

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON VETERANS JOINTLY
WITH COMMITTEE ON SMALL BUSINESS

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January 21, 2015
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HELD AT: Council Chambers - City Hall

B E F O R E: ERIC A. ULRICH
Chairperson

ROBERT E. CORNEGY, JR.
Chairperson

COUNCIL MEMBERS:

Fernando Cabrera
Andrew Cohen
Alan N. Maisel
Paul A. Vallone
Inez E. Dickens
Mathieu Eugene
Peter A. Koo
Karen Koslowitz
Ruben Wills
Carlos Menchaca

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

Katherine La Porte, Chief of Staff
Mayor's Office of Veterans Affairs
Appearing for: Loree Sutton, Commissioner
Mayor's Office of Veterans Affairs

Maria Torres-Springer, Commissioner
Department of Small Business Services

Lisette Camillo, Director
Mayor's Office of Contract Services

Pat MacKrell, President & Chief Executive Officer
New York Business Development Corporation

Vince McGowan
Chairman, New York City Veterans Advisory Board
President, United War Veterans Council

Brian Goldstein, Director of Operations
New York Small Business Development Center (SBDC)

Robert Piechota, Director
New York Small Business Development Center (SBDC)
Brooklyn Office at CUNY City Tech

Leonelle Hamanach
Military Families Speak Out, Metro Chapter

Avi Leshes
Brooklyn Chamber of Commerce

Captain Scott Davidson
U.S. Army Retired

Londel Davis
Business Owner

Boots Whitlock
Veteran

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[sound check, pause]

[gavel]

CHAIRPERSON CORNEGY: Good afternoon, everyone. My name is Robert Cornegy, and I'm the Chair of the Committee on Small Business. Today, we are joined by the Committee on Veterans chaired by my friend Council member Eric Ulrich to examine what the City is doing, and how it can better support veteran-owned businesses, and veteran entrepreneurship. It is wonderful to hear President Barack Obama speak last night about the valuable skills veterans bring to the workforce, and the support veterans need to fully integrate into the job market. Today, we will focus on the findings of the December 2014 Administrative Report analyzing the need for a veteran owned business procurement program for city contracts. While this is the first hearing we've had on this topic this session, it is the third such hearing in the last 15 months. In October, 2013 the Committee on Small Business and Veterans heard extensive testimony from advocates calling for the City and the State to adopt veteran procurement programs.

1
2 In December of that year under Chair
3 Diana Reyna the Committee recommended adoption of the
4 legislation that became Local Law 144 of 2013,
5 requiring the Department of Small Business Services
6 to study veteran-owned business enterprises, and
7 determine the need for such a veteran procurement
8 program. Pursuant to Local Law 144 SBS, the Mayor's
9 Office of Contract Services and the Mayor's Office of
10 Veterans Affairs issued their report on December 1,
11 2014 concluding that a veteran-owned business
12 procurement program is not warranted at this time.
13 Among the reasons the Administration cited was a
14 significant overlap between a veteran population, and
15 populations eligible for MWBE certification. In lieu
16 of such a procurement program, the Administration
17 made several recommendations for expanding assistance
18 to veteran entrepreneurs. Including increasing
19 outreach to the veteran business community, providing
20 an opportunity to self-identify a business as
21 veteran-owned through the Payee Information Portal.
22 Providing expanded business skills training for
23 veteran-owned business--veteran business owners, and
24 leveraging the resources of SBDC and the Procurement
25 Training Assistance Centers. Also providing training

1
2 on how to sell to government, providing access to
3 certification to an MWBE or an emerging business
4 enterprise with the City and establishing a veteran
5 leadership association to support procurement
6 efforts. At today's hearing we look forward to
7 hearing from SBS about how it arrived at its
8 conclusion, the adequacy of the report's
9 recommendations, and the plans that the City has to
10 implement its recommendations. We also look forward
11 to hearing from advocates for veterans about their
12 thoughts on these proposals. Additionally, we look
13 forward to hearing about existing programs such as
14 the Veteran Entrepreneurship Program Veteran and any
15 other programs the Administration has to promote
16 entrepreneurship in the veteran population.

17 I'd like to recognize my colleagues that
18 are here joining me, Council Member Wills from
19 Queens, and Council Member Dickens from Manhattan.
20 Who else is here? Council Member Vallone from Queens
21 and Council Member Cohen, from--

22 COUNCIL MEMBER COHEN: [off mic]

23 CHAIRPERSON CORNEGY: --the Bronx. He's
24 in the building, of course, and Council Member Koo--

25 COUNCIL MEMBER MENCHACA: And Menchaca.

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CHAIRPERSON CORNEGY: --from Queens.

Council Member Menchaca, my colleague and comrade from Brooklyn. I'd like to thank my Legislative Director Dinah Shore Gross [sp?] and the Small Business Committee staff; Policy Analyst James Saburi [sp?], and Committee Council Jeff Campagna for their work preparing for this hearing. I'd also like to thank the staff of the Committee on Veterans, Committee Counsel Eric Bernstein, and Chair Ulrich's Legislative Director Redmond Haskins. Finally, I recognize Council Member Ulrich, Chair of the Committee on Veterans to offer his opening remarks.

CHAIRPERSON ULRICH: Thank you, Chair Cornegy. Much better. Is this on? Okay, good. Good afternoon. I'm Council Member Eric Ulrich, Chairman of the Veterans Committee. I want to thank my friend and colleague Chair Cornegy, and the members of the Small Business Committee for jointly holding this important hearing on helping veteran-owned small businesses in the City of New York. Today we're going to look at how the city can promote veteran-owned business enterprise and assist veterans looking to start their own businesses in the city. New York City is currently home to approximately

1 15,400 veteran business owners, and SBS estimates
2 that an additional 22,800 veterans want to start
3 their own business here.
4

5 New York City's veterans are highly
6 educated with 58% having completed some college or
7 received their Bachelor's Degree. Because of their
8 leadership skills they've developed, and the
9 technical knowledge they acquired during their
10 military service, veterans are uniquely suited to
11 start and successfully operate their own businesses.
12 As President Obama said in last night's State of the
13 Union Address, If you want to hire someone who is
14 going to get the job done, hire a veteran.

15 Nationwide, veterans are more likely to
16 become entrepreneurs than non-veterans. As New York
17 City continues to be a growing hub for entrepreneurs
18 particularly in STEM related industries, and as
19 thousands of veterans return from active military
20 service, the City has a unique opportunity to
21 leverage their experience and their knowledge to
22 strengthen the city's economy. One way in which the
23 city can promote veteran-owned small businesses is
24 through opening new opportunities in city
25 contracting. Veterans have skills in industries that

1
2 overlap with many of the needs of the city with
3 nearly 50% of city contracts coinciding with
4 industries with high proportions of veteran
5 businesses or employees.

6 A survey conducted by SBS found that 83%
7 of veteran business owners surveyed would be
8 interested in working with the city in the future.

9 We look forward to hearing from SBS, and MOVA,
10 Mayor's Office of Veterans Affairs, about the
11 findings and recommendations in their recent report
12 on supporting small businesses and operate-- Small
13 businesses that are owned and operated by veterans.
14 This is an important start in an ongoing conversation
15 about how New York City can be a more welcoming place
16 for veterans to launch and operate their own
17 business.

18 I want to thank the members of the
19 committee who are present. I know they were already
20 acknowledged by Chair Cornegy of the Veterans
21 Committee and also again thank the members of the
22 Small Businesses Committee form making today's
23 hearing possible. And with that, I thank my Co-Chair
24 today who will swear in the Administration.

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1
2 CHAIRPERSON CORNEGY: Thank you, Co-
3 Chair. So I believe that we have the first panel is
4 my Commissioner Maria Torres Springer from SBS and
5 Katherine La Porte on behalf of Commissioner Sutton,
6 who I understand had an injury. So she has our
7 deepest sympathy. Thank you for coming. And is that
8 Lisette Camillo from MOCS? And actually four people
9 and I know we have three slips. Can you please
10 identify? That's your staff? Okay, thank you so
11 much.

12 [background comment]

13 CHAIRPERSON CORNEGY: Oh, thank you. So
14 I am going to do the affirmation. Can you please
15 raise your right hand? Do you affirm to tell the
16 truth, the whole truth, and nothing but the truth in
17 your testimony before the committee, and to respond
18 honestly to Council Member questions? Thank you.

19 [pause]

20 KATHERINE LA PORTE: Okay.

21 CHAIRPERSON CORNEGY: And just for the
22 record, when you speak just identify yourself.

23 KATHERINE LA PORTE: Thank you. My name
24 is Katherine La Porte, Chief of Staff of the Mayor's
25 Office of Veterans Affairs, and a U.S. Army Veteran.

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1
2 Commissioner Sutton is not here today due to a
3 personal issue, but she sends her apologies and looks
4 forward to speaking with you at a later time. And I
5 would like to read her testimony on her behalf.

6 Good morning, Chairman Ulrich and
7 Chairman Cornegy, Jr. and the members of the Veterans
8 and Small Business Committees. My name is Loree
9 Sutton, and I am privileged to serve as Commissioner
10 of the Mayor's Office of Veterans Affairs. I
11 appreciate your leadership, and I look forward to
12 sharing my perspective about today's topic as well as
13 following up in the near future to discuss more of
14 this strategy going forward. Thank you for the
15 opportunity entrepreneurship. Working with the New
16 York City Department of Small Business Services and
17 the Mayor's Office of Contract Services we have put
18 together a collaborative report, a road map for
19 supporting veteran-owned businesses.

20 This report gives details on services
21 provided to New York City veterans and graphics on
22 the veterans community, veteran community needs,
23 seven recommendations to service veteran business and
24 next steps. It outlines how we can better assist
25 veterans looking to start or grow their small

1 business. This initiative will better prepare
2 veteran business owners to potentially become
3 eligible to win contracts in the city procurement
4 process. Mayor Bill de Blasio is committed to making
5 New York City the place to call home for returning
6 veterans whether they are native New Yorkers, coming
7 back to their home of record, or veterans who are new
8 to our city.
9

10 We want to attract the best and the
11 brightest, and invite veterans and their families to
12 continue serving others as they prepare to study,
13 work, flourish, and even start a new business. This
14 initiative will allow us to assist them in their goal
15 to become the future business leaders of New York
16 City, whether they are looking to run a small mom and
17 pop shop, incubate, and launch a technology company.
18 Or, use what they learn in the program to become the
19 CEO of a Fortune 500 company. We know that veterans
20 possess the indispensable skills, leadership, team
21 effort, values and maturity to thrive in today's
22 career landscape.

23 I look forward to working with SBS and
24 MOCS, and all generations of New York City veterans
25 who are interested in exploring new and emerging

1 employment and business opportunities. Have a
2 veteran workforce better informed, and prepared to
3 succeed as entrepreneurs will be an asset to New York
4 City. These feedback sessions thus far have been
5 extremely productive, yielding valuable insights,
6 ideas, and constructive feedback that will inform our
7 actions going forward. The veterans attendance were
8 excited to hear about the city's Veterans
9 Entrepreneurship Program. To this end, MOVA will
10 continue to partner with SBS in conducting outreach
11 sessions and engaging the veteran community in paving
12 the way ahead for better business and employment
13 opportunities for veterans and their families.

14
15 MOVA will organize a veteran business
16 leadership taskforce whose recommendations will be
17 submitted to the Commissioner and BAB for
18 consideration and action. Thank you for this
19 opportunity to meet with you today, and I look
20 forward to continuing our journey together on behalf
21 of all New York City veterans and their loved ones.

22 At this time, I'd like to turn over the
23 testimony session to Commissioner Maria Torres
24 Springer.
25

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COMMISSIONER TORRES-SPRINGER: Good

afternoon, Chair Cornegy, Chair Ulrich, and members
of the Committees on Small Business and on Veterans.

My name is Maria Torres-Springer, and I'm the
Commissioner of the Department of Small Business
Services. I am pleased to join Katherine La Porte of
the Mayor's Office of Veterans Affairs and Lisette
Camillo, the Director of the Mayor's Office of
Contract Services, to discuss the Veterans Report,
the road map for supporting veteran-owned businesses,
which we released together in December of 2014.

The reports the state of veteran-owned
businesses in New York City, and outlines seven
recommendations for how the City can help strengthen
these businesses through training, outreach,
networking and identification. There are more than
200,000 veterans in New York City today, and
thousands more that will be returning home in the
coming years. The City is committed to ensuring that
these individuals who selflessly volunteered to serve
and protect our country have the resources that they
need in order to be successful. We believe our
recommendations are just the beginning of our work to

1 further support veterans and veteran-owned businesses
2 in New York City.

3
4 I'll start by discussing the services
5 that SBS currently offers veteran job seekers and
6 entrepreneurs. Then, I will discuss the findings of
7 the Veteran Study including the demographics of the
8 veteran community, their market side and community
9 needs. Next, I'll walk through our seven
10 recommendations, and our continuing community
11 outreach process. After that testimony, I would be
12 happy to take any questions that you might have.

13 So, first in terms of existing services
14 for veterans. As you might know, SBS currently
15 operates 16 Workforce 1 Centers that offer
16 recruitment services to businesses, as well as train
17 and connect New Yorkers to jobs. To offer targeted
18 support to veterans, SBS, the Mayor's Fund to Advance
19 New York City, and the Robin Hood Foundation launched
20 the Workforce 1 Veterans Employment Initiative in
21 July of 2012. This initiative expands on the
22 Workforce 1 model to better connect local service
23 members, veterans, and military families to
24 meaningful employment. As part of this initiative,
25 SBS has placed ten dedicated veteran specialists, who

1 are nearly all veterans themselves at seven Workforce
2 1 Career Centers across the city to provide priority
3 service to veterans. Which means making sure all
4 veterans and military spouses are first in line for
5 staff appointments, and are prioritized for career
6 training and job placement services. Delivering one-
7 on-one career development support. Referring
8 veterans in need of support services to Robin Hood's
9 network of community partners, and connecting
10 veterans to job opportunities. Since the launch of
11 this program, as you can see on the slide, in July of
12 2012, this employment initiative has served nearly
13 11,000 veterans and spouses, and connected more than
14 2,400 to work.
15

16 At our seven New York City Business
17 Solution Centers, SBS offers a set of nine free
18 services to help businsses start, operate, and expand
19 in New York City. These services include financing
20 assistance, business courses, legal advising, help
21 navigating government access to incentives,
22 recruitment and training. To specifically support
23 veteran entrepreneurs, NYC Business Solutions, the
24 Institute for Veteran Military Families at Syracuse
25 University, Kaufman Fast Track and the SUNY Levin

1
2 Institute as well as BNY Mellon launched the Veteran
3 Entrepreneurship Program in January of 2014 for a
4 cohort at the time of approximately 20 veteran
5 entrepreneurs. This pilot leveraged the collective
6 partners entrepreneurs focused programming, and was
7 customized to address the unique challenges that
8 veteran entrepreneurs face by providing veteran
9 business mentors, and connecting participants to
10 resources offered by veteran service organizations.
11 The first cohort has graduated, and we are actively
12 recruiting for the next cohort, and that will start
13 next month. We believe that these efforts have
14 provided valuable services to the veteran community,
15 but we also believe that there is a tremendous and
16 profound opportunity to do more in the months and
17 years ahead.

18 So now we'll turn to the Veteran Study.
19 To better understand the composition, and the needs
20 of the veteran business community and in compliance
21 with Local Law 144, SBS and MOCS commissioned a study
22 of the veteran--of the veteran businesses in New York
23 City. This study conducted by Pricewaterhouse
24 Coopers relied on publicly available market data
25 including from the U.S. Census, the Department of

1
2 Veteran Affairs, in-depth interviews and focus groups
3 of veteran support organizations and business owners,
4 and a customized online survey. Taken as a whole,
5 this data has helped us to estimate the number of
6 veteran businesses in New York City, and their
7 interest in and capacity to contract with government.

8 The study found that New York City's
9 veteran population is largely male, older than 45
10 years with a large percentage having served during
11 the Vietnam War. As you can see here from the
12 charts, they are fairly spread across the five
13 boroughs with the largest concentration in Queens.
14 Ethnically, approximately half of the population is
15 non-Hispanic Caucasian, and the other half-- You can
16 see here the percentages in terms of ethnicity. The
17 study also found, as Council Member Ulrich mentioned,
18 that veterans are very well educated, with nearly 60%
19 having some college experience of a bachelor's
20 degree. So the study estimates that there are
21 approximately 235,000 veterans in New York City. And
22 I'll describe what the rest of these boxes show.

23 So if you exclude the five percent who
24 are unemployed, and the approximately 40% who are
25 retired, that leaves about 129,000 who are employed.

1 That's the box to the far left. Of these employed
2 veterans, it's estimated that 11.9% or 15,400
3 veterans own a business. Based on U.S. Census data
4 approximately 40% of veteran businesses, or an
5 estimated 6,200 businesses are in industries in which
6 the city procures including construction,
7 professional services, and maintenance and repair.
8

9 Importantly, however, we do not know if
10 these businesses--these 6,200 that I mentioned
11 before--necessarily have sufficient capacity, or the
12 interest really in selling to government. Now, the
13 study also reveal the number of insights into the
14 needs of the veteran community, including existing
15 business owners as well as veterans who are
16 interested in starting a business, that identify
17 23,000 veterans who are interested in starting a
18 business. And their most pressing needs, which
19 include business training; accessing star-up and
20 growth capital; and getting assistance with business-
21 -and getting assistance with business development
22 services. Additional needs that are outlined on the
23 slide, that the veteran community as a whole
24 identified were finding employment; assistance with
25 city procurement processes; networking with the

1
2 veteran community; accessing Veteran Affairs
3 benefits; and having a centralized directory for
4 veteran resources.

5 So based on the needs identified through
6 this study, we believe there's a significant
7 opportunity to build upon the existing services we
8 offer to better serve veterans in New York City. We
9 are pleased, therefore, to describe seven
10 recommendations that are designed to help veterans
11 interested in starting and growing their business, as
12 well as those interested in contracting with the
13 City. And I'll just describe each of these briefly.

14 So in that first category, outreach to
15 the veteran business community, SBS will focus on
16 broadening our reach in the veteran community to
17 market services and share information. Including
18 through our New York City Business Solution Centers,
19 Workforce 1 Centers; partnerships with other
20 governmental agencies and community-based
21 organizations. As well as through our website,
22 social media, and email blasts. A close working
23 relationship with MOVA will be a very major component
24 in coordinating effective outreach to the veteran
25 community.

1
2 Second, providing an opportunity to self-
3 identify business as veteran-owned through the Payee
4 Information Portal otherwise known as PIP currently--
5 And this really key because the crux of it, and I'll
6 explain more later. Why we are not recommending a
7 goals programs at this time is really a question
8 about information. Information that we do not
9 currently have, but this recommendation once
10 implemented will allow us to really start generating
11 a robust set of data. A veteran business who are
12 interested in or currently contracting with the City.
13 So currently, there is no way to identify veteran-
14 owned businesses participating in city procurement.
15 And we will address this issue through recommended
16 changes to PIP. PIP is a service on the City's
17 website that allows businesses to enroll as potential
18 vendors with the City, and once registered, PIP
19 allows enrolled firms to manage their account online,
20 and view financial transactions with the City if
21 awarded contracts.

22 By allowing business to self-identify as
23 veteran-owned starting as soon as in the next couple
24 of months, we can measure the number of businesses
25 interested in city contracting, determine the current

1 number of utilization of veteran-owned firms in city
2 procurement. And identify businesses for outreach,
3 support and training. With a more defined list of
4 businesses interested in contracting opportunities,
5 we believe we'll be better positioned to offer
6 tailored services to this community of potential
7 vendors.
8

9 Now, we're getting into the
10 recommendations related to supporting business growth
11 or recommendation three, providing business skills
12 training to veteran business owners. Since a
13 significant number of businesses in this study were
14 interested in starting a business, we will increase
15 and enhance the ways we support veteran
16 entrepreneurs. As I mentioned before our network at
17 the NYC Business Solution Centers offers free
18 services for businesses of any size and at any stage.
19 In an effort to customize our services for veterans,
20 we will launch a new course entitled, *Ten Steps to*
21 *Starting a Business* for veterans in February. We
22 have also scheduled the training session for all of
23 center staff on the services available for veterans.
24 We are also currently recruiting for the Veterans
25 Entrepreneurship Program that I mentioned earlier

1
2 whose cohort begins in February. And we will
3 continue to investigate ways to expand this program
4 as well as others. By sharing data between PIP, NYC
5 Business Solutions, and our other services we'll be
6 able to understand the needs of veteran business
7 owners, and specifically tailor our services for
8 veterans accordingly.

9 The fourth recommendation, partnering
10 with the SBCs or Small business Development Centers
11 and PTAC--PTACs, Procurement Technical Assistance
12 Centers. New York City is home to three PTACs
13 including one operated by SBS and several SBDCs. For
14 those who don't know, PTACs provide government
15 contracting assistance including certification for
16 City, State, and Federal contracting and training to
17 help businesses compete for and win contracts. SBDCs
18 offer free one-on-one technical assistance to
19 entrepreneurs and small businesses, including
20 financial assistance, disaster recovery assistance,
21 procurement support, healthcare information, and
22 business courses. We know we can better partner with
23 SBDCs and PTACs to leverage their business training,
24 consulting services, and government contracting

1 assistance, and direct veteran business owners to the
2 services that best meet their need.
3

4 The third category of recommendations is
5 help with city contraction. Recommendation number
6 five here: Provide training on how to sell to
7 government. The City has undertaken a number of
8 efforts to reduce barriers for small businesses that
9 are competing for contracts, and currently doing
10 business with the City. For example, SBS runs a
11 monthly Selling to Government workshop that's open to
12 the public, as well as additional capacity building
13 programs through our Compete to Win Initiative, which
14 includes technical assistance, upfront capital loans,
15 bond writing, and construction mentorship programs.

16 Moving forward, SBS will better market
17 the Selling to Government services to veterans so
18 that we can assist them in navigating the City's
19 procurement system.

20 Recommendation 6: Providing access to
21 existing certification programs. Today, there are
22 opportunities for veteran firms to certify into one
23 of the existing certification programs for Minority
24 and Women Owned Business Enterprises, MWBE and
25 Emerging Business Enterprises or EBEs. These

1
2 programs established by Local Law contain goals for
3 prime and subcontracting. Given the demographic data
4 from the study, we estimate approximately half of the
5 existing veteran-owned businesses can qualify for the
6 MWBE program. Furthermore, we can evaluate whether
7 EBE certification is an option for those who do not
8 qualify for the MWBE program. We will certainly look
9 to certify as many eligible veteran firms into these
10 existing certification goals programs.

11 Recommendation 7, the last one,
12 establishing the veteran leadership association to
13 support procurement efforts. With the support from
14 the City Council the City has an MWBE Leadership
15 Association that helps inform city policy and
16 provides MWBE firms with procurement workshops and
17 capacity building services. There is an opportunity
18 here we believe to create a similar organization that
19 could work in partnership with the existing Veterans
20 Advisory Committee hosted by MOVA to specifically
21 support the veteran-owned firm interested in
22 contracting with the City. We recognize that the City
23 Council is interested in investigating the Goals
24 Program for veteran business owners, and I want to
25

1
2 explain why we have chosen not to create such a
3 program at this time.

4 First, the study showed that while some
5 veteran businesses need assistance navigating City
6 procurement, there are many issues that are faced by
7 veterans that will not necessarily be addressed by
8 simply creating a goals program. At this point, we
9 believe we can have a larger and more immediate
10 impact within the veterans community by assisting
11 them through a wide array of outreach training and
12 networking and educational opportunities. The seven
13 recommendations outlined in this study builds on
14 proven tools--proven tools--excuse me--that the city
15 has. And are designed to meet the needs that
16 veterans identified in the study.

17 Second, for those veteran businesses that
18 are interested in city contracting, as I described
19 earlier, four of our seven recommendations focused on
20 just that, improving the capacity of the businesses
21 to sell to government, navigating the City's
22 procurement system, and competing for and winning
23 government contracts.

24 Third, veterans can certify for existing
25 goals programs including the MWBE program and the EBE

1
2 program if they are eligible. Based on the
3 demographics of New York City veterans that I
4 described earlier, we estimate that approximately 50%
5 of the veteran business community may qualify for
6 such programs. And we're committed to working with
7 any interested veteran business owners to walk them
8 through that process.

9 Fourth, for businesses interested in
10 contracting, the self-identification process through
11 the Payee Information Portal is a simpler less
12 paperwork intensive way to encourage participation
13 from veteran business owners and city procurement.
14 And it will allow us, we believe, to more quickly
15 identify and engage with these businesses. We
16 estimate that there are roughly 6,200 veteran-owned
17 businesses, and industries through which the city
18 procures. But we do not know how many firms are, in
19 fact, already contracting with the City. How many
20 specifically are interested in contracting with the
21 City, or what additional capacity they may need in
22 order to successfully do business with the City. To
23 effectively create a goals program, we believe we
24 need to know more about this universe of businesses
25 that want to sell goods and services to the City,

1 which we will be in a position to do through the
2
3 aforementioned changes to the PIP system. So with
4 that information we believe we can effectively
5 evaluate the need for a specific goals program in the
6 future.

7 Just a note on community engagement. I
8 think this is important as we view the results of the
9 study as a blueprint for our work going forward.
10 There are, as we develop programs, a number of
11 details and specifics that need to be developed and
12 we would certainly hope to do that in partnership
13 with the City Council with veteran business owners
14 themselves, with the service organizations that do so
15 much for veterans in the city. And so, we believe
16 that this is just a start and the community
17 engagement and partnership with MOVA, and our sister
18 agencies will continue.

19 So at SBS we are committed to actively
20 engaging the community to assure that the services we
21 provide meet the needs of all the people we serve.
22 That's why in the weeks following the release of the
23 report in collaboration with MOVA and MOCS we hosted
24 several roundtable events across the city. And have
25 received valuable feedback from veteran

1 entrepreneurs. And I see a number of people in this
2 room who actually joined us at those roundtables. So
3 thank you. Over the course of four scheduled
4 meetings, we have spoken with approximately 120
5 veteran business owners and organizations. And just
6 to give you a sense of some of the issues discussed
7 in the first two sessions, several business owners
8 discussed their need for financing assistance, which
9 affirmed the needs identified in the study. So at
10 the Roundtable, we highlighted the financing
11 assistance offered to NYC Business Solutions. And we
12 will incorporate this feedback as we develop
13 additional strategies to increase veteran business
14 owners' access to capital. Our next event will take
15 place in Jamaica-Queens on Friday, the 23rd, and we
16 certainly welcome all of you who if you wish to
17 attend.

18
19 So we believe-- Just in conclusion, that
20 the seven recommendations that we've described
21 provide a good blueprint for immediately and
22 meaningfully helping the veteran businesses of New
23 York City, but they are just the beginning of our
24 work. We're fully supportive of this community, and
25 are committed not only to linking interesting veteran

1 businesses with city procurement opportunities, but
2 also to helping veteran businesses of all types and
3 sizes open, operate, and thrive. We look forward to
4 working closely with the City Council, MOVA, MOCS,
5 and other partners inside and outside of government
6 to ensure veteran business owners have the resources
7 they need in order to be successful. Thank you for
8 inviting me to speak here today, and for your
9 dedication to serving the veteran community in New
10 York and together with my colleagues at MOVA and MOCS
11 we will be happy to take any questions that you have.

13 CHAIRPERSON CORNEGY: So I just have a
14 couple of questions before I pass it over to my co-
15 chair, but I would be remiss if I didn't say, you
16 know, I'm sitting here like having deja vu. So as a
17 freshman council member no one told me that the last
18 time I was having one of these hearings I was
19 actually the Policy Analyst on veterans. So this is
20 a testament to the fact that you can actually work
21 really hard and graduate within City Council. But
22 we're back at some very basic issues. And for me,
23 the idea of outreach in education has been kind of a
24 cornerstone for how we move things forward in the
25 city or do not. My question is who is the

1 responsible entity for outreach in education as it
2 relates to this, and how is it being administrated at
3 this point.
4

5 COMMISSIONER TORRES-SPRINGER: Uh-huh.

6 It's a great question. One of the things that we
7 learned through this study is that our efforts going
8 forward that we have to make sure that it is not
9 every agency trying to do its own outreach and
10 working at cross-purposes or duplicating efforts.

11 And so, going forward it will be a very close
12 collaboration with MOVA with MOCS and other relevant
13 agencies to ensure that to the extent that they are
14 interfacing with veterans--organizations serving
15 veterans, or they databases of veterans in New York
16 City that we're pulling all of that information
17 together. So that we can speak with one voice, and
18 deliver information in a more streamlined fashion.

19 And so, we will-- That's the work that we need to do
20 amongst us. And then we also want to, as we've done.

21 One of the recommendations is to make sure that we
22 are learning from the lessons of the MWBE Program for
23 instance. Like there's a leadership association that
24 with the support of the City Council that allows us
25 to better reach the MWBE community so that it is a

1 project, too, that we are going to undertake in the
2 weeks ahead.

3
4 The other thing that I will--that I'll
5 note is that while email lists are good, databases
6 are good, there is nothing like actually sitting
7 face-to-face with veteran business owners, and these
8 roundtables that we've done have been extremely
9 educational, and informative, and we hope to continue
10 that in the future. So it's going to be a wide
11 variety of strategies, but a coordinated approach
12 amongst at least these agencies represented here
13 today.

14 CHAIRPERSON CORNEGY: And just might I
15 add and I'm sure that my colleague can speak to this
16 better. Having dealt with the veterans population, I
17 found that they are very insulated and get their
18 information from specific places even if they're
19 business owners. And it's a very closed group so
20 it's very hard-- It's difficult sometimes to
21 disseminate information to that group, and it takes
22 some resiliency, and a great deal of consistency in
23 order to be able to do that. So, the one-off way
24 that sometimes the city does its outreach I don't
25 think we'll be successful with this particular

1 demographic. And I'm sure that my colleague could
2 speak to that a little bit more.

3
4 My second question contains results of
5 only 147 veteran-owned businesses surveys. Could you
6 explain the methodology that led to you-- that led
7 you to conclude this sample was sufficient to assess
8 the preferences of the entire veteran-owned business
9 population of New York?

10 COMMISSIONER TORRES-SPRINGER: So what's
11 important to note is that the survey was just one of
12 many data sources used in order to generate findings,
13 and ultimately develop the recommendations in the
14 report. So in addition to that--the Customized
15 Online Survey where we got close to 200 responses,
16 150 of which were from veterans business owners, we
17 also-- The consultants looked at all publicly
18 available data sources, the US Census. The US
19 Department of Veteran Affairs did one-on-one
20 interviews with veterans and with veteran
21 organizations. And we have continued that work
22 through the roundtables that I mentioned. And so,
23 it's really you have-- We've taken all of that data
24 as a whole. It's what led to findings of the report
25 and the recommendations moving forward. We think

1 that through the changes that we're going to make
2 with PIP will have a better way to specifically reach
3 veteran business owners who are interested in
4 contracting with the City. So that will be-- that
5 will increase our outreach efforts. But to your
6 point earlier, Council Member, it is the reaching.
7 We know it's not a monolithic group, and to the
8 extent that they don't get the information just from
9 one place, we have to be dogged in making sure that
10 we get the information. And in the roundtables that
11 we've done, the question that I have asked it's a
12 very specific one is where do you get your
13 information? Specifically, what is your
14 organization? Who is the person? What is the
15 website? What is the email blast that you actually
16 read or somewhere else, or is it word of mouth?
17 Because we need to make sure we have a robust
18 inventory of where those sources are, and then turn
19 over every leaf in order to get the information. So
20 going back it is--it was just one of a number of
21 different data sources. But the result of the online
22 survey corroborated findings that were available
23 through the publicly available data.
24
25

1
2 CHAIRPERSON CORNEGY: Thank you. And to
3 MOVA, one of the--one of the consistent themes of
4 MOVA since I've been around has been its lack of
5 capacity. And it being understaffed. What you're
6 undertaking here is a very robust program to engage.
7 How will you be able to do that based on, you know,
8 our history--your history of being understaffed,
9 being under-served and under capacity?

10 KATHERINE LA PORTE: Well, Commissioner,
11 that would be a question for Commissioner Sutton, who
12 is not here today, but I am sure that she looks
13 forward to the opportunity in answering your question
14 in the future.

15 CHAIRPERSON ULRICH: I didn't want you to
16 feel alone sitting over there, so I just thought I
17 would throw you a question. I realize that that is a
18 very long-term question, but I do want you to know
19 that I am aware, and I am sure that my colleague is
20 aware of the capacity issues that are represented at
21 MOVA. You've had a long history of that, and while
22 we're, you know, opting to go this direction based on
23 a report, I just want to make sure that the entities
24 that are responsible for that will be able to, you
25 know, to really fulfill this very robust idea. You

1 know, one of the consistent themes with our new SBS
2 Commissioner is her like my big hairy audacious
3 goals. So SBS always has-- Every time I meet with
4 them they have big hairy audacious goals that I think
5 that we could actually attain if the partners that
6 are tasked with doing it, have the capacity to do it.
7 So please relay that to the Commissioner.

9 KATHERINE LA PORTE: I will, and I'm sure
10 that she will welcome the opportunity to share with
11 you her ideas about interagency collaborations.

12 CHAIRPERSON CORNEGY: And just my last
13 question before I pass it to my Co-Chair is that what
14 information would PIP provide that would warrant a
15 procurement program?

16 COMMISSIONER TORRES-SPRINGER: So on a
17 very fundamental level--And Lisette, if you have
18 anything to add, please do--we'll be able because
19 veteran business owners by enrolling can self-
20 identify, will at least know because we don't know
21 today, the number of business owners who are either
22 contracting with the city or who want to contract
23 with the city. And with that information, we can
24 reach out to those individuals for instance to better
25 understand specific challenges as it relates to

1
2 government contracting. And so, importantly, we can
3 track that over time. Those are the pieces of
4 information that I believe are necessary that we
5 don't have today because the functionality doesn't
6 yet exist. But we'll inform if and when a goals
7 program is the right way to ensure the greatest
8 access to contracting opportunities.

9 CHAIRPERSON CORNEGY: So, at this time I
10 would like to turn this part of the questioning over
11 to the very capable hands of my colleague and Co-
12 Chair Eric Ulrich.

13 CHAIRPERSON ULRICH: Thank you very much.
14 I would like to recognize before we continue that
15 we've been joined by two additional colleagues,
16 Council Member Koslowitz is a member of the Committee
17 on Small Businesses and Council Member Maisel is a
18 member of the Veterans Committee, and Council Member
19 Inez--Inez Dickens. Were you recognized already?

20 COUNCIL MEMBER DICKENS: [off mic]
21 Absolutely I was.

22 CHAIRPERSON ULRICH: Okay, well, you're
23 recognized twice. What's wrong with that. That's
24 right. First, I wanted to thank you, Commissioner,
25 for your testimony. Today, I also want to wish a

1 very speedy recovery on behalf of all the members of
2 the Veterans Committee to Dr. Sutton. I had the
3 opportunity to speak with her this morning, and we
4 want to see her back on her feet soon. And we look
5 forward to the important work that we have to do
6 together. So we wish her all the best. For Small
7 Business Services I want to say that I think that
8 this study is really a step in the right direction.
9 I know it doesn't go as far as a lot of the advocates
10 wanted it to, or some of my colleagues would have
11 liked to see it go. But whatever we're doing now is
12 certainly more than we've done in the past. So this
13 is a positive step in the right direction. I think
14 getting information, getting data really is key to
15 understanding this issue, and getting a better
16 understanding of the issues. So allowing veterans to
17 simply self-identify in the PIP process for instance
18 that's very important. It's very meaningful.

19
20 It's something, by the way, that should
21 have been 20 years ago. So it's no fault of your
22 own, or this administration. It really is something
23 that we should have done a better job with a long
24 time ago. So I'm glad that we're doing it. It's a
25 good thing. The concern that a lot of people have,

1 and that I've had, and we've communicated outside of
2 this hearing-- And really, one of the motivations
3 behind having this hearing is that New York City
4 contracting programs really don't incentivize in any
5 way veterans to come here and establish their own
6 businesses. Or, veterans who live here to start their
7 own businesses. There really is no financial
8 incentive other than a lot of the programs that
9 you've described through the Workforce 1 Centers and
10 the SBS Solution Centers. So the question I have is
11 does the Administration leave open the possibility of
12 creating a veteran-owned businesses procurement goal
13 similar to what the State has in the future? Maybe a
14 year from now or five years from now? Is the
15 Administration open to that? Maybe after we get some
16 more information?
17

18 COMMISSIONER TORRES-SPRINGER: Uh-huh.

19 What I'd say is that we have been, are today and will
20 continue to be open to any strategies or programs
21 that allow us to more effectively serve veteran
22 business owners. And, of course, we're committed to
23 ensuring that for the diverse communities in New York
24 City, MWBE communities, veteran business owners that
25 we are providing real access to contracting

1
2 opportunities. But at this time, as I've mentioned,
3 we believe the most prudent way to move forward so
4 that we can get valuable and immediate services to
5 veteran business owners is to implement the seven
6 strategies, the recommendations of the report. That
7 allow us to do three things: Start delivering
8 services across a wide array of needs that have been
9 identified. Do still t he specific work to help
10 businesses that are interested in city contracting,
11 and then get smarter with the data through PIP.

12 CHAIRPERSON ULRICH: So I think that
13 that's meaningful for both committees and my
14 colleagues in a sense that the Administration is not
15 saying no, never. They're just saying, no, not right
16 now. Let's get some more information. Let's get
17 some more data, and then if that's something that we
18 think is meaningful down the road, or it's something
19 that the city ought to be doing that we're open to
20 that. So I think that's--that's very positive for me
21 and for a lot of the advocates who want to see that.
22 Because we believe that that's something that could
23 be positive for veterans.

24 On that front, I know you mentioned
25 outreach. I think that the roundtables have been

1 very productive. I think they're excellent. I think
2 we should do more of them, and I know that
3 Commissioner Sutton has talked very enthusiastically
4 about doing more of them, and going to all five
5 boroughs and reaching veterans. But does the City
6 have a plan to develop more targeted services to
7 reach underserved veterans such as women and
8 minorities because as we know, the veterans
9 population is changing. Five years from now and ten
10 years from now returning service member more and more
11 of them are women, many of whom have young families.
12 A lot of them happen to be people of color or
13 minorities. So do we have a special targeted
14 strategy to reach that population aside from what
15 we've already been doing?

17 COMMISSIONER TORRES-SPRINGER: So, what
18 I'll say is infused in all of the work that we do at
19 SBS, and I'm sure our sister agencies here today,
20 that it is-- We don't just think about what the
21 programs are, but how to make sure they are designed
22 and implemented to reach the most vulnerable of
23 communities. And that will differ depending on the
24 issue. And so for this community to not just take a
25 broad brush that veterans are all the same, but that

1
2 thinking about it. So we'll pay very close
3 attention, and this is why I mentioned before this is
4 a road map. but the designing exactly what the
5 programs are, and how to make sure that they reach
6 not just veterans but the most vulnerable veterans is
7 going to be important to us. And to the extent that
8 members of the City Council have specific ideas, we'd
9 love to continue talking about that because it's an
10 initiative of great importance to us.

11 CHAIRPERSON ULRICH: Some of the ideas
12 that have come up in relation to that have been using
13 social media more aggressively. Maybe taking out
14 Facebook ads or Twitter ads and going--following or
15 targeting groups that veterans organize or identify
16 with. Whether they be disabled veterans or Iraq and
17 Afghanistan veterans or Vietnam veterans. Whatever
18 group or particular era that they might identify
19 with, and somehow reaching them that way.

20 COMMISSIONER TORRES-SPRINGER:
21 [interposing] Yes.

22 CHAIRPERSON ULRICH: Because more and
23 more people are using that as opposed to going to
24 meetings or reading--

25

1

2

COMMISSIONER TORRES-SPRINGER:

3

[interposing] That's right.

4

CHAIRPERSON ULRICH: --printed media. So

5

that's something that I know we've been doing, but

6

maybe we could do a better job doing. And so, that's

7

something we look forward to, a more proactive

8

approach. Finally, my last question.--and I know

9

many of my colleagues have questions--is, is there

10

federal support or state support that we can apply

11

for. Or grants that we can obtain outside of what

12

we're already getting to enhance and support the good

13

work that we're doing? Because what we're doing is

14

we're taking--we're undertaking a massive effort here

15

to reach tens of thousands or hundreds of thousands

16

of veterans who want to do business with the city.

17

Or who already are doing business with the city to

18

help them be successful and productive. We want to

19

help them, but with the funding that the city

20

currently provides in the budget, I know MOVA's hands

21

are tied significantly. SBS you're limited in terms

22

of what you're able to do. We have a grant from the

23

Robin Hood Foundation, but is there federal support?

24

Are there federal grants? Are there things we can

25

apply for? Who is responsible for seeking out those

1 grants? Where can we get those grants from? How do
2 we apply for them? Those are the things that we're
3 interested in. You know, not having the city
4 shoulder the entire burden of trying to pay for
5 reaching out to the veterans population? And private
6 money. Yeah, we mentioned the private money, too?
7 Is there more that we can do in terms of getting more
8 financial support?
9

10 COMMISSIONER TORRES-SPRINGER: So this
11 is a-- It's an important question and for the
12 programs that I described earlier on the job seeker
13 side, as well as the Veterans Entrepreneurship
14 Program. So those programs are funded by a
15 combination of private dollars. The Robin Hood
16 Foundation in particular. Some federal dollars
17 through The Workforce Investment Act, and some city
18 tax levity. Moving forward, I think as we determine
19 what will be expanded and specifically how, to make
20 sure that we're pursuing every avenue of additional
21 funding. Right now, I'm not personally familiar with
22 specific federal funding sources, but that is
23 something given the scarcity of resources today that
24 we'll definitely pursue. And we've done that across
25 different programs, and we'll do the same here.

1
2 CHAIRPERSON ULRICH: Thank you so much
3 for your testimony. My colleague and Co-Chair for
4 today who is going to administer the questions for my
5 colleagues. Thank you again for your testimony.

6 COMMISSIONER TORRES-SPRINGER: Thank
7 you.

8 CHAIRPERSON CORNEGY: Thank you. First
9 up in the queue is Council Member Vallone and then
10 Council Member Dickens.

11 COUNCIL MEMBER VALLONE: Thank you to--
12 thank you to both our Co-Chairs and to our
13 Commissioner. Thank you for your-- I think we're
14 all happy with the emphasis now being placed on this
15 critical issue in the veterans. I'm just trying to
16 find what it is we're actually going to do here. So
17 when I look at the seven steps, I look at the words
18 of how you end each of the seven steps and each
19 paragraph ends the same way. Where it's a better
20 working relationship with existing agencies. More
21 coordination, more outreach, more solutions.
22 Additional information is needed. We can better
23 partner to leverage business training. Moving
24 forward, we will do better to market our resources.
25 More outreach. There is an opportunity to create

1 similar associations. We certainly look forward to
2 doing more things with our existing programs. If I'm
3 a veteran, that's not really what I want to hear, and
4 I like hearing that you want idea from the Council
5 and you want to partner with our community
6 associations. But I want to hear the Administration
7 say this is this is the resources we're going to
8 commit. These are the programs we're going to
9 institute. This is the staff we're going to do.
10 We're going to increase MOVA. We're going to give
11 start-up opportunities. We're going to reach out to
12 the veterans who are the fifth largest state in the
13 country, the veterans. That wasn't said today.

14
15 COMMISSIONER TORRES-SPRINGER: Uh-huh.

16 COUNCIL MEMBER VALLONE: So there are
17 positive steps in acknowledging there is more to do,
18 which is what this report says. So we need to do
19 more and market more and outreach more, and get more
20 information. But yet, that was found to be enough to
21 not give any procurement incentives because we need
22 more information. We should do those things now to
23 help while we're finding out more information. We
24 shouldn't really withhold help until we find out more
25 information. So what I'm looking for is-- You even

1
2 acknowledged because it says right on the front this
3 is a road map. What does the steps reveal in this
4 road map that will lead to concrete steps by the
5 agency and the Administration to alleviate these
6 ongoing needs. And when you look you said the
7 services through the Business Solution Centers
8 there's one in each county. You know, I know our
9 Chair Eric Ulrich has been fighting to put MOVA in
10 each county, and maybe at the borough president's
11 office. We're fighting to get veterans on our
12 Municipal ID cards. We're fighting to get MOVA
13 expanded. None of that happened. So, I'm looking
14 for a little more concrete.

15 COMMISSIONER TORRES-SPRINGER:

16 [interposing] Yes.

17 COUNCIL MEMBER VALLONE: So what would
18 the road map-- What timeline would you envision to
19 maybe take the next steps?

20 COMMISSIONER TORRES-SPRINGER: I
21 appreciate your comments. We are not waiting in
22 terms of effectuating these steps. We're just
23 looking at this list. The Pay Information Portal
24 that functionality is going to be ready in the next
25 few weeks. Expanding business courses, we've

1 already-- Next month we'll be hosting a specific
2 course, Ten Steps to Starting a Business, that we
3 didn't have before specifically for veterans. We're
4 going to do additional training also next month for
5 Business Center staff. So those are--those are
6 specific steps that while this is a road map, we are
7 already taking. The second thing I'd say is we've
8 tried to strike a balance of identifying those things
9 that we can do today while allowing room to be able
10 to work collaboratively with the City Council and
11 other partners to smartly develop new programs. So
12 if we gave the impression that--that we are not
13 acting immediately, I would like to dispel that
14 because a number of the steps in these
15 recommendations have-- We started planning for and
16 scheduled even before the release-- The report was
17 finalized. And so we will continue to do that, and
18 move with a sense of urgency because it is a very
19 important problem.

21 COUNCIL MEMBER VALLONE: Well, I
22 appreciate that and thank you. I think maybe we can
23 schedule a follow-up to this with our Co-Chairs to
24 have based on this brand new initiative and wonderful
25 report. I mean I'm not saying that these steps are

1 not welcome. I just think it's crisis stage for our
2 veterans, and I think this is a good start. But I
3 think if I'm sitting on the other end I want to hear
4 once that information is obtained. Because a lot of
5 this information-base course training outreach
6 networking.

8 COMMISSIONER TORRES-SPRINGER: Uh-huh.

9 COUNCIL MEMBER VALLONE: The meat and
10 potatoes of what the greatest city in the world can
11 do for the fifth largest veteran population I still
12 think needs to be flushed out and addressed.

13 COMMISSIONER TORRES-SPRINGER:

14 [interposing] I understand.

15 COUNCIL MEMBER VALLONE: So I look
16 forward to working with you, and hearing from our
17 advocates and maybe they have some answers today for
18 us.

19 COMMISSIONER TORRES-SPRINGER: Thank
20 you.

21 COUNCIL MEMBER VALLONE: Thank you.

22 KATHERINE LA PORTE: And sir, I know that
23 Commissioner Sutton looks forward to doing more--

24 COUNCIL MEMBER VALLONE: [interposing]
25 She's been great, too. She's been a spark of light.

1
2 She's come out to the districts. She's very
3 passionate about that, as we all are when talking
4 about our veterans. But I think she's been one of
5 the reason Chair Ulrich and I and the rest of the
6 Veterans Committee have been very optimistic about
7 some of the changes.

8 KATHERINE LA PORTE: It's a very exciting
9 time in New York City for veterans.

10 COUNCIL MEMBER VALLONE: Thank you.

11 KATHERINE LA PORTE: Thank you.

12 COUNCIL MEMBER VALLONE: Thank you, guys.

13 CHAIRPERSON CORNEGY: Council Member
14 Dickens.

15 COUNCIL MEMBER DICKENS: Thank you,
16 Chair, and I want to thank Commissioner Torres-
17 Springer and Ms. La Porte on behalf of Commissioner
18 Sutton for coming today to give us testimony on this
19 very important subject. Now, Commissioner, page five
20 of your testimony says: Currently, there is no way
21 to identify veteran-owned businesses participating in
22 City procurement. Why is that?

23 COMMISSIONER TORRES-SPRINGER: It's
24 information that is not currently collected through
25 the system that we have where all of the vendors are

1 enrolled, which is through the Payee Information
2 Portal. So the question is not asked, and the change
3 that we're seeking is to ask that question so that
4 these businesses--veteran-owned businesses can self-
5 identify and that data we can collect.

7 COUNCIL MEMBER DICKENS: Now, what about
8 the veteran-owned MWBE businesses right now, which
9 are registered that have or are responding to RFPs
10 for procurement. Does not that give you a heads up
11 as to some of the MWBEs or EBEs that are veteran-
12 owned, and seeking City procurement contracts?

13 COMMISSIONER TORRES-SPRINGER: Uh-huh.
14 Lisette, correct me if I'm wrong. The MWBE
15 information we have does not include the answer to
16 the question--

17 COUNCIL MEMBER DICKENS: [interposing]
18 I'm sorry. I couldn't hear you. Would you--

19 COMMISSIONER TORRES-SPRINGER: Right now,
20 the information that we collect from MWBEs who are--
21 do contracts with the City we do not ask them whether
22 they have--they are veterans, if they served in the
23 U.S. armed forces. So that's--

1
2 COUNCIL MEMBER DICKENS: [interposing]
3 But there is a system now that allows them to be
4 registered, is that correct?

5 COMMISSIONER TORRES-SPRINGER: So that's
6 the system that we are going to add that question to
7 the site that has the Payee Information Portal so we
8 will be able to do that and track that information.

9 COUNCIL MEMBER DICKENS: So you're saying
10 in the past that was never done?

11 COMMISSIONER TORRES-SPRINGER: That's
12 correct.

13 COUNCIL MEMBER DICKENS: So we have no
14 way of identifying--

15 COMMISSIONER TORRES-SPRINGER:
16 [interposing] That's right.

17 COUNCIL MEMBER DICKENS: --veteran-owned
18 businesses--

19 COMMISSIONER TORRES-SPRINGER:
20 [interposing] That's right.

21 COUNCIL MEMBER DICKENS: --that are also
22 MWBEs?

23 COMMISSIONER TORRES-SPRINGER: Veteran-
24 owned businesses and any type of veteran-owned
25 business we were not able to.

1
2 COUNCIL MEMBER DICKENS: You were not
3 able to identify?

4 COMMISSIONER TORRES-SPRINGER: Right.

5 COUNCIL MEMBER DICKENS: Now, the second
6 part of my question is concerning your seven
7 recommendations. And the seventh one says: To
8 establish veteran leadership associations to support
9 procurement efforts as well as the other six. Now,
10 what do you see as one of the most important
11 encumbrances that might cause an MWBE veteran-owned
12 businesses to fail?

13 COMMISSIONER TORRES-SPRINGER: So what we
14 found in our work with MWBEs in general, there are--
15 And we've tried to address methodically in the
16 programs that we've developed, that there are
17 barriers that people face in doing contracts with the
18 City that run the gamut from knowing exactly kind of
19 the nuts and bolts of bidding on a City Contract. As
20 well, as bonding, as well as having the up-front
21 capital for instance to compete for and then to
22 really perform on those contracts. It's possible,
23 but those are some of the same challenges that will
24 be faced by veteran business owners who are--who
25 would like to contract with the City. And so, what

1 we would-- And part of this process is validating
2 whether that's true, and if we get to that point,
3 then ensuring that we are creating programs like the
4 programs that we have MWBEs that address each of
5 those barriers.
6

7 COUNCIL MEMBER DICKENS: Well,
8 Commissioner, I'm going to make one recommendation to
9 add to that. And that's because in my district they
10 have several MWBE veteran-owned businesses. And the
11 singular most important challenge is the fact that
12 New York City does not pay on their contracts timely.
13 Now, the federal government has a system that's
14 employed in some of their programs that will allow
15 small businesses to use kind of a critical system.
16 Nothing like in this in New York City for five years.
17 Now, I don't know. I didn't know it could be
18 employed here. It had to be investigated. We had to
19 check, but the federal government has a program where
20 they use kind of a--critical system I'll call it for
21 the lack of the proper term--that allows the small
22 business and the MWBE and veteran-owned to be able to
23 pay for supplies. And not be challenged with the
24 fact that because in New York City or in the case of
25 the federal government. But in this case in New York

1 City because they are so slow, and in many instances
2 they are sometimes more than a year late in payment
3 that many of the veteran-owned businesses don't want
4 to register here in New York City because of that
5 challenge. And I think that we need to begin to
6 really address the real problem. This is great. It
7 sound nice. This is a beautiful shot. However, the
8 real challenge is not being afraid that is really
9 inherent in doing business with MWBEs and veteran-
10 owned businesses in New York City. And so, I would
11 like to see something like that to be addressed
12 because that will keep the businesses alive. Rather
13 than see to it that it actually fails.

14
15 The last part of my question is that New
16 York State recently did the New York State Service
17 Disabled Veteran-Owned Business Act.

18 COMMISSIONER TORRES-SPRINGER: That's
19 right.

20 COUNCIL MEMBER DICKENS: Does New York
21 City have something very similar?

22 COMMISSIONER TORRES-SPRINGER: So the
23 State program recently announced a goals program for
24 service to disabled veterans, and I believe that the
25 percentage for that was six percent. So we do not

1
2 have that, and while we want to make sure that there
3 is access to contracting opportunities, our belief is
4 that today we'd like to implement immediately these
5 initiatives. Get more information about veteran-
6 owned businesses, and to determine if and how a goals
7 program might address those specific needs. We're in
8 close contact, thought, with the State to learn from
9 the lessons. I believe they have over 30 certified
10 service disabled veterans. So we'll stay in touch
11 with them to make sure that we're learning from their
12 experience.

13 COUNCIL MEMBER DICKENS: And the last
14 question I have is really on behalf of my colleague,
15 Council Member Maisel, and that the chart that you
16 provided us with did not have the ages as it relates
17 to the distributions-- Any of the distributions
18 whether we're talking about gender or borough wide.

19 COMMISSIONER TORRES-SPRINGER: Yes, so we
20 will-- We're happy to provide that. What I do know
21 is that 20% from the study are between 17 and 44; 33%
22 are between 45 and 54; 38% are between 65 and 84; and
23 9% are older than 84, but we would be happy to
24 provide the backup.

1
2 COUNCIL MEMBER DICKENS: Thank you so
3 much, and on behalf of my colleagues, Chairs, I would
4 like to leave that question open and alive in case
5 anyone wants to have additional questions as it
6 relates to that. But I appreciate your testimony,
7 your time. But with all of this, it still has not
8 addressed what actually causes these businesses to
9 fail. Thank you.

10 COMMISSIONER TORRES-SPRINGER: Thank you.

11 CHAIRPERSON CORNEGY: I also want to
12 report that we've been joined by our Council Member
13 Fernando Cabrera from the Bronx, and our next person
14 up in the queue is Council Member Cohen.

15 COUNCIL MEMBER COHEN: Thank you. Thank
16 you for your testimony. I just want to follow up
17 something I think that Council Member Dickens pointed
18 out. Just that--and I guess I don't understand in
19 your report. When you say there is currently no way
20 to identify veteran-owned businesses participating in
21 procurement. And then the report says that there are
22 6,200 veteran-owned businesses that are able to
23 contract. Either I don't understand something or I--

24 COMMISSIONER TORRES-SPRINGER: None of
25 that. It's a--it's--I asked when you were-- It's a

1 question that we've spent a lot of time trying to
2 make sure that we understand as we've gone through
3 the findings of the report. So the 6,200 is a number
4 derived. We can just go back to it. So the
5 methodology of the study is to start with the
6 235,000, and then using national percentages of
7 unemployed versus employed. It's like a waterfall.
8 You get to 129,000 of employed. You use a national
9 rate to figure out who are business owners and non.
10 So 15,000 are business owners. And then, again using
11 national--using data that looks like industries in
12 which veteran businesses are in and what we found,
13 the study found is that 40% are in categories in
14 which the city does business. So construction,
15 repair and maintenance, professional service. So you
16 take that 40% to give a rough estimate based on kind
17 of national rates. This is the potential universe of
18 business who are in those industries. But what we do
19 no know today, but we're going to get smarter at as
20 we do this work. Of that 62, the theoretical number,
21 how many actually have the real interest and capacity
22 to do--to actually contract with the City?

24 COUNCIL MEMBER COHEN: Again, so I
25 understand, 40% is the national average. You don't

1 know if we're-- you have no idea if we're above or
2 below or--

3
4 COMMISSIONER TORRES-SPRINGER: That's
5 right.

6 COUNCIL MEMBER COHEN: Okay. I don't
7 know who should answer this question. Just as a
8 percentage, New York City has a lower percentage of
9 veterans. What do we attribute that to as percentage
10 of the population?

11 COMMISSIONER TORRES-SPRINGER: So what we
12 know, and colleagues that know about this, please
13 chime in. I think what's interesting in looking at
14 the numbers, of course given New York City's
15 population it's actually quite substantial. So you
16 see that the percentages here were 2.3%. That's more
17 than 200,000. You take a city like Chicago, though,
18 for instance where it's 7.4%. That's also roughly
19 200,000. And so, it's still very much a sizable
20 community, but just given the population, the
21 percentage is low.

22 COUNCIL MEMBER COHEN: But sort of a
23 percentage is a percentage, do you think there is
24 something about New York City that is inhospitable to
25 veterans or that it's harder here? I mean, I don't

1
2 know what percentage of the general population
3 veterans are, but I don't know why veterans would
4 rather live in Los Angeles than New York. I like it
5 better here.

6 COMMISSIONER TORRES-SPRINGER: Well, what
7 I'd say is that our commitment moving forward is to
8 make sure that we're not inhospitable, and it's not
9 just from the employment and business education side.
10 But making sure we're knitting together all of the
11 other services with the leadership of General Sutton
12 to make sure that we're doing everything we can so
13 that that percentage goes up. But also that it's not
14 just the number of veterans here. But the number of
15 veterans who are succeeding and thriving.

16 KATHERINE LA PORTE: And, sir, I'd say,
17 too, that some of these numbers come from the
18 Department of Veterans Affairs, and not all veterans
19 register with the VA. So you're losing DOD numbers,
20 Veteran Administration numbers. And MOVA in moving
21 forward looks forward to working with our sister
22 agencies to provide more concrete numbers of veterans
23 in the city.

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2 COUNCIL MEMBER COHEN: Do you suspect
3 that the veteran population is under-counted in New
4 York?

5 KATHERINE LA PORTE: I do.

6 COUNCIL MEMBER COHEN: And lastly, I'll
7 just say that the Workforce 1 Center is very far from
8 Northwest Bronx. So maybe we could work together in
9 making sure that my constituents have greater access.

10 COMMISSIONER TORRES-SPRINGER:
11 Understood.

12 COUNCIL MEMBER COHEN: Thank you.

13 CHAIRPERSON CORNEGY: Council Member
14 Cabrera.

15 COUNCIL MEMBER CABRERA: Thank you so
16 much. I represent part of Northwest Bronx so I
17 concur with that. I just have one question. I
18 regards to the borough distribution in case seven. I
19 don't know if this question was asked. I was in
20 another committee here right next to this room. Do
21 you have a breakdown of the percentage of veterans
22 per borough?

23 COMMISSIONER TORRES-SPRINGER:
24 [interposing] [off mic] So what is that percentage?

1
2 COUNCIL MEMBER CABRERA: So this is--this
3 is veteran.

4 COMMISSIONER TORRES-SPRINGER:
5 [interposing] Oh, the percentage of the population--

6 COUNCIL MEMBER CABRERA: [interposing]
7 Yes.

8 COMMISSIONER TORRES-SPRINGER: --of that
9 borough. We can--we can look into that, and if we
10 have it, we can certainly share.

11 COUNCIL MEMBER CABRERA: So the question
12 connected to that is I just want to know for example
13 the Bronx 17% if we have--if the veteran population
14 is 25%, but only 17%.

15 COMMISSIONER TORRES-SPRINGER: Right.

16 COUNCIL MEMBER CABRERA: Do you see what
17 I'm saying?

18 COMMISSIONER TORRES-SPRINGER: Yes.

19 COUNCIL MEMBER CABRERA: So, you know, is
20 there a gap. Is there a borough that is facing gaps,
21 and then the next follow-up question with that would
22 be why?

23 COMMISSIONER TORRES-SPRINGER: I
24 understand. We will follow up on that, and get you
25 the information, and then talk about the gap issue.

1
2 COUNCIL MEMBER CABRERA: Thank you so
3 much. Mr. Chair.

4 CHAIRPERSON CORNEGY: And I believe that
5 Council Member Dickens you have one more question.

6 COUNCIL MEMBER DICKENS: Thank you Chair.
7 Commissioner, my question is based-- Really
8 piggybacking on Council Member Cohen's question where
9 he and you responded in reference to whether certain
10 businesses had the capacity. I didn't hear. See,
11 that caused my head to shoot up the word "capacity".
12 Because don't you think that a city as large as New
13 York City and even though we may not have the largest
14 percentage of veteran-owned business, but we have a
15 responsibility to enhance the capacity--

16 COMMISSIONER TORRES-SPRINGER:
17 [interposing] Yes.

18 COUNCIL MEMBER DICKENS: --to help it to
19 grow so that they are sustainable.

20 COMMISSIONER TORRES-SPRINGER: Yes. No,
21 absolutely. I completely agree with that, and as
22 we've done with working with MWBEs, we're very
23 focused on addressing any issue that there may be
24 with capacity. And then specifically as it relates
25 to-- Let me just get to veteran business owners

1
2 today. So these recommendations are specifically
3 about doing what you just said, Council Member,
4 helping increase their capacity. So we have
5 workshops, services, programs that exist today that
6 do that, and our intent is to make sure veteran
7 business owners know about it. That they participate
8 in it. If there is anything unique in terms of what
9 they need, we can learn about that, and adjust
10 accordingly.

11 COUNCIL MEMBER DICKENS: I thank you and
12 that's great, but when a veteran-owned businesses
13 goes to a bank, what does the bank look at as
14 capacity? The bank account. I'll answer for you.

15 COMMISSIONER TORRES-SPRINGER: Okay.

16 COUNCIL MEMBER DICKENS: The bank
17 account. Thank you.

18 COMMISSIONER TORRES-SPRINGER: Thank you.

19 CHAIRPERSON CORNEGY: So I would just
20 like to ask one more question. So the universe that
21 you wound up serving, were those contractors in the
22 PIP system, and you just asked them if they were
23 veteran-owned?

24 COMMISSIONER TORRES-SPRINGER: We sent
25 out the survey to everyone we had in the databases

1 that we had. So it was about close to 10,000 email
2 addresses that we have, and we also worked with close
3 to 200 organizations that serve veterans to push out
4 the survey. We got back 200 responses, 150 of which
5 were veteran business owners. So that's how.
6

7 CHAIRPERSON CORNEGY: Well, I'm just a
8 little curious as to why you didn't just ask the
9 member, the contracts in the PIP system if they were
10 veteran-owned businesses. Was a methodology that you
11 didn't think would work.

12 KATHERINE LA PORTE: [off mic] Yes,
13 because we used--

14 COMMISSIONER TORRES-SPRINGER:
15 [interposing] So we--we--it seems like we-- Well,
16 I'll confirm we may have sent it out to that list,
17 but in the future to the extent that they've already
18 self-identified then we can customize the information
19 or the question that goes to them. But I'll confirm
20 with them. We believe it was.

21 CHAIRPERSON CORNEGY: Would you consider
22 going forward using that unit. I'm sorry, going--
23 using that universe just to ask the question not
24 whether they self-identified. But you have them as a
25 captured universe.

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[background comments]

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COMMISSIONER TORRES-SPRINGER: You can go ahead.

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LISETTE CAMILLO: Hello, I just wanted to clarify. So I believe we did push out the survey to the vendors that were enrolled in PIP and outside of the world that PIP captures. Going forward what we have a functionality that vendors may self-identify. Currently registered vendors in PIP will have the ability to go--to manage their account and self-identify. So we are and we're going to do an outreach to start calculating that even for already enrolled vendors where we don't have that ability to track. So yes, we would absolutely do that as well.

CHAIRPERSON CORNEGY: Is there anyway that you could identify how many actual PIP businesses responded to the survey, and we pushed it out to a lot, but can you tease apart?

LISETTE CAMILLO: I imagine we can.

COMMISSIONER TORRES-SPRINGER: Well, we'll follow up with the--we will do the study

CHAIRPERSON CORNEGY: Okay, so there are two things I would like to know. Whether or not--whether or not--how many PIP businesses actually

1
2 responded, and whether or not you reached out to them
3 especially? And then my Co-Chair has a question.

4 CHAIRPERSON ULRICH: I just have a
5 question, a follow up, Commissioner. You mentioned
6 that you sent the survey out to a bunch of the
7 veterans organizations in the city. One of the--some
8 of the feedback that we got back following the report
9 being issued was that a lot of the major organization
10 said they weren't contacted. So which--can you name
11 some of them, just a few, maybe three or four of the
12 ones that you did send it to that--

13 COMMISSIONER TORRES-SPRINGER:

14 [interposing] Sure.

15 CHAIRPERSON ULRICH: --participate in the
16 survey.

17 COMMISSIONER TORRES-SPRINGER: Sure and
18 we'd be happy to share the full list, but they
19 include Iraq and Afghanistan veterans of America,
20 various chambers of commerce, and an organization
21 called The Mission Continues, and a few others. But
22 we can share that.

23 CHAIRPERSON ULRICH: Okay, that's fine.
24 Just because that was one of the concerns that people
25

1 raised is that enough of them weren't contacted. But
2 I look forward to getting that list. So thank you.

3
4 CHAIRPERSON CORNEGY: I'd like to
5 acknowledge we've been joined by-- We've been joined
6 by Council Member Mathieu Eugene from Brooklyn.

7 COUNCIL MEMBER EUGENE: [off mic] And
8 former chair of the Veterans.

9 CHAIRPERSON CORNEGY: And former Chair of
10 the Veterans. So I'm wondering why he came in like a
11 rock star and everybody shook his hand. [laughter] I
12 remember that he's the former chair. So Council
13 Member Dickens for round three.

14 COUNCIL MEMBER DICKENS: I know but I
15 mean every time you ask a question, it cause me to
16 ask another one. Commissioner, there is a veterans
17 service organization in East Harlem. Were they
18 contacted because they said they weren't?

19 COMMISSIONER TORRES-SPRINGER: If they
20 weren't I will make sure that we reach out to them in
21 the future. I don't know specifically if them and if
22 they were. I don't have the list in front of me.

23 COUNCIL MEMBER DICKENS: They're on Third
24 Avenue, but my office will be glad to--

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COMMISSIONER TORRES-SPRINGER:

[interposing] Great.

COUNCIL MEMBER DICKENS: -facilitate your contacting them. Thank you.

CHAIRPERSON CORNEGY: I want to thank you so much for your testimony, and we have three more--

COUNCIL MEMBER EUGENE: [off mic] I have a question.

CHAIRPERSON CORNEGY: Oh, I'm sorry. Far be it from me not to allow the Chair, the former chair to ask his questions.

COUNCIL MEMBER EUGENE: Thank you. I promise that I [laughs]-- I promise that I won't be. I just have one question. Number one, I have give opportunity to the men and our veterans. They do such a wonderful, wonderful job and also so many sacrifices. We all know that to protect our democracy or our liberty, and to our laws. That's what our laws are to enjoy all the benefit that we are knowing right now. So that we owe them so much. So, talking about small businesses I see that part of you spoke about that before. In number three, you say that you have the services, the different services that you are providing to veterans. But I

1
2 have found that in the small business, in terms of
3 small business, and among the veterans and it is even
4 among the larger population one of the biggest
5 challenges is to start a small business. Getting the
6 resources to start the small business. Getting the
7 loan from the banks or from the institution. In our
8 community in New York especially in the community
9 veterans are so-- I think that it is very difficult
10 to start a business because they don't have the
11 resources. What do you have in place to help them
12 start a business? Number one being qualified for
13 loan or for resources that are available?

14 COMMISSIONER TORRES-SPRINGER: So, right
15 now through our Business Solution Centers one of the
16 main services that's offered is access to capital,
17 and what that really means is that we work with 70
18 different lenders, a network of lenders to connect
19 business owners to the right type of source of
20 capital. Most of our loans are smaller loans. 70%
21 of our loans are also through alternative lenders.
22 So not just the traditional banks. The people in our
23 network run the gamut from your traditional banks to
24 credit unions to micro-finance organizations. So
25 that any veteran business owner is certainly-- We'd

1 love to work with them to make sure that those
2 services are provided. But in addition, what we're
3 trying to do through program like the Veterans
4 Entrepreneurship Services, the Veteran
5 Entrepreneurship Program is to do customized
6 training. So not just with the Business Solution
7 Center offers, but then specific programs, cohorts of
8 veteran business owners or aspiring business owners.
9 So it's really a two-prong approach that we are--that
10 we're taking, and have certainly heard that access to
11 capital is a big issue.

13 COUNCIL MEMBER EUGENE: And let me ask
14 you another question. We know when our service men
15 and women will go to serve they're spending many
16 years. It depends. You know, many years. Three,
17 four, five years, but when they are--maybe more.
18 When they get back now there's a disconnect between
19 being a veteran and also the city life. Is there
20 anything that you have to help them make the
21 transition to prepare them, to get back to the
22 civilian life or get back to businesses? Because
23 these are two different worlds.

24 COMMISSIONER TORRES-SPRINGER: Yes,
25 that's right.

1
2 COUNCIL MEMBER EUGENE: You know, being a
3 soldier, a veteran and get back to New York City and
4 you are disconnected. You are trying to find your
5 way back. What do you have to help them make the
6 transition?

7 [background comments]

8 KATHERINE LA PORTE: Council Member, the
9 military is recognizing exactly that, and a lot of
10 the services are creating programs for veterans.
11 Usually a retiree, a veteran of 20 years or more, or
12 medically retired has benefits and additional
13 services that the veteran who has served for three
14 years, four years, five years does not have. We know
15 that we're going to be receiving an influx of
16 veterans coming out of the military as we wind down
17 from our wars. And so, MOVA is looking and our Mayor
18 is looking to take the lead in addressing these
19 issues. The military has a TAP program and MOVA is
20 talking with the Command at Fort Hamilton so that as
21 the military members are discharged, they are
22 discharged out of Fort Hamilton, MOVA will be the
23 first stop. We will be able to help them to identify
24 the services that are needed individually, and
25

1
2 working with other agencies help to solve that
3 problem.

4 COUNCIL MEMBER EUGENE: Okay, and also
5 while they are serving, they learn skills and they
6 are committed a lot of knowledge. And then when they
7 get back to New York or to the United States, they
8 get to New York, okay. Do you make any survey,
9 evaluation of what they know, and to help them
10 transform their skills and services, or use the skill
11 that they have to open businesses?

12 COMMISSIONER TORRES-SPRINGER: What I
13 would say is both on the employment side, and so our
14 veteran specialists in all our Workforce Centers who
15 are-- Nearly all of whom have served in the past,
16 that their role is to-- Because they know what it's
17 like, they have that experience better be able to
18 interface to leverage the skills that have been
19 developed whiled they have served. And then to find
20 employment opportunities. And then, on the business
21 side we're staring to do the same thing through
22 programs like the Entrepreneurship Program. And it's
23 specifically about really understanding the unique
24 assets that they have, and then addressing unique
25 needs. So as an example, mentorship for instance

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2 with other veteran business owners we have found and
3 we have been told to be-- that that is something
4 that's very critical. So it's something that we're
5 building into this program, and we'll build into
6 future programs.

7 COUNCIL MEMBER EUGENE: Thank you very
8 much, and thank you to the Chair Ulrich and thank you
9 to Chair Cornegy. Thank you very much.

10 CHAIRPERSON CORNEGY: Thank you so much
11 for your testimony, and I really appreciate it. I
12 look forward to continuing to work with you on behalf
13 of veterans--

14 COMMISSIONER TORRES-SPRINGER:
15 [interposing] Likewise. Thank you.

16 CHAIRPERSON CORNEGY: --and small
17 business owners. Currently, we have for this panel,
18 Mr. Robert Piechota. My good friend Patrick MacKrell,
19 Brian Goldstein, and Vince McGowan.

20 [pause]

21 CHAIRPERSON CORNEGY: Robert Troy.

22 SERGEANT-A-ARMS: He's not here.

23 [pause, background noise]

24 CHAIRPERSON CORNEGY: Good afternoon.
25 Can I just have you affirm your testimony today.

1 Would you please raise your right hands. Do you
2 affirm to tell the truth, the whole truth, and
3 nothing but the truth in your testimony before this
4 committee, and to respond honestly to Council Member
5 questions? Thank you. Would you please identify
6 yourself before beginning your statement?
7

8 [pause]

9 PATRICK MACKRELL: Good afternoon, and
10 thank you for the opportunity to appear before you.
11 My name is Pat MacKrell. I'm the President and Chief
12 Executive Officer of New York Business Development
13 Corporation and its affiliates listed in my
14 testimony. NYBDC is a lending consortium formed by
15 the banks in New York to promote opportunity,
16 prosperity, and jobs growth in New York State. We
17 work in close partnership with those banks and the
18 banking associations to promote access to capital and
19 to small businesses in New York. We were founded in
20 1955 and have operated continuously since that day
21 focused on a mission solely to serve the capital
22 needs of small business. We receive substantial
23 financial support from 118 banks that do business in
24 New York, as well as the New York State Common
25 Retirement Fund.

1
2 We use all that leveraged capital to
3 support small business lending in New York, and we
4 have a portfolio, a managed portfolio of \$1.3
5 billion in small business loans throughout New York
6 State with the largest concentration of those loans
7 in the City of New York. Our loan sizes range from
8 \$25,000 at the low end up to as high as \$5 million.
9 We're an alternate lender providing loans to small
10 businesses that are unable to obtain conventional
11 financing on reasonable rates and terms. Frequently,
12 our borrowers are start-ups, early stage businesses
13 or those businesses in a challenging industry such as
14 hospitality or other service industries, which are
15 not--do not have significant assets in the operating
16 business. I previously served on the SBA's National
17 Advisory Council for Veterans Business Affairs, and
18 on it's National Advisory Council. I'm a veteran
19 myself having served in the United States Marine
20 Corps, and have previously owned a small business.
21 You can be assured that veteran business owners or
22 those looking to start a business receive the full
23 attention of myself and those in my organization who
24 desire to enjoy a loan tenure.

1
2 From a period measured from the depth of
3 the Great Depression, October 1, 2009 through
4 December 2014, we approved 660 new and existing new
5 businesses--New York City businesses for loans--for
6 loans totaling \$543 million during that period. Our
7 lending activity actually increased substantially
8 during the Great Recession as we sought to address
9 the capital needs of small businesses that weren't
10 able to access capital from conventional lenders.
11 During that period, 14 of those loans were to
12 veteran-owned businesses, which consisted of about 6%
13 of our total lending in terms of the number of
14 businesses, and \$9.6 billion, which was approximately
15 2% of the dollar amount as well.

16 I was very anxious to hear the
17 information that was presented earlier, and I was
18 hoping to find some data upon which I could measure
19 that 2% in terms of the businesses. But while it
20 appears that the 2% represents slightly more than the
21 population comparison between veterans and the
22 population of the City of New York, we're still a
23 little lost to figure whether 2% is a good number or
24 a 2% is a bad number of our total lending. Our loans
25 to veteran-owned businesses share most of the same

1
2 characteristics as loans to other small businesses in
3 New York with uses ranging from retail and
4 hospitality, to cigar shops in Brooklyn and liquor
5 stores in Queens, coffee shops in the Bronx, service
6 industries, plumbing, and electrical contractors,
7 education services, professionals, doctors,
8 architects, wholesales, clothing, sea food, all
9 start-up early stage and mature businesses who have
10 unconventional financing needs.

11 I'd like to applaud the efforts of the
12 New York City Department of Small Business Services
13 and its partner for targeted job training and
14 employment services to veterans. Although most
15 veterans-- Although many veterans are in search of a
16 business opportunity, my experience is that most
17 simply need a job. And that job will allow them to
18 prepare for their families, to gain experience
19 necessary to succeed as a father or mother or parent.
20 But it also will provide them with experience to
21 succeed ultimately as an entrepreneur, if that's the
22 path that they wish to take.

23 Additionally, I'd like to recognize the
24 fine work of the City Solution Centers, and the Small
25 Business Development Centers that have been a

1 consistent source of support for veteran-owned
2 businesses, and a key part when also address the
3 capital needs of those businesses. I think it is
4 also important to note that the commitment to serve
5 veterans should not only extend to the active--to the
6 members that are released from active duty that we
7 expect to see as forces wind down. But also the
8 members of the Reserves, the National Guard,
9 components who serve each and every day as citizen
10 soldiers. Those citizen soldiers are most likely
11 known in our neighborhoods not as heroes, but they're
12 plumbers, accountants, doctors and electricians who
13 from time to time have to disappear from their
14 business to serve our country. They have unique
15 capital needs as well, and it's not simply the
16 veteran that's returning from all military to all
17 civilian. It's the ones who live in the area where
18 they serve us in both capacities. Many small
19 businesses have been impacted by active duty service
20 and owner, and I encourage anything that's brought--
21 Anything that we can consider are also considered
22 members that area also in the active duty-- Excuse
23 me, in the National Guard and in Reserve components.
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2 We have a number of programs, initiatives
3 and observations we would like to share with the
4 committee today. First is our New York State Small
5 Business Loan Fund. As Councilwoman Dickens
6 indicated earlier, capital is the key issue. Whether
7 capital is you're not able to raise capital, whether
8 you're not able to retain capital, whether you're not
9 able to get revenue once earned. And the timing on
10 that is a key aspect to this. We've recognized that,
11 and we have a vet--we established the Veterans Loan
12 Program in 2007, and that program is active--operated
13 actively since that time. That program has the
14 support of the New York State Common Retirement Fund,
15 which has lent us money at a substantially below
16 market rate. We have substantially reduced our
17 margin on those funds to allow for loans to be made
18 to early stage start-up businesses by veterans.
19 Controller DiNapoli, and our partner banks have
20 provided this program consistently and support it,
21 and we have long relied on them to provide the
22 funding to support a veterans loan program.

23 These programs are provided at a reduced
24 rate with the veteran as the beneficiary. For
25 example, the interest rate on a ten-year term loan

1 funded under our Veterans Loan Program for \$150,000
2 would be 2.86% fixed for ten years. That is a
3 substantially below market rate if you were to think
4 about what's available in the market. And that's
5 funded by a commitment by the partner banks in New
6 York that provide us the leveraged capital, and by
7 the New York State Common Retirement Fund that also
8 lends us funds at a substantially reduced rate.

10 As we talked about MWBE and
11 opportunities, one of the programs that was not
12 mentioned was the Empire State Development's program
13 Bridge to Success. The Bridge to Success Program is
14 a program established by Empire State Development,
15 and it currently provides limited credit insurance to
16 a group of lenders with the goal of expanding lending
17 to MWBEs, and they are seeking mobilization capital
18 to facilitate broader opportunity in respect to
19 government procurement opportunities and other
20 contract opportunities and municipalities. To the
21 extent that a veteran-owned business also has been
22 certified as an MWBE, the business has access to
23 capital to take advantage of procurement
24 opportunities through this Bridge to Success Program.
25 In that regard, we urge the New York City Business

1 Solution Centers, including its regional procurement-
2 -original procurement--excuse me--Regional
3 Procurement Technical Assistance Center at 110
4 Williams Street, and the New York State Small
5 Business Development Centers including its Regional
6 Procurement Center in LaGuardia to enhance
7 familiarity with the Bridge to Success Program. So
8 that it can be made available to veteran-owned MWBEs
9 in connection with procurement opportunities to
10 provide them access to capital in that regard.

12 SBS has not currently recommended a goals
13 program for veterans, and acknowledge that the
14 absence of a certification process for veteran-owned
15 businesses. We do not support--We do support a
16 certification process at the State level to aid the
17 identification of veteran-owned businesses much the
18 same way that MWBEs are identified at the State level
19 as well. And we would urge this in anticipation of
20 establishing goal programs at the State and municipal
21 levels, although we also acknowledge that the federal
22 government has established program goals for veteran-
23 owned businesses, which haven't worked all that well.
24 Once those goals are established, however, when and
25 if they are established, and I hope that they are at

1
2 some point in the future when the data is available
3 to do that, I urge vigilant supervision of those
4 goals to make sure that they are, in fact, being
5 adhered to in the contract process for municipal
6 process. Because the fed, as I said if the federal
7 government is to be the guide or the process to be
8 the guide that has not worked all that well. And
9 that's basically from my knowledge of it, and while
10 serving on the SBS's National Veteran's Business
11 Advisory Council. That was a constant source of
12 frustration that we had about the set-asides and
13 goals for veteran-owned businesses. Particularly the
14 ones for service disabled veteran-owned businesses,
15 which were routinely ignored or circumvented.

16 I urge the respective Procurement
17 Technical Assistance Centers that were referenced
18 earlier to reveal knowledge regarding program goals
19 and expand opportunities to veteran-owned businesses.
20 I urge the enhanced communication with veterans about
21 programs about businesses. Our experience has been
22 that veteran business owners tend to affiliate more
23 with traditional veterans associations than smaller
24 veterans associations. Associations like American
25 Legion, Veterans of Foreign Wars, all of which have

1 generally neighborhood posts, Marine Corps League
2 Associations, which tend to be the more traditional
3 veterans associations have a much broader reach. And
4 they tend to be the associations that veteran
5 business owners affiliate with more likely than
6 specific programs. They also have the resources
7 available to reach out to them, and to hold the kind
8 of information and host the kind of information
9 centers that you'd find valuable to accommodate that
10 activity.
11

12 One area in specific lending and specific
13 activity that I think is important I think a key to
14 us serving veterans is franchise lending. Many
15 veterans have found a path to small business
16 ownership and financial independence through the
17 purchase and operation of franchise businesses.
18 These opportunities provide a structure and support
19 system that many veterans are comfortable with. The
20 franchise relationships also provides many critical
21 ingredients to the successful operation of the
22 business that a fledgling business owner may not be
23 able to provide. Unfortunately, loans to support the
24 purchase of a franchise and the working capital and
25 fit up necessary to operate a franchise are not

1
2 generally reasonably available, and reasonable in
3 terms through the lack or collateral or the net worth
4 of the borrower. We have a robust-- For many years
5 we've had a robust franchise-lending program, and
6 it's through that we've been able to provide support
7 to many veterans who are seeking to establish their
8 own business through a franchise relationship.

9 I closing, I would just like to say that
10 there are many financial resources available in the
11 private sector, and the challenge and frustration
12 that we have is that the ability of government and
13 the resources that it has to connect those in need
14 with those resource centers available in the private
15 markets. We offer these services and we urge
16 continued focus on the veterans their needs, and try
17 to identify a toolbox of things that can provide
18 ready assistance and programs that can historically
19 work. We are ready to open and would love to explore
20 all opportunities to support veteran-owned businesses
21 and the aspirations of veterans seeking to start a
22 business, and look forward to any thoughts or ideas
23 that you may want to share with us. Thank you.

24 CHAIRPERSON CORNEGY: Thank you. Going
25 forward because we would like to hear all of your

1
2 ideas, I'm just going to ask that we limit our
3 comments to three minutes. Can I just have going
4 forward we put it on the clock. So I know that
5 everybody especially that people that I've known for
6 a long time have very valuable input. I'd like to
7 make sure that we hear all of it, and not just me.
8 But that we don't empty the room while we're waiting
9 to do that. So, I'm going to ask you to try to
10 expedite your comments.

11 CHAIRPERSON ULRICH: [off mic] I think
12 it should be four minutes.

13 CHAIRPERSON CORNEGY: Oh, my Co-Chair is
14 feeling very generous. He said that I was wrong, and
15 it should be four minutes. Four minutes, please on
16 the clock.

17 CHAIRPERSON ULRICH: We should also
18 impose a time limit on Council Members, just for the
19 record. [laughter]

20 CHAIRPERSON CORNEGY: Without question.

21 CHAIRPERSON ULRICH: Because they have a
22 tendency to speak at length, at great length. I'm
23 not referring to you in particular no. [laughs] I
24 know, thank you.

25

1
2 CHAIRPERSON CORNEGY: Thank you, please,
3 next, and just please identify yourself before your
4 comments, please.

5 VINCE MCGOWAN: My name is Vince McGowan.
6 I'm the Chair of the New York City Veterans Advisory
7 Board, and the President of the United War Veterans
8 Council. I want to thank the Co-Chairs Cornegy and
9 Ulrich for bringing together this forum, and this
10 hearing to help veteran-owned businesses. I also
11 want to thank the Council Members Eugene, Vallone,
12 and Ulrich for the recent legislation that they
13 supported actually initiated that will strengthen the
14 Veterans Advisory Board going forward. We're looking
15 forward to working together with you on that--on that
16 agenda item.

17 In regard to the road map that we've
18 heard so much about today, I really appreciate the
19 comments of my colleagues here at the table. These
20 are very important times, and as Councilwoman La
21 Porte mentioned, this is a special time in New York.
22 This Council has really shown its leadership in
23 wanting to dig into the issues of the veterans
24 community. And I feel very energized that we're
25 going in the right direction to help this. But in

1 that regard, my testimony today is going to question
2 some of the information that we heard earlier from
3 SBS on their road map. There are questions with
4 market size data that was utilized in the report, the
5 road map for supporting veteran-owned businesses.
6 The road map that is supporting veteran-owned
7 businesses is a report that was prepared for the New
8 York City Council by Pricewaterhouse Coopers and
9 submitted to the New York City Department of Small
10 Business Services. And in consultation with the
11 Mayor's Office of Contract Services, and in
12 collaboration with the Mayor's Office of Veterans
13 Affairs. The purpose of that report is to examine
14 New York City's veteran business owned population,
15 and offer recommendations on how the community might
16 best be served and supported particularly with
17 regards to assessing city contract opportunities.
18 The report states that there are approximately VBOs,
19 Veteran Business-Owned operations in New York City,
20 and highlights as a major conclusion by focusing
21 strictly on contracting--this is from their report--
22 by focusing strictly on contracting opportunities the
23 city would be further-- Would further reduce the
24 population of appropriate VBOs to estimated 6,200
25

1 individual would potentially be considered for
2 contract initiatives. The report uses numerical
3 estimates to support its key conclusions that the
4 City should not consider a goals program for VBOs and
5 should focus on using or repurposing existing
6 structures and approaches. In examining the report,
7 questions arise about the data sources and the
8 methodology used to determine the VBO population
9 size, and to a lesser degree the alignment of VBOs to
10 city procurement needs. In particular, the
11 report's omissions of U.S. Census Bureau's 2007
12 Survey of Business Owners as a data source is
13 perplexing. And I know you heard the Commission
14 report that it was in there, and I refer you to the
15 second page of my testimony in I don't get there in
16 four minutes to Section C to explain where they did
17 look at the 2007 Census, but they excluded it in
18 other determinations. So it raises the questions to
19 me anyway, and I've spoken to Commissioner Sutton
20 about this. And she doesn't know. She came in
21 September 2nd, and my question is to what extent is
22 MOVA included--was MOVA including consulting during
23 the study, design, and data gathering process? What
24 is the data sources that are referenced in the
25

1 document? There are numbers of footnote indicators
2 that do not connect to any actual footnotes. It is
3 possible that this simply a quality control issue,
4 and that they may have been chopped off along with
5 the page numbers of the PDF versions that were
6 released to the public. So why was the US Census
7 2007 Survey of Business Owners not utilized as a data
8 source. Or (a) it would be that this, too, provides
9 detailed veteran business ownership, and industry-
10 related data down to the county. Example, the
11 borough level. The information is available via an
12 easily accessible public database, and I give the
13 database in the bottom of that sentence. There is a
14 comparison on the back that when you go through the
15 math, and I'm not a mathematician so I somebody who
16 was do this and look at it. The approximately 40,000
17 versus 15,000 is potentially higher, if you will
18 where the 50% ownership is considered. Even
19 accounting for the attrition rate comparable to the
20 contraction of the U.S. veterans population since
21 2007, the number of VBOs would be significantly
22 higher than estimated by the report. As I said
23 earlier, in Section C the only place that the 2007
24 survey is mentioned in the report is under the demand
25

1 and supply analysis section as a source of data on
2 national and state level veteran business ownership.
3 Given to its efforts-- Given to importance in value
4 of the data in the subsequent area of the 2007 survey
5 was, in fact, examined and then rejected as a
6 resource. The report should have included rationale
7 for this decision. So we're questioning the
8 information that was put in that report, and the
9 outcome, of course, was based it. And the outcome of
10 not including the veterans community in this goals
11 program is not acceptable. I think the questions
12 that were brought to the attention by the Council
13 Members today have really sent the City back to look
14 at what is that they're approaching by going in this
15 direction.
16

17 For the section, Demand and Supply
18 Analysis, how exactly were MCOs and City Procurement
19 Category and VBO industries aligned. This is not an
20 apples-to-apples comparison or some insight into the-
21 -into the methodology they used would be helpful.
22 Also, it appears that nation and state level summary
23 data were utilized to expedite the findings rather
24 than referring to the county at the borough level
25 survey that was available. So, the conclusion is

1
2 that New York City has a track record reaching back
3 to Post-Civil War era providing our veterans with
4 opportunities to prosper and to contribute to our
5 city's economy. The report advocates a move in the
6 other direction using potentially questionable
7 qualitative data to support this conclusion. We
8 encourage the City Council to scrutinize the
9 methodology of this report and consider its findings
10 in that context. We thank you for the opportunity
11 and if you have any questions--

12 CHAIRPERSON ULRICH: And you're yielding
13 the remainder of your time, right.

14 CHAIRPERSON CORNEGY:

15 VINCE MCGOWAN: [laughs] Okay, council
16 member.

17 CHAIRPERSON ULRICH: Thank you. Next.

18 So I guess I'm at a negative two right
19 now. [laughs] My name is Brian Goldstein. I'm the
20 Director of Operations for the New York Small
21 Business Development Center, otherwise known as the
22 SBDC. Joining me here at the other end of the table
23 is Robert Piechota, our Director from our Brooklyn
24 SBDC located at CUNY City Tech. I just want to give
25 you a brief overview of the SBDC, some veteran client

1 data, and ask Mr. Piechota to talk about his center's
2 activities as well as the additional veteran
3 activities in the city. At the outset, I want to
4 say that the SBDC has a great deal of experience
5 working with the veteran community. Statewide we
6 have a commitment from every center in the SBDC
7 network to work with, and new veterans to the front
8 of the line for access of services.
9

10 The SBDC is a 30-year partnership between
11 SUNY, the U.S. Small Business Administration, New
12 York State Higher Education, and the private sector
13 of the State and city universities as well as private
14 partners, Pace and Cluny Universities form an
15 integrated network in support of small business
16 success. Across the state we have two regional
17 centers with 40 outreach offices in New York City.
18 We have eight regional centers located in every
19 borough. The SBDC offers an array of services
20 relying upon one-to-one business advisement,
21 training, and research. Each year we work with
22 20,000 businesses. The most heavily utilized
23 resource by small business owners in New York.
24 Together this past year, these firms invest over \$300
25 million and created over--created and saved over

1 6,000 jobs confirmed by clients in a third-party
2 survey. There were, 1,746 businesses that actually
3 started by these entrepreneurs that were actually
4 working with us. Veterans, which is again a
5 priority, we average of 1,500 veteran clients each
6 year. Over the last ten years, New York State and
7 New York City we've worked with over 4,900 veterans
8 who created or saved around 1,300 jobs and invested
9 over \$35.5 million into the businesses. These
10 veterans start early. As well, they are deployed on
11 active duty through electronic services including
12 ONCHA [sic] skills for Veterans Program, which is an
13 online business planning and training module they can
14 do well out of the office on their own.

16 In the recent past, the SBDC was funded
17 by the SBA to have a sole New York City Veterans
18 Business Advisor through the Veterans Service and
19 Assistance Program. Unfortunately, that program
20 ended, as well as the targeted funding for that
21 position. The veteran community has and will remain
22 a priority for our organization. Just real briefly
23 just with some other stats. From the National
24 Veteran Small Business Week that took place this past
25 November, veterans are 45% more likely to be self-

1 employed than a non-veteran population. And they
2 possess key attributes that explain higher than
3 expected entrepreneurial rates, work ethic, risk
4 tolerance, agility, leadership, and determination.
5 And as you know, in New York State total we have
6 around 900,000 veterans. With that, I'm going to
7 turn it over to Mr. Piechota to talk about his
8 activity here in the City.
9

10 ROBERT PIECHOTA: Thank you. Thank you
11 Brian. Co-Chairs Cornegy, Ulrich, and distinguished
12 Council Members, my name is Rob Piechota. I am the
13 Director of the Small Business Development Center in
14 Brooklyn. I chose to end my written testimony with a
15 quote from a New York City kid who happened to be
16 come Secretary of State. I'll start with it
17 actually. General Colin Powell is credited with say,
18 Have a vision. Be demanding, and what I think you're
19 all doing here today is sort of embodying that. You
20 guys do have a vision. You kind of know what has to
21 be done, and you're holding us accountable. So
22 congratulations on that. Keep up the good work. I'm
23 going to read a little bit, and kind of go off line
24 here a little bit.
25

1
2 But as Brian mentioned Small Business
3 Development Centers, we have eight in the city.
4 There is one by you, or sometimes two by you. And we
5 are dedicated to small business owners in New York
6 City. Each SBDC is prepared to support the entire
7 spectrum of small business owners' needs from the
8 start of a phase to an exit strategy. So, even the
9 aspiring folks who aren't in business yet, we can
10 help those folks, too. Veteran clients are always a
11 priority for all SBDC centers. Significant training
12 and sharing of best practices amongst SBDC personnel
13 occurs no less than yearly with New York City center
14 coordinating more frequently.

15 The Brooklyn SBDC has taken the lead
16 with many veteran entrepreneur issues, and practices
17 such as the recent Operation and Transition Freedom--
18 we call it OTF--promoted at Fort Hamilton in October
19 of 2014. We had over 200 veterans and military
20 family members convene at Fort Hamilton to talk to
21 over 40 employers as well as getting educational
22 venues such as to get access to capital. How to
23 operate a business, or how to conduct business
24 planning. The Brooklyn SBDC alone has done over 12
25 innovative education forums for small business owners

1 who are veterans or their family members across all
2 five boroughs over the last two years. When the
3 Brooklyn SBDC made it the point center with service
4 to veteran entrepreneurs the entire family of SBDCs
5 across the city can do this.
6

7 If one advisor doesn't know the answer,
8 they'll find somebody who can. So people near you
9 can be part of this solution, this process. New York
10 City SBDCs are continually reaching out to the
11 veteran communities. SBDCs personnel provide
12 educational services to transitioning veterans and
13 their family members as part of the transition
14 assistance program. You're hearing a lot of acronyms
15 today. TAP is Transitional Assistance Program. It's
16 a program designed by the military to help people
17 getting out of the military and sort of ease into
18 civilian life. Typically that occurs like 90 days
19 out to a year following the time the time they've
20 actually ETS, [sic] but that's changing.

21 Additionally, SBDC personally is actually
22 part of faculty at Yellow Ribbon Programs. Those
23 programs observe personnel who are going to be
24 standing down before they actually leave the
25 military. This weekend actually, Ryan Les, one of

1
2 our veteran advisors, will be actually traveling to
3 Terry Town talking to reserve units that are actually
4 getting ready to depart from the military. And even
5 though it's in Terry Town, I'd say in my experience
6 over 40% of folks that go to these Upstate events
7 resident in New York City, and they're finding those
8 go up there with them. [sic] So it's a win-win.
9 It's a great program. We also are a part of the
10 curriculum or the faculty for the Boost to Business.
11 You're going to hear a lot of B2B.

12 That is actually a program that's part of
13 the TAP presentation. You have to go through a
14 weeklong TAP program getting out of the military.
15 You have the opportunity to sort of sign up for an
16 additional program called Boost to Business, if you
17 want to go into the entrepreneurial space. My
18 experience is quite often most veterans opt not go
19 through that because they want a job. As Pat said
20 this is a need, a job, but quite often
21 entrepreneurship might be a thought after that
22 period. They get a job. A year or two later, you
23 know, what I love pizza. I love making pizza, but
24 you know what, it's not providing what I need. So

1 maybe they want to go to an entrepreneur event.

2 There's a new program coming out by the SBA.

3
4 It's not quite online yet. I'm sure I'm
5 going to fight to get it here in the city. It's
6 called Reboot. It's the same principles as Boost to
7 Business, but it will be offered at any point in time
8 following the time they left the military. It's all
9 part of a program that DOD or the Department of
10 Defense has. The Army calls it Soldier for Life.
11 The Marines have a Marine for Life. At any point
12 you're out of the military, and you want help-- You
13 know what, I made a mistake. I need some more
14 guidance. You can go back the coordinating agency
15 and actually get more information on where do I find
16 these SBCD guys, SPS folks or lenders that can help
17 me. So it's a little bit about sort of what we're
18 doing.

19 Real quick I'll summarize and hopefully
20 rather quickly. We've all done a lot in the city as
21 Brian mentions but we can do even better, and you've
22 all touched on a couple of these key issues.
23 Outreach. How do we attract military family members,
24 and increase small business opportunities and
25 readiness? Certification for VOBs and STVOBs,

1 there's a process. We can do this here. The whole
2 point about we're not ready for a procurement
3 program. In my opinion if you build it they will
4 come. We're trying to measure how many we have right
5 now. If you made a program, and you put a limit on
6 testing the program, a pilot let's say 200 veterans.
7 We can certify in the city. Start the program and
8 measure it for let's say X amount of months.
9 Veterans Day of this year we actually measured to see
10 how it all went with hands-on training and guidance.
11 It would be an awesome program. Mentoring veterans.
12 Once they are certified like MWBEs, you get a
13 certification and you sit there and wait for the
14 phone to ring, it's not going to happen. You need
15 active councils on board that can actually help
16 mentor these programs once they are certified and
17 help them get the contracts they need.

18
19 And lastly, coordinate and cooperate with
20 other service providers and stakeholders in the
21 space, MOVA, PTAC, VBOX [sic] like colleagues of the
22 Chamber--Brooklyn Chamber of Commerce. If they all
23 work to figure out what are the key deliverables?
24 What do we have in common? What do we do we do
25 differently? Refer out what we don't do and actually

1 combine our resources, we will make a tremendous
2 opportunity here. Just a quick comment and I will
3 stop. There are some very positive trends in New
4 York City. I'm really excited about what I've seen
5 over the last year, let alone the last four years in
6 the entrepreneur space. The new MOVA Commissioner,
7 Dr. Lois Sutton brings her own style of business
8 savvy and intensity to veteran issues, or veteran
9 causes that has shown a deep understanding of
10 opportunities for growth in this area. The new
11 Commissioner of SBS, Ms. Maria Torres-Springer has
12 shown a willingness to listen to recommendations for
13 options concern veterans preference for New York City
14 procurement space. The new command team. Commander
15 Watts. [sic] Somebody touched on it before. I'm at
16 Fort Hamilton. I live by Colonel Joe Davidson and
17 Command Sergeant-Major. Kevin Fauntleroy has been
18 engaged in unprecedented networking as they are re-
19 launching the concept of the Soldier for Life for all
20 services of the New York City area.

22 Capturing vital talent and the energetic
23 workforce and small business leadership in New York
24 City are all central to what our transitioning
25 service people offer with Solider for Life. Lastly,

1 the new composition of key committee of the New York
2 City Council and its leadership points a new high
3 water mark regarding veteran entrepreneurship and a
4 small business agenda that is off the charts. What
5 you will see in front of me-- The people that stuck
6 around for this testimony I'm extremely thankful and
7 very excited about it. With more coordination and
8 sharing of resources between key stakeholders at all
9 five boroughs New York City can take a lead not only
10 as one of the leaders in veteran population, but in
11 the promotion of veteran entrepreneurship
12 opportunities and performance. This goal is not just
13 a good-- It's not just good for our veterans and
14 their families, it's great for New York City small
15 business as well. Thank you for listening. I'm also
16 going to leave my copies of what I provided as
17 feedback to the study done by MOVA and SBS. I think
18 you may find it entertaining, but thank you for
19 listening.
20

21 CHAIRPERSON CORNEGY: Thank you. Do we
22 have any questions.

23 COUNCIL MEMBER DICKENS: [off mic] I do.
24 Well, just quickly, Mr. McGowan. Am I pronouncing it
25 correct?

1

2

VINCE MCGOWAN: [off mic] Yes, ma'am.

3

4

COUNCIL MEMBER DICKENS: All right, the--
it's a very aggressive portfolio. I see \$1.3
billion. Over what period of time is that?

5

6

7

VINCE MCGOWAN: It's a managed portfolio
at this time.

8

9

10

COUNCIL MEMBER DICKENS: But those loans
were made over--or grants. I guess it was a
combination of grants and loans?

11

12

13

14

15

16

17

VINCE MCGOWAN: No, it's all loans. I
think a more--a more relevant figure might be the--
the period time. If we measure the period of time
from say December or October 1, 2009 to December
31st, which is sort of the--the markings of the Great
Recession I guess, \$543 million in loans that we've
approved in New York to 660 small businesses.

18

19

COUNCIL MEMBER DICKENS: Can you give me
the breakdown by ethnicity of those loans?

20

21

22

23

VINCE MCGOWAN: I can give you the
breakdown by--I can lump the women and minority
business--I can give it to you at a later time, but I
can tell you at this time that--

24

25

COUNCIL MEMBER DICKENS: [interposing]
Well, you can give it to my chairs at a later time.

1
2 VINCE MCGOWAN: --about 35%--35% of our
3 loans are made to Minority and Women Owned
4 Businesses. That actually is a goal that we have in
5 our contract with the New York State Common
6 Retirement Fund to do 30%, and we have historically
7 exceeded that substantially.

8 COUNCIL MEMBER DICKENS: All right, and
9 how many--What's the percentage of your loans in the
10 last two years that were given to businesses that had
11 existing contracts versus start-ups?

12 VINCE MCGOWAN: On an average--in an
13 average year, I would--our start-up lending is to
14 about 15 to 17% of the businesses that we fund are
15 start-up businesses.

16 COUNCIL MEMBER DICKENS: All right.

17 VINCE MCGOWAN: And that's particularly
18 important with the veteran-owned community because
19 one of the key things you look at in a start-up
20 management experience, and the capacity of that
21 individual to a run a business. And some of the key
22 metrics that were mentioned by some of the other
23 fellows who testified here today noted that in the
24 operational area, in the management area, in the
25

1
2 preparation to do that, the veteran community often
3 has greater strengths than others similarly situated.

4 COUNCIL MEMBER DICKENS: All right.

5 Well, thank you for your testimony to all of you.

6 However, I am going to challenge you to be in contact
7 with the Veteran's Association that is located in
8 East Harlem on Third Avenue because they are not
9 aware of many of these programs that you're--that all
10 of you have spoken about. And they are woefully
11 lacking and have members at that site who are small
12 business owners.

13 CHAIRPERSON CORNEGY: And I will just add
14 to my colleague that in my district we house Black
15 Vets for Social Justice, who I will be giving your
16 packet to. Thank you. That's it. Thank you. Next
17 panel.

18 CHAIRPERSON ULRICH: Thank you very much.

19 ROBERT PIECHOTA: Thank you.

20 CHAIRPERSON CORNEGY: I would like to at
21 this time call Leonelle Hamanach [sp?], Avi Leshes,
22 and Nathaniel Fields.

23 [pause]

24 CHAIRPERSON CORNEGY: Good afternoon, and
25 thank you for waiting to testify. If I could just

1 affirm your testimony from you, please. If you could
2 just raise your right hand. Do you affirm to tell the
3 truth, the whole truth, and nothing but the truth in
4 your testimony before this committee, and to respond
5 honestly to Council Member questions?
6

7 AVI LESHES: Yes.

8 CHAIRPERSON CORNEGY: Thank you. Avi,
9 I'm going to have to ask you to defer and let ladies
10 go first.

11 AVI LESHES: That's fine.

12 [Pause]

13 LEONELLE HAMANACH: [off mic]-- we speak
14 out on Metro Chapter New York. We're a national
15 charity originally from--

16 CHAIRPERSON CORNEGY: I'm sorry, Ms.
17 Hamanach. I have to ask you to begin again. The
18 beginning of your statement wasn't on the record.

19 LEONELLE HAMANACH: Okay. My name is
20 Leonelle Hamanach. I'm a member of Military Families
21 Speak Out, Metro Chapter, which is a national charity
22 of military families originally formed as a non-
23 profit in 2002. Soldiers who served since 9/11
24 opposed the wars in Iraq and Afghanistan and says
25 bring the troops home now, and take care of them when

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24
25

they get here. On that--on that note I'd like to thank you, both of the chairs of the committees that are sponsoring this hearing. And I'd like to thank all the people who are attending this hearing about veteran owned business and encouraging veterans in entrepreneurship. I'd just like to speak off of my notes right now. I was involved in fighting for a law to get veterans preference in Mitchell-Lama Housing for over two years.

And I found that, you know, it took a lot of perseverance and determination to achieve this. It did pass. So what I'm saying here is that we're at a beginning of a new venture, which is very exciting and hopefully setting up the right plan, and getting the right people on board. I think that New York can be a national leader to make a good place for veterans. I know that according to the census statistics we have 1.6 million veterans in New York. And in the city we're supposed to have over 200,000. That does not include their family members, and their significant others. So it's under-rated, the number of people who are economically affected by the fate of veterans and their families.

1
2 I feel that many of the qualities of
3 small business people such as discipline, hard work,
4 perseverance, independence, ingenuity and teamwork
5 are qualities that are developed in the armed
6 service. And the people who join the service to
7 serve and to become part of a larger ideal who are
8 willing to sacrifice their lives for a greater cause
9 can keep the big picture in mind necessary for a
10 successful entrepreneur. And they're going to
11 weather many storms and overcoming many difficulties.
12 But I feel that billion of dollars can come to New
13 York City and especially the communities, which the
14 veterans come from, which are the five zip codes,
15 which are famous in New York City history. Which are
16 the most people who go to jail are the same people
17 who are the most people who become members of the
18 military.

19 So, we might be breaking a double problem
20 and contributing to entrepreneurship, successful
21 entrepreneurs in New York if it's followed up on in a
22 conscientious way. Because a lot of times people
23 have good idea, but they don't follow through the
24 end. So, I'd like to point out that at the
25 Metropolitan Museum of Art, although it's been

1
2 disparaged, there are many veteran sponsored vending
3 units. They are selling hot dogs and other snacks to
4 the 5.9 visitors to that museum, and that's a
5 breakthrough, which the Veterans Committee in New
6 York had a lot to do with. So I'd like to thank you
7 for that. And I'm sure that we can do this, and this
8 is going to be a payoff big time for our country, and
9 for New York as a leader in our country.

10 CHAIRPERSON CORNEGY: Thank you. Avi.

11 AVI LESHES: Thank you, Chair.

12 CHAIRPERSON CORNEGY: Could you just
13 state your name for the record?

14 AVI LESHES: Avi Leshes, Brooklyn Chamber
15 of Commerce. I'm not going to bore you with the
16 whole testimony, but just three points that the
17 Chamber has been recently looking at in the study
18 that MOVA and SBS has put together. Is that, you
19 know, there have been talks about not doing a
20 procurement seat aside for the City of New York at
21 this time. And just to piggyback off of Bob from the
22 SBC said, it might be worth looking at in the pilot
23 program. He stated what he wants is a very
24 aggressive 6% set aside. We do think that we could
25 do something here in New York by creating a pilot

1 that will at least allow us to see what will work
2 what will not work and then how to make a better
3 program than trying launch something from the ground
4 up, and figuring out that it's not working
5 altogether. The other point that we noticed also in
6 the study is that, and we encourage this as we found
7 this ourselves because we were engaging with veteran
8 organizations and veterans themselves. Veterans post
9 9/11 do not self-identify for whatever reason. It
10 could be whatever. They just don't want to be
11 stigmatized with PTSD or other things. We have to
12 work to change the narrative, and veterans themselves
13 when we talk to them they don't even know that there
14 are incentives out there for hiring a veteran or
15 starting your own business. And I think that is a
16 challenge that we have to start working on this as to
17 why they are not self-identifying, and then also why
18 they don't even know about these programs. So you
19 can create all these different resources for
20 veterans, but if they don't know about it, it's
21 pointless.

22
23 And the third thing that we noticed that
24 it's not really being talked about too much,
25 veteran's spouses and domestic partners, they are

1 almost being forgotten here. People keep forgetting
2 about them. The State has a \$4,000 tax credit for
3 veterans--disabled veterans who come back home
4 looking to get a job, or just for regular veterans a
5 \$3,000 tax credit benefit. What about creating a
6 bill or a piece of legislation to allow those
7 benefits for spouses and domestic partners of
8 veterans because sometimes veterans who do come back
9 are not really eligible for work. You're not
10 eligible to start their own business. So at least
11 creating that incentive for a domestic partner and a
12 spouse of a veteran would allow the family to still
13 remain whole having that opportunity to get out
14 there. Because I know in seeing the same thing on
15 the federal level they do allow spouses and domestic
16 partners to take advantage of benefits for veterans.
17 So I think it would only be incumbent upon us to do
18 that for veterans--spouses of veterans and domestic
19 partners. But again, we do come back again to the
20 road map that they are talking about is very good
21 initiative. The outreach I do think that the biggest
22 challenge that we could--one of the things that we
23 could do is when do something on the go. Something
24 like that. We reach out to local council members and
25

1 stuff like that where we go into the community.
2 That's the only way it's going to work. Veterans
3 will not come to you. You have to go to them. And I
4 think that's something that we should be looking at
5 with SBS and MOVA and all the others is that what are
6 we doing to really penetrate the communities and it
7 should be by veterans. Because veterans related
8 better to themselves than someone who is a non-
9 veteran. Thank you.
10

11 CHAIRPERSON CORNEGY: Great. Thank you.
12 First of all, Ms. Hamanach, I just want to say that
13 it's always a pleasure to see you, and to see that
14 your advocacy hasn't--hasn't waned at all and so I
15 think-- You know, unfortunately I'm not a veteran.
16 But those veterans benefit very much for your
17 continued advocacy on their behalf, on all issues as
18 it relates to veterans. I just want to personally
19 thank you. I remember you as a staffer, and the hard
20 work that you would do. And when we would send out
21 correspondence for you to appear at a hearing, we
22 could always count on you be there, and always
23 providing excellent testimony to whichever topic as
24 it related to veterans. So I appreciate that.
25

1
2 And Avi, I just want to say, you--I think
3 it would be a fantastic idea to be able to include
4 some information on Chamber on the bill. So as we're
5 touching these neighborhoods, which are probably the
6 same neighborhoods where they reside--

7 AVI LESHES: [interposing] Right.

8 CHAIRPERSON CORNEGY: --and providing
9 them with information, and referrals. I would hate--
10 I didn't want to say it. You said it, I don't want
11 to add more to your plate, but I think that it would
12 be very consistent with the hard work that you're
13 already doing, and what you're accomplishing on the
14 ground with the Chamber on the bill. So, you know, I
15 will be giving Carlo a call to see if somehow we can
16 incorporate this into-- You know, the abundance of
17 things you're already doing.

18 AVI LESHES: Okay.

19 CHAIRPERSON CORNEGY: My Co-Chair.

20 CHAIRPERSON ULRICH: No, I want to thank
21 you for the testimony. I think the Brooklyn Chamber
22 really is a model for the other four chambers in the
23 city in terms of how they perform outreach for
24 veterans and how they advocate on behalf of veterans.
25 And I think that in particular some of the events

1 that you've hosted at Brooklyn Borough Hall Really
2 raised the bar in terms of what we should be doing in
3 all the five boroughs. Brooklyn, as you saw in the
4 presentation according to the City's statistics at
5 least, came in a very close second in terms of where
6 the veteran population actually resides in the City
7 of Queens. They claim it has 28%. Brooklyn,
8 according to the chart, has 26%. So there are tens
9 of thousands of veterans that live in Kings County,
10 and just as many, if not more, live in Queens and
11 also throughout the other boroughs.
12

13 The common theme of today's hearing, and
14 I wish that the administration had stayed or some
15 more folks from the administration could have stayed
16 to listen to the testimony by the advocates, is that
17 we can always do better. And we should more, and we
18 should do better. And we need to identify ways where
19 we can do better, and how we can do better. And we
20 get those suggestions, and that feedback from the
21 advocates, and the family members and the people who
22 actually live through these programs. And
23 participate in these programs, and are aware of these
24 programs, and how they work, and how they don't work.
25 So that is going to be a little suggestion that we

1 send back to the next hearing is that some actually--
2 I know that MOVA chose to stay. Commissioner
3 Sutton's Chief of Staff is here, but some of the
4 folks from SBS the policy decision makers. Not, you
5 know, just the regular people that work there, but
6 the real people who can make a difference and
7 implement some of these ideas.

9 Some of the ideas that you raised and
10 some of the ideas that Robert raised earlier just
11 terrific. We could not think of these things on our
12 own if we wanted to. That's the purpose of having
13 these hearings. So I want to thank you, and let you
14 know that even though you wait so long, and you feel
15 like sometimes you're rushed through your testimony,
16 it does not fall on deaf ears. We're listening.
17 We're taking notes. We hear what you're saying, and
18 we're doing our best to help. So thank you very
19 much.

20 CHAIRPERSON CORNEGY: Thank you. And the
21 last, but not least panel for today is Scott
22 Davidson, Londel Davis, and is that Boots Whitlock.

23 BOOTS WHITLOCK: [off mic] No, actually
24 Boots.

25 CHAIRPERSON CORNEGY: Boots as in--?

1

2

BOOTS WHITLOCK: [off mic]

3

CHAIRPERSON CORNEGY: Can't get that

4

wrong.

5

CHAIRPERSON ULRICH: He's one step ahead

6

of us. [laughs]

7

[background comment]

8

CHAIRPERSON CORNEGY: So again, I just

9

have to affirm your testimony, but before I do, I

10

want to thank you for waiting. I think you're

11

testimony is as valuable as the first panel that

12

went. And I want you to know that. So I really

13

appreciate the fact that you stayed to contribute. I

14

think it is important to hear from you. If you could

15

just raise your right hand. Do you affirm to tell

16

the truth, the whole truth, and nothing but the truth

17

in your testimony before the committee, and to

18

respond honestly to Council Member questions?

19

CAPTAIN SCOTT DAVIDSON: I do.

20

CHAIRPERSON CORNEGY: Thank you. If you

21

will--if you will begin by just stating your name.

22

CAPTAIN SCOTT DAVIDSON: My name is

23

Captain Scott Davidson, U.S. Army Retired. My name

24

is Scott Davidson. I am an Iraq and Afghanistan

25

veteran. I served two tours in Iraq and one in

1
2 Afghanistan. I was medically retired due to a combat
3 injury. So this particular topic is very important
4 to me. I want to talk about--specifically focus on
5 the incentive programs that were not being available--
6 --that are not available to veterans in the New York
7 City area. Basically, New York City itself woefully
8 is inadequate when it comes to dealing with trying to
9 incentivize veterans to come and work with the City,
10 New York City with any kind of contracting. The
11 bottom line is that without the ability to compete on
12 MWBE set-aside contracts, or having any type of large
13 business to be incentivized to work with such small
14 businesses as veteran-owned businesses, you
15 substantially limit, or actually you just--you limit
16 any type of ability for veteran's small business to
17 even grow in the city. Which answers most of the
18 questions asked today is that how do we get them to
19 become a more veteran friendly city. And I'll expand
20 on that a little bit. The very basis of the set-
21 aside programs on the federal level or state level
22 for that matter is exactly what it's for. It's for
23 socio-economic status businesses to be able to
24 competed against other same-size businesses for
25 contracts that normally they wouldn't be allowed to

1
2 compete on just because of the size of their
3 business, right. So they're set aside. They
4 unbundled contracts that are in smaller chunked out
5 palatable pieces that allow for them to compete, gain
6 the valuable experience they need by contracting that
7 back government level. And then be able to grow and
8 then, of course, sustain and become a larger business
9 eventually. Without the ability for veteran-owned
10 businesses to do that, they can't compete in the city
11 itself of New York. The reason begin, again is that
12 (a) they can't compete on MWBE opportunities. So
13 there goes any chance that they have the ability to
14 gain any type of experience in the market. And (b)
15 just like with MWBEs, larger businesses that are
16 awarded contracts by the City of New York have
17 requirements of 10% or lower to allow them to say
18 okay you need to have small business participation in
19 order to perform this type of work. Okay. They
20 can't participate in that. So there literally is no
21 incentive for any large business, except that they're
22 civic minded, to say okay I will have the ability to
23 go ahead and contract with these folks to fill any
24 type of requirement. So without those requirements
25 from the city and contracting, there is not going to

1 be a business that wants to come into New York City
2 and establish itself to work. Because they don't
3 have the ability to compete for work. There is
4 \$20,000 discretionary funding that can happen by the
5 agency level. But in talking to those individual
6 agencies personally, and I can't add all the anecdote
7 here as I'm looking at the time. We were told it's
8 iffy. If you're not on the MWBE list we can't talk
9 to you. So in keeping that in mind, you literally
10 have prevented a small business, a veteran-owned
11 business from competing for a city contract. There
12 is no incentive for them to come and work here
13 because of those issues.

14
15 In speaking--so to--I'm sorry. In
16 speaking with other pieces like that, so when we talk
17 to SBS itself, I went to SBS originally, and I just
18 talked to them, how do veteran-owned businesses get
19 better in the city? They always start to mention the
20 EBE program, which is Emergency Business Enterprise.
21 Well, let's talk about the EBE quickly. The EBE
22 program itself is word-for-word mirrored after the
23 Federal AA program. The AA program was designed to
24 help individuals that socially and economically
25 disadvantaged. You have to prove that social and

1 economic disadvantage. The issue we see right now
2 with the entire piece here is that. We lose sight of
3 the fact that a veteran or a veteran status for a
4 veteran-owned business is the only status that is
5 earned in all the federal government contracting.
6 End of story. Everything else is given to you by
7 virtue of birth.
8

9 I can go out on the battlefield. I can
10 go serve honorably 7,000 miles across the world, and
11 I can fight for this country. Yet, New York City
12 feels it's necessary to say you guys aren't on the
13 same level as someone who was born in the city that's
14 a woman. That's exactly what that means. Because
15 again, it's the only earned status that's here for
16 any type of veteran. Everything else is through
17 virtue of birth. So I think that's where people lose
18 sight of the fact that it doesn't make sense. The
19 EBE program goes back to that point, and it's kind of--
20 -it's almost insulting to veterans because then
21 you're saying, Okay, you're a veteran? Prove to me
22 that because you're a veteran, you're socially or
23 economically now disadvantaged. Mostly on the social
24 side. Economic is universal. If you don't have
25 enough money that's fine. But if you're economic--if

1 you're socially disadvantaged, show me in that
2
3 situation.

4 You actually become a subjective process.
5 Just because you're a veteran now you have to be
6 approved. And if you look at the numbers inside the
7 city itself, there's only less than 20 EBE businesses
8 currently operating that are certified. So the
9 program doesn't work when it's at a 4,000 plus. So
10 if you take a look at what that means it shows
11 basically, okay. Again, that program that SBS
12 themselves are pushing veterans into there is no such
13 program. And they still don't have any potential
14 right to even be accepted into the program because of
15 the fact that they still have to prove that somehow
16 being a veteran says that I'm socially disadvantaged.
17 And that goes back to all of the other resources are
18 saying, We don't want stigmas universally attached.
19 You know, I mean that's an immediate stigma that's
20 attached to individual veterans. But the program
21 itself doesn't work. And again, the numbers
22 themselves don't lie, and I know I'm on my time here.

23 But let's focus on the survey quickly
24 because I think it's very important, and I want to
25 kind of let everybody see this because I did my own

1 study. I worked with the National Small Business
2 Taskforce through the American Legion. I represent
3 multiple veteran service organizations around the
4 United States. I have--most of what we do is we
5 build service disable veteran-owned and veteran-owned
6 small businesses, from cradle to cradle I call it,
7 throughout the United States. This is what we do.
8 The piece that we have here is interesting.
9 According to the database as of yesterday, there'
10 4,024 certified MWBEs in the City of New York that
11 can do business with the City of New York. Now, you
12 take that number and you really look at some
13 interesting pieces when you break it down, because
14 you're able to do so.

16 There are businesses that are far known
17 entities that are working as MWBEs in the City of New
18 York, California, Connecticut, Pennsylvania, Ohio,
19 Texas, Georgia. Everywhere across that, and they're
20 allowed to operate within the confines of the city,
21 and we're all worried about protecting what is MWBE
22 soul of the city. I would surprised if they
23 understand that there are outside foreign entities
24 operating in the city that skew numbers that don't
25 really represent true New York populations. If you

1 go and take a different look at, right. If I then
2 just take-- And this is the other thing about the
3 flawed data. First off, the 2010 Census data it's
4 five years old. It's wrong. We are able to find
5 actually real time data open source through a system
6 called the System for Award Management, which is
7 administered by the federal government.
8

9 That actually shows demographically
10 speaking businesses that are currently conducting
11 business with the federal government that are
12 qualified. And it shows then their socio-economic
13 status, which is veteran and services able veteran-
14 owned small businesses. And I can break it down to
15 the actual demographic and geographic area. In doing
16 so, I went ahead and did that study, and compared to
17 that census number, [bell] the interesting piece was
18 if I took--and I didn't even bother taking all this
19 other stake that allows the MWBEs in New York City.
20 I just took the northern tip of New Jersey. I took
21 the southwest part of Connecticut, and I took New
22 York City itself. There are currently 1,908 actual
23 businesses doing work with the federal government
24 that are certified services disabled veteran-owned
25 small businesses in that demographic area.

1 Not this other number that they're
2
3 pulling out that they're doing 40% here and there.
4 Those are real numbers. If that's the case, that's
5 nearly half of what is currently certified as an MWBE
6 that can do it. So my question is where does that
7 number equate to? So if you're looking at what is
8 nearly half of businesses in the Tri-State Area
9 proper compared to people that are now operating as
10 MWBEs [bell] from all over the United States that are
11 allowed to do work in New York City, I question the
12 validity of the data. If I then went ahead and took
13 all of the same states that are listed n the MWBE
14 data base today, and I said let me do a population
15 search of veterans that currently are in business for
16 X amount of years. They're successful. They're
17 certified at this federal level. I now have a
18 population sample of 7,433 service disabled veteran-
19 owned small businesses that are currently doing work
20 with state and local and federal governments.

21 So my question again is where did that
22 data constitute that it's not something that would be
23 economically viable for the City of New York to have
24 these individual categories of veteran-owned or
25 services disabled veteran-owned businesses to be able

1 to own and operate a business in the City of New
2 York? Without giving them an incentive to do so,
3 there is no reason a business will come to one of the
4 most expensive cities in the United States to set up
5 shop and say, I want a contract here in this area
6 where I can go anywhere else to enjoy what would be
7 the federal-- We're talking about federal, right?
8 Because they can't compete on a city level, to enjoy
9 the benefits of the seat-aside requirements that the
10 federal government institutes. I can do that
11 anywhere. There is no reason that they need to be in
12 the City of New York to do so. Yet, there's a 6%
13 state level. That's great. I think that's-- You
14 know, that's a great step in the right direction.
15 But they don't need to be in New York to enjoy that.
16 They can be anywhere in the States to do it. You're
17 not going to attract any businesses to the City of
18 New York because there is no incentive for them to
19 contact here, and the numbers refute everything in
20 that study. All those numbers that came out that was
21 put in there that are either antiquated data from
22 five years ago, nothing that was done in real time.
23 And then you do random surveys. It makes no sense.
24
25

1
2 But to continue on that one piece to give
3 you some additional numbers to let you know, if you
4 look at the makeup--this is actual numbers from the
5 SBA--ten percent of all small businesses in the
6 United States are owned by veterans. Ten percent.
7 If you think about what that size population makes
8 up, and that's a significant amount. And then you
9 take a look at one in five veterans start a business
10 in their lifetime and sustain it, that's also been
11 substantiated by the SBA. So those numbers, and that
12 was in your 2014 Veterans Small Business Report that
13 they--it's published every year. So if you keep
14 those--if you keep those things in mind as we go back
15 to it. We talk about certain things. We talk about
16 why is it that the only status that you can earn in
17 the United States [bell] that earns you a business
18 designation, as being a veteran, is being overlooked
19 by the fifth largest-- Well, first one of the
20 largest cities in the United States. But by the
21 fifth most popular city when it comes to veterans.
22 And the other piece I want to circle back on quickly
23 is that the one piece we've talked about, I do
24 represent the--

1
2 CHAIRPERSON CORNEGY: [interposing] Do
3 you have written testimony?

4 CAPTAIN SCOTT DAVIDSON: Do you want to
5 put it in? I don't know. I gave something to the
6 Council when I walked up here. I handed it to
7 somebody.

8 CHAIRPERSON ULRICH: Raymond Haskins has
9 written testimony.

10 CAPTAIN SCOTT DAVIDSON: I handed
11 something to Ray. When I walked in, I handed
12 something to the Council.

13 CHAIRPERSON ULRICH: We got it an hour
14 before the hearing.

15 CAPTAIN SCOTT DAVIDSON: Yeah, yeah, you
16 haven't had a chance--

17 CHAIRPERSON ULRICH: [interposing] It's
18 our fault, but we're going to make copies and give it
19 all to the members of the committee.

20 CAPTAIN SCOTT DAVIDSON: Right. So,
21 yeah, I have absolutely no reason to show it--

22 CHAIRPERSON ULRICH: [interposing] And
23 we'll make sure it's entered onto the record.

24 CAPTAIN SCOTT DAVIDSON: Thank you, yeah.
25 Yeah, that was the one thing, I have actual-- We

1 include all the source data. Again, open source that
2 we use that is actually open source, free and year--
3 I mean literally minute-to-date information--

4 CHAIRPERSON ULRICH: [interposing] Yeah.

5 CAPTAIN SCOTT DAVIDSON: --that refute
6 everything in that study.

7 CHAIRPERSON ULRICH: It's very helpful,
8 and it's just another reason why I wish SBS and some
9 of the folks from MOCS and other agencies that
10 testified--

11 CAPTAIN SCOTT DAVIDSON: [interposing]
12 Right.

13 CHAIRPERSON ULRICH: --would have stayed
14 here to listen so that they can either refute some of
15 your testimony--

16 CAPTAIN SCOTT DAVIDSON: [interposing]
17 Yes.

18 CHAIRPERSON ULRICH: --in writing.
19 Provide us with additional information that they
20 might have left out inadvertently. Maybe they meant
21 to say something--

22 CAPTAIN SCOTT DAVIDSON: [interposing]
23 Right.

1
2 CHAIRPERSON ULRICH: --or share something
3 and provide some sort of documentation to prove
4 something, and they didn't. That's the point of
5 these hearings. So I am going to make sure, and I
6 know my Co-Chair will make sure that at the future
7 hearings they know that we want someone to stay. And
8 listen--

9 CAPTAIN SCOTT DAVIDSON: [interposing]
10 Right.

11 CHAIRPERSON ULRICH: --I know that MOVA
12 again did stay. I want to make mention of that.
13 Loree Sutton's Chief of Staff is still here, and I
14 want to let you know that in our meeting about a
15 month ago prior to this hearing leading up to this
16 hearing with the Commissioner from SBS and with
17 Commissioner Sutton, it was Commissioner Sutton who
18 raised the point that you raised in your testimony
19 regarding veterans having to file for the EBE
20 program. And saying how that in and of itself could
21 be offensive--

22 CAPTAIN SCOTT DAVIDSON: [interposing]
23 Uh-huh.

1
2 CHAIRPERSON ULRICH: --or could be viewed
3 as somewhat discriminatory, if you will. I don't
4 want to put words in her mouth--

5 CAPTAIN SCOTT DAVIDSON: [interposing]
6 Right.

7 CHAIRPERSON ULRICH: --but she made that
8 point very clearly that if that's the only way
9 veterans can be certified for MWBE contracts to say
10 that veterans who serve honorably such as yourself
11 who have gone on to start their own business, now
12 have to prove to the City that they are somehow
13 disadvantaged in order to get a leg up on city
14 contracts really is not the right way to do business.
15 So that is something that was raised internally. I'm
16 glad you brought it up separately, but the Mayor's
17 Office of Veteran Affairs, SBS, myself, and now this
18 Committee is aware of it. And hopefully that is
19 going to be something that can be addressed or
20 changed even if they don't explore the set-aside, you
21 know, in the next year or two. But the language
22 itself and the approach, and the way that we
23 encourage veterans to do business is--do business
24 with the city-- Not only are we not providing an
25

1
2 incentive, but we're insulting them on top of it. So
3 I'm glad you raised that point.

4 CAPTAIN SCOTT DAVIDSON: And the one
5 other point I would like to mention is I do represent
6 a lot of the veteran service organizations. I wanted
7 to because someone had asked the question earlier.
8 We wanted to bring this up. That is one of the major
9 failings of where SBS is. And you're right, I wish--
10 I'm actually just amazed that they didn't leave
11 anybody behind here since they stated that they are
12 in charge of the fact of making sure this happens for
13 the city. They didn't feel it was necessary to
14 listen to what our testimony was, or anybody who
15 represents veterans.

16 The one point I want to bring is I'm
17 actively-- There is no communication between them
18 and the Council Member. She had--you had a great
19 statement, there's no communication between them and
20 the Veteran service organizations. The veteran
21 service organizations is where this city needs to go
22 in order to get by them. Because the reason is that
23 listen, we've-- As veterans, yes, someone made the
24 great comment that we're insulated in the sense-- I
25 believe, sir, that was you, and I liked that because

1 it sometimes hard to get to that population. The
2 reason is that if you look at the history of how
3 veterans are treated, and they come back to this
4 country after they serve, it's abysmal, right. The
5 record is terrible. Look what the VA does, and I'm
6 not here to kind of pick on that, but I'm saying that
7 the stigma that's attached to outside agencies
8 helping us is where they fail. The veterans service
9 organizations know and follow the same credo we-- You
10 know, we take care of our own for that matter, okay.
11 So with the VSOs for that matter, we have more trust
12 as a veteran community. They don't get them
13 involved. The American Legion has the largest
14 constituency in the United States of actually active
15 veteran members. They should be touching them first
16 and saying, why are we not doing something together?
17 They all have business programs. I run multiple
18 programs for them for training for people who need to
19 get on veteran--for federal contracts, state
20 contracts, things of that nature. The VFW does the
21 same thing. Wounded Warrior has programs. Any
22 military--
23

24 CHAIRPERSON CORNEGY: [interposing]

25 Wait, can I--

1

2

CAPTAIN SCOTT DAVIDSON: Yes, sir.

3

4

CHAIRPERSON CORNEGY: I was going to ask
you something. Is this--is this your first time
appearing before the Council?

5

6

CAPTAIN SCOTT DAVIDSON: Yes, this is.

7

8

CHAIRPERSON CORNEGY: So what I need to
do--the reason I'm asking is because what I need to
is kind of bring you in.

9

10

CAPTAIN SCOTT DAVIDSON: Okay.

11

12

13

14

15

16

CHAIRPERSON CORNEGY: To have an
opportunity to really sit and for lack of a better
term pick your brain. But I don't want you to feel
like that everything that you have, and all the
information you have you've got to get it out right
now.

17

CAPTAIN SCOTT DAVIDSON: [interposing]

18

No, I know.

19

20

CHAIRPERSON ULRICH: We're on four
minutes, you know.

21

22

CAPTAIN SCOTT DAVIDSON: Yeah, I already
filled the four minutes and I apologize for that.

23

24

25

CHAIRPERSON ULRICH: But now they have no
time to speak, because you used up their four
minutes.

1

2

CAPTAIN SCOTT DAVIDSON: [interposing]

3

No, and I didn't mean to take that from them. They

4

can take mine.

5

CHAIRPERSON CORNEGY: I think what you're

6

offering today is valuable testimony--

7

CAPTAIN SCOTT DAVIDSON: [interposing]

8

Right.

9

CHAIRPERSON CORNEGY: --in real time, in

10

real situations.

11

CAPTAIN SCOTT DAVIDSON: [interposing]

12

Absolutely.

13

CHAIRPERSON CORNEGY: Because often time

14

we don't get an opportunity to have the two combined.

15

CAPTAIN SCOTT DAVIDSON: [interposing]

16

Right.

17

CHAIRPERSON CORNEGY: You know, for

18

people who will be passionate about what their

19

experiences are, but they don't--they're not able to

20

articulate it or substantiate it with data. So

21

you're able to do that. So you become a valuable

22

resource--

23

CAPTAIN SCOTT DAVIDSON: [interposing]

24

Right.

25

1
2 CHAIRPERSON CORNEGY: --to us. And
3 selfishly, I would like to spend some more time with
4 you--

5 CAPTAIN SCOTT DAVIDSON: [interposing]
6 Absolutely.

7 CHAIRPERSON CORNEGY: --not at the end of
8 the day, and not at the end of the hearing--

9 CAPTAIN SCOTT DAVIDSON: [interposing]
10 Right.

11 CHAIRPERSON CORNEGY: --to really
12 understand what you're saying and tease apart your
13 numbers. And see if they could be helpful in moving
14 the city forward as it relates contracting.

15 CAPTAIN SCOTT DAVIDSON: Everything we
16 can do that replicates-- So I just wanted to-- I'm
17 sorry, just two other things. Other cities of the
18 same size, everything that's listed up there Chicago,
19 Boston they all have services and disabled veteran-
20 owned small business set-aside programs at the city
21 level. Just to put that out there. Everything that
22 they have is the same city size. Because, As you
23 know, we're the top five. Number five in the states--
24 -in the states we're the top five veteran population.
25 All of the cities they've put up there all have

1 services disabled veteran-owned small business
2 programs at the city level that do very well. So
3 that's the other thing I thought was interesting that
4 they choose to count things of similar size, and
5 they're going ahead and they're showing that yeah
6 these are my sample data. But they're already way
7 ahead of us, and they've been doing it for years. So
8 the question then begins is why? Why does somebody
9 of maybe equal-- Chicago is doing it. I mean Chicago
10 is one of the most robust programs in the United
11 states for services disabled veteran-owned small
12 business set-aside and the training.
13

14 So I guess that's what I want to say.
15 The other piece is the training that we have in order
16 to get outreach to everybody to grow them exists
17 today, and it doesn't cost anything. Most of the
18 stuff we do because the VSOs, the American Legions
19 and things like that we all have. I've designed
20 programs for them now for years that allow business
21 from cradle-to-cradle I call them, not cradle-to-
22 grave. Because they start the business and they
23 grown. It's free. I don't know why they're not
24 reaching out for it. You asked--someone asked where
25 are the federal resources? You've got non-profits

1 who are willing to open the doors to help at every
2 possible way to do it. And then have other things
3 like VBOCs, with Veteran Business Outreach Centers,
4 which are federally funded dollars to grants. I
5 don't know--you know those types of things, and these
6 are similar to some of the other people out here.

7
8 But there are multiple resources. The
9 SBA itself also has those types of things. So what I
10 just want to let you know is that stuff exists. We
11 can make a dent in the problem very quickly. All it
12 takes is a good amount of marketing and space in
13 order to train people and that's how you start it.
14 I'm telling you. I mean there are solutions there.
15 We've implemented it in other cities and veterans
16 taking care of veterans. They're going to come
17 together if veterans are teaching the class. It's
18 very hard to identify with people who aren't veterans
19 especially if they're coming in younger gentlemen and
20 younger women for that matter. So in order to get to
21 that piece and there, I think that's where the issue
22 is. SBS does nothing to reach out. I personally
23 tried to get meetings with them to say, Hey, I want
24 to help out and talk to you. They--I can't and I've

1 been trying for four months to get a meeting with
2
3 them.

4 CHAIRPERSON CORNEGY: One of the things
5 that we have the power to do is put you guys
6 together.

7 CAPTAIN SCOTT DAVIDSON: That's what I'm
8 saying. I mean this is--that's why I'm saying that
9 it gets frustrating because my mission besides one of
10 things that thankfully I'm allowed to do is, I'm
11 afforded to do is I would like to be able to train to
12 help veterans out. It's my mission, right? I want
13 to make sure that happens especially in business.
14 And the reality is that I have been road blocked
15 multiple times coming into the city and speaking to
16 almost every single procurement agency in this city
17 from DCAS down. They have said we'd love to do
18 business with you. I can't. You're not MWBE. Maybe
19 go find a woman or minority to run your business.
20 Then I can talk to you. I have that.

21 CHAIRPERSON CORNEGY: I'm sorry for that
22 experience, but I'm glad that you still remain
23 passionate and show--exhibit a real strong
24 willingness to work with other people to get them
25 through this circumstance.

1
2 CAPTAIN SCOTT DAVIDSON: Well, I--I
3 appreciate your time today. Thank you so much.

4 CHAIRPERSON CORNEGY: Thank you for your
5 testimony.

6 CAPTAIN SCOTT DAVIDSON: Thank you. I'm
7 sorry. [laughs]

8 LONDEL DAVIS: Hi, my name is Londel
9 Davis. I own a company called Macofico. [sic] I'm a
10 veteran. I was in the Army from 1989 to 1993. I had
11 a lot of issues with my company Macofico [sic] that
12 closed because of the government contract, the City
13 government contracts that I was--that I had won and
14 was doing. One of the main reasons for my company
15 failing was because of the city not making their
16 payments to my company. The payment practice of the
17 city is very, very slow and very antiquated. And
18 saying that if you don't cross the T and dot the I,
19 they take everything back. It takes several months
20 to get paid. They do several different invoices that
21 you have to submit that is very long--very long and
22 tedious. Another issue that I had with my business
23 were the goals. Those were MWBE and there were no
24 goals for veterans at all. But the goal practice
25 does not work. We do definitely need set-asides.

1
2 Not just for veterans but also for Minority and Women
3 Owned Businesses. The one thing that I found with
4 the goals was that when bidding on contracts if we
5 were the only MWBE or veteran-owned business that
6 wasn't the real criteria for us to get it. So we had
7 no real advantage over our competitors. And being a
8 small business owner that those set-asides would help
9 our company and MWBE companies and veteran-owned
10 companies more often to be able to win those
11 contracts and hire women and minorities and other
12 veterans.

13 Another issue I had with the financing
14 was a lot of the loan programs were micro loans.
15 They were very small loans. They started out from
16 \$5,000 to \$25,000. So once we--once our business
17 grew we kind of grew out of the financing box that we
18 was able to get more financing. And a lot of the
19 programs that was offered they didn't offer certain
20 financing for certain contracts. We was goods and
21 services, and a lot of the financing programs that
22 they have out are for general contracting. So goods
23 and services were left out. So if you weren't in
24 construction, you were left out of a lot of the loan
25 programs. So that's pretty much-- I have to

1 particular agree with the prior speaker on the set-
2 asides because as a veteran, and seeing the numbers
3 that they had up there, a city of eight million
4 people and you have 250,000 veterans, that speaks a
5 lot. It is definitely a small group, and I feel that
6 we deserve a lot more being veterans since we have
7 served our country honorably. And we should have
8 many more set-asides for veterans and minority-owned
9 and women-owned businesses. Thank you.
10

11 CHAIRPERSON CORNEGY: Thank you.

12 [background comments]

13 BOOTS WHITLOCK: I think because of time
14 I'm going to limit my comments to maybe the first or
15 third slide of this slide show. Do we know how to
16 log into this.

17 CHAIRPERSON CORNEGY: Would you please do
18 me a favor and just identify yourself before you
19 begin your testimony and your presentation?

20 BOOTS WHITLOCK: My name is Boots
21 Whitlock. I am a veteran and I'm actually sort of
22 the focal point of this. I'm going to start my own
23 business.

24 CHAIRPERSON CORNEGY: [off mic] You are?
25 [sic]

1
2 BOOTS WHITLOCK: Yes and I've been doing
3 some research to that end, and the business that I
4 want to start is a vending business. On or about the
5 19th or the beginning of the 19th Century we were
6 afforded the opportunity by the State of New York to
7 go ahead and do that under General Business Law
8 Article 432 through 35, stating that veterans have
9 the right to vend on the streets using a hand cart.
10 And to that end, that's what I want to do. I got
11 this from the OEF, OIF Office in the Veterans
12 Administration Building on 23rd Street, the hospital.
13 So after TAP, which in Southern California did not
14 address New York at all. I just sort of stumbled
15 into this. It's all right. It's okay.

16 You've got my presentation and it
17 basically tells you the story of what I'm going
18 through right now. In short, it's just extreme
19 frustration. I'm here. I was afforded this
20 opportunity by the State on or about 1991. After the
21 first--after the cease fire in the Gulf War, the
22 State of New York decided to vote in this law, 35
23 Alpha, which just mitigated the--the ability of a
24 veteran to vend on the streets. And all the history
25 is there. What I would like to say is that I would

1 like all of you, anybody left in this room to find a
2 way to get rid of this or replace this 35 Alpha with
3 something better. [bell]

4 [Pause]

5 BOOTS WHITLOCK: All right now--

6 CHAIRPERSON CORNEGY: [interposing] Are
7 you at all involved with the Street Vendor Project?

8 BOOTS WHITLOCK: Okay, so now the Street
9 Vendor Project is an advocacy organization for people
10 who are doing vending on the streets. But not
11 necessarily for veteran vendors. Okay, and I don't
12 think there is any sort of advocacy organizations. I
13 know that Ms. Sutton has been an advocate, and I know
14 that the SBDC is--

15 CHAIRPERSON ULRICH: [interposing] Okay,
16 you're involved with the pending litigation?

17 BOOTS WHITLOCK: I am not?

18 CHAIRPERSON ULRICH: Oh, you are not.
19 Okay.

20 BOOTS WHITLOCK: I am--I am--

21 CHAIRPERSON ULRICH: [interposing] We've
22 heard from a number of them as well. So that's--

23 BOOTS WHITLOCK: No, I am going to be a
24 beneficiary if it goes our way. However, I'm not
25

1 involved with their cases as an individual who wants
2 to do business. I wanted to say thank you also
3 because after Vietnam this sort of thing on a
4 governmental level was just amazing. So thank you
5 for the progress that's been made, and I'm glad to
6 see that there are fellow veterans and advocates in
7 the civilian realm pushing for us. I am actually at
8 the benefit of the Mitchell-Lama complex. Thank you.
9 And the education from the federal government, and a
10 job preference. I actually work at the Statue of
11 Liberty right now, which I'm going to, you know,
12 leave by the wayside to try and start my own
13 business. It's a--it's going to be interesting, and
14 I hope that you guys can help me in this in rating
15 that presentation. Thank you.

17 CHAIRPERSON CORNEGY: So I'm going to
18 suggest sometimes the best help doesn't come from us,
19 but it comes from our peers. So I suggest that you
20 do not let that gentleman leave--

21 BOOTS WHITLOCK: [interposing] Right.

22 CHAIRPERSON CORNEGY: --without getting
23 his card.

24 BOOTS WHITLOCK: Without a doubt.

25

1
2 CHAIRPERSON CORNEGY: Because some--
3 again, sometimes, the help that we need is kind of
4 right in front of us.

5 BOOTS WHITLOCK: [interposing] Well, a
6 lot of the help that--

7 CHAIRPERSON CORNEGY: Now, we're here--

8 BOOTS WHITLOCK: --I received was like
9 the Veterans Roundtable with the MOVA. I've already
10 been there, and I got quite a bit of-- In fact, Mr.
11 Ulrich is named by fame in that organization. And so
12 now I'm going to talk to this gentleman here, and yes
13 it's all a matter of getting out there and starting
14 the thing. I've put quite a bit of study into this
15 as you may be able to see, but yes, thank you for
16 that.

17 CHAIRPERSON CORNEGY: I guess I actually
18 should have begun this hearing by saying I'll end it
19 the way I should have begun it, which is to say thank
20 you all for your service. We here at the Council,
21 myself and my colleagues, believe that your service
22 is invaluable in protecting the liberties and our
23 democracy, and we don't take that lightly. I'm glad
24 to have a colleague in the current Chair Ulrich, who
25 I know is passionate about protecting the rights of

1
2 all our citizens, but especially those who risk their
3 lives. So that we can have the opportunity to sit
4 here and make laws. So I just want to say on behalf
5 of myself, my district, and my family I really
6 appreciate your service to this country, all of you.
7 And I would be forward in saying that this Council is
8 going to do whatever it can to protect our veterans.

9 CHAIRPERSON ULRICH: And it is
10 appreciated. Thank you.

11 CHAIRPERSON CORNEGY: Thank you.

12 CHAIRPERSON ULRICH: Thank you.

13 CHAIRPERSON CORNEGY: Unless my
14 colleagues have any closing statements, I would call
15 this hearing adjourned. Council Member Dickens for
16 round seven?

17 COUNCIL MEMBER DICKENS: [off mic]

18 CHAIRPERSON CORNEGY: This hearing is--

19 COUNCIL MEMBER DICKENS: [off mic] I hope
20 they don't say anything about me. [sic]

21 CHAIRPERSON CORNEGY: This hearing is now
22 adjourned. Thank you. [gavel]

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COMMITTEE ON VETERANS JOINTLY
WITH COMMITTEE ON SMALL BUSINESS

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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 January 27, 2015