

Building a Successful Partnership

An Interview with Kathryn S. Wylde,
President and Chief Executive Officer, Partnership for New York City

EDITORS' NOTE Prior to assuming her current post in 2000, Kathryn Wylde served as the founding President and Chief Executive Officer of two Partnership affiliates, the Housing Partnership and the Partnership Fund for New York City. She is a board member of the New York City Economic Development Corporation, the Manhattan Institute, NYC & Company, the Governor's NYC Regional Economic Development Council, and the Fund for Public Education.



Kathryn S. Wylde

ORGANIZATION BRIEF Focused on maintaining the city's position as the center of global commerce and innovation, the Partnership for New York City (pfny.org) is composed of the top 250 CEOs from the city's corporate, investment, and entrepreneurial sectors. It works in partnership with government to advance the interests of the city. The organization's priorities include maintaining the city's competitive position in the attraction and growth of its business sector; improving public education, and fostering public/private partnerships to address the challenges facing the city. The Partnership Fund is its economic development arm that invests in projects that contribute to strategic industry growth, support for distressed communities, and job creation.

Will you discuss the key areas of focus for the Partnership for the coming year?

New York has several significant opportunities for growth, particularly in the life sciences area. The city and state have committed more than \$1 billion to expand our life science industry cluster. The goal is to ensure that just as we are a global capital of basic research, we are equally successful in building commercial enterprise and translating research into jobs and business activity within New York City and State.

The first pilot project in this new generation of commercial activity is a commercial business accelerator established at the Alexandria Center. The second is an investment by Johnson & Johnson, which will establish a J-Lab incubator at the New York Genome Center.

These projects, as well as other initiatives, are going to quickly generate a significant amount of new economic activity. We're targeting the creation of at least 24,000 new jobs over the next few years in life sciences.

We are also very focused on the region's aging infrastructure and the need for public/private

cooperation and investment in rebuilding our worn-out commuter rail tunnels and upgrading and expanding our mass transit systems. We need to bring transit access to the new job centers and residential centers that are emerging throughout the city, from the Rockaways to the South Bronx to the Brooklyn Navy Yard.

Why hasn't there been more action when it comes to infrastructure?

After the financial crisis, the country came together to create a stimulus package to bring us out of the recession but, since then, the partisan divisions in Washington

have kept us from doing many important things, like a major national infrastructure initiative.

There was political paralysis for the second Obama administration, and that seems to be continuing.

Does this mean that action is going to have to be driven by the states?

For a major infrastructure program, it's very difficult to achieve scale without the support of the federal government's broad tax base. State and local governments have real limits on how much they can borrow and invest in infrastructure, as opposed to their primary obligations for service delivery. They also have to account for how much the local taxpayers will tolerate in terms of the combined tax burden.

It requires both funding from the federal government and federal incentives for the private sector to invest.

Would you discuss the increasingly strong focus that New York City is placing on the tech sector?

The Partnership, under the leadership of Henry Kravis and Jerry Speyer, was an early investor in creating an entrepreneurial tech sector in New York City. In 1996, we partnered with Fred Wilson of Union Square Ventures, who was launching the first early-stage venture fund dedicated to Silicon Alley. Fred identified opportunities, and our Partnership Fund became the avenue through which New York's corporate and financial leaders were introduced to new companies that were being formed around the Internet. This helped to seed what has today become the fastest growing sector of the New York City economy.

We were involved early on and have continued to support efforts to build strategic relationships between the startup community and the broader corporate and financial sector.

For a city that has been driven by the financial sector, how important is industry diversification?

For many years, the city was exclusively dependent on Wall Street as the engine of its economy. The financial services industry continues to be the most important factor in the New York City economy and tax base, but we are seeing new and more diverse modes of activity in the technology and creative sectors, as well as greater geographic diversity across the five boroughs.

Manhattan has long been the overwhelming center of jobs and economic activity. The fastest growing economies in the city today are new centers of employment in Brooklyn, the Bronx, and Queens. Geographic diversification allows the city to support growth and affords business startups more flexible space and lower rents.

Do you worry that the diversity in New York City will be lost due to the high cost of living and lack of affordable housing?

The city is, to some extent, a victim of its own success. It's doing very well in terms of economic growth, attracting new talent, and fostering the growth of educational and cultural institutions. However, we are facing a real threat of pricing both families and businesses out of the city as we see the cost of living and doing business continuing to climb. This makes it difficult to retain midlevel jobs and mid-income-level families in the city.

We are concerned about, and the de Blasio Administration has been focused on, how to mitigate that threat through a combination of affordable housing and encouraging the development of better paying jobs.

The business community has been active in efforts directed at education and preparing young New Yorkers for jobs in technology and other fast-growing sectors. It has worked with the governor and mayor to support programs to expand the inventory of affordable housing and ensure we can keep a broad range of groups in the city.

What has been the key to the success of the Partnership for New York City?

Business leaders understand the importance of having a strong city as a base of operations and as a place that will attract top talent from around the world.

The Partnership has given them a vehicle through which to advocate for and support policies and programs that promote the city. It's a place where they can band together to exercise significant influence beyond their own company or industry for the benefit of the city as a whole. ●