

Facilitating Economic Development

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

EDITORS' NOTE Howard Milstein is Chairman, President, and Chief Executive Officer of Emigrant Bank, and also chairs and operates the Milstein family's real estate companies including Milstein Properties, Milford Management, and the Milford Agency. He is founding Chairman of the merchant bank, FriedbergMilstein. In 2011, he was selected by Governor Andrew M. Cuomo to serve as the Chairman of the New York State Thruway Authority. The New York State Senate unanimously confirmed his appointment in June. He serves as the Chairman of the Board of the New York Blood Center and American Skin Association. At Cornell University, Milstein is Trustee and Presidential Counselor and Overseer, Cornell Medical College. Among many honors, Milstein has received the Make-A-Wish Foundation Award, Tanenbaum Center Corporate Bridge Builder Award, the Catholic Youth Organization Gold Medal Award, and was honored as the 2008 Entrepreneur of the Year by Cornell University. A graduate of Cornell University, he earned a B.A. in Economics *summa cum laude* in 1973. At Harvard University, he earned both his Law and Business degrees in the J.D./M.B.A. Program in 1977. He was admitted to the New York State Bar and is a member of the Federal Bar Council and the American, New York State, and New York City Bar Associations.



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the Thruway Authority and how you plan to focus your efforts as Chairman?

The mission of the Thruway Authority is to enable the flow of people and commerce throughout the 570-mile Thruway system in New York State, extending from Yonkers in Westchester County, across the Tappan Zee Bridge, through Albany and Syracuse to Buffalo. The Thruway Authority is also responsible for New York State's 524-mile canal system, which dates back to the Erie Canal connecting the Great Lakes to the Hudson

River. We have a mandate from the governor to facilitate economic development wherever possible. The Authority also has the ability to issue bonds and notes secured by the Thruway's tolls and other earned income and is the issuing agency for unrelated New York State financings as well.

How critical are public/private partnerships in addressing economic challenges today and finding effective solutions?

There is a major role that the private sector needs to play – and does play – in creating economic development for New York State. As we continue to face an uncertain economic environment, the private sector role needs to increase. Coordinating the needs of the state with the resources of the private sector is a major objective of the Thruway Authority and, under the leadership of Governor Cuomo, it is a high priority.

Are you happy with public/private partnerships in New York City and with the way business leaders are brought into the discussion on the key issues facing the city?

Over the past decade, the city has become much more business-friendly and many public/private partnerships have flourished. The first public/private partnership in New York City, dating back to the 1970's, was the Grand Central Partnership. I was one of the founding board members and also a founder of the Lincoln Square Business Improvement District. Both those partnerships are still operating effectively. The mayor has set the right tone in New York City and in my role as Chair of the New York State Thruway Authority, we intend to bring that approach to New York State.

How valuable is it to have a mayor like Michael Bloomberg who understands business and has strong relationships with business leaders?

Mayor Bloomberg's private sector experience and success has been extremely valuable to ensuring the financial future of the city. Many political issues and problems are diminished or go away in the face of a strong economy. So by fostering a better business environment in the city, the kinds of cutbacks that other places are facing have not been required. The mayor was prudent and prescient in putting together a rainy day fund for just the kind of economic situation New York City faced over the past several years. Mayor Bloomberg has always been creative and forward thinking, both in business and in civic life. This type of approach is typical of the best-run businesses in the city.

Why has New York City been so effective at building such a cooperative and engaged business community?

In New York, there is a tradition of civic engagement by the top business leaders that dates back to J.P. Morgan, and in time was burnished and led by David Rockefeller. There is a common understanding that business skills are needed in both the civic arena and the charitable arena. So you see many businesspeople taking leadership roles in everything from hospitals and museums to charities to working on the general position of New York City as a community and as an economic engine.

I'm speaking in particular of organizations such as the Association for a Better New York, the Hotel Association of New York City, the Visitors and Convention Bureau, and the Real Estate Board of New York. All of these are examples of the tremendous impact that good leaders who devote themselves to these civic organizations can have on the city.

You speak about "venture philanthropy". What does this mean and how do you incorporate this concept into your charitable efforts?

The idea of "venture philanthropy" is that we bring our own ideas and innovation to the charities we serve. We apply our business principles and experience to our philanthropic work, similar to the way in which a venture capitalist might bring his or her experience and vision to an entrepreneurial enterprise. It's a matter of finding ways to do the job better, thinking about how the mission of the charity should be refined in the 21st century, and how relationships among institutions with similar needs and objectives can strengthen the ability to serve and fulfill the organization's mission. ●

COMPANY BRIEF New York Private Bank and Trust (www.nypbt.com) offers fully integrated investment advisory, trust, lending, and other banking and family office services to serve the needs of wealthy individuals and families. Emigrant Savings Bank (www.emigrant.com), the operating bank of New York Private Bank & Trust, is the oldest savings bank in New York City and the largest privately owned bank in the United States, with assets of approximately \$12 billion. In the real estate arena, Milstein Properties and related entities have, over the course of three generations, developed or acquired multifamily residential properties with more than 50,000 apartments, 8,000 hotel rooms, and 20 million square feet of office space. The most recent Milstein development projects are two new buildings in Battery Park City, totaling 500 apartments.

You were recently confirmed as Chair of the New York State Thruway Authority. Would you highlight the mission of