

New York is vying to become global high-tech hub

May 28 2012, By VERENA DOBNIK , Associated Press

(AP) -- Just as a trench dug in the 1800s created a shortcut to the nation's interior and helped make New York a global trading hub, the city is now hoping for another "Erie Canal moment" with a high-tech research complex to be built on an island in the East River.

The idea is to create an applied-sciences university where engineers are also trained as entrepreneurs from day one. Proponents say New York, home to powerful global companies and now exploding with technological startups, could shift this sector into top gear if the latest findings went straight into new businesses.

"Today we're second only to [Silicon Valley](#) as a tech center, and we don't like to be second to anybody," Mayor [Michael Bloomberg](#) said.

The \$2 billion, 10-acre campus planned for [Roosevelt Island](#) is being called CornellNYC Tech and is a partnership between the Technion-Israel Institute of Technology and Cornell University, which has its main site in the upstate town of Ithaca but also has a major presence in New York City with its medical school.

CornellNYC Tech expects to generate \$1 billion or more in tax revenue over several decades, plus tens of thousands of construction jobs.

Graduate students will start working in September, using 22,000 square feet of Manhattan space loaned free of charge by [Google](#). The island campus is set to open in 2017, with construction beginning after a half-

abandoned, rust-tinged hospital is demolished in early 2014 to make room for the gleaming new community.

Roosevelt Island, a relatively placid oasis facing the United Nations on the Manhattan side and Queens on the other, is home to high-rise [residential buildings](#) and an aging hospital complex. The little [automobile traffic](#) is courtesy of one road connected to the mainland, and most residents get back and forth on the subway or on a sky tram over the river.

Patients are still getting care at a public hospital built in 1939 that includes a nursing home and long-term [rehabilitation center](#). Plans are in the works to move the patients to facilities elsewhere in the city.

Officials are reassuring residents that their lives won't be disrupted.

"We're going to use our expertise to try to minimize the number of cars on the island," Cornell President David Skorton told concerned residents at a recent town hall meeting.

The land for the project belongs to the city, which is also providing \$100 million in public money for infrastructure. Another \$350 million comes from 81-year-old Cornell alumnus Charles F. Feeney, who made his fortune from duty-free shops.

With academic brains linked to business brawn and the initial injection of money, CornellNYC Tech is expected to be different from other academic endeavors.

At most graduate research centers, practical applications follow academic results - hoping for a connection that's profitable.

But at this school, students will develop software and hardware for three

core industries that already are the city's strength: medical technology and environmental and green energy systems, plus digital media being used in fields from fashion and financial services to advertising.

Mentors from various industries will work directly with students, so innovative ideas and business develop side by side and any patents belong to those involved, with a minimum of middlemen. Students can then immediately help grow startup companies with interested investors.

"We hope to bootstrap quicker," said Craig Gotsman, a computer science professor at Technion-Israel in Haifa, Israel, who was named director of the Technion-Cornell Innovation Institute within CornellNYC.

"We will involve industry right away, on campus, to develop entrepreneurial skills in the students," he said.

The idea for the school was born after the attacks of Sept. 11, 2001, which put many businesses near the World Trade Center on the brink of collapse.

"We went to hundreds of the smartest people we could think of - academics, business leaders, community groups, entrepreneurs - and we asked them, 'If there were one thing about New York you could change, that would have a significant impact on the economy, what would it be?'" said Seth Pinsky, president of the city's Economic Development Corp.

The Technion won over dozens of other institutions competing to partner with Cornell because Israel's high-tech community is the best model for New York, Gotsman said.

Haifa has for decades spawned a stream of companies drawn to its research community. Students and staff at the IBM Haifa Research Lab

are working on innovations in everything from health care to chip design, but it's the thousands of small ventures mushrooming around research all over Israel that mirror New York's ambitions.

New York's technology industry has likewise exploded, with almost 500 new companies popping up since 2007, making the area the fastest-growing digital hub after California's Silicon Valley, according to Jonathan Bowles, director of the Center for an Urban Future, a public policy think tank.

In early May, the organization released a study called "New Tech City," which shows that technological businesses have kept the city from drowning in tough economic waters.

Current demand for engineers far outstrips supply, "in large part because so many tech startups are growing and looking for more engineering talent," Bowles said, adding that giants like Facebook and Twitter also are building large engineering teams in New York.

Pinsky introduced the "Erie Canal" concept.

"This major investment by a combination of private and public sectors is going to create infrastructure that will set New York on a different course for the 21st century," he said. "This is New York's Erie Canal moment."

The 360-mile-long waterway was completed in 1825 as the first commercial link between the East Coast and the Great Lakes. It was used for more than 130 years as essential transport for goods from the heartland to the world, helping New York become more influential as a trade and financial center than competing cities such as Baltimore, Boston and New Orleans.

Gotsman, a native of England who grew up in South Africa, will move to New York next year to set up a curriculum pairing industrial and intellectual efforts. Projections for coming years include thousands of students and hundreds of faculty culled from top institutions.

Another high-power member of the team is Greg Pass, Twitter's former chief technology officer, who was just hired as the "entrepreneurial officer" in charge of tethering business to academic activities.

Developing the campus will be a challenge, Bowles said, but it is "incredibly important because it will create a new pipeline of engineering talent that could help address this growing talent gap."

More information: CornellNYC Tech: <http://www.cornell.edu/nyc>

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Citation: New York is vying to become global high-tech hub (2012, May 28) retrieved 27 April 2024 from <https://phys.org/news/2012-05-york-vying-global-high-tech-hub.html>

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