

COMMITTEE ON ECONOMIC DEVELOPMENT

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CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC DEVELOPMENT

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March 15, 2024

Start: 1:18 p.m.

Recess: 3:30 p.m.

HELD AT: COMMITTEE ROOM - CITY HALL

B E F O R E: Amanda Farías, Chairperson

COUNCIL MEMBERS:

Alexa Avilés

Erik D. Bottcher

Jennifer Gutiérrez

Kevin C. Riley

Rafael Salamanca, Jr.

A P P E A R A N C E S

Andrew Kimball, President and Chief Executive Officer at New York City Economic Development Corporation

Jennifer Montalvo, Chief-of-Staff, President's Office at New York City Economic Development Corporation

Carina Kaufman-Gutiérrez, Deputy Director at Street Vendor Project

Paula Segal, Senior Staff Attorney in the Equitable Neighborhoods Division at TakeRoot Justice

Gregory Morris, Chief Executive Officer at New York City Employment and Training Coalition

Brian Colon, Director of Workforce Services at Greenwich House

Melat Seyoum, Director of Political Affairs and Strategic Partnerships at the New York City Network of Worker-Owned Cooperatives

Jessica Walker, President of the Manhattan Chamber of Commerce

April Watkins, Chief Program Officer of Path to Jobs

David Nager, Chief Photography Officer at the Alliance for Positive Change

A P P E A R A N C E S (CONTINUED)

Catherine Murcek, worker owner at Samankaya Yoga
Back Care and Scoliosis Collective

Carina Kaufman-Gutiérrez, Deputy Director at the
Street Vendor Project

2 SERGEANT-AT-ARMS: Mic check. This is a
3 mic check for today's Committee on Economic
4 Development. Today's date is March 15, 2024, in the
5 Committee Room. Recording done by Walter Lewis.

6 SERGEANT-AT-ARMS: Good afternoon and
7 welcome to the New York City Preliminary Budget
8 Hearing on Economic Development.

9 At this time, can everybody please
10 silence your cell phones?

11 If you wish to testify, please come up to
12 the Sergeant-at-Arms' desk to fill out a testimony
13 slip.

14 Written testimony can be emailed to
15 testimony@council.nyc.gov. Again, that is
16 testimony@council.nyc.gov.

17 At this time and going forward, no one is
18 to approach the dais. I repeat, no one is to approach
19 the dais.

20 Chair, we are ready to begin.

21 CHAIRPERSON FARIÁS: [GAVEL] Good morning,
22 everyone, or afternoon at this point, and welcome to
23 today's hearing on the Fiscal 2025 Preliminary Budget
24 for the New York City Economic Development
25 Corporation. My name is Amanda Farías, and I am

2 honored to be the Chair of the Council's Committee on
3 Economic Development.

4 We're also joined today by my esteemed
5 Colleagues, Council Members Riley, Gutiérrez, Avilés,
6 and Brewer.

7 Today, we will be hearing from NYCEDC on
8 the Fiscal 2025 Preliminary Budget, including the
9 Preliminary Capital Commitment Plan and updates on
10 their Fiscal 2023 investment projects. In addition to
11 the NYCEDC capital projects, NYCEDC also manages
12 capital projects for various other agencies. The
13 agency also oversees much of the discretionary
14 economic development investment projects which
15 involve advisory and financial assistance from EDC.
16 Each one of these programs should support and be
17 well-integrated with one another to properly execute
18 the City's economic development and vital
19 infrastructure goals. Today we plan to examine to
20 what extent this is occurring, where improvements can
21 be made, and the overall feasibility of NYCEDC's
22 capital and investment program.

23 NYCEDC is the City's primary agent for
24 economic development, and their principal mandate is
25 to encourage investment and to attract, retain, and

2 create jobs in New York City. As such, this Committee
3 is interested in having a robust conversation about
4 how NYCEDC's budget, as laid out in this year's
5 Preliminary Plan, connects to the larger job creation
6 and economic development strategies of the City.

7 One of the ways NYCEDC supports the
8 growth of the City's economy and job market is
9 through what it calls investment projects. These
10 represent discretionary financial assistance, largely
11 in the form of tax breaks and tax-exempt bond
12 financing. In Fiscal 2023, there were 449 total
13 active investment projects at a total cost of 257.2
14 million. Many of these projects represent investments
15 made years or even decades ago under prior
16 Administrations. However, 21 of these projects were
17 in the new Fiscal 2023 and represent a commitment of
18 multi-year tax reductions worth roughly 11.9 million.
19 Looking to the current Fiscal Year, the big news is
20 that EDC has committed the first two investment
21 projects under the new M-CORE Program. This program
22 is an attempt to use tax incentives to encourage the
23 revitalization of struggling office buildings.
24 Together, these first two incentives represent a
25 multi-year commitment of nearly 100 million in tax

2 breaks. I would like NYCEDC to update us on how
3 investment projects are selected, how the benefits to
4 the City are calculated, including what assumptions
5 are made, and how these projects relate to the City's
6 larger economic development goals. Additionally, I
7 would also like to know if any of these projects have
8 penalties or have been subject to cancellation of
9 aid, and what lessons are learned in those
10 situations.

11 The Fiscal 2025 Preliminary Capital
12 Commitment Plan, which covers Fiscal 2024 to 2028,
13 includes 3 billion for NYCEDC. NYCEDC's 10-year
14 Capital Plan includes 5.8 billion in Fiscal 2024 to
15 2033. Today, I would like EDC to provide this
16 Committee with information regarding both revenue
17 contributed by NYCEDC to the general fund and net
18 revenue generated post contributions to the general
19 fund. From Fiscal 2019 to fiscal 2021, NYCEDC had
20 negative net revenue with a positive 96 million in
21 Fiscal 2022 then dropping by nearly two-thirds to
22 32.5 million. The Committee would like to know what
23 types of reserves EDC utilizes when it experiences a
24 net revenue loss and to understand the reason for the
25 decrease in Fiscal 2023 when compared to 2022.

2 It is essential that the budget we adopt
3 is transparent, accountable, and reflective of the
4 priorities and interest of the Council and the people
5 we represent. This hearing is a vital part of this
6 process, and I expect that NYCEDC will be responsive
7 to the questions and concerns of Council Members. I
8 look forward to an active engagement with the
9 Administration over the next few months to ensure the
10 upcoming Fiscal 2025 adopted budget meets the goals
11 the Council has set out.

12 I'd like to thank Andrew Kimball and
13 Jennifer Montalvo for coming here today and
14 testifying. I would like to thank NYCEDC staff who
15 have been consistently responsive to our many
16 requests. We would not have been able to analyze the
17 City's budget at such detailed level without your
18 cooperation, so thank you.

19 I would also like to thank both my Staff
20 and the Staff of the Finance and Legislative
21 Divisions for their help in preparing for today's
22 hearing.

23 I'd like to take a moment to acknowledge
24 we've also been joined by Council Member Salamanca.

2 With that, thank you, and we'll kick it
3 over to you.

4 COMMITTEE COUNSEL PAULENOFF: Please state
5 your names for the record.

6 PRESIDENT KIMBALL: Andrew Kimball.

7 CHIEF-OF-STAFF MONTALVO: Jennifer
8 Montalvo.

9 COMMITTEE COUNSEL PAULENOFF: And do you
10 affirm to tell the truth and answer all questions to
11 the best of your ability?

12 PRESIDENT KIMBALL: I do.

13 CHIEF-OF-STAFF MONTALVO: I do.

14 PRESIDENT KIMBALL: Good afternoon, Chair
15 Fariás and Members of the Economic Development
16 Committee. Thank you for your continued partnership
17 and support for the New York City Economic
18 Development Corporation. I'm Andrew Kimball,
19 President and CEO of NYCEDC, and I'm here today with
20 my Chief-of-Staff, Jennifer Montalvo. I'm glad to
21 have the opportunity to update you on the progress
22 EDC has made over the last year. We provided you with
23 copies of our 2023 Impact Report, which highlights
24 our work and our February 2024 Economic Snapshot.
25 We're really proud of these products and hope you'll

2 take a look at them. They track key economic data and
3 our projects, and the Snapshot was just released
4 yesterday so it has the most recent information on
5 our economy. I'm happy to answer any questions on
6 these reports as well as, of course, questions on the
7 PPMR and the AIR at the conclusion of my testimony.

8 EDC is a mission-driven non-profit
9 organization, which works to create a vibrant,
10 inclusive, and globally competitive economy for all
11 New Yorkers. This mission guides all of our work and
12 is implemented through four strategy pillars. First,
13 EDC works to strengthen confidence in New York City
14 is a great place to do business, ensuring that
15 industry and business leaders, entrepreneurs,
16 investors and top talent have confidence that New
17 York City, the world's 10th largest economy, is the
18 best city in the world to do business. Critical to
19 business confidence is having a plan with concrete
20 action items in place to help us both recover from
21 the COVID years while leading us towards a stronger,
22 more resilient and equitable post-COVID economy. With
23 the support of EDC, just two years ago, Mayor Adams
24 released a Blueprint to Rebuild, Renew and Reinvent
25 New York City following the pandemic. Today, despite

2 challenging economic headwinds over the last four
3 years, we've recovered all one million jobs lost
4 during the pandemic and have reached an all-time high
5 for private sector employment as well as overall jobs
6 with 4.7 million in total jobs. We have the highest
7 workforce participation rate, defined as those with
8 jobs and actively looking for jobs since 1976, the
9 year this data was first collected, and the
10 unemployment rate is half its COVID peak. During this
11 recovery, the City has seen phenomenal growth in
12 business creation, especially small businesses.
13 Approximately 27,000 new businesses started in 2023
14 or one in seven businesses in New York City, with 62
15 percent in boroughs outside of Manhattan.

16 In addition to the Jobs Blueprint, in
17 2022, again with the support of EDC, the Mayor and
18 the Governor launched the Making New York Work for
19 Everyone Action Plan which, with input from 50
20 business and civic leaders and subject area experts,
21 laid out over 40 proposals and a shared City/State
22 agenda focused on the future of job centers,
23 neighborhoods, the way people work, key industries,
24 infrastructure, talent development and more. The
25 action plan has led to tangible progress on scores of

1 initiatives including redevelopment plans for
2 commercial hubs from North Shore of Staten Island to
3 Broadway Junction in Brooklyn, from Jamaica, Queens
4 to Morris Park in the Bronx. EDC has been
5 particularly focused on the fact that Midtown and
6 Downtown Manhattan, New York City's two most
7 significant job hubs that generate approximate 40
8 percent of total property tax revenue, continue to
9 have close to 100 million square feet of aging and
10 vacant office space. Three of the panel's 40
11 strategies seek to address this challenge. One is
12 through enacting legislative and regulatory changes
13 to facilitate the conversion of 20 to 30 million
14 square feet of vacant office space to residential;
15 two is to convert up to 10 million square feet from
16 aging and vacant office space to amenity rich and
17 high-quality office space that meets the demands of
18 the current workforce, and three is to transform the
19 City's urban realm with improved green and open
20 space. We continue to be hopeful that the State
21 Legislature will act to further some of these
22 initiatives, and we look forward to continuing to
23 work with the City Council on the Mayor's City of Yes
24 Zoning Proposals to advance others.
25

2 While we wait for these legislative
3 processes, EDC has begun to tackle high commercial
4 vacancy rates through our M-CORE program. The M-CORE
5 program incentivizes building owners to undertake
6 major renovations that will green their buildings,
7 target EDC's priority innovation sectors, and provide
8 important on-site amenities from childcare to
9 incubators. In January, the New York City IDA Board
10 approved the first two M-CORE projects, which provide
11 nearly 98 million in tax incentives over 20 years.
12 This incentive will leverage a five-fold return to
13 city tax revenue generated, providing 580 million in
14 revenue over the same 20-year period. In addition,
15 we've undertaken numerous Midtown public realm
16 initiatives from Broadway to 5th Avenue to the Penn
17 Station District to encourage people to come back to
18 the office place.

19 Our second strategy pillar is growing
20 innovation industries with a focus on equity. EDC has
21 a dynamic range of programs to support life sciences,
22 the green economy, and the tech sector more broadly.
23 These sectors are not only important for their
24 innovation, from products that reduce carbon
25 footprint to drugs and therapies that cure disease,

but also for job creation and economic impact for New Yorkers across all five boroughs. This means not only expanding the number of businesses in high-growth industries, but also ensuring pathways to good paying jobs in these sectors are available and accessible to all New Yorkers. Due in part to EDC's efforts, employment in the tech sector has grown rapidly from under 100,000 jobs in 2008 to over 350,000 jobs today, or 7 percent of all city jobs. New York City is now the second largest tech hub in the world, trailing only the Bay Area.

Artificial intelligence and machine learning is having a dramatic impact on all innovation sectors, including tech. New York is uniquely positioned to benefit from this new technology with approximately 40,000 people in the New York City region with AI and AI adjacent skills. EDC is devoting resources to studying AI and its job-creating potential as well as its disruptive capabilities. Later this year, we plan to release an AI report and announce new programmatic interventions to support private sector growth and workforce development opportunities.

2 Thanks in part to EDC's 1.1-billion-
3 dollar Life Sciences New York City Initiative,
4 employment in the industry grew 50 percent over the
5 last five years, and continued strategic investments
6 can double the number of New Yorkers working in the
7 life sciences from approximately 20,000 today to over
8 40,000 in the next 10 years. We're focused on this
9 industry not only for its immense overall growth
10 potential, but also for its ability to create
11 opportunities for those from all educational
12 backgrounds with only about a half of all the jobs in
13 the industry requiring a college degree. Critical to
14 this sector is the ability of biotech companies to
15 afford to grow in New York City, and we want to thank
16 the Council for voting to renew the Biotechnology Tax
17 Credit.

18 Similar to tech and life sciences, EDC
19 sees the green economy as a major source of growth
20 for New York City in the coming years and decades.
21 Last month, alongside Mayor Adams, EDC released the
22 Green Economy Action Plan, a first-of-its-kind plan
23 that lays out a roadmap to grow the City's green
24 economy. The plan maps investments in jobs and
25 sectors that will help the City combat climate change

2 and train and position New Yorkers, particularly
3 those from environmentally disadvantaged communities,
4 to benefit from the growth of green collar jobs. The
5 plan outlines the potential for the industry to
6 triple 2021 employment numbers by 2040, growing
7 employment to nearly 400,000 jobs.

8 EDC pursues strategies that focus on
9 pathways to economic mobility for underrepresented
10 New Yorkers, primarily through workforce development
11 initiatives, minority- and women-owned contracting,
12 and diverse entrepreneurship programs. I'd like to
13 highlight just a few examples of the many ways we
14 have integrated these pathways into our projects and
15 overall strategy. In 2023, our LifeSci New York City
16 internship program had another successful year. The
17 program provides undergraduate and graduate students
18 with quality internships in the life sciences field.
19 Since the program's inception in 2018, it has placed
20 718 students at 180 companies, nearly 50 percent of
21 the internships either extended or leading to jobs,
22 and approximately 50 percent of all the participants
23 being CUNY students. We are advancing the SPARC Kips
24 Bay Project, a transformational project that will
25 create a unique job pipeline for New Yorkers where a

2 student can go from high school to college to
3 internship to a job in life sciences all in the same
4 campus. We're proud of the way this project
5 incorporates our main strategies for workforce
6 development, strengthening New York City Public
7 School to CUNY pathways, creating centralized
8 training hubs, creating place-based workforce
9 networks, and expanding industry apprenticeships and
10 internships. We recently announced the expansion of
11 our partnership with BioBus in the Bronx, which
12 provides educational programming and STEM-related
13 training to students of all ages. We also invested
14 half a million dollars in Genspace, which is located
15 in Sunset Park, and will be the world's first
16 community biology lab, providing hands-on training to
17 access laboratory jobs. In November, we joined the
18 Mayor and the Fedcap Group to celebrate the opening
19 of Civic Hall at Union Square, a tech and digital hub
20 that is expected to serve 750 people in its first
21 year, and will create an inclusive talent pipeline
22 for good paying jobs in the City's tech sector.
23 Partners at Civic Hall include the Data School and
24 LaGuardia Community College, which are training
25 students in data visualization and analytics.

2 EDC has also continued our work to
3 support the next generation of diverse entrepreneurs
4 and founders. In 2023, the Founder Fellowship program
5 welcomed its second cohort of 100 tech founder teams
6 from across the city. As a result of their
7 participation, the 2023 Founder Fellows companies
8 hired nearly 80 new employees, and their combined
9 valuation increased by 112 million. Another 60
10 founder teams have joined for the 2024 fellowship
11 cohort of which two thirds have at least one female
12 founder, nearly 80 percent are led by black, Latinx,
13 or Asian founders. In 2023, EDC initiated the Venture
14 Access Alliance, which works hand-in-hand with the
15 Founder Fellowship program. This coalition of 100 New
16 York City venture capital investors is committed to
17 working together to increase diversity in the city's
18 tech and venture ecosystem.

19 Through Women.nyc, EDC has worked with
20 over 1,800 women entrepreneurs since 2023 through a
21 social capital building program to connect women
22 interested in innovation industries with career
23 advisors and mentors to help them explore new
24 opportunities for growth. The network features
25 carefully tailored programming to ensure that women

2 play significant roles in the future of the city's
3 economy.

4 We're also committed to ensuring
5 diversity in our contracting. In FY23, 29.2 percent
6 of all awards went to M/WBEs, equating to 159 million
7 in contract value. During the same period, 31.7
8 percent of all payments went towards M/WBE,
9 corresponding to 187.7 million. Our M/WBE focused
10 programs, like ConstructNYC and the Offshore Wind
11 Waterfront Pathways Program, creates critical
12 pipelines to ensure that diverse firms are able to
13 access EDC contracts while also giving them technical
14 and financial support to expand. At the Brooklyn Army
15 Terminal, we're building the Climate Innovation Hub.
16 This project marks a 100-million-dollar investment in
17 bringing business development, incubation, research,
18 and workforce development programs to a 4 million
19 square foot campus, turning Sunset Park into a center
20 for innovation, advanced manufacturing, and workforce
21 training.

22 Our third pillar at EDC is building
23 neighborhoods as places to live, learn, work, and
24 play. We help shape the growth and revitalization of
25 industry clusters and business districts, bringing

2 jobs closer to where people live. We do this by
3 delivering spaces that bring jobs and essential
4 services as well as open spaces and by strategically
5 developing our assets to drive new business activity
6 across all five boroughs.

7 While impossible for me to speak to the
8 dozens of EDC projects, I'd like to highlight a
9 sample of our neighborhood- and borough-specific
10 work. In August, we announced 200 million dollars in
11 City and State funding towards the redevelopment of
12 the historic Kingsbridge Armory in the Bronx and the
13 fulfillment of the Together for Kingsbridge Vision
14 Plan. The Vision Plan is grounded in community
15 priorities, focused on creating good paying jobs,
16 local jobs that build economic opportunity and
17 improve the quality of life for people in the
18 Kingsbridge Heights and neighboring Bronx
19 communities. Moving to Hunts Point, we broke ground
20 on the Peninsula Phase 2, which will deliver 350
21 affordable homes as part of the broader project to
22 reimagine the former Spofford Juvenile Detention
23 Center, transforming it into a mixed-use live/work
24 campus. EDC is also continuing to move forward with
25 the Hunts Point Produce Market Redevelopment, which

2 has secured 395 million in federal, state and city
3 funding and seeks to build a state-of-the-art all-
4 electric food distribution facility, allowing current
5 businesses to grow, creating union jobs while
6 removing over 1,000 trucks from fossil fuel
7 generators. EDC has secured 15 million in federal
8 funding to support the development of the first
9 electric freight hub in a former brownfield site in
10 Hunts Point. We continue also to move forward with
11 commitments laid out in the Hunts Point Forward
12 Vision Plan, such as investing in resiliency effort
13 and supporting local community initiatives.

14 Moving on to Brooklyn, in May, we
15 announced a 500-million-dollar investment in East New
16 York, including 400 million from the MTA around the
17 Broadway Junction Subway Station complex to make the
18 area a true regional center, drive accessibility
19 upgrades, deliver vibrant public space, improve
20 quality of life, create good-paying jobs, and unlock
21 inclusive economic growth. EDC's investment will
22 result in two new public plazas, streetscape
23 improvements, and activation of three publicly owned
24 sites to foster continued business development. We
25 continue to invest aggressively in the 200-acre

2 Sunset Park District and the Brooklyn Army Terminal.

3 EDC and the City are investing 286 million to

4 modernize the World War II era buildings, including

5 100 million for the previously mentioned Climate

6 Innovation Hub. Construction will soon begin on the

7 75-acre South Brooklyn Marine Terminal, making it a

8 world class offshore wind port facility that's

9 expected to generate 1,000 jobs in the near term and

10 support up to 13,000 jobs in the regional offshore

11 wind ecosystem by 2035. EDC is also making progress

12 on the maiden New York campus at the Bush Terminal.

13 The first 200,000 square foot building will be

14 modernized and opened this summer and is only the

15 first part of a multi-phase development. At Upper

16 Manhattan, this past August, we announced the

17 beginning of the archaeological work at the Harlem

18 African Burial Ground, and we recently selected an

19 educational and engagement partner who will support

20 community education throughout the archaeological

21 process. The project will also include 600 to 700

22 units of housing and commercial opportunities along

23 with community space. Moving downtown, in November,

24 we joined the Mayor and Deputy Mayor, Maria Torres-

25 Springer to unveil the Science Park and Research

2 Campus SPARC Kips Bay Master Plan, laying the
3 groundwork for a first of its kind job and education
4 center at the heart of New York City. The project
5 will create an estimated 3,100 permanent jobs in the
6 life sciences sector and nearly 12,000 construction
7 jobs. We are hitting all key milestones and expect to
8 break ground on the project in 2025. On Staten Island
9 in September, we joined Mayor Adams and released the
10 Staten Island North Shore Action Plan, building a
11 vibrant and mixed-use waterfront community. The plan
12 articulates a clear and unified vision for the North
13 Shore and is the result of months of collaboration
14 between EDC, the local Council Member, and countless
15 other City agencies. It directly responds to the
16 Mayor's 2023 Working People's Agenda State of the
17 City Address, where he announced the start of a
18 community engagement process and roadmap for the
19 future of the North Shore of Staten Island. The plan
20 represents over 400 million in public investment that
21 will create 20 acres of continuous waterfront public
22 access, providing a significant public amenity for
23 residents and visitors. The action plan includes a
24 two-mile continuous waterfront esplanade stretching
25 from Stapleton to St. George. These public

2 investments will create nearly 2,400 new homes on
3 City-owned land, thousands of additional homes on
4 private sites, a new public school with 800 K through
5 8 school seats, and 1.3 million square feet of new
6 commercial space.

7 Moving to Queens, this past December, we
8 broke ground on the first phase of Willets Point. In
9 all, this project will bring 2,500 units of 100
10 percent affordable housing, a new public school,
11 400,000 square feet of new public open space, retail
12 space, a 250-key hotel, and the City's first soccer
13 specific stadium, which will be privately financed.
14 We are looking forward to the Council's vote on the
15 Willits Rezoning, unlocking this project in the
16 coming weeks.

17 In May 2023, Mayor Adams announced the
18 Jamaica Neighborhood Plan to identify new ways to
19 create jobs, housing, design improvements to
20 streetscapes in downtown Jamaica. Led by DCP, the
21 planning process will produce a community driven
22 draft neighborhood plan with the goal of informing
23 the City's rezoning process and explore opportunities
24 for improvements throughout the neighborhood, many of
25 which EDC will play a role in.

2 Our last pillar is delivering sustainable
3 infrastructure. We work to deliver the infrastructure
4 and buildings New York City needs, not just for
5 today, but also for the challenges for the future.
6 One great example of our commitment to building
7 sustainable infrastructure is the Blue Highways
8 Initiative, facilitating the movement of freight via
9 waterways instead of roadways. Six new landings
10 throughout the city are currently in design, allowing
11 for barge and boat small package deliveries that will
12 reach their final destination on e-cargo bikes.

13 Last year, we launched a new vision for
14 the downtown Manhattan heliport, a vision that will
15 establish New York as the first city in the world to
16 adapt its heliport infrastructure to support
17 sustainable air mobility technologies. We are
18 currently reviewing RFP responses for an operator to
19 upgrade the heliport and provide infrastructure for
20 electric vertical takeoff and landing aircraft.

21 2023 was a momentous year for NYC Ferry.
22 The system had record ridership and signed a new
23 operating contract that will lock in the system's
24 operation for at least the next five years. The new
25 agreement improves ridership experience, expands

2 accessibility and tech features, increases
3 transparency and oversight of the system, and
4 provides further investment by New York City Ferry as
5 a maritime career pipeline.

6 We're also thrilled that we were able to
7 partner with you, Chair Farías, to create a pilot
8 program to provide Harbor School students discounted
9 ferry fares, and we look forward to expanding this
10 program to all New York City high school students
11 this fall. We're proud to take a leadership role
12 within the city to ensure that we have the
13 infrastructure necessary to deliver on our green
14 commitments.

15 At JFK, we're creating the largest EV
16 charging facility in New York City, with 65 public EV
17 chargers, including 12 rapid ones. The facility is
18 currently estimated to charge 1,000 vehicles per year
19 with the potential for growth. Through the New York
20 City Industrial Development Authority Board, we're
21 helping to ensure dozens of battery storage projects
22 have the financing necessary to be completed while
23 helping the City connect to upstate hydroelectric and
24 solar power through the Champlain Hudson Power
25 Express Project, CHPE. These projects, along with our

2 offshore wind port and interconnection point for
3 offshore wind power, will bring green energy to
4 millions of New York City homes. For more information
5 on all of EDC's critical works, we've provided you
6 with copies of the Impact Report, and we encourage
7 you to also review it online, where we have
8 multimedia components that bring several of our
9 projects to life, showcase New Yorkers who benefit
10 from our work, and highlight EDC staff who propel our
11 mission forward day in and day out.

12 I'm proud to do this work in partnership
13 with all of you, and I thank you for the opportunity
14 to speak with you today. We welcome any questions you
15 may have.

16 CHAIRPERSON FARIÁS: Thank you so much for
17 this very thorough, multi-page testimony. We
18 appreciate all the feedback on all the wonderful
19 projects we have going on.

20 I'd also like to add we've been joined by
21 Council Member Bottcher.

22 My Colleagues have questions, and I have
23 loads of them so I'm going to ask a few first for me
24 and then I'll open up the floor to my Colleagues so
25 they can ask their questions as I encourage them to

2 stay for the additional questions I have afterward as
3 well.

4 I'd like to jump straight into NYC
5 Ferries. You folks know I'm obsessed, love the ferry
6 system, and I'd be remiss if I didn't go on record
7 saying my mom is a ferry rider every single day and
8 she gives me all the complaints and wonderful
9 successes, too. In early 2015, the de Blasio
10 Administration announced the establishment of our
11 citywide ferry system, and the intent was to connect
12 our waterfront communities throughout New York City,
13 which I think we've done a really great job at. The
14 biggest complaint I hear from constituents so far is
15 about the wait time for the ferries. The ferries only
16 really arrive every once 45 minutes or so. Are there
17 any plans to add any more ferries to the current
18 fleet and, if so, or even if not so, do we know what
19 it would cost to increase the frequency to two
20 ferries an hour?

21 PRESIDENT KIMBALL: I appreciate the
22 question and I appreciate your passion for the
23 system. It is shared. As you know, when the
24 administration began, NYC Ferry was not in good shape
25 at all. It had a massive per passenger rider subsidy

2 of about 13 dollars per passenger. Now, while all
3 mass transit is subsidized, that is exceedingly high,
4 so we have worked very hard to stabilize the system.
5 Part of that has been re-upping our contract with
6 Hornblower, with new rules within the contract with
7 new goals within it. We've also restructured the
8 fares such that those who qualify for food stamps or
9 Fair Fares pay half the rate, as do senior New
10 Yorkers, and we're proud to say over 12,000 people
11 have signed up for that already. For those who are
12 commuters, you can pay the same as a subway or bus if
13 you buy a 10 pack and, for those who are one-time
14 riders, maybe more well-off New Yorkers or tourists,
15 you're going to pay 4 dollars and, if you want a
16 premium ride to sit on the beach in the Rockaways,
17 you're going to pay upwards of 10 dollars. That has
18 gone a long way to stabilizing the system. We have
19 taken the per passenger subsidy down 30 percent to
20 around 8 dollars. We're very proud of that, but we've
21 got a lot more wood to chop. We know there's not only
22 interest in expanding the number of boats that are
23 currently running to reduce wait times, but there's
24 also a lot of interest in seeing the system expand so
25 we're currently evaluating all of these things and we

2 expect in the coming year we'll be able to announce a
3 framework for future growth and, when I say future
4 growth, that includes more boats and lower wait
5 times.

6 CHAIRPERSON FARIÁS: Okay, great. We're
7 all excited about adding more to our fleet to reduce
8 those wait times and hopefully getting to more places
9 throughout the city. As you mentioned in your
10 testimony, in March 2023, my bill, 236-A, passed, and
11 it expanded the contracted ferry service at reduced
12 costs to include high school students. This bill
13 takes effect this September. How is EDC planning to
14 roll out this program and how will you folks plan to
15 market the program?

16 PRESIDENT KIMBALL: Yeah. First of all,
17 the pilot's been going very well with the Harbor
18 School so that is a good thing. We are in planning
19 mode right now and plan to open up eligibility to all
20 students when they begin school in September. We're
21 currently working with the school systems on
22 distribution of information about this program and
23 how you sign up and qualify for the discounted rate.

24 CHAIRPERSON FARIÁS: Has the pilot showed
25 us the best way to use either the application or the

2 paper ticketing system like some students might not
3 have, we were assuming some students might not have a
4 smartphone in order to get it? Have we worked out all
5 of those kinks?

6 PRESIDENT KIMBALL: We're in process, and
7 I'd be happy to put together a detailed followup memo
8 on it for you.

9 CHAIRPERSON FARIAS: Great, sounds good to
10 me. Do you expect to see an increase in ridership
11 once the program goes into effect?

12 PRESIDENT KIMBALL: That is the goal with
13 all of these programs. The fastest way to get
14 increased ridership is to get those who have
15 experienced it to use it more so the goal is get
16 people in the system, whether you're a senior citizen
17 who maybe hasn't taken advantage of it or a high
18 school student, and certainly for a high school
19 student, you're then going to develop a lifelong love
20 for using the system so even though you're giving a
21 discount on the front end, it's an investment in the
22 future because I think as those students grow up and
23 become adults and are able to pay full fare, they'll
24 make better use of the system so we expect ridership
25 to continue to go up.

2 CHAIRPERSON FARIÁS: Great. Recently, it
3 was reported that NYCEDC ferry operator Hornblower
4 has filed for bankruptcy. A private equity firm,
5 Strategic Value Partners, is reported to have plans
6 to acquire a large portion of Hornblower's
7 operations. However, Hornblower has said the
8 bankruptcy isn't expected to impact the City's ferry
9 operations. Is EDC able to gauge the impact the
10 bankruptcy will have on Hornblower's ability to
11 provide these services?

12 PRESIDENT KIMBALL: Yeah, so the
13 Hornblower Group, which is the parent company of the
14 City's operator, plans to restructure their company
15 through Chapter 11. There are a lot of different
16 forms of bankruptcy. This is really a restructuring,
17 which we think will have a lot of beneficial outcomes
18 actually. They're doing this because one of the group
19 companies, an overnight cruise company called
20 American Queen Voyage, struggled during the pandemic.
21 They mostly do cruises on rivers elsewhere in the
22 United States, and it just did not pick up in the
23 same way that ocean cruises have exploded post COVID.
24 River cruises, for whatever reason, have not come
25 back, and so the restructuring allows them to shed

2 that business and bring in additional investment of
3 about 120 million dollars. It'll be a few months,
4 this process of going through bankruptcy. There have
5 been no impacts to service. We're convinced there
6 will be no impacts to service, and we think in the
7 long term it'll actually result in a financially
8 stronger Hornblower for the future.

9 CHAIRPERSON FARIÁS: That's great to hear
10 and, considering that the equity firm, Strategic
11 Value Partners, will be acquiring a large stake in
12 Hornblower, has EDC had conversations around
13 understanding them continuing to plan to provide
14 ferry services or whether the contract maintains or
15 stabilizes despite them having a larger stake in
16 Hornblower?

17 PRESIDENT KIMBALL: We haven't, and in
18 those conversations aren't necessary because our
19 contract with Hornblower has very tight requirements
20 for service and, if they're not meeting them, we can
21 replace them.

22 CHAIRPERSON FARIÁS: Okay. That was that
23 leaned into my next question. Just wanted to quickly
24 ask on record about the fares. None of this impacts
25 the ferry fares and like quality of service, correct?

2 PRESIDENT KIMBALL: The bankruptcy issue?

3 CHAIRPERSON FARIÁS: The (INAUDIBLE)

4 bankruptcy.

5 PRESIDENT KIMBALL: Absolutely not.

6 CHAIRPERSON FARIÁS: Okay, great. Okay.

7 Moving on to heliports, our other favorite topic.

8 They have been a long contentious issue in the city,

9 particularly in regard to noise issues. It was

10 announced by the Mayor and EDC would deliver an

11 electric powered aircraft that would address some of

12 the noise pollution issues as well as being more

13 sustainable and environmentally friendly. Has EDC

14 found an operator to upgrade the heliport to allow

15 for electric aircraft?

16 PRESIDENT KIMBALL: Yeah, we absolutely

17 recognize New Yorkers' concerns about helicopter

18 noise, and we are very focused on a more livable city

19 and a greener city and electrifying our helicopter

20 use is a key part of that. Our powers are limited

21 with regulating that industry. It is primarily

22 regulated through the federal government so we have

23 done a lot of what we can do in terms of restricting

24 tourism flights to just over water so the flights

25 that typically tend to cause complaints, not all, but

2 typically originate on the west side heliport, which
3 is a heliport we do not control. Most of the
4 complaints originate from helicopters coming from New
5 Jersey, which we have no control over. The good news
6 is, overwhelmingly, the industry is moving towards
7 eVTOLs, which are electric helicopters. We were
8 really proud that we were the first dense urban area
9 anywhere in the world to test these new technologies
10 where we had multiple eVTOLs do test runs between
11 Governor's Island and Brooklyn Bridge, and we were
12 also, as you said, requiring through the current RFP
13 that we have out, that the infrastructure is in
14 place, the EV charging, so that the minute the FAA
15 approves eVTOLs for use, and we hope that's within 24
16 months, that they will be deployed on-site in the
17 Manhattan Heliport. The other significant news about
18 that RFP is that we are requiring that the operator
19 also operate one of the six federally funded landings
20 for Blue Highway where goods will be brought in by
21 barge or by boat, get on electric e-cargo bikes for
22 last mile delivery, which will substantially reduce
23 congestion and truck traffic and pollution on our
24 streets. We have gotten responses, a significant

2 number, and we're currently reviewing them and should
3 have news soon.

4 CHAIRPERSON FARÍAS: Great. Thank you, and
5 I heard you say 24 months, so my next question was,
6 we've heard that the FAA certification is anticipated
7 as early as 2025. Are we hearing it's 2026 now?
8 What's that timeline look like?

9 PRESIDENT KIMBALL: I am hopeful that it
10 is approved at the first possible moment they will
11 approve it. We do know from our conversations with
12 the FAA that they're actively looking at it. They're
13 testing this technology. The military is using this
14 technology already so I am very hopeful that it's
15 2025, but...

16 CHAIRPERSON FARÍAS: Great. Me too.

17 PRESIDENT KIMBALL: Always like to leave a
18 little question.

19 CHAIRPERSON FARÍAS: I've had several
20 conversations with different vendors at our
21 heliports, and there's a variation of degree of folks
22 feeling some of our bills in the Council are
23 premature or not quite up to speed but, as you just
24 stated, we know these technologies are already being
25

2 used and you see it's proven. We just have to move in
3 that direction so I agree with you.

4 The U.S. Department of Transportation
5 awarded a 5-million-dollar grant to EDC to create and
6 support a marine highway. Can you please describe how
7 this grant will aid in the goal of economic
8 development?

9 PRESIDENT KIMBALL: Yeah, this is a really
10 important grant that we're thrilled to receive. We've
11 received some bigger ones but, strategically, this
12 one is absolutely critical that will allow us to
13 design and implement six different landings, starting
14 with the Manhattan Heliport, where goods can be
15 brought in by barge or by boat. This is mostly last
16 mile, small package deliveries that would either roll
17 off that boat or barge on an e-cargo bike and go out
18 into the streets or transload from the barge or boat
19 onto an e-bike for that last mile delivery. This is
20 the beginning of what needs to be a much broader
21 strategy that we call Blue Highways more generally.
22 We recently tested the marketplace with a request for
23 expressions of interest, so typically when you do
24 that, you want to get a sense of where the market is.
25 You're not ready to award because you're not quite

2 sure where industry is going. We did get a robust
3 response with a lot of interest in sites that
4 included those six MARAD-funded sites, included our
5 ferry stops, included sites like Pier 92 on the west
6 side or the Red Hook Terminal in Brooklyn.

7 CHAIRPERSON FARIÁS: Great. Thank you for
8 that. As you know, the Committee has concerns about
9 heliports and the activity of private companies that
10 use these city assets. Has EDC conducted any studies
11 to gauge the revenue-generating capacity of leasing
12 the heliports?

13 PRESIDENT KIMBALL: Essentially, that is
14 what we do. We find a private operator who leases the
15 space from us so it is a revenue generator for us.
16 It's not huge, but it's important, and we think
17 there's a chance for it to go up because, as we may
18 get into in conversation, we typically do not get
19 city tax levy. It's a minuscule portion of our budget
20 so we need to generate revenues off of our assets,
21 whether it's the heliport or the Brooklyn Army
22 Terminal or the Hunts Point Produce Market.

23 CHAIRPERSON FARIÁS: That's more so what
24 I'm leaning towards. When we had our helicopter
25 oversight hearing, we got the numbers of it ranging

2 from 1.2 to 2 million dollars in revenue annually
3 from the leasing of the heliports. Have we looked at
4 increasing some of those lease amounts or scaling
5 them based off of usage or things like that.

6 PRESIDENT KIMBALL: Let me just say it's a
7 key part of the competitive process

8 CHAIRPERSON FARIÁS: Okay, great. Okay,
9 I'm going to ask a couple questions about our capital
10 commitment, and then I'll open it up to Colleagues.
11 The Preliminary Capital Commitment Plan shows a
12 reduction of approximately 460 million in Fiscal
13 Years 2024 to 2028 as commitments are rolled from the
14 early part of the plan to the out years. Can you
15 explain to the Committee how EDC determines which
16 projects were rolled into the out years?

17 PRESIDENT KIMBALL: Part of the reason you
18 see a lower capital commitment than last time we met,
19 is that some big projects finished so, in particular,
20 we were responsible for rebuilding a significant
21 portion of the City's hospital system from Coney
22 Island to the Public Health Lab. We're currently
23 working on the Metropolitan Hospital on Upper East
24 Side so that's one answer. Like other agencies, we
25 had to move out monies from near years to farther

2 out. That is a balancing act. We believe we've been
3 able to achieve that without delaying the
4 construction start or implementation of any of our
5 key capital projects so that is good news. Often
6 there are monies that are not yet earmarked in the
7 far outyears so in maybe years 8, 9, 10 of a capital
8 budget. Some of that was trimmed, was cut. We are
9 hopeful that will come back into the cycle once the
10 City's capital budget situation is further resolved.

11 CHAIRPERSON FARÍAS: Okay, and is there a
12 systematic process for determining priorities for
13 capital commitments or does EDC analyze them on an ad
14 hoc or project level? I know you just described you
15 had some of the larger projects off of the docket
16 because they were the...

17 PRESIDENT KIMBALL: I'd say there are two
18 big buckets of our projects. One are what I'll call
19 EDC projects, where they are on City-owned land or
20 City-owned managed assets, so again, Brooklyn Army
21 Terminal, South Brooklyn Marine Terminal, Hunts
22 Point, Kingsbridge Armory, and then there are capital
23 projects that we do on behalf of the City. This
24 process of allocating capital projects to EDC that
25 are non-EDC projects really started at the Bloomberg

2 Administration and ramped up during de Blasio and
3 have continued. Some of the reason for that is that,
4 again, we are not a City agency and we are able to
5 through our contracting means and methods, get
6 projects done faster. There's always a balance there
7 for us because we have to grow our staff and pay for
8 that to manage those projects, but there are a lot of
9 super important projects that come out of that that
10 are economic development adjacent. I would argue
11 having new and modern hospitals in a community has a
12 positive economic impact. Another great example are
13 our greenways where EDC executes and builds a lot of
14 the greenways. The most recent and most expensive one
15 was the East Midtown Greenway, which is literally
16 built out into the FDR.

17 CHAIRPERSON FARIÁS: And how does the EDC
18 work with OMB on changes to the Capital Commitment
19 Plan?

20 PRESIDENT KIMBALL: We are in daily
21 contact with OMB on our Capital Plan, both to move
22 projects quickly to a CP, a certificate to proceed,
23 to constantly re-evaluate whether we need the money
24 in the current Fiscal Year or the next Fiscal Year so
25 we are very closely working with OMB, and I would say

2 we have a strong partnership. There is always give
3 and take there as they need to protect the public
4 purse, and we want to push economic development
5 projects as aggressively as possible.

6 CHAIRPERSON FARÍAS: Great. So we know EDC
7 has several tools in its kit to address its economic
8 development goals including capital funding and
9 discretionary tax breaks. Both of these tools have an
10 impact on the City's budget and so I'd like to
11 understand it a bit more on how EDC approaches the
12 process of thinking which tools to use and when so
13 how does EDC decide which form of financial
14 assistance whether it's tax incentives or capital
15 assistance is the more appropriate for a given
16 project?

17 PRESIDENT KIMBALL: Typically, a project
18 that is looking for tax assistance is not in need of
19 capital but has a "but for" argument. They have to
20 show that but for this tax incentive, the project
21 wouldn't have moved forward. They also are really
22 important for our strategic initiatives. You
23 mentioned a few in your introduction around battery
24 storage. As an example, we've done a significant
25 number of battery storage projects. You also

2 mentioned the M-CORE projects where we're providing a
3 long-term tax incentive to have a complete gut
4 renovation of non-performing community office. In all
5 the cases there has to be the "but for" argument, and
6 you have to be able to demonstrate that the leverage
7 so the tax break that you give has a multiple in
8 terms of economic return for the city. In the case of
9 the M-CORE projects, the leverage is five to one so
10 close to 100 million of tax exemption providing over
11 550 million of positive tax impacts over the 20
12 years.

13 CHAIRPERSON FARIÁS: Okay, and how does
14 EDC compare the cost between these two different
15 sources of assistance?

16 PRESIDENT KIMBALL: Again, I would say
17 there are a little bit of apples and oranges. We can
18 use both on a specific project but, typically,
19 they're not used. I'll give you an example where both
20 are being, used and it's at the South Brooklyn Marine
21 Terminal where Equinor is mass releasing what has
22 been a decrepit former maritime space that's just
23 looked like an empty parking lot for 50 years, and we
24 are putting in close to 80 million dollars of base
25 capital work that we would have had to do for any

2 tenant in order to be able to use it for industrial
3 maritime, which is core mission for us. In addition,
4 Equinor has applied and secured certain sales tax
5 exemptions on equipment investment and, as you know
6 from following the offshore wind industry, it has
7 been severely negatively impacted by the explosion of
8 inflation in recent years with offshore wind
9 developers like Orsted pulling out of New Jersey
10 entirely so making sure that the economics worked for
11 Equinor to go forward involved giving that additional
12 IDA tax break, but typically they are not used on the
13 same project.

14 CHAIRPERSON FARIÁS: Okay. Thank you for
15 that. I'll now turn over to Council Member questions.
16 I have Council Member Brewer up first.

17 COUNCIL MEMBER BREWER: Thank you very
18 much. I appreciate all that EDC is doing, I really
19 do. I do want to also thank you for the life science
20 internships with Rich Robbins at Upper West
21 Strategies because I think they make a big
22 difference, and you have been really cooperative with
23 them, so I thank you.

24 The helicopters, I got 40 years on
25 helicopters. My question is, I know 25, 26 maybe will

2 have the electric, and I appreciate being invited to
3 the viewing of those amazing aircraft, but what
4 happens this summer, what happens in between now and
5 then? Is there an RFP for a fossil fuel helicopter?
6 What's going to happen because we're going to get so
7 many complaints? That's what I'm asking.

8 PRESIDENT KIMBALL: Yeah, I appreciate the
9 question. There's been an RFP out, and we have gotten
10 responses. We have not yet selected an operator going
11 forward. Who would operate the heliport in that
12 period..

13 COUNCIL MEMBER BREWER: That's what I'm
14 asking.

15 PRESIDENT KIMBALL: In between, call it
16 this summer and when the FAA approves the eVTOLs. We
17 are excited that we have numerous respondents who are
18 equally excited to embrace the eVTOL industry,

19 COUNCIL MEMBER BREWER: But that's not
20 until whenever.

21 PRESIDENT KIMBALL: That's not until the
22 FAA approves. We hope in '25. So in that interim
23 period, it will continue to operate with the suite of
24 offerings that it has today so I don't...

2 COUNCIL MEMBER BREWER: Just continuations
3 of current contracts. I didn't know if there would be
4 a new RFP or there'll...

5 PRESIDENT KIMBALL: It'll be a new
6 contract with a similar set of uses. And then there
7 is a that includes commercial use and includes
8 medical use, it includes tourism use, and then that
9 will pivot to the use of eVTOLs the minute those are
10 available.

11 COUNCIL MEMBER BREWER: Okay, and there's
12 no way of eliminating the tourism from that scenario.

13 PRESIDENT KIMBALL: There's not.

14 COUNCIL MEMBER BREWER: Okay. I'm just
15 saying it's going to be an ongoing issue.

16 PRESIDENT KIMBALL: I understand.

17 COUNCIL MEMBER BREWER: Okay. Next is in
18 terms of the West Side Heliport. I know you said it's
19 not yours, but my understanding, having been very
20 involved with Hudson River Park and still on the
21 Friends aspect of it, that it is half state and half
22 city and that if we were to say to the state and to
23 the city, if there was agreement, what I would like
24 to see, because I do know that you need press and you
25 need emergency, something, that we would put, how we

2 pay for it is a different story, but some kind of a
3 barge in the river working with DEC, I know all the
4 issues, that would then take care of whatever those
5 needs are, but not have the rest of the heliport
6 there. It's not the decision of the Hudson River Park
7 Trust. They're willing to get rid of 1.7. They
8 already have it budgeted to get rid of that money
9 from the heliport, but they need the state and the
10 city. Have you had any conversations with the state
11 on that issue?

12 PRESIDENT KIMBALL: I have not, but I'd be
13 happy to follow up with you on that.

14 COUNCIL MEMBER BREWER: Okay, because
15 that's something that could go and that would save a
16 lot of 3-1-1 calls.

17 The other question I have is to the
18 credit of you and the Mayor, thousands of new jobs,
19 but many of them are, this is such an expensive city
20 and so many of them are 55,000 dollars or less. What
21 are you doing as an economic development engine, not
22 an easy question, to try to get more jobs at the
23 higher level with people from CUNY and being a
24 diverse workforce. Again, hard agenda.

2 PRESIDENT KIMBALL: It's a tough question
3 and, as you'll see on the opening letter I have in
4 the Snapshot, highlighting the fact that while
5 unemployment's come down, the disparities are still
6 unacceptably high, three times black employment to
7 white employment as the most stark example and, yes,
8 jobs have come back but wages are not high enough for
9 so many people to live in New York. The answer to
10 that is, as you know, is multi-pronged. I'm really
11 proud of the fact that EDC has pivoted back in many
12 ways to core mission under this Mayor, which is
13 driving job creation. We still do some housing but
14 under the prior Administration, housing was much more
15 of the focus candidly at EDC, but I will say that, to
16 me, now having been in this seat for two years, if we
17 don't fix the housing problem you can forget about
18 everything else so I'm glad there's a lot more
19 attention on that, but we have to build a lot more
20 supply for all income levels so that's number one.

21 Number two is how do we provide access to
22 higher wage, higher growth sectors, and that is core
23 mission for us. We are not the City's workforce
24 development organization...

25 COUNCIL MEMBER BREWER: I know.

2 PRESIDENT KIMBALL: But we are investing
3 tenfold what was done under prior administrations,
4 and it's so important that we have the cash flow
5 every year, that programs like Civic Hall, which are
6 doing exactly what you're talking about, programs
7 like we will run like the life sciences program,
8 programs like BioBus that create the inspiration and
9 the technical skillset for folks who come from lower-
10 income households to get into those life sciences,
11 tech, AI adjacent, green economy jobs. That is the
12 key thing to measure us on going forward. Too much of
13 the recovery has been in lower-wage jobs, and there's
14 this disconnect because a lot of those are in home
15 healthcare and they pay less, surprisingly to me, I
16 did not know this at the time, but less than a lot of
17 retail jobs did that we haven't gotten back all of.

18 COUNCIL MEMBER BREWER: Okay. Just when we
19 announce X wonderful number of new jobs, which is
20 great, I think it is not you, it's the Mayor, we
21 should say we're still aiming toward blah, blah,
22 blah, because it sounds great, but it's not as great
23 as it sounds because you can't live in New York City
24 or 40,000 a year.

25 PRESIDENT KIMBALL: 100 percent.

2 COUNCIL MEMBER BREWER: Okay. The other
3 thing I want to say is the garment center. I may be
4 the only person who cares about it, but as the Mayor
5 lays out whatever we're doing in terms of Midtown
6 zoning, who cares about the garment center that's
7 there? If anybody.

8 PRESIDENT KIMBALL: The fashion industry
9 and the garment center remains an important sector
10 for us.

11 COUNCIL MEMBER BREWER: That's rhetorical.

12 PRESIDENT KIMBALL: There's about 130
13 million a year of economic impact that comes out of
14 it. I think that's down slightly so you don't see the
15 same projected growth of things like life sciences or
16 green economy or tech more broadly but it is an
17 important sector, and EDC spends hundreds of
18 thousands of dollars a year on...

19 COUNCIL MEMBER BREWER: Manhattan or the
20 other boroughs? I don't care about the other
21 boroughs. You know how I am so what about the
22 Manhattan garment center?

23 CHAIRPERSON FARIÁS: Tell us about the
24 other boroughs, I care about the other boroughs.

2 COUNCIL MEMBER BREWER: I know, I'm just
3 saying, somebody has to care about...

4 PRESIDENT KIMBALL: A lot of them are for
5 awards to manufacturers that are both in Manhattan
6 and elsewhere in the form of grants. We just met
7 yesterday actually with the New York City partnership
8 that's studying this issue to talk about how we could
9 create more of a hub for the fashion industry to
10 incubate and accelerate diverse entrepreneurs in the
11 space and that would be Manhattan.

12 COUNCIL MEMBER BREWER: Can you get back
13 to us, to the Committee about what we're doing with
14 the Manhattan garment center to make sure that they
15 survive. If you don't have some kind of an abatement
16 for the buildings that they're in, at one point we
17 had 20 million, which I think we didn't have enough
18 to buy a building, etc. That's a different group than
19 in the other boroughs. They're much highly skilled. I
20 think you know that.

21 PRESIDENT KIMBALL: Happy to do that.

22 COUNCIL MEMBER BREWER: Okay, and South
23 Street Seaport in terms of what's going, that's still
24 in litigation I assume. Is that correct?

2 PRESIDENT KIMBALL: That's my
3 understanding.

4 COUNCIL MEMBER BREWER: Okay. Thank you,
5 Madam Chair.

6 CHAIRPERSON FARIÁS: Thank you, Council
7 Member Brewer. I'd like to call on Council Member
8 Riley followed by Avilés.

9 COUNCIL MEMBER RILEY: Thank you Chair.
10 Thank you, Commissioner.

11 I just have a few questions. Whatever we
12 can't touch on today, I'll just email and you can
13 just get me back the answers. First, picking up on
14 M/WBE, so from 2023 to 2024 the M/WBE award rate
15 dropped by 5 percent%. Just want to know what EDC is
16 doing to work and ensure that the award rate for
17 M/WBE increases and is there a specific goal for
18 FY25?

19 PRESIDENT KIMBALL: Yeah, our goal is to
20 exceed 30 percent in award and also in allocation
21 and, typically, we have been reaching that. Sometimes
22 it depends on when in the year you're measuring the
23 disbursement of the funds so, if you're looking at
24 the first four months of the year, you may see a
25 higher award rate over the rest of the year, but

2 that's something that we care a lot about and,
3 typically, we outperform other City agencies in our
4 disbursement rate and we're proud of that but we're
5 also mindful that we've got to keep it up and improve
6 it. We're also mindful of the fact that we've got to
7 continue to create a pipeline of M/WBE contractors
8 that are startup and really small, and we do that
9 through our Construct NYC program and our Offshore
10 Wind Pathways program. Offshore Wind Pathways is
11 particularly interesting because there is a real
12 dearth of M/WBEs that do waterfront work, pier work,
13 and that's an area where there's going to be between
14 resiliency work and offshore wind, a lot of jobs
15 coming down the pipe.

16 COUNCIL MEMBER RILEY: Thank you. The
17 cannabis industry. I'm surprised Council Member
18 Brewer didn't touch on this because she's a champion
19 for this, but the PEGs to EDC for the cannabis
20 industry went from 250,000 to 75,000 in FY25. While
21 New York City deals with the quality-of-life concerns
22 raised by the unlicensed shops and losing out on
23 millions of dollars in taxes and revenues, why was
24 this fund included in the PEG?

2 PRESIDENT KIMBALL: I'm going to get back
3 to you on that smaller number. The big number that's
4 the most important one for us is 8 million, which we
5 have and have put out for bid for a third party to
6 use as leverage to take a riskier loan position with
7 a lot of the startups that are getting approved by
8 the state so they're getting state support as you
9 know, but it often takes them a long time to actually
10 get in a store and operating so we're providing
11 additional low-interest, low-return funding through
12 that 8 million dollars, which we hope will leverage
13 up to 30 million dollars through a third party. We
14 have gone through a competitive process for that
15 third party, and we're now negotiating with our
16 choice to operate that program, and we hope we'll be
17 able to announce that in the coming weeks. We're
18 still very committed to supporting this industry.

19 COUNCIL MEMBER RILEY: Thank you. Pharmacy
20 shortage. Pharmacies are closing throughout all
21 communities, Walgreens, Rite Aids, Target locations.
22 Are there any steps that EDC is taking to ensure
23 pharmacies are able to sufficiently operate and
24 thrive in communities of color?

2 PRESIDENT KIMBALL: I will need to get
3 back to you on that question. That is much more in
4 Small Business Services wheelhouse, but I'm happy to
5 talk to Kevin Kim about that and loop back with you.

6 COUNCIL MEMBER RILEY: Thank you.
7 Understand the importance, just have two more
8 questions, Chair, understand the importance of a good
9 credit score to raise funds or secure loans that
10 might be needed to get a new business off the ground.
11 What has EDC done to ensure members of marginalized
12 communities have access to potential capital to start
13 in this industry?

14 PRESIDENT KIMBALL: Yeah, I appreciate
15 that question. On the M/WBE, we work closely with SBS
16 on an insurance fund. Often securing insurance is
17 very difficult for smaller firms so we provide
18 assistance there. We're really proud that we launched
19 Catalyst NYC, which is a 40-million-dollar impact
20 fund, where we're going to disperse that 40 million
21 dollars with 10 to 15 different investment groups.
22 The investment groups have to meet two of three
23 criteria. They have to be New York City focused, they
24 have to be focused on diverse entrepreneurs, and they
25 have to be focused on the sectors that we care about,

2 high-growth, high-wage sectors. Those are two of the
3 of the key programs that we have. We also have a
4 program called Founder Fellows, where we've now
5 designated over 250 Founder Fellows over the last
6 three years. Overwhelmingly, they are BIPOC and they
7 are entrepreneurs who want to start a business.
8 Typically, it's in one of the sectors that we're
9 focused on, and we invest in them through four
10 different technical service providers that help them
11 get off the ground, access VC funding, help them with
12 real estate, help them with their HR needs, and so
13 we're really proud of that group, and I mentioned
14 from the 23 graduates where we had 100 Founder
15 Fellows, they've hired 80 people already just in the
16 couple of months since they graduated and raised over
17 100 million dollars of financing. Small in the grand
18 scheme of things, but really important in terms of
19 these companies getting their first steps out of the
20 box.

21 COUNCIL MEMBER RILEY: Thank you.

22 Commissioner. Last question, last year, EDC launched
23 the CyberNYC internship program, which facilitates
24 paid internships building a talent pipeline for
25 growing sectors in technology. How many applicants,

2 how many participants and internship ongoing, how has
3 it been advertised?

4 PRESIDENT KIMBALL: The Life Science NYC
5 program, which is the biggest of our internship
6 programs, we now have over 700 participants. Our
7 primary marketing is around CUNY students, and over
8 50 percent of the participants have been CUNY
9 students, and we're really pleased Council Member
10 Brewer mentioned the group that works with us on
11 that, that over 50 percent of those who have the
12 internship get an extended internship or get a job as
13 a result. I would say internships is something that
14 we want to grow substantially in the years ahead and
15 I hope you'll keep pressing us on it.

16 COUNCIL MEMBER RILEY: Thank you so much,
17 Commissioner. Thank you, Chair.

18 CHAIRPERSON FARIÁS: Thank you so much.
19 Council Member Avilés.

20 COUNCIL MEMBER AVILÉS: Hello. Thank you,
21 Chair. Good afternoon. Thank you so much. We are
22 going to start with my favorite question of the day.
23 Is the completion of the mobile jib anticipated this
24 Fiscal Year, in the fourth quarter of 2024 that we
25 talked about?

2 PRESIDENT KIMBALL: It is anticipated, and
3 I just want to use that word because all things are
4 relative to supply chain. It's not a question of
5 money. We have the money. It's being built. But that
6 extension, that mobile jib is absolutely critical, as
7 you well know, to connect those larger ships to shore
8 power. Let me just say publicly, what I said
9 privately, we really appreciate your advocacy on
10 this, your patience even when you're not patient. We
11 appreciate you pushing us because you always do it
12 informed by both substance and your passion for the
13 community, and this is something we care a lot about.

14 COUNCIL MEMBER AVILÉS: Thank you. We'll
15 keep asking the question, making sure it's a number
16 one priority to get it fixed and online.

17 In terms of, one thing we talk a lot
18 about is the aging infrastructure that we're dealing
19 with, particularly in the waterfront, right, the
20 Brooklyn meat market, the crumbling piers, the state
21 of Atlantic Basin. Can you tell us what capital
22 allocations have been made, particularly from the
23 meat market to Atlantic Basin.

24 PRESIDENT KIMBALL: Yeah, I appreciate the
25 question. I'm going to get back to you with a

2 detailed memo on it, but I will say this. Even though
3 I've spent a lot of time in Sunset Park over the last
4 15 years, I did not know the meat market that well,
5 and I've been really pleasantly surprised at the
6 quality of the business there and the local
7 employment resource hub that it is. It does need
8 substantial work. As you can see when you drive in,
9 the perimeter is in bad shape so we're currently
10 doing a master planning effort there that will result
11 in a capital ask to OMB for substantial upgrade. Our
12 intention is to both sustain and grow that market in
13 the future.

14 At the Atlantic Basin, our priority
15 project there, as has been the home port for our
16 ferry service. There's also Pier 11, which is a very
17 significant warehouse space. We have had an RFP out
18 for that and received responses. I think we want to
19 be mindful that what we do there is part of a smart
20 overall plan for the Red Hook piers and, as we've
21 discussed, that's something that the City really
22 wants to see.

23 COUNCIL MEMBER AVILÉS: In terms of the
24 capital investment into the Blue Highways, Chair, is
25 that okay? I have two more questions. Actually, I

2 have 100 questions but, in terms of the investments
3 into the Blue Highway, you mentioned the six, I'll
4 call them ports, I did not realize Red Hook is one of
5 the six named ports that will be receiving investment
6 around the service?

7 PRESIDENT KIMBALL: We're just checking. I
8 think it is, but we'll confirm in a minute.

9 COUNCIL MEMBER AVILÉS: Because I didn't
10 think it was because I didn't see it in earlier, and
11 I wanted to know why our waterfront is in part of
12 that, particularly because we know given the amount
13 of last mile facilities that we have in the District,
14 how this could not be part of the network is a little
15 befuddling to me so I'd love to get that confirmed.

16 PRESIDENT KIMBALL: Yeah, I'll get back to
17 you with a detailed answer on that.

18 COUNCIL MEMBER AVILÉS: Okay, so in terms
19 of we, we know that let's say in Coney Island,
20 there's a revenue-sharing agreement and we've heard
21 in other places that there are also revenue-sharing
22 agreements between EDC and the local surrounding
23 community members. I'd love to know if you could
24 provide with us the extent of revenue-sharing
25 commitments that EDC has made with local communities

2 wherever you may have very large projects that would
3 include basically the terms of that agreement and
4 what that looks like.

5 PRESIDENT KIMBALL: In Coney Island, are
6 you referring to the Arcade and Dino's Wonder Wheel?

7 COUNCIL MEMBER AVILÉS: I'm referring to,
8 I can't remember the terminologies, but essentially
9 there is a determined percentage allocation that goes
10 into the surrounding parks in Coney Island. That is
11 an agreement between EDC. It might be Parks at this
12 point.

13 PRESIDENT KIMBALL: It is with Parks. Yes,
14 because it's on parks land and we manage the project
15 for them.

16 COUNCIL MEMBER AVILÉS: Right, so I know
17 you see where I'm going. With the footprint that EDC
18 has both in Sunset Park and Red Hook and the constant
19 conversation about local investment and decision-
20 making around assets, we would like to pursue very
21 clear, number one, metrics about what the local
22 outputs are and also the goals, quite frankly, for
23 EDC, but also what kind of revenue-sharing
24 engagements we should have where we see a direct
25 revenue investment in the local community, which we

2 have quite frankly been left out of, and often what
3 we see is there may be like in the case of Equinor,
4 where the, excuse me, I'm going to wrap this up,
5 where there is an allocation of the rental income
6 that will go to that community fund. I think what I
7 am asking is we would like to see EDC invest more,
8 not just related to the tenants that are there but
9 directly invest in the surrounding community and
10 concrete ways that we can invest in the ecosystem so
11 more to come on that, but I would like to still know
12 of what other revenue-sharing agreements EDC has with
13 other communities across New York City.

14 PRESIDENT KIMBALL: Yeah, I'm not aware of
15 any. I will get back to you. I'm not aware of any
16 with communities per se where there's a situation
17 like with Parks, where there's revenue sharing. Happy
18 to get back to you on that, and I will just say,
19 Equinor, I think set a good standard. I think despite
20 some of the complicated conversations we've had on
21 cruise, we are very proud of the new contracts that
22 we negotiated where there is a pot that will go to
23 the community, and we look forward to working with
24 you on how that will be dispersed. I should also say,

2 I appreciate working with both you and Council Member
3 Bottcher on the Shore Power Bill.

4 COUNCIL MEMBER AVILÉS: Yeah, and just for
5 clarity, I think it is the responsibility of the
6 companies that come into communities to share and be
7 neighbors, but what I'm directly asking is EDC is
8 generating revenues and, in our case, on City-owned
9 assets, significant City-owned assets within our
10 communities without directly actually investing in
11 the surrounding communities, and so what we are
12 asking for is direct investment from EDC in us in
13 direct ways, not in a workforce program that's going
14 to produce a job in 20 years so I'd love to talk to
15 you more about that. I want to thank your team. We've
16 had a ton of meetings, community meetings, and just
17 want to say thank you for your grace and working with
18 us, and thank you, Chair.

19 PRESIDENT KIMBALL: Thank you.

20 CHAIRPERSON FARIÁS: Council Member
21 Bottcher.

22 COUNCIL MEMBER BOTTCHEER: Hi. A lot of
23 people don't know that electric helicopters and
24 electric air taxis are on the way. This technology,
25 it's under development, and I keep being told that

2 it's coming relatively soon. There was a test flight
3 at the downtown heliport of an electric air taxi.
4 Back in November, your agency said that you were
5 working with the Port Authority on bringing this to
6 New York. When can New Yorkers expect in your best
7 guess to see electric helicopters in the air rather
8 than having to listen to the gas-fueled helicopters,
9 especially when the Delacorte Theater reopens next
10 month? When can we expect to see it, have you been
11 approached by lots of these companies who are
12 developing electric choppers, and what next steps are
13 you pursuing to get this to New York as soon as
14 possible?

15 PRESIDENT KIMBALL: Yeah. Appreciate the
16 question. Appreciate concerns about noise pollution,
17 100 percent, a real issue in terms of quality of
18 life. We think that in part the reason this is being
19 discussed so much is that we have moved the ball
20 forward and did that demonstration that you're
21 referring to and required in the current RFP where we
22 have multiple respondents that have come in, required
23 any respondent for that downtown Manhattan heliport
24 to put in place the infrastructure that will allow
25 for eVTOLs to plug in the minute the FAA has approved

2 them. It's really great also to hear that the
3 industry is out there talking to so many people now
4 about the opportunity in New York City. I said in the
5 next 24 months. I am hopeful to be proven wrong and
6 that the approval happens in 2025, which would mean,
7 a year away, but we are fully committed to
8 implementing this new technology in the downtown
9 Manhattan heliport and, by the way, also at 34th
10 Street, the other Manhattan heliport that we control.

11 COUNCIL MEMBER BOTTCHEER: You're in the
12 process of moving forward with electrifying the
13 Manhattan Cruise Terminal in Hudson River Park. What
14 will the process look like for electrifying the
15 heliport in Hudson River Park?

16 PRESIDENT KIMBALL: I think the responses
17 we get back on the Manhattan heliport will be very
18 informative of what might be deployed on the west
19 side. Again, we don't control that heliport, but I
20 think this will be really important learnings for all
21 of us, including the State and Hudson River Park
22 trust in terms of how they might go forward with the
23 west side heliport. The Manhattan Cruise Terminal is
24 a monster. We are currently doing a feasibility
25 study, which is essentially a plan for how we

2 implement it, and we expect to have the results of
3 that soon and then be able to work with the City to
4 identify the capital to invest there.

5 COUNCIL MEMBER BOTTCHEER: Any word from
6 Con Ed on the capacity? Will a new substation be
7 needed or not for the Manhattan...

8 PRESIDENT KIMBALL: Yeah, we're in active
9 conversations with Con Ed on that point. We don't
10 have a full outcome yet, but we hope to soon.

11 CHAIRPERSON FARIÁS: Great. Any other
12 Colleagues have questions?

13 No? Okay, great. Thank you so much.

14 I'd like to jump into some M-CORE-focused
15 questions. This past year, EDC announced the first
16 two projects under the new M-CORE program. This is an
17 important effort to help revitalize the City's
18 commercial office stock and hopefully position the
19 City's future growth. However, considering the tight
20 fiscal outlook, we need to make sure that we're doing
21 this as effectively and efficiently as possible. I'd
22 like to take a closer look at one of the M-CORE
23 projects to understand how this project works, 853rd
24 Avenue. IDA's cost/benefit analysis estimates that
25 the redevelopment of this 600,000 square foot office

2 building in Midtown East will result in 2,327 jobs
3 and will generate nearly 600 million in direct and
4 indirect city taxes. The cost of the City in foregone
5 tax revenues is about 58 million. The analysis
6 estimated the present value of the multi-year
7 financial assistance to be 58 million, as I
8 mentioned, and that the total cost of the work would
9 be 62 million. That sounds like the City is
10 effectively subsidizing about 93 percent of the
11 renovation costs. Is that correct?

12 PRESIDENT KIMBALL: You receive those tax
13 benefits over time so there's a time cost of money.
14 They have to come up with the financing on the front
15 end. One of the reasons that this program exists is
16 that, there are multiple reasons, but one of the big
17 reasons is banks are not lending right now for
18 commercial office space so but for this tax program,
19 that building would continue to sit vacant or mostly
20 vacant. The only buildings we were considering for M-
21 CORE were south of 59th Street built pre-2000 where
22 the owner was willing to invest 75 percent of the
23 assessed value in the building, so essentially a gut
24 renovation, target the innovation sectors that we
25 care about, bring important amenities, not just

2 retail, but other services like childcare, both of
3 which the developer in question at 853rd Avenue is
4 doing, and then have a multiple in terms of positive
5 tax revenue for the City in, so I'm not sure it's a
6 fair analogy that there's a close proximity between
7 the tax break and what the total capital cost is.
8 They're going to have to fund the total capital cost
9 up front with equity so they are able to amortize
10 that equity over a period of time because they have
11 lower taxes on the building and they have expected
12 rents that they'll receive. What we've seen also over
13 and over again in the kind of new world we're living
14 in post-COVID is that those office buildings that are
15 succeeding the best are state-of-the-art, they're
16 greened, they've got amenities. They're green, not
17 only in terms of the physical structure, meaning
18 they're using heat pumps, they're meeting Local Law
19 97, kudos to the City Council for passing that
20 important legislation, they've got green space,
21 they've got plazas, they've got inviting, interactive
22 retail, they've got culture, art, and they have
23 services like childcare so all of those things will
24 happen at this building and would not have happened
25 but for this tax break.

2 CHAIRPERSON FARIÁS: Okay, I appreciate
3 that thorough response. Again, using an example for
4 me is how to contextualize a lot of these things, so
5 I appreciate that response. Can you walk us through
6 how you develop the estimate that the project will
7 generate nearly 600 million in city taxes?

8 PRESIDENT KIMBALL: Yeah, so we have an
9 economic research and policy team in-house at EDC
10 that uses a number of economic models, RIMS analysis,
11 and others. I'm not going to bore you or take the
12 risk of getting each type of analysis that we use
13 wrong, so I would be pleased to follow up with a
14 detailed memo on that.

15 CHAIRPERSON FARIÁS: I would appreciate
16 that. We can do it over coffee.

17 PRESIDENT KIMBALL: Great.

18 CHAIRPERSON FARIÁS: How does the 600-
19 million estimate account for the likelihood that some
20 portion of those jobs are going to be relocations of
21 existing jobs from other office buildings in the
22 city, and what portion of those jobs did you assume
23 would only exist because of this investment?

24 PRESIDENT KIMBALL: It's a good question.
25 I will get back to you in that in the memo.

2 CHAIRPERSON FARIÁS: Yeah, we'll make sure
3 to follow up to send those.

4 How many more M-CORE projects would you
5 expect the city to see over the next several years?

6 PRESIDENT KIMBALL: Yeah, what we've
7 publicly talked about is and what the IDA board, more
8 importantly, has approved is up to 10 million square
9 feet of buildings. The first two buildings combine to
10 about a million square feet so anywhere between 5 and
11 10 more buildings, I would expect. Again, I think
12 it's really important to think about this in the
13 broader context of, even in the City of New York with
14 our economic comeback moving nicely in the right
15 direction, we have 100 million square feet of vacant
16 space. We have a housing crisis. How do we
17 strategically address that 100-million square feet of
18 space is not one answer so M-CORE is up to a million
19 square feet. We had hoped by this time, frankly, that
20 the legislative authority would have been in place to
21 convert another 20 to 30 million square feet. There
22 is a key strategy of office to residential. It
23 doesn't fit for all offices. It just has to be
24 certain building typologies. Can you imagine if 30-
25 million square feet was in construction right now to

2 convert to residential? Given the housing crisis we
3 have, that would be pretty fantastic. Then the other
4 key strategy is this public realm piece. There is an
5 expectation about the younger generation who is
6 trying to be convinced of the benefits of coming back
7 to the office that they're coming back to a quality
8 community that has green public space, that has these
9 kind of building amenities and why is that important?
10 It's important because all of those people that are
11 going up in the office building are supporting all
12 the local small businesses that are at the base of
13 those buildings, and that's hundreds of thousands of
14 dollars of economic impact every day and thousands of
15 jobs, and that data that I cited at the beginning,
16 one in seven new businesses created in the last 12
17 months, if you were to look at where those businesses
18 were being created two years ago, that would be all
19 in Brooklyn and Queens, some in the Bronx, almost
20 none in Manhattan because nobody was coming back to
21 the office. Slowly, it's getting much better, and you
22 see a lot more of those small business dots at the
23 base of buildings in Lower and Midtown Manhattan.

24

25

2 CHAIRPERSON FARIÁS: That's great. Yeah,
3 I'll go on record and say please come back to the
4 office.

5 Most of IDA's recent financial assistance
6 has been provided with the requirement that certain
7 standards are met, such as job creation targets. If
8 these standards are not met, then the agreements
9 include clawback provisions to recapture some of the
10 aid provided. What sorts of requirements are in place
11 here, and would there be any penalties here and would
12 any of them trigger clawbacks of assistance if those
13 requirements are not met?

14 PRESIDENT KIMBALL: The requirements are,
15 we care a lot about the job creation and we get
16 annual reports and, in almost every case, we are far
17 exceeding the jobs that were originally projected on
18 these projects. Where the real penalties kick in,
19 however, is if they don't build the project or they
20 don't build to the specification that was required
21 and that's when we can have what's called a
22 recapture. It is extremely difficult on the jobs
23 piece to have those sort of clawbacks and be
24 effective. That said, we do track this data very
25

2 closely, and we do very well as it relates to jobs
3 projected and jobs created.

4 CHAIRPERSON FARIÁS: Okay, great. Then I
5 wanted to ask about measuring the success of these
6 projects. Is it simply the renovation or will you be
7 tracking what jobs are located there and where are
8 they coming from? How will you capture that
9 information? Will it be made public? Are we doing a
10 breakdown of like demographic zip codes, things like
11 that, of where the people are coming from that are
12 getting the jobs, things of that sort.

13 PRESIDENT KIMBALL: I'm going to get back
14 to you with a detailed memo on that. Typically, in
15 the information, we do ask where folks are coming
16 from, but I'll follow up with more detail.

17 CHAIRPERSON FARIÁS: Okay, great. Thank
18 you. More than half of the new investment projects in
19 Fiscal 2023 were for educational or social service-
20 oriented projects. These are not the types of
21 projects one traditionally considers economic
22 development. How do you evaluate the appropriateness
23 of these investments as an economic development
24 agency?

2 PRESIDENT KIMBALL: There are two buckets
3 to the IDA's work, the Industrial Development
4 Authority and then there's the Build New York
5 Resource Corps.

6 CHAIRPERSON FARIÁS: Sure.

7 PRESIDENT KIMBALL: So Build New York is
8 bond financing that typically is for schools and not-
9 for-profits, and so that's where you see big awards
10 like to the Kipp School that's investing hundreds of
11 millions of dollars in the Kingsbridge area of the
12 Bronx, and we've done many charters and private
13 schools through that program in terms of financing.
14 We have done some other not-for-profits like
15 recreation centers on and healthcare facilities in
16 communities so that's the not-for-profits side of the
17 ledger.

18 Then on the for-profit side of the
19 ledger, it tends to be heavy in industrial projects,
20 and now very heavy in green infrastructure. The CHPE
21 project alone, which is the power line coming from
22 upstate New York, bringing hydro and solar to New
23 York City and basically allowing New York City as an
24 entity to buy all green power, that is partially
25 financed by IDAs in every county that the pipeline

2 comes through including New York City and we had a
3 big award to CHPE through the IDA. Battery storage is
4 booming and, thank goodness, the Council approving
5 the first City of Yes zoning application from the
6 Administration. That is easier to site with more
7 clear regulations around it and safety measures have
8 improved dramatically around battery storage, and
9 that is going to be so critical to us meeting our
10 overall climate goals in the City.

11 We would love to see more on the solar
12 front, and we're trying to encourage those
13 applications. As I mentioned, we've just done one
14 recently on offshore wind, and we hope to see more of
15 that.

16 CHAIRPERSON FARIÁS: Okay, and then just
17 in terms of whether or not it's appropriate for us to
18 be doing social service-oriented or not as a pseudo-
19 agency, is that just you take what you get? Is that
20 kind of the deal?

21 PRESIDENT KIMBALL: The Build Resource
22 Corporation is something that's been in place for a
23 very long time at EDC. It is something that is relied
24 on by a lot of these not-for-profit institutions.
25 Other than that, I have not dug into it a lot.

2 CHAIRPERSON FARIÁS: Okay, and are there
3 metrics you include in these evaluations beyond
4 economic impact? If they are, what are they? Do you
5 report on them?

6 PRESIDENT KIMBALL: Jobs we definitely
7 report on and private investment, and the leverage
8 ratio on those IDA projects is outstanding.

9 CHAIRPERSON FARIÁS: Good, and one of the
10 advantages to IDA's ability to provide tax breaks on
11 a discretionary basis is that it allows EDC to pivot
12 to create new tax incentive programs like M-CORE when
13 landscapes shift. Do you foresee any additional new
14 tax incentive programs necessary to address the new
15 economic conditions we're facing?

16 PRESIDENT KIMBALL: We're always looking
17 at the IDA for ways to improve. M-CORE is a major new
18 that involved a lot of board analysis and input.
19 There are other programs, and I'm not sure this is
20 what you're referring to, that are as-of-right
21 programs, so ICAP and REAP that...

22 CHAIRPERSON FARIÁS: Okay.

23 PRESIDENT KIMBALL: As you know, are
24 created statutorily through the state. They come up
25 every few years. They're going to come up again in

2 '25. Those programs are always necessary to look at
3 every time they come up and do analysis as to how
4 should they be tweaked, reworked, are they really
5 serving the goals that they were set out to so we're
6 currently working on that with the Department of
7 Finance and other interested parties, like the CBC
8 and REBNY and others, and are eager to continue that
9 conversation with the City Council as well.

10 CHAIRPERSON FARÍAS: Yeah, we would love
11 that. My followup was going to be, are there any
12 existing or older discretionary tax incentives that
13 you think are no longer relevant or that the City may
14 have facing challenges...

15 PRESIDENT KIMBALL: Not on the
16 discretionary side. On the as-of-right side, REAP and
17 ICAP are the two big ones. I will say, having spent
18 20 years working on the Brooklyn waterfront, ICAP and
19 REAP have both benefited a lot of projects both there
20 and I know they've benefited a lot of projects in the
21 Bronx and in Queens so we have to be careful about
22 how we tweak these things going forward.

23 CHAIRPERSON FARÍAS: Great. Sure.

24 COUNCIL MEMBER AVILÉS: Just along the
25 lines of the IDA, we recently had a project, I think

2 the project up in Red Hook around a waterfront, a
3 movie studio. I'm just curious how the EDC, what your
4 understanding is of the movie and film sector as we
5 see with Steiner, we have the Navy Yard, this new
6 studio set, we're receiving a lot of kind of
7 conflicting concern around it so I'm curious if you
8 could speak a little bit about the sector and then
9 would love to receive the information of the jobs
10 that are in fact produced and the data points that
11 you're collecting around them. This is another
12 ongoing conversation we're having on all of them,
13 particularly because it was intriguing to see this
14 IDA-funded, or I think it was an IDA-funded project
15 already.

16 PRESIDENT KIMBALL: Yes, it was.

17 COUNCIL MEMBER AVILÉS: It was?

18 PRESIDENT KIMBALL: Yeah.

19 COUNCIL MEMBER AVILÉS: It's like 300
20 part-time jobs. That's it. That's all we get, so we
21 would like some more information on what exactly that
22 is, but I'm curious about this sector, where you see
23 the opportunities and where there may be challenges.

24 PRESIDENT KIMBALL: Yeah. My experience
25 was really driven a lot by my experience in the Navy

2 Yard where Steiner Studios became one of our key
3 anchor tenants. The reason that you see always with
4 movie studios the part-time job thing is that they
5 essentially run like a hotel so a production checks
6 in, a production checks out, they use a box in there,
7 they use the lighting, the grip, the equipment so
8 then the key question is how are local folks
9 accessing jobs and getting in that industry, and
10 particularly in that union, and there are some really
11 good programs out there like BWI, Brooklyn Workforce
12 Innovations runs tremendous pre-apprenticeship
13 training program both for production and for post
14 production, which is much more digital kind of
15 experience, and we are, as you know, we recently
16 approved, or it was in the news last year, the first
17 major movie studio in Manhattan on Pier 94 on the
18 west side and, as you've heard, we are working
19 through IDA. That approval that we just gave was the
20 first step. They're going to be coming back, and a
21 key part of our conversation with them, and delighted
22 to continue it with you as well, is what can they do
23 around local workforce pipeline to make sure that
24 local folks have access to those jobs. In general, my
25 feeling about the industry is that it's very, very

2 important to the City's economy. There are a wild
3 array of estimates of impact from very little to very
4 high. Every few years the State Legislature has to
5 re-evaluate whether to keep the film tax credit in
6 place. From my point of view on the ground, this has
7 been phenomenally important to the City's economy,
8 and we saw the negative impact of it when there was
9 the strike, and our recovery trajectory that was
10 going up plateaued for a period of time, and a lot of
11 that was the writer's strike, and now it's gone back
12 up now that they're back to work.

13 COUNCIL MEMBER AVILÉS: Just one thing to
14 note on the IDA in particular, when the notices came
15 out, they came out on March 7th to the public, and
16 the instruction was if you're interested in
17 commenting on this, you must request the ability to
18 do two weeks prior to when we actually received the
19 notice, so there's a real problem with the
20 communication stream there because there was a lot of
21 frustration that the notice was received after.
22 Actually, let me correct the record. The two weeks
23 prior was to get the actual information about the
24 actual project. If you wanted to see it, you needed

2 to request it two weeks prior to the hearing, and we
3 got the hearing notice just a week before.

4 PRESIDENT KIMBALL: Okay, that's a good
5 flag. I will definitely look into that.

6 COUNCIL MEMBER AVILÉS: Public, I think...

7 PRESIDENT KIMBALL: By no means the
8 intent, and there should be plenty of lead notice, so
9 apologies.

10 COUNCIL MEMBER AVILÉS: Yeah. So I just
11 want to flag that because there was a lot of interest
12 in learning more about the project in the community
13 and a lot of frustration that it was after the fact
14 so thank you.

15 PRESIDENT KIMBALL: Right. And, just
16 quickly, the team informed me of the answer to your
17 question before. So the MARAD site on the Blue
18 Highway is at 29th Street and Sunset Park. It's not
19 at Red Hook. What was in the Blue Highway RFEI was a
20 call out that respondents should look at Red Hook
21 Terminal as a possible option to explore Blue Highway
22 along with Pier 92 on the west side and the MARAD
23 sites, and any other sites. There were scores of
24 sites listed, but Red Hook was specifically called
25 out in that.

2 COUNCIL MEMBER AVILÉS: 29th Street is the
3 SBMT, right? Is that just a line there?

4 PRESIDENT KIMBALL: 29th Street is south
5 of.

6 CHAIRPERSON FARÍAS: Thank you, Council
7 Member Avilés.

8 Council Member Brewer, you a question?

9 COUNCIL MEMBER BREWER: I just want to
10 know what the current active headcount is at EDC? Do
11 you have vacancies? Are you able to fill them? Are
12 you doing hybrid, which I think helps a little bit,
13 maintain some of your very professional staff.

14 PRESIDENT KIMBALL: Yeah, appreciate that
15 question. I think we're at about 540. We have a
16 relatively low vacancy, and we do operate on a hybrid
17 structure. I would say though, one of the, like you
18 see often in government and government adjacent
19 entities, folks work a lot more than five days a
20 week.

21 COUNCIL MEMBER BREWER: I know. I think
22 you were able to do hybrid even because you're not a
23 City agency, per se, even before the Mayor said that
24 we could go ahead and do hybrid.

2 PRESIDENT KIMBALL: We've always had a
3 little bit more flexibility.

4 COUNCIL MEMBER BREWER: That's why you're
5 able to keep your staff. Thank you very much.

6 CHAIRPERSON FARIÁS: Gale, I just said
7 people have to come into work.

8 COUNCIL MEMBER BREWER: I think they
9 should do work, but 300,000 people need some
10 flexibility.

11 CHAIRPERSON FARIÁS: No, for sure, for
12 sure. Thank you so much.

13 I have a couple of last bit of questions
14 and then I don't have anyone else lined up so I will
15 let y'all go.

16 I just wanted to go really quickly back
17 to the cost and benefits of heliports. I know we
18 spoke a little bit about entertaining or always
19 looking at the type of fee structure or the leasing
20 structure and fees. Would EDC be willing to increase
21 the fees for the companies operating on City lands at
22 any point?

23 PRESIDENT KIMBALL: I would say that our
24 goal, because it's how we're funded, is to increase

2 our fees, our rents, our lease structures everywhere
3 we can, because otherwise there's no EDC.

4 CHAIRPERSON FARIÁS: And by charging low
5 rents, is the City essentially subsidizing wealthier
6 New Yorkers and tourists to use helicopters for
7 travel and recreation?

8 PRESIDENT KIMBALL: I would say everywhere
9 we can our goal is to maximize return because every
10 dollar that we make gets reinvested in our work
11 citywide. You always have to be careful with some of
12 these that you don't chase people off by driving
13 rents too high and, obviously, we do have incubators
14 and accelerators and things like that that are way
15 below market rents in order to meet other social
16 impact goals.

17 CHAIRPERSON FARIÁS: That's great. I'm
18 really interested in seeing more than 2 million
19 annually in revenue for the City if at all possible
20 so I'm glad to hear that.

21 Then I just wanted to touch base on some
22 specific capital projects. I know Council Member
23 Salamanca came in earlier but had to leave. The
24 Preliminary Plan includes 30 million across the plan
25 period for Hunts Point Produce Market project in

2 Fiscal Year '24 to '28. This is unchanged from the
3 Fiscal '24 Adoptive Plan. Can you provide us with any
4 update on the redevelopment of the Produce Market? Is
5 the project still on schedule? Are there any delays
6 that may be affecting the project at all?

7 PRESIDENT KIMBALL: Yeah, we're working
8 very closely with a food co-op right now on the
9 design of a modern, state-of-the-art food produce
10 center. If you visit it, you remark on what a great
11 local employer it is today, how important it is to
12 the food ecosystem, but how outrageously outdated it
13 is as an industrial facility with a thousand fossil
14 fuel trucks idling all day long and polluting the air
15 in the South Bronx. There is uniform agreement that
16 there needs to be a new modern facility that's all
17 electric. What is different than many efforts over
18 the last 30 years to build a new food produce center
19 is that the state, the city and the federal
20 government have all stepped up totaling 394 million
21 dollars. We expect that the total project cost is
22 going to be more like six or 650 million so we're
23 going to be working with a third party private
24 developer to finance the rest of that new building.

25 CHAIRPERSON FARIAS: Okay.

2 PRESIDENT KIMBALL: And we're currently in
3 negotiation with the co-op to make sure that they
4 have a fair rent structure going forward and that the
5 kind of building that they want is the kind of
6 building that gets delivered.

7 CHAIRPERSON FARIÁS: Great. Similarly, can
8 you give any updates on Kingsbridge Armory and
9 Willits Point?

10 PRESIDENT KIMBALL: Yeah, on Kingsbridge
11 Armory, again, really blessed to have strong support
12 from the state and the city there, 200 million
13 dollars that we were able to offer as part of an RFP.
14 We received multiple responses. We're currently
15 reviewing those and hope to have a decision by the
16 end of this Calendar Year on who our partner will be
17 moving forward.

18 On Willett's point, that was the other
19 one?

20 CHAIRPERSON FARIÁS: Yes.

21 PRESIDENT KIMBALL: Super excited about
22 the progress there. Obviously, the Council is moving
23 that forward to hopefully what will be a final vote
24 in the coming weeks. On the housing part, we broke
25 ground on Phase One around the end of the year, which

2 is quite remarkable to see housing go up on top of
3 what for 100 years had been a dump and then polluting
4 chop shops and so that is underway, phase one. What
5 the zoning allows is for Phase Two to take the 100
6 percent affordable new district up to 2,500 units and
7 also facilitate the new all-electric, all privately
8 financed soccer stadium, and the goal is that that
9 soccer stadium would get in construction in 2025 and
10 be completed by 2027 and Phase Two of the housing
11 shortly thereafter.

12 CHAIRPERSON FARIÁS: Great. I don't have
13 any other additional questions. Council Member Avilés
14 has one.

15 COUNCIL MEMBER AVILÉS: One.

16 CHAIRPERSON FARIÁS: Has one question.

17 COUNCIL MEMBER AVILÉS: Absolutely, just
18 one question.

19 On the offshore wind project, we know, as
20 you mentioned earlier, certainly with inflation,
21 there were a lot of headwinds so we're curious that
22 the original allocation for 110 million was between
23 '24 and '28, and it's been now moved to, scheduled to
24 '29 to 2033. Curious how this movement of the monies

2 to much later years is going to be impacting kind of
3 overall completion goals and just in general?

4 PRESIDENT KIMBALL: That is not my
5 understanding so let me check those numbers and get
6 back to you. Obviously, the work that has to be done
7 through City dollars is fundamental to the base
8 infrastructure, and it is a multi-year construction
9 project, but, as I think you know, Equinor is hoping
10 to break ground in the coming weeks. I think all
11 these things are coming together, but I will get back
12 to you on the exact years.

13 COUNCIL MEMBER AVILÉS: Okay. We can
14 compare where we got info from. Thank you.

15 CHAIRPERSON FARIÁS: I'll also include it
16 in my followup so thank you, Council Member Avilés.

17 Thank you, folks, for coming and your
18 testimony and answering all of our great questions.
19 Looking forward to working together in the future.
20 You are now dismissed and relieved.

21 PRESIDENT KIMBALL: Thank you very much.
22 Have a good weekend.

23 CHAIRPERSON FARIÁS: Thank you.

24

25

2 COMMITTEE COUNSEL PAULENOFF: Now we'll
3 get to the public. First panel is Paula Segel from
4 TakeRoot Justice and Gregory Morris.

5 PAULA SEGAL: Good afternoon, Committee
6 Chair Fariás and Members of the Committee. It's great
7 to be here. Thank you so much for staying on a Friday
8 afternoon. My name is Paula Segel. I am testifying
9 today as Senior Staff Attorney in TakeRoot Justice's
10 Equitable Neighborhoods Unit. As many Council Members
11 know, we work with organizations that are grassroots
12 and neighborhood-based to make sure that long-time
13 New Yorkers don't get pushed out of the city in the
14 name of progress and, significant to the budget
15 conversation, we are a member of the New York City
16 Community Land Initiative, an alliance of grassroots
17 organizations that are moving forward a robust
18 community land trust movement in the city. TakeRoot
19 has been receiving City Council discretionary funding
20 through the citywide Community Land Trust initiative
21 since the initiative was launched by the Council in
22 Fiscal Year '20. We support the growing CLT movement
23 for affordable community-controlled housing,
24 commercial and community spaces through legal
25 services for community land trust members of the

2 initiative and other groups exploring the CLT model.

3 We thank the Council for its vital support and urge

4 you to increase funding for the citywide initiative

5 to 3 million in the Fiscal '25 budget. That would be

6 doubling the amount of the initiative from last year,

7 and it will be an investment that pays off. With this

8 investment, we will be able to add groups to the

9 initiative, which is crucial. I'm personally working

10 with a group that is forming a community land trust

11 out of the Ravenswood houses, all led by public

12 housing residents and focused on a nearby former

13 Sanitation Department site that they hope to turn

14 into an engine of economic activity for residents of

15 Ravenswood houses and their neighbors, and I really

16 want to be able to see them have a staff person and

17 really do that work in a committed way. They've been

18 fully volunteer for four years since the pandemic

19 started, and it's really time to invest in that

20 leadership. That's just one example. I'm not really

21 reading from my script. The other two things I just

22 wanted to point out is we do need, in addition to the

23 expense funding, capital allocations for these

24 projects and just making sure that especially as

25 community organizations are taking over properties

2 that the City has disinvested from, they have the
3 support they need to bring those properties back
4 online and then, finally, just a reminder that the
5 majority of this Council has committed to not
6 bringing back the lien sale as a debt collection
7 instrument, and we are standing by, actually had a
8 great meeting with a number of City Council Central
9 Staff earlier this week to help redesign the system
10 so it leads to more permanently affordable community
11 controlled real estate. Thank you for the indulgence.

12 CHAIRPERSON FARIÁS: Thank you so much.

13 CHAIRPERSON FARIÁS: Whenever you're
14 ready, Greg.

15 GREGORY MORRIS: Good afternoon. You can
16 tell it's a Friday. The public hearing session
17 started exactly on time. So impressive. It hasn't
18 been like that in other Committees. My name is Greg
19 Morris. I'm the CEO of the New York City Employment
20 and Training Coalition, representing 220
21 organizations across the city focused on job
22 readiness and training. I was listening to, this is
23 the most important Committee. Tech is the other
24 critical Committee, I think, because those are the
25 foundation of workforce readiness. In terms of the

2 folks that our coalition members work with, it is
3 primarily, when you look at the numbers, it's women,
4 it's public housing residents, it's immigrants, it's
5 justice-involved individuals as well so I just want
6 to highlight that but, as I was listening to the
7 testimony, this hearing I think is always fascinating
8 and interesting and valuable. The work of EDC is
9 essential to the city's success, but it's the linkage
10 between economic development and workforce
11 development or workforce development and economic
12 development that ensures that there is actual equity
13 that leads to growth and development and self-
14 sufficiency so every time in this presentation that
15 that Andrew makes, there's reference to jobs, and
16 it's our coalition that's responsible for thinking
17 about how it is, whether it's tech, life sciences,
18 whether it's construction, infrastructure, regardless
19 of whether it's Kingsbridge or East Harlem or the
20 North Shore of Staten Island, we want to make sure
21 that those jobs are available to local job seekers. I
22 just want you to be aware, I've gone to every
23 Committee hearing and said the same thing, which is
24 there is no specific entity within the City Council
25 that's tracking what workforce development looks like

2 in the city. This Administration talks about making
3 investment. We need to track it. We need to measure
4 it. I appreciated the Council speakers' comments
5 about metrics and tracking successive agencies. We
6 need to do that. That has value. I also think that
7 the prospect of determining whatever legislative
8 items come to the table, how it is that it impacts
9 economic equity and justice matters and, of course,
10 we need to see the ongoing investment in job training
11 and readiness, whether it's our new arrivals who have
12 not seen the resources and supports from the City to
13 ensure that they are getting pathways to
14 contextualize learning experiences or job training,
15 or whether it's our older adults who certainly need
16 pathways to second act careers, young adults, public
17 housing residents, etc. You know the work of this
18 coalition. I just want to express my appreciation to
19 you, Majority Leader, for your efforts and your
20 commitment. I want to express my appreciation to the
21 Committee and the Council Member. I'm very grateful
22 for the opportunity to share this with you, and I
23 hope that you continue to hold up workforce
24 development and its connectivity to economic
25 development because it's hard to find that

2 conversation happening where we need it to, which is
3 everywhere.

4 CHAIRPERSON FARIÁS: Appreciate your
5 comments and the work that we get to do together so
6 thank you. Council Member Avilés and I will receive
7 all the thank yous for the rest of the Members who
8 are not present. Thank you so much, and I also love
9 hearing that my Committee is one of the most
10 important Committees. Appreciate that.

11 We'll move to our virtual testimony. You
12 folks are dismissed. Thank you.

13 COMMITTEE COUNSEL PAULENOFF: Okay, I will
14 now start calling members of the public that are on
15 Zoom. The first individual is Brian Colon from
16 Greenwich house.

17 BRIAN COLON: Good afternoon. First thing
18 I will say is thank you, Chair Fariás and the
19 Economic Development Committee, for the time to share
20 my thoughts and experience with you guys today. My
21 name is Brian Colon. I am the Director of Workforce
22 Services at Greenwich House, which is a 122-year-old
23 settlement house in Greenwich Village that provides a
24 wide variety of services across sectors, including
25 behavioral health services, workforce and skills

2 building services, older adult services, and supports
3 for people experiencing substance abuse disorder.

4 Greenwich House is also part of New York City

5 Employment and Training Coalition, which, as you guys

6 know, is the largest city-based workforce development

7 association in the country. NYCETC serves as the

8 industry's voice for more than 220 workforce

9 development providers in New York City who are

10 counted on to provide job training to more than

11 500,000 New Yorkers each year, primarily individuals

12 who live in under-resourced and under-served

13 neighborhoods. I speak to you today as someone who

14 has been employed for 20-plus years in the workforce

15 training space. I urge you all, if you can, to

16 allocate resources where they'll have the most impact

17 in programs designed to assist those who have been

18 historically marginalized. I'm referring to

19 disconnected youth and individuals grappling with

20 behavioral health challenges, those with backgrounds

21 in the criminal justice system, older adults, and

22 others facing substantial barriers to employment, and

23 here are the reasons why we think targeted funding

24 for these populations are paramount. For one,

25 disconnected youth also recognizes (INAUDIBLE) youth

2 young individuals, the ages of 16 and 24, who are
3 neither engaged in education nor employment. These
4 individuals face heightened risk of prolonged
5 unemployment and economic instability and, by
6 investing in tailored workforce services and
7 wraparound services as well that they need to
8 succeed, we can provide them with the necessary
9 skills and supports for them...

10 SERGEANT-AT-ARMS: Time is expired.

11 BRIAN COLON: Will provide them with the
12 necessary supports for the successful re-entry into
13 the job market.

14 Behavioral health populations,
15 individuals grappling with mental health and
16 substance abuse issues, often face pervasive
17 workplace stigma and discrimination, which can impede
18 their ability to secure and maintain employment.
19 However, it's crucial to recognize that the
20 appropriate trainings and proper social emotional
21 supports these individuals need can help them make a
22 significant contribution into the workforce. As some
23 of us know, one in four New Yorkers are managing a
24 behavioral health condition.

2 CHAIRPERSON FARIÁS: Don't mean to cut you
3 off, but you have to wrap in the next 15 seconds, and
4 please make sure you submit whatever you're reading
5 from to us so we can get your full testimony, okay?

6 BRIAN COLON: Yes, ma'am. Thank you so
7 much. Last but not least, I'd say former incarcerated
8 individuals with proper training and proper supports.
9 The recidivism rate is a lot less. And the older
10 adults which is a population that we are near and
11 dear to and helping them stay within the workforce
12 and upskilling them to make sure that they have a
13 competitive opportunity. Just by allocating funding
14 towards these high-risk populations, we can amplify
15 impact and workforce development initiatives,
16 guaranteeing equitable access to opportunities for
17 New Yorkers but, most importantly, to help small and
18 large employers with their single greatest asset and
19 need, a well-prepared training workforce. Thank you
20 for your time today. My name is Brian Colon from
21 Greenwich House.

22 CHAIRPERSON FARIÁS: Thank you so much for
23 your testimony today.

24

25

2 COMMITTEE COUNSEL PAULENOFF: The next
3 member of the public on Zoom is going to be Melat
4 Seyoum.

5 SERGEANT-AT-ARMS: You may begin.

6 MELAT SEYOUM: Thank you. Good afternoon.
7 Honorable Chairperson and distinguished Members of
8 the New York City Council Committee on Economic
9 Development. My name is Melat Seyoum, and I'm the
10 Director of Political Affairs and Strategic
11 Partnerships at the New York City Network of Worker-
12 Owned Cooperatives, also known as NYC NOWC. We are
13 the local trade association representing worker-
14 cooperative businesses and democratic workplaces in
15 New York City metropolitan area. I'm here alongside
16 my colleagues from the Center for Family Life and our
17 advocacy council members representing 13 other
18 organizations that make up the Worker Cooperative
19 Business Development Initiative, asking New York City
20 Council to continue supporting the expansion of
21 worker ownership in next year's budget and firmly
22 into the future. Since the inception of the
23 initiative, we've created over 197 new cooperative
24 businesses and over 1,200 new jobs that are not only
25 providing higher hourly wages but also continuing to

2 build wealth and assets for individuals who are
3 overwhelmingly BIPOC women and immigrants. We have
4 seen firsthand how the initiative has served to
5 bolster our sector, strengthening existing
6 cooperative businesses and creating new ones, which
7 are overwhelmingly immigrant women-owned and shared.
8 The initiative partners have collectively work to
9 create a comprehensive ecosystem of support for
10 cooperative businesses that not only ensures the
11 creation of new cooperatives in low-income areas but
12 also the technical assistance needed to sustain
13 businesses and create jobs all while education,
14 outreach needed for communities and interested
15 entrepreneurship and allied organizations. We ask
16 that City Council can enhance our funding to 4.9
17 million in order for our initiative to double down on
18 the essential long-term economic recovery of
19 cooperative businesses that we need to claw ourselves
20 out of the current crisis. We thank the City Council
21 for the opportunity to testify, and we hope that you
22 consider our budget priorities and recommendations
23 during this year's budget negotiation process. Thank
24 you.

2 CHAIRPERSON FARIÁS: Thank you so much for
3 your testimony.

4 COMMITTEE COUNSEL PAULENOFF: The next
5 member of the public will be Jessica Walker.

6 JESSICA WALKER: Hi, I'm Jessica Walker.
7 I'm the President of the Manhattan Chamber of
8 Commerce. The vast majority of our members are small
9 businesses here in the city and, today, I wanted to
10 highlight a program that has been funded through the
11 City budget in recent years. It's called the Small
12 Business Resource Network. It's a city-wide
13 initiative that allows us to have staff to go out
14 door-to-door to small businesses throughout the city,
15 all five boroughs, and try to provide resources,
16 connections to financing. During the height of the
17 pandemic, we actually sat down and helped some of
18 these business owners apply for PPP. It really is a
19 hands-on intensive program. I should mention that our
20 Chamber also partners with the other Chambers in the
21 other boroughs. Like I said, it is a citywide
22 program. We have already reached since inception,
23 October 2020, since then, nearly 50,000 businesses
24 throughout the city. Happy to say that the vast
25 majority of businesses helped, 76 percent have been

2 M/WBES, so it just shows that we really are reaching
3 into every community. The vast majority of businesses
4 we've helped have had four or fewer employees so,
5 again, the impact has been remarkable. I'm bringing
6 it to this Committee because we are seeking a full
7 restoration of 2 million dollars in the City budget.
8 500,000 is a City Council Discretionary Grant, but
9 1.5 million dollars actually flows through EDC and
10 then is administered by SBS. The budget line is
11 called EDC Business Resource Center, so we're seeking
12 a restoration of that. Happy to answer any questions
13 but, again, it's a fantastic program and it really
14 has made an impact for small businesses. Thank you.

15 COMMITTEE COUNSEL PAULENOFF: Thank you
16 for your testimony. Up next on Zoom is April Watkins.

17 SERGEANT-AT-ARMS: You may begin.

18 APRIL WATKINS: Yes. We're trying to get
19 on camera. Here we go. Good afternoon, my name is and
20 I'm the Chief Program Officer of Path to Jobs. I'm
21 kind of a sister agency from a bigger organization
22 called Alliance for Positive Change, who has been
23 providing services for the underserved population for
24 over 30 years. Prior to that, I worked at GMHC for 19
25 years, working in the same workforce development type

2 of situation, where we provide job readiness career
3 coaching, retention services and, more importantly,
4 employment. What's troubling about the services and
5 stuff that we provide is that we don't have enough
6 money to provide much more needed services. I have
7 placed in my 25-year career maybe over 1,000
8 individuals, most of them with justice-informed
9 issues, mostly people who have substance use
10 disorders, some mental health. Path to Jobs, this new
11 organization, we're young, we've only been around for
12 a little less than a year, and we've already placed
13 60 individuals in gainful employment, and two
14 individuals we placed the first month that we were
15 actually operational, and they are still working and
16 moving towards their career goals. I want to
17 highlight a story of a gentleman named Charles who
18 had just come home from prison and had been working
19 in different places and trying to get connected to
20 community organizations to try to better himself. He
21 took several trainings because he wanted to be part
22 of the public health and substance use community
23 where he can give back with his lived experience, and
24 it was very fortunate that we met Mr. Liggins because
25 we actually found him a job at a place who hired him

2 on the spot because he's just a humble, beautiful
3 human being and, on his second day of work, they
4 called him into HR and said, I'm sorry, we have to
5 rescind this offer because his background check came
6 in and said that he had one, which I had never heard
7 in my history of working and all these years and
8 working with people getting jobs that you were hired
9 before your background check cleared.

10 SERGEANT-AT-ARMS: Your time is expired.

11 CHAIRPERSON FARIÁS: You can take the last
12 minute to wrap.

13 APRIL WATKINS: Okay. Mr. Liggins is still
14 working and being sought out for a position that will
15 make him 60,000 dollars because of his public health
16 certificate and because Path to Jobs have helped and
17 supported him through all of his issues and barriers
18 to employment, and that's what we do every day. We do
19 a little extra and we retain people in jobs and we
20 support them after we get them a job. Thank you.

21 COMMITTEE COUNSEL PAULENOFF: Next witness
22 is David Nager.

23 SERGEANT-AT-ARMS: You may begin.

24 DAVID NAGER: Dear Members of the
25 Committee on Economic Development, my name is David

2 Nager. I am the Chief Photography Officer at the
3 Alliance for Positive Change, a long-established
4 legacy AIDS provider and all-around welcoming
5 community of transformation and opportunity. Council
6 Member Bottcher has seen Alliance's work in action
7 and has been a big ally. Thank you, Council Member. I
8 am also the Board Vice Chair of Path to Jobs, a
9 workforce development, career readiness, and job
10 placement organization. I'm here to speak in favor of
11 increased funding for workforce development to low-
12 income New Yorkers so low-income New Yorkers can have
13 access to greater career opportunities. Since 1990,
14 Alliance has been helping people achieve better
15 health outcomes. A key program of ours is an eight-
16 week career readiness program we call Peer Recovery
17 Education Program, which prepares people to become
18 community health workers at Alliance and other health
19 providers. Mostly, the people who participate in this
20 program may have no formal education and are facing
21 serious health challenges, and we prepare them for
22 careers in public health. I support any program that
23 enables people with chronic conditions to be able to
24 build careers in any industry. Let me close by
25 explaining why helping people make a career path in

2 public health is so urgent right now. Over the course
3 of the pandemic, economic inequality grew, especially
4 in New York City, and serious health conditions
5 worsened, not just COVID-19, but new HIV and
6 hepatitis C diagnoses and overdose deaths too. To me,
7 this proved that we never had enough medical
8 professionals or community health workers. I think
9 that's pretty obvious so I'm here to ask for more
10 investments in job opportunities for community health
11 workers. For over 30 years, Alliance has helped
12 literally thousands of people facing economic and
13 health challenges transition from public entitlements
14 and rejoin the workforce as community health workers.
15 We took our decades of experience to create Path to
16 Jobs, an organization that specializes in job
17 readiness training and supportive employment.

18 CHAIRPERSON FARIÁS: Your time has
19 expired. If you can wrap up in the next 15 to 20
20 seconds, that would be...

21 DAVID NAGER: Yes, I urge the EDC to
22 explore funding for agencies that help people find
23 careers in community healthcare and that this
24 Committee recommend greater support for workforce

2 development resources that take a holistic approach.

3 Thank you.

4 CHAIRPERSON FARIAS: Thank you so much.

5 COMMITTEE COUNSEL PAULENOFF: And our last
6 witness on Zoom is Catherine Murcek.

7 SERGEANT-AT-ARMS: You may begin.

8 CATHERINE MURCEK: Thank you. I have a lot
9 to say, so I'm going to try to say it fast. Thank you
10 for the opportunity to testify online today. My name
11 is Catherine Murcek, and I'm a worker owner at
12 Samamkaya Yoga Back Care and Scoliosis Collective.
13 We're a member of the New York City Network of Worker
14 Cooperatives, which is a partner of the Worker
15 Cooperative Business Development Initiative, and your
16 support of our community of democratically run
17 businesses helps to protect and create jobs for
18 women, immigrant workers, and communities of color
19 across the five boroughs and in a wide array of
20 industries. I'm testifying today to urge you to help
21 our city with a just recovery by continuing to
22 support the great work of WCBDI, enhancing their
23 funding to 4.9 million, and to also support
24 commercial rent stabilization to protect New York
25 City's workers and small businesses from

1 displacement. My co-op, Samankaya, is a lovely little
2 studio in Chelsea, specializing in therapeutic yoga
3 for back care. My 19 other worker owners and I have
4 been democratically running the space together in the
5 same space for the last nine years. To make yoga
6 accessible to all ages and abilities, we use
7 specialized rope walls and a variety of props but,
8 because of our very specific needs, we had a lot to
9 borrow in startup costs that we're still paying back.
10 We are so grateful that our business survived the
11 worst of the pandemic, but we're still struggling to
12 get our numbers back to pre-pandemic levels, and
13 we're concerned about our future as we try to manage
14 rising rent and our debt burden. However, the fact
15 that we're co-op had a major impact on our resilience
16 through the crisis. When the pandemic first forced us
17 to close our doors, we decided all together, the
18 team, how we could pivot, adjust our pay and fee
19 structures, divide the labor to shift to teaching
20 online, and we decided together how to keep the
21 studio afloat, while still making sure that teachers
22 who most needed the work could keep teaching online.
23 We were very grateful to have access to technical
24 support from WCBDI partners and a couple of small
25

2 grants specific to worker co-ops. One example is NYC
3 NOWC's Cooperative Sustainability Fund, which allowed
4 us to pay for consulting sessions with another co-op,
5 and that really helped us manage some communication
6 and distribution of labor challenges we faced during
7 the transition and to strategize for the future. I'm
8 very happy we are still offering online classes in
9 addition to our in-studio classes. However, our
10 future is still uncertain. Our client numbers have
11 not recovered, and our rent will make some large
12 jumps over the next eight years to get back to what's
13 considered market rate, but that's not actually a
14 sustainable rate given people aren't really willing
15 to pay that much for yoga, there are limits, and we
16 can't afford to take out another loan since we still
17 have debt from our startup costs. Additionally..

18 CHAIRPERSON FARIÁS: Just a quick
19 reminder..

20 CATHERINE MURCEK: I'll just wrap it up
21 really quick.

22 CHAIRPERSON FARIÁS: Perfect.

23 CATHERINE MURCEK: Additionally, majority
24 of co-ops in New York City have never even been able
25 to access bricks-and-mortar space because rents are

2 too prohibitive and this has been an issue long
3 before the pandemic. It's not accurate to say that
4 commercial rents are no longer an issue post-pandemic
5 because small businesses are still closing their
6 doors due to rent hikes or inability to pay back
7 rent. There are zero protections for commercial
8 tenants, and there's no limit to how much a
9 commercial rent can be raised at the end of a lease.
10 This makes it impossible for small businesses to plan
11 for the future, and a fair and just system of
12 commercial rent stabilization would help level the
13 playing field and protect the city's diverse array of
14 small businesses and making spaces more attainable
15 for future small businesses, so essential to the
16 cultural fabric of our great city. There's more about
17 this in my written testimony. So please WCBDI funding
18 to 4.9 million and commercial rent stabilization.
19 Thank you so much.

20 COMMITTEE COUNSEL PAULENOFF: Thank you,
21 and now we'll get to our last witness who is in
22 person, Carina Kaufman-Gutiérrez.

23 CARINA KAUFMAN-GUTIÉRREZ: Thank you. Good
24 afternoon, Chair Fariás and the Committee. My name is
25 Carina Kaufman-Gutiérrez. I'm the Deputy Director at

2 the Street Vendor Project, and thank you so much for
3 the opportunity to testify today. As the only
4 organization that exclusively serves street vendors
5 in New York City, SVP is the centralized hub for this
6 underserved population, providing critical small
7 business services and legal services to vendors since
8 2001. We respectfully request support from New York
9 City Council to sustain and expand two of our
10 critical programs, the Small Business Empowerment
11 Program and our Community Outreach and Education for
12 Street Vendors Program. The demand for street vendor
13 education and services continues to grow as the
14 population transformed during the pandemic and
15 continues to increase as many asylum-seekers are
16 beginning to vend. It is critical that there be an
17 investment in education and training in these
18 emerging small business owners to help them know
19 their rights as well as their responsibilities, which
20 SVP is primed to do. We are the one-stop-shop for
21 street vendors that helps them not only with legal
22 representation but helps them navigate complex street
23 vending laws in seven languages, Arabic, Bangla,
24 Spanish, Mandarin, English, French, and Wolof, and
25 offer training to build their skills to grow their

2 businesses. Despite being a small team of just three
3 full-time organizers, two part-time, and one lawyer
4 on staff, in just the first eight months of this
5 Fiscal Year, we have supported 414 individual vendors
6 with consultations on topics from sales tax filings
7 to loan applications to negotiating catering
8 contracts and, of these, 57 percent were in Spanish,
9 20 in Mandarin, 14 percent in English, 5 percent in
10 Arabic, and 3 in Bangla. 59 percent of those were
11 with female-identifying street vendors. We've also
12 engaged 708 individual vendors through street
13 outreach and resource fairs, and we hold monthly
14 workshops at our membership meetings with regular
15 attendance of 50 to 75 individuals. This week's, for
16 example, was on registering for e-payment systems.
17 Each of these engagements is with the purpose of
18 helping a small business owner, thank you, to grow
19 and become part of the formalized economy. Just a few
20 success stories. Chef Tammy Treadwell of Harlem
21 Seafood in Seoul, we helped her to apply for a
22 20,000-dollar interest-free grant through the Hebrew
23 Free Loan Society in order to open up a stall at the
24 DeKalb Marketplace. Anna Maldonado of La Michoacana
25 Taqueria Food Truck, we helped her to negotiate a

2 fair rental price at a commissary to prepare her food
3 and then helped her find a legal vending location in
4 Washington Heights. Again, we are the one-stop-shop
5 for street vendors, and there's no City agency that
6 meaningfully serves street vendors. This is a stark
7 difference when compared with the investment in
8 enforcement. DSNY as of FY24 had adopted a budget
9 that currently has 2.9 million dollars budgeted for
10 street vendor enforcement, which is set to increase
11 to 4.7 million dollars by FY27. Meanwhile, SBS
12 reported this past September to Comptroller Brad
13 Lander that they did not have staff dedicated to
14 street vending, does not conduct in-person
15 educational outreach, and does not have data on how
16 many street vendors have accessed any of their
17 services. To close, SVP, we are very eager to
18 increase our services to vendors to really be able to
19 empower these small business owners to improve their
20 financial literacy to help them integrate into the
21 formalized economy, and we thank you for your
22 consideration to increase our capacity.

23 CHAIRPERSON FARIÁS: Thank you so much for
24 your testimony. Please make sure to submit that for
25 the record.

2 Seeing no one else lines up virtually or
3 in-person, this budget hearing is now adjourned.
4 Thank you all. [GAVEL]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date April 16, 2024