Could Silicon Alley Be Back In Business?
February 26, 2007

With advertising dollars funding much of the internet we use everyday, it’s no wonder there’s talk of a re-birth of Silicon Alley, New York’s high tech district, right here on New York’s Madison Avenue. Tech Beat reporter Adam Balkin has more in the following report.

About seven years ago Silicon Alley, New York’s high-tech district, stood at the center of most things creative about the internet – that is before it stood for everything so wrong about the dot-com bubble, and all those over-the-top parties, salaries, and stock prices.

“There was money just chasing ideas that should’ve never been funded,” says UPOC Networks CEO Steven Spencer.

But at "Silicon Alley 2.0: Emerging Shape, Impact and Future Directions", a forum hosted by Polytechnic University, venture capitalists, entrepreneurs, and other tech insiders met to discuss what is happening this time around that may make the Big Apple a more sustainable, high-tech environment.

“I think people are much more serious,” says Nina Ziv of Polytechnic University. “I think that we’ve learned that we have to a have a more stable environment than when we had when there were lots of parties all night and people were just – there was a sense of irrational exuberance.”

“They never disappeared, there’ve been 5,000 software and IT companies, there is a bit of growth now,” says Bruce Bernstein of New York Software Industry Association. “We went through a little bit of a lull – well I wouldn’t say a lull but a trough and there’s a lot of growth, a lot of venture capital coming to the city, and a lot of startups. It’s one of the national centers of the web 2.0 movement.”

High-tech companies that now do populate Silicon Alley say on one hand New York is almost unbeatable in terms of the talent pool and the ability to hire very creative employees; while on the other hand, it can be very difficult to set up shop here with obstacles including investors who are now a little hesitant to back high-tech companies and, of course, the ever-present problem of extremely high priced real estate.

That's where startups are asking the city itself to step in.

“Part of what we’re trying to do here is, of course, try to locate space that is affordable and gives them the flexibility to grow over time, the other part is looking at ways that we can help expedite the process through which they can navigate the different processes of doing business in New York City," says Bob Lieber of the New York City Economic Development Corporation.

Silicon Alley optimists are quick to point out that heavyweights like Google and Yahoo have firmly planted roots here, and their presence alone helps to legitimize the Big Apple as a place technology can thrive.

– Adam Balkin

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