the growth opportunities for this business?

Summitas is a perfect example of the ways in which technology can facilitate both communication and wealth management in the 21st Century. High-net-worth families are often spread across the globe, and have difficulty sharing ideas and information, coordinating family events, and nurturing relationships. With Summitas, we have created a highly secure, innovative technology platform that allows

wealthy families and their advisors to communicate and collaborate in a private, virtual setting. This is the true promise of technology as applied to wealth management: Summitas helps bring high-net-worth families closer, from both a financial and – more importantly – personal standpoint.

In April of this year, you and your son, Michael partnered with an organization called Grand Central Tech to create an innovative tech accelerator at one of your properties in Midtown Manhattan. What is the goal of this partnership?

This is an effort spearheaded by my son, Michael, and it has been remarkably successful since its launch. In fact, we had more than 450 applications and selected 19 amazing technology companies for our inaugural class.

When a floor at one of our Midtown office buildings that housed the New York offices of Facebook became available, we decided it would be the perfect site for the creation of an incubator to help foster a high-tech community in Midtown Manhattan. Among the goals of the program was to “widen the aperture” of New York’s start-up community, attracting a diverse group of talented people and ideas that might not fit the traditional start-up mold. Unlike other incubators, we take no equity in the companies selected and charge no rent. We are solely focused on creating the ideal runway for start-up success. We are also creating a support system and mentoring tied to the existing New York financial and corporate ecosystem, so that start-ups can plant roots right alongside the companies and industries they serve. In this way, we believe we are sowing the seeds for a new tech scene in Midtown Manhattan.

You serve as a trustee of Cornell University as that institution develops a new Cornell NYC Tech campus. How important will this project be to New York City's future?

As a trustee of Cornell University, it has been a pleasure to offer input and guidance on the development of the new Cornell NYC Tech campus. The project's impact on New York City cannot be overstated. We are creating an applied technology campus that perfectly complements all that makes New York great. The academic partnership between Israel's Technion and Cornell is a global alliance befitting the center of global media, information, and innovation, with departments tailored to the New York City economy. I'm looking forward to being further involved as Cornell NYC Tech becomes an indispensable part of the New York City educational landscape. ●

COMPANY BRIEF New York Private Bank & Trust (nyybt.com) and its operating bank, Emigrant, offer fully integrated investment advisory, trust, lending, co-investment, and other banking services to meet the needs of entrepreneurial businesses, and wealthy individuals and families. Founded in 1850 by members of the Irish Emigrant Society to support the financial needs of a growing immigrant community, Emigrant is the largest family-owned and run bank in the country. Emigrant continues to serve both its traditional customer base as well as new generations seeking a better way of life for themselves and their families.

New York has built a strong tech sector. What advantages do you feel New York offers for tech companies? How critical is innovation and intellectual leadership in helping New York maintain its position as the leading city in today's global economy?

New York has always been a center of innovation and intellectual leadership, especially in areas such as technology, media, financial services, and medical research. This is a big reason why New York offers tech companies advantages no other city in the world can match. Consider, for example, companies developing solutions for enterprise keyed to big data, analytics, and unlocking efficiencies in industries such as media, education, healthcare, energy, and financial services.