

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC DEVELOPMENT JOINTLY WITH  
COMMITTEE ON SMALL BUSINESS

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March 16, 2016  
Start: 10:12 a.m.  
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HELD AT: Committee Room - City Hall

B E F O R E:

DANIEL R. GARODNICK  
Chairperson

ROBERT E. CORNEGY, JR.  
Co-Chairperson

COUNCIL MEMBERS:

DONOVAN J. RICHARDS  
I. DANEK MILLER  
INEZ D. BARRON  
JOSEPH C. BORELLI  
JULISSA FERRERAS-COPELAND  
KAREN KOSLOWITZ  
RUBEN WILLS  
VINCENT J. GENTILE  
CARLOS MENCHACA  
ERIC A. ULRICH  
INEZ E. DICKENS  
MATHIEU EUGENE

## A P P E A R A N C E S

## COUNCIL MEMBERS: (CONTINUED)

PAUL A. VALLONE

PETER A. KOO

ROBERT E. CORNEGY, JR.

RUBEN WILLS

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

Ellen Baer  
New York City BID Association

Adriana Mendoza  
Sunset Scholars LLC.

Leah Archibald  
Evergreen

Emma Yorra  
Co-Director at the Cooperative Development  
Center for Family Life in Sunset Park

Osman Ahmed  
Worker Cooperation Coalition

Simley Rojas-Nunez  
Project Officer  
The Working World Ngo

Melissa Risser  
Staff Attorney for Community Development Project  
Urban Justice Center

Bianca Bockman  
Communities for Healthy Food Advocate  
NE Brooklyn Housing Development Corporation

Merble Reagon  
Executive Director  
Women's Center for Education & Career Advancement

Armando Chapelliquen  
Equitable Economic Dev. Campaign Coordinator  
Association for Neighborhood & Housing Dev.

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3 [gavel]

4 CHAIRPERSON GARODNICK Good morning

5 everyone and welcome to today's budget hearing. My  
6 name is Dan Garodnick and I have the privilege of  
7 chairing the New York City Council Committee on  
8 Economic Development. I'm joined by my Co-Chair  
9 this hearing Robert Cornegy who chairs the Small  
10 Business Committee. We also have an attendance  
11 Council Member Peter Koo of Queens. Today we are  
12 going to be hearing from the Economic Development  
13 Corporation and the Department of Small Business  
14 Services to discuss the fiscal 2017 preliminary  
15 budget. We are working on some of our final  
16 technological issues to make sure that we can  
17 animate the hearing properly but we're going to  
18 kick this off even in the interim. EDC is the  
19 city's primary agent for economic development and  
20 their principal mandate is twofold; to encourage  
21 investment and to attract, retain, and create jobs  
22 in New York City. EDC works with private and public  
23 sectors in a number of initiatives. EDC implements  
24 initiatives to grow traditional and emerging  
25 industries, advises on waterfront and  
transportation policy matters, manages the sale of

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3 city-owned land, manages city-owned property and  
4 manages countless capital construction projects. To  
5 put it mildly EDC wears many hats. We are grateful  
6 that EDC and SBS have agreed to testify together  
7 and we look forward to discussing a number of the  
8 components of the fiscal 2017 preliminary budget. I  
9 want to accomplish a couple of things today; to  
10 review the performance of EDC over the past year  
11 and examine what is in store for the year and years  
12 ahead. In particular, we're interested in talking  
13 about many capital projects in the hands of EDC  
14 including the frequently discussed housing;  
15 neighborhood development, and acquisition funds.  
16 We'd also like to dig a little into EDC's operating  
17 expenses and revenues and discuss EDC's job  
18 creating strategy. All in all, the preliminary  
19 capital commitment plan includes nearly 2.5 billion  
20 dollars for EDC through 2019. This represents  
21 approximately 4.3 percent of the city's total 57.2-  
22 billion-dollar preliminary plan for the fiscal  
23 years 2016 to 2019. EDC's plan for these four years  
24 is only one percent more than the 2.4 billion  
25 dollars scheduled in the 2016 adopted commitment  
plan. I should say that I'm very pleased that EDC

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3 has made changes that look like they are more  
4 accurately reflecting when spending on capital  
5 projects will actually occur. This has been a  
6 conversation that has been ongoing over the past  
7 two years and so we appreciate that. And when I say  
8 it I mean the capital funds are spread across the  
9 four-year plan much more evenly than in previous  
10 budgets. In the recent history the bulk of the  
11 four-year capital plan funds are lumped in the  
12 first year. For example, in the fiscal year 2015  
13 preliminary capital plan 91 percent of the funds  
14 were in the first year of the plan. In the fiscal  
15 2017 preliminary capital plan however these funds  
16 were distributed much more evenly across the four  
17 years with 35 percent in the first year, 33 in the  
18 second, 20 percent in the third, and 12 percent in  
19 the last year. I hope this means EDC is more  
20 accurately forecasting when they believe the funds  
21 to be spent. If this is the case, then I certainly  
22 commend them... you on that achievement. I should  
23 also mention that this is Maria Torres-Springer's  
24 first budget hearing as the President of EDC. She  
25 has been to these hearings in the seat right next  
to her as the Commissioner of SBS. So this is not

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3 an unfamiliar territory but we're certainly looking  
4 forward to hearing about her plans and vision for  
5 the economic development corporation. I would also  
6 like to thank both my staff and the staff of the  
7 finance division for their help in preparing for  
8 the hearing. And I know that I have many questions  
9 for EDC. I'm sure many of my colleagues do. But  
10 before we get to your testimony and that of SBS I  
11 want to turn the microphone over to Chair Cornegy  
12 for his opening this morning. Thank you.

13 CO-CHAIRPERSON CORNEGY: Thank you Chair  
14 Garodnick and good morning. I'm Council Member  
15 Robert Cornegy, Jr., Chair of the Committee on  
16 Small Business. Today the committee will be... we  
17 will... will be presiding over the fiscal 2017  
18 preliminary budget for the Department of Small  
19 Business Services jointly with the Committee of  
20 Economic Development over the preliminary budget  
21 for the economic development cooperation. The  
22 fiscal 2017 preliminary budget for the Department  
23 of Small Business Services is 172.1 million. This  
24 represents less than one percent of the city's  
25 proposal... proposed fiscal 2017 budget and is 89.9  
million or 34 percent less than a fiscal 2016

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3 adopted budget of 262 million. In a few minutes  
4 we'll be hearing from the... from Commissioner Bishop  
5 on the department's specific plans for these funds.  
6 This committee is hoping to hear about how the  
7 administration plans to successfully implement the  
8 MWBE bond surety fund and loan program for which a  
9 total of 20 million was added to the fiscal 2017  
10 preliminary plan. We're also hoping to hear about  
11 the progress made in setting up the small business  
12 first portal and when the public can expect its  
13 completion. I'm hopeful that the administration is  
14 prepared to answer many of our questions today. We  
15 will hear from the department of small business  
16 services and then members of the public who will  
17 have the opportunity to provide testimony. I look  
18 forward to working with the agency and other  
19 interested parties to finalize the budget in the  
20 next few months. In closing I'd like to thank my  
21 staff and committee staff for working hard to put  
22 this hearing together. Thank you and let's get  
23 ready to rumble.

24 CHAIRPERSON GARODNICK Terrific. Thank  
25 you Mr. Chairman. I want to note that we've been  
joined by Council Members Dickens and Borelli.



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3 Welcome. And with that Madam Commissioner the floor  
4 is yours.

5 COMMISSIONER: Thank you. Good morning  
6 Chair Garodnick, Chair Cornegy, members of the  
7 Committees on Economic Development and Small  
8 Business. I'm Maria Torres-Springer, President of  
9 the New York City Economic Development Corporation.  
10 I'm very pleased to join Department of Small  
11 Businesses Services Commissioner Greg Bishop in  
12 testifying before you today together with EDC's  
13 Chief Financial Officer Kim Baccari [sp?] and other  
14 members of my staff. I'd like to take this  
15 opportunity to provide a brief presentation about  
16 our economic development efforts and specifically  
17 like to detail how EDC is working to create good  
18 jobs in dynamic neighborhoods throughout the five  
19 boroughs. As the chair mentioned earlier this is my  
20 first budget hearing as EDC president so I'm  
21 particularly excited to share with you details of  
22 our work. It's our goal to make New York City the  
23 global model for inclusive innovation and economic  
24 growth. That is a goal that is really fueled by the  
25 diversity of our people and our businesses. As you  
might know EDC has three main tools to meet these

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3 goals. First we are an asset management and capital  
4 construction firm efficiently and inclusively  
5 managing a wide range of capital construction  
6 projects on behalf of the city. It is through this  
7 group that most of EDC's capital budget flows. We  
8 manage a portfolio as well of about 200 properties  
9 which totals about 60 million square feet of mostly  
10 industrial city assets. Second is our real estate  
11 and area-wide development practice through which  
12 most of the products you normally associate with  
13 our organization are managed. It is also through  
14 this practice that we assist the Department of City  
15 planning in area-wide rezonings. Third, we are a  
16 strategic planning and implementation firm that  
17 makes programmatic investments to diversify and  
18 strengthen New York City's economy. We are a self-  
19 sustaining operation. We receive no operation funds  
20 from the city and derive our revenues mostly from  
21 property management, financing fees, land...  
22 proceeds. Because of this unique structure EDC  
23 utilizes the revenue generated by our assets not  
24 only to make physical contributions to the city but  
25 also to make strategic investments either on our  
own assets or to fund a broad spectrum of programs

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3 and services that stimulate economic opportunity  
4 throughout the city. We made the decision to not  
5 request any new funding in FY '17 for our projects  
6 choosing instead to focus on building out our  
7 capital allocations from previous years for  
8 projects like the Hunts Point Alternate Fueling  
9 Station, the Brooklyn Army Terminal rehab and many  
10 others. So in terms of our work today and moving  
11 forward wanted to start with a little bit of a  
12 picture of where we are as a city. Today we are in  
13 many ways a thriving city. We have an all-time high  
14 of over four million jobs hitting new levels each  
15 month. We've added notably 248,000 private sector  
16 jobs since Mayor de Blasio took office in January  
17 of '14. And that represents the largest two-year  
18 jump in the city's history. It includes also very  
19 notably a 6.4 percent increase in boroughs outside  
20 of Manhattan which is significantly higher than  
21 years prior. Average wages also increased by about  
22 four percent in 2014 which is the first annual  
23 increase in several years almost across every  
24 sector of the economy. We are also a city of course  
25 of many challenges. While the number of jobs is  
high many of these jobs have been in low paying

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sectors. More New Yorkers actually live below the poverty line today than in 2000. More than half of New Yorkers are rent burdened, paying over a third of their income in housing. And we are lagging behind many global cities with respect to 21<sup>st</sup> century infrastructure. So to meet the needs of our evolving city we've rolled out a comprehensive new strategic plan. Our work in this administration focuses on two key pillars. The first is building dynamic resilient neighborhoods and the second is advancing good-paying 21<sup>st</sup> century jobs. But even as we identify what we do we know that it is just as important to consider how we do it. For too long many New Yorkers felt that projects were happening to them rather than being a product of local needs and aspirations. So in this administration we've been very focused on ensuring that we don't just do outreach to a community but that we are engaging with members of a community about their needs and opportunities in their neighborhood. And that's why we are so focused on putting community engagement with local residents and stakeholders as priority number one in the way we plan and implement projects. And to help ensure that in this

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3 commitment to inclusiveness is also something that  
4 really permeates the DNA of the organization. We've  
5 taken some very aggressive steps to promote  
6 diversity inclusion within EDC. It starts with the  
7 hiring of our first ever chief diversity officer  
8 and a whole panoply really of diversity inclusion  
9 plans from recruitment to promotion to training to  
10 measuring metrics that I'd be more than happy to  
11 talk about later. So in terms of... our work both in  
12 neighborhoods in creating jobs... so for the first  
13 pillar our work to build strong neighborhoods  
14 includes three priorities. First, it's conducting  
15 comprehensive neighborhood planning. Second,  
16 catalyzing development in communities across the  
17 city, in many instances building entire new  
18 neighborhoods. And third, building community assets  
19 and infrastructure that connects New Yorkers to  
20 opportunity. So as part of our work towards  
21 comprehensive neighborhood planning for instance  
22 and you'll see it... some photos here on the slide.  
23 We began an area-wide planning initiative Inwood  
24 [phonetic] for instance in partnership with Council  
25 Member Ydanis Rodriguez. We held a series of  
planning workshops, over six in total, meeting with

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3 scores of community stakeholders in order to really  
4 hear their input on the future of their  
5 neighborhoods. The workshops that helped us make  
6 sure that community priorities on Inwoods job  
7 training, waterfront, public spaces, affordable  
8 housing are really including the planning process.  
9 We held a great community event this past Saturday  
10 and we look forward to implementing this particular  
11 initiative in the months to come. At the same time,  
12 we are carrying out a planning process in the lower  
13 concourse in the Bronx. The... similar to the process  
14 in Inwood through 2015 we held more than 10 public  
15 listening sessions for residents of the lower  
16 concourse to share their views on the business of  
17 infrastructure needs in the community. We are  
18 working now with various partners across government  
19 to create a plan for how to most effectively deploy  
20 200 million in city capital that's been allocated  
21 to this project to create jobs, build housing,  
22 infrastructure, and promote real connections within  
23 the neighborhood. The next element of our effort to  
24 strengthen neighborhoods is catalyzing development.  
25 So for... for instance last year Council Member  
Donovan Richards led a series of community meetings

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3 seeking feedback from local residents in the future  
4 of downtown far rockaway. This... the working group  
5 of that particular effort recently delivered  
6 recommendations to the administration. And the  
7 mayor's state of the city speech he committed 91  
8 million dollars to turn those wishes into realities  
9 through what will be a multi-prong cross agency  
10 strategy to develop commercial space, mixed use  
11 housing, open space, storefront improvements,  
12 commercial opportunities for the residents of the  
13 area. And on Staten Island we are transforming the  
14 historic form colony site that's been vacant really  
15 for many decades for housing community use through  
16 the... our landmark colony project. For decades the  
17 six buildings of the site have really sat vacant  
18 and falling... repair. But with a 95-million-dollar  
19 private investment this will become an active  
20 residential community with hundreds of units of  
21 senior housing in connection to the Staten Island  
22 green belt, a 35 hundred acre network of open  
23 space. We're thrilled to turn these underutilized  
24 city properties into an asset for the community and  
25 some of its most vulnerable members and we hope to  
break ground soon on this project. The third

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3 component in our efforts to strengthen New York  
4 City's neighborhoods includes leveraging city  
5 resources to enhance community assets and build  
6 infrastructure. An example of this announced by the  
7 mayor as well as part of the state of the city  
8 address we are expanding our graffiti-free New York  
9 City plan now that larger effort called Clean NYC  
10 will be using 24 new power washing trucks to clean  
11 sidewalks along some of the city's busiest  
12 commercial corridors including Church Avenue in  
13 Brooklyn, downtown flushing, downtown Flushing  
14 Transit Hop in Queens, Jerome-Gun Hill in the  
15 Bronx, Broadway and Upper Manhattan in Manhattan's  
16 upper west side and Highland Boulevard in Staten  
17 Island and many others as we fully implement the  
18 project. Another component of our infrastructure  
19 development includes our work in transportation.  
20 And a great example of this is the citywide ferry  
21 service that we are a standing up to launch next  
22 year. To enhance connectivity throughout the  
23 boroughs we are through this project overseeing the  
24 greatest expansion of ferry service in New York  
25 City's harbor in decades increasing the number of  
routes to a total of six by the end of 2018. This



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3 service will connect Astoria and Long Island City  
4 to the Cornell Tech campus in Roosevelt Island,  
5 Pointe Manhattan, the Bronx, the Rockaways, and  
6 beyond. In 2017 we will launch three new ferry  
7 routes; Astoria, Rockaways, and South Brooklyn. In  
8 2018 two others will follow. That's the lower east  
9 side in the Soundview routes and we are on schedule  
10 I'm happy to report to deliver on both of these  
11 timelines. Because this has been a banner project  
12 for EDC we are proud to be so engaged with many  
13 communities, civic organizations, and elected  
14 officials on this effort. Since the mayor's  
15 announcement about this project State of City a  
16 couple of years ago we have met with dozens of  
17 community boards and civic organizations briefed or  
18 reached out to over 60 elected officials at  
19 different levels, collected community feedback from  
20 letters, town hall meetings, our own website. Our  
21 goal here has been to collaborate with as many  
22 people as we can to ensure that we are standing up  
23 the most comprehensive, effective, and efficient  
24 system. Another way to ensure that New Yorkers can  
25 access opportunities across neighborhoods is a  
recently announced project called the Brooklyn

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3 Queens Connector or BQX. The BQX as you might know  
4 also announced in the... in the last State of the  
5 City address is a street car that has a potential  
6 of running from Astoria in Queens to Sunset Park in  
7 Brooklyn. What's really important to us about this  
8 project is it has the potential of slashing commute  
9 times along one of the city's fastest growing  
10 commercial and residential corridors, one where  
11 approximately 700,000 people currently live and  
12 work and has historically been very short on  
13 transit options. The BQX will link 14 NYCHA  
14 developments to jobs and amenities benefiting over  
15 40,000 NYCHA residents. That's 10 percent of  
16 NYCHA's total population. Industrial jobs  
17 importantly will be much more accessible in places  
18 like the Brooklyn Navy Yard, Long Island City,  
19 Sunset Park. This is an exciting project for us and  
20 we look forward to your active participation in the  
21 coming months and years. I'd now like to turn to  
22 our work to grow quality 21<sup>st</sup> century jobs for New  
23 Yorkers across the five boroughs. I'll start with  
24 our work to target specific sectors of the economy  
25 that have great potential but may need the city's  
support to essentially nudge the private market.

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One example is our... work in the industrial manufacturing sectors or IMN. These jobs as we all know provide real opportunities for a wide range of New Yorkers and are critical for a dynamic and inclusive 21<sup>st</sup> century economy. One place where all of this potential comes together is in Sunset Park Brooklyn where we manage a variety of industrial assets on the city's behalf. We've diligently worked hand in hand with Council Member Carlos Menchaca and local stakeholders to bring the Sunset Park industrial holder to its full potential. On the council... Council Member Menchaca we also hired Jennifer Sun as the new Executive Director for all of our work in Sunset Park overseeing community engagement, connecting all the dots within the agency, and ensuring that our work is as effective as possible in driving equitable... inclusive growth and equitable opportunity for the people of Sunset Park. One exciting project that we have ongoing where we released a request for proposals is of course the South Brooklyn Marine Terminal where we have been looking for a maritime dependent operator at the 72-acre facility. We've received exciting responses. The... the submission deadline for the RFP

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3 just occurred and we're currently reviewing. Once  
4 activated the facility could generate upwards of  
5 300 direct jobs while encouraging even more  
6 employment in the neighborhood. Through the city's  
7 industrial action plan which we announce at  
8 partnership with the city council after many months  
9 of community engagement. We are ensuring that we  
10 are building an industrial economy that is needed  
11 for the functioning of our city but also provides  
12 opportunities for the future. One of these efforts  
13 is the 150-million-dollar industrial development  
14 fund that ensures that real estate opportunities  
15 are prioritized and made available for not for  
16 profit developers in particular. We just released  
17 an RFP for projects for this fund at the beginning  
18 of March. A second sector is applied sciences. Back  
19 in 2008 we developed as many of you might know the  
20 applied science initiative. It's a series of five  
21 partnership... partnerships anchored by the Cornell  
22 Tech campus on Roosevelt Island that are really  
23 ahead of schedule at this point to double the  
24 number of engineers in the city in less than a  
25 decade. That is a powerful legacy we believe that  
we are building off of with forthcoming innovation

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3 hubs in projects... and for instance in Union Square  
4 East where we're turning the former PC Richard Site  
5 into a new step out space for tech companies in  
6 Harlem's innovation corridor where we pioneered wet  
7 lab incubator space for early stage life sciences  
8 companies and then Governor's Island where the  
9 Mayor recently announced our efforts to create a  
10 30... 365 day a year destination that unites onto  
11 entrepreneurs, inventors, scholars, and educational  
12 institutions. We believe that these efforts are  
13 working. New York City is now the second largest  
14 recipient of venture capital in the country broadly  
15 to find nearly 300,000 workers are now in our tech  
16 ecosystem with employment growing faster at 7.6  
17 percent per year than almost any other sector.  
18 We've seen over seven billion dollars of venture  
19 capital flowing into our area over the last four  
20 quarters alone contributing to what is already 125-  
21 billion-dollar tack economy. We are also working to  
22 grow the innovation jobs of tomorrow. Let me talk  
23 about a couple of projects there a few weeks ago  
24 for instance we released and RFP for initiative  
25 we're calling Future Works; a network of advance  
manufacturing resources that will help the city's

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manufactures adopt new technologies through  
programs like a virtual incubator, new services and  
grants, a network of affordable work spaces that  
provide access to high end equipment. The centers  
will house new forms of production tools like next  
gen robotics, nanotechnology and the like. And  
while these... these spaces will exist citywide one  
significant one will be based in an advanced  
manufacturing center at the Brooklyn Army Terminal  
with an EDC capital investment of 15 million that  
will... the Annex building will be home for  
manufacturers, designers, technology developers,  
and not for profits creating really new models for  
connecting residents from what may have previously  
been under resourced neighborhoods to quality jobs  
in the city's evolving industrial economy. Another  
example of this is urban technology. So a few weeks  
ago we announced Urban Tech NYC, a series of  
programs to help innovators address our urban  
management challenges in partnership with New Lab  
in Grand Central Tech we committed over seven  
million dollars to create two new urban technology  
growth hubs in the Brooklyn Navy Yard and in  
Manhattan. When they open this summer they will

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3 offer access to prototyping and testing equipment,  
4 training programs, workshops, etcetera. Of course  
5 for all the sector growth we are encouraging the  
6 strength of our economy is really first and  
7 foremost rooted in the talents and diversity of our  
8 people. And we are ensuring that we are expanding  
9 access to opportunity for all. A great example of  
10 this is a new program that we are launching called  
11 IN2NYC. What you might know is that you know of  
12 course we are a city of many immigrants and people  
13 who are looking to bring their talents to New York  
14 City. Every year however the US citizenship and  
15 immigration services receives about 200,000  
16 applications for H-1B visas which is the  
17 documentation necessary for entrepreneurs and  
18 knowledge economy workers to stay in the country.  
19 But every year only out of every four applicants  
20 actually receive such a visa and the rest are  
21 forced to take their talents to other countries  
22 leaving we believe our city and country that much  
23 poorer. That is why we announced into NYC which is  
24 the very first city run program in the US designed  
25 to help international entrepreneurs gain access to  
cap exempt H1B visas that they need to locate their

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3 business in New York, create jobs here, and develop  
4 programs for New York City residents. What's great  
5 about this program is that these... they will be  
6 based at CUNY schools across the five boroughs. So  
7 the IN2NYC entrepreneurs will be bringing new jobs,  
8 services, revenue streams into neighborhoods across  
9 the city. We have the capacity and the launch to  
10 help up to 80 selected entrepreneurs and we think  
11 that this will spur hundreds of jobs across the  
12 city. Importantly a few months ago the mayor  
13 expanded our Hire NYC program that I'm sure  
14 Commissioner Bishop will also discuss and here we  
15 want to make sure that targeted populations and  
16 communities have access to the jobs created in  
17 their neighborhoods because of city investments. As  
18 part of the... the now citywide Hire NYC program EDC  
19 is expanding hiring retention, job requirements on  
20 many other projects. City construction projects for  
21 instance of more than a million will require  
22 developers, contractors, subcontractors to consider  
23 qualified Workforce1 candidates as part of their  
24 talent pool. And finally to ensure that our  
25 investments really do bring opportunity for all  
businesses the mayor recently announced a number of



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3 enhancements to our MWBE programs. This builds upon  
4 really a lot of work that we have been undertaking  
5 to substantially expand our capacity building  
6 programs at EDC across a wide... range of sectors  
7 that MWBEs might participate in. But in part of our  
8 efforts this year also included a new requirement  
9 for all of our development RFP respondents to  
10 include a goal... an MWBE participation goal part of  
11 their RFP submission they have to pick... they have  
12 to identify within a range 20 to 35 percent unless  
13 they can do better what their MWBE participation is  
14 and we look at that criteria. It's considered very  
15 heavily as we look through all of the submissions.  
16 The other... a couple of other new things this year  
17 we've also heard across the board that financing is  
18 still a major challenge for MWBE firms looking to  
19 participate in city work. And so we... in working  
20 with SBS launch a number of different new  
21 initiatives. The... the piece that EDC is in  
22 particular focused on is a new loan program, a 10-  
23 million-dollar loan program that provides pre-  
24 development financing for MWBEs looking to do real  
25 estate projects across the city. And the last piece  
here that we also launched a few months ago is an

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3 effort to specifically identify RFPs, development  
4 RFPs that are targeted to emerging developers. And  
5 so that through all of these programs, capacity  
6 building, policy, and providing financial support  
7 we want to make sure we're doing everything that we  
8 can to encourage MWE participation. So to conclude  
9 thank you for your patience. I know this  
10 testimony's long. We are very much engaged in... in a  
11 lot of work to strengthen and diversify our  
12 economy. But we know that we have a long way to go  
13 as we seek to increase opportunities for all New  
14 Yorkers we remain committed to making our city as a  
15 global model for inclusive innovation. And with  
16 your continued support and partnership I have every  
17 confidence that we're going to be able to continue  
18 to leverage every tool that we have at EDC to  
19 further that work. Thank you very much and I'm  
20 happy to take questions... [cross-talk]

21 CHAIRPERSON GARODNICK Thank you. I  
22 think we'll go to Commissioner Bishop and then  
23 we'll... we'll... to questions. Thank you.

24 BISHOP: Thank you. Good morning  
25 Chairman.

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3 CHAIRPERSON GARODNICK Before you do  
4 Commissioner let me just...

5 BISHOP: Yep.

6 CHAIRPERSON GARODNICK ...note that we've  
7 been joined by a number of our colleagues; Council  
8 Members Miller, Richards, and Koslowitz have all  
9 joined us. Welcome. Commissioner the floor is  
10 yours.

11 BISHOP: Thank you.

12 CHAIRPERSON GARODNICK Good morning  
13 Chairman Garodnick, Chairman Cornegy, and the  
14 members of the Committees on Economic Development  
15 and Small Business. My name is Greg Bishop and I'm  
16 the Commissioner of the New York City Department of  
17 Small Business Services. I'm pleased to join  
18 President Maria Torres-Springer and my colleagues  
19 at the New York City Economic Development  
20 Corporation to testify today. I'm joined by SBS  
21 First Deputy Commissioner Jackie Mallon and my  
22 senior leadership team. Our agency's work is guided  
23 by the mayor's vision of 1NYC where government  
24 agencies work across silos to build a more vibrant  
25 and inclusive New York City Economy. At SBS we  
impact the everyday lives of New Yorkers by

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supporting small businesses as they start operate  
and grow connecting individuals to quality jobs and  
working with local organizations to foster thriving  
neighborhoods. Today I want to share an update on  
our efforts over the last year to strengthen the  
city's support for job seekers, small businesses,  
and commercial corridors in neighborhoods around  
the city. After my testimony I'm happy to take your  
questions. I will start by providing an overview of  
our agency budget. From there I will delve into the  
services made possible through this funding. SBS FY  
'17 preliminary budget is 172.1 million with a  
headcount of 295 employees. As you can see in chart  
one this preliminary budget includes pass-through  
funding for other financial needs within city  
government. 34.9 million for EDC, 18.2 million for  
NYC & Co., and 12.4 million for Governor's Island.  
The remaining 106.6 million or 62 percent of the FY  
'17 preliminary budget is allocated for SBS  
programs. Chart 2 illustrates where this funding  
comes from. Federal funds make up 42 percent of the  
106.6 million budget which equals approximately  
44.3 million. The remaining 62.3 million are city  
tax levy funds. Finally chart three illustrates how

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3 the 115.3 million city tax levy funding is  
4 allocated between SBS and the conduits. Now I'm  
5 going to focus on this funding and how this funding  
6 supports SBS' mission of empowering communities  
7 through our employment business and neighborhood  
8 services. As commissioner I have made it my  
9 personal goal to more proactively engage with the  
10 communities we serve and make our services more  
11 accessible. So far in FY '16 we have helped over  
12 600 businesses around the city open up faster  
13 through business acceleration, participate in over  
14 500 community meetings through neighborhood  
15 development, had nearly 5,000 unique businesses  
16 participate in over 63 hundred business development  
17 events and reached... and over 600 certified MWBE  
18 firms through last year's citywide procurement fair  
19 and we've reached these stakeholders in partnership  
20 with the city council. This year with the help of  
21 Chairman Cornegy we worked with... with Chambers of  
22 Commerce across the five boroughs to get the word  
23 out about services offered by the chambers and the  
24 city through Chamber on the Go. Individuals from  
25 SBS and the chambers have gone door to door to  
speak about legal, financial, and MWBE

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3 certification services available to business  
4 owners. We've reached more than 850 businesses with  
5 a goal of reaching 2,000 this year. The  
6 Neighborhood Development Grant Initiative  
7 spearheaded by Chairman Garodnick and funded by the  
8 council provides grants for community based  
9 economic development organizations in each of New  
10 York City's 51 city council districts. The proposed  
11 projects are currently underway and schedule site  
12 visits to track progress for planned for early  
13 spring. We have also partnered with community  
14 organizations and elected officials including  
15 Council Member Menchaca to hold a citywide series  
16 of business prep workshops to better prepare  
17 businesses for future emergencies. We look forward  
18 to continuing our work with the city council and we  
19 thank you for your support in the past year. At SBS  
20 we invested in the future of New York City's  
21 workforce in equipping job seekers with the skills  
22 they need to build careers in the 21<sup>st</sup> century  
23 economy. Supporting the Mayor's career pathway  
24 strategic plan our agency trains New Yorkers for  
25 good paying jobs and connects job seekers to  
employment opportunities in fast growing industries

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3 with real opportunities for advancement. Through  
4 our network of 16 Workforce1 career centers SBS  
5 trains and connects job seekers to employment  
6 opportunities and offers cost saving and  
7 recruitment services to businesses. In FY '16 to  
8 date we have served over 77,000 job seekers who  
9 started more than 17,000 new jobs as a result of  
10 receiving our services. In line with the career  
11 pathway strategy to help New Yorkers secure good  
12 paying jobs in fast growing sectors SBS has  
13 instituted a job quality policy which requires  
14 businesses receiving free recruitment services  
15 through our Workforce1 career centers to hire  
16 employees for full time positions or pay these  
17 employees wages of at least \$11.50 per hour. On  
18 April 1<sup>st</sup> this wage floor will be increased to  
19 \$13.40 to ensure we are connecting workers to jobs  
20 with a living wage. As a result of these job  
21 quality policies we have seen a significant  
22 increase in the percentage of New Yorkers connected  
23 to full time work through our Workforce1 Centers  
24 from 43 percent in 2013 to 72 percent in 2015. We  
25 have also seen a significant increase in the  
average wages for connected workers from \$10.71 in

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2013 to \$12.48 in 2015. In working to provide higher quality jobs to New Yorkers most in need SBS is in a process of expanding Workforce1 career center's network to offer services developed to address the challenges facing our city's most vulnerable populations. In December we opened the Rockaway Workforce1 Career Center to offer career planning, candidate services, occupational trainings, and financial counselling to the residents of the Rockaways. SBS worked closely with Council Member Richards in the Rockaway Workforce1 Committee, Experts Committee, Community Experts Committee to make sure center offerings are responsible to the needs of the local residents. SBS is prioritizing support for New York City veterans through our Workforce1 Veteran Priority One Initiative developed in partnership with the Robin Hood Foundation. 12 Workforce1 Veteran Specialists at our centers provide services tailored to the needs of veterans and their spouses. So far in FY '16 the program has served more than 4,000 veterans and their spouses with career services and connected veterans to nearly 800 jobs. Through the Employment Works program SBS



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3 is helping secure employment for New Yorkers  
4 formerly acquainted with the criminal justice  
5 system. For FY '16 we are on track to serve  
6 approximately 3,000 New York connecting these  
7 individuals through employment opportunities with  
8 an average wage of \$12.33 per hour. SBS has  
9 significantly increased our commitment to  
10 Occupational skills to training helping New Yorkers  
11 prepare for 21<sup>st</sup> Century jobs. Through this  
12 investment we help New Yorkers enter and advance in  
13 the key sectors that drive New York City's economy.  
14 All of our training investments share two  
15 characteristics. These trainings are designed to  
16 help low income New Yorkers gain access to living  
17 wage jobs and they are informed by industry and  
18 designed to meet employers' needs. One of the  
19 primary ways we align with industries through our  
20 industry partnership. Industry partnerships work  
21 with... industry partnerships work with industry  
22 organized labor, non-profits, training providers,  
23 private philanthropy, and workforce organizations  
24 to build a pipeline of local talent to fill New  
25 York City's jobs. In the past year we have expanded  
our healthcare in the industry partnership the New

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3 York

4 Alliance for Careers in Healthcare, NYACH, and our  
5 tech industry partnership, the Tech Talent  
6 Pipeline. Collectively these industry partnerships  
7 represent more than 200 large and small employers  
8 and more than 140,000 jobs. SBS is now in the  
9 process of launching new industry partnerships in  
10 the construction industrial food service and retail  
11 sectors. Connecting New Yorkers to good jobs with  
12 family supporting wages both improves the lives of  
13 job seekers and also ensures that our growing local  
14 businesses have the world class talent they need  
15 right here in the five boroughs. Hire NYC is one of  
16 the largest targeted hiring programs in the nation  
17 leverages SBS network of Workforce1 Career Centers  
18 to connect New Yorkers to open positions created  
19 through the city's purchases and investments. Mayor  
20 de Blasio expanded Hire NYC citywide this October  
21 to cover all city goods and services procurement  
22 over one million dollars. Every year the city of  
23 New York spends billions of dollars on everything  
24 from social services to playgrounds through Hire  
25 NYC and the Workforce1 Career Center system we are  
making sure that more New Yorkers have a first shot

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3 at jobs related to city projects including those  
4 with our partners at... at EDC as President Torres-  
5 Springer mentioned and that employers have access  
6 to an expanded pool of talent. Our small businesses  
7 are the economic building blocks of New York City.  
8 They strengthen our economy and communities, create  
9 jobs, and add to the vibrancy of our neighborhoods.  
10 Growing up with my grandmother in Grenada who  
11 supported our household as a woman entrepreneur I  
12 can to understand first hand that business  
13 ownership can empower a family and support greater  
14 economic opportunity for future generations. We are  
15 committed to ensuring our programming is accessible  
16 to all New Yorkers which is why we have introduced  
17 initiatives for minority and women owned firms,  
18 immigrant business owners, and women entrepreneurs.  
19 SBS network of seven NYC business solution centers  
20 provide free high quality services and courses to  
21 help businesses access capital, apply for MWBE  
22 certification, navigate government regulations, and  
23 connect to qualify talent. In FY '15 our center  
24 served more than 68 hundred businesses and we have  
25 already served 6,000 businesses to date in FY '16.  
To provide assistance the industrial and

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3 manufacturing businesses SBS runs seven industrial  
4 service providers. In FY '16 so far our industrial  
5 providers help more than 850 unique industrial  
6 businesses surpassing the 550 businesses we served  
7 in FY '15. Last year SBS in partnership with the  
8 mayor's office of operation and more than 15 city  
9 agencies launched small business first. An  
10 unprecedented multi-agency initiative to reduce the  
11 regulatory burdening on small businesses the city  
12 conducted robust outreach efforts then engaged  
13 government agencies, businesses and community  
14 leaders collecting more than 600 ideas and unique  
15 comments. The resulting 30 recommendations will  
16 make it easier for business owner... for business  
17 owners to interact with the city and increase  
18 compliance through better communication, outreach,  
19 education, and... and streamline processes. In the  
20 past year as part of this initiative we've expanded  
21 our team of client managers to provide one on one  
22 assistance to business owners, created plain  
23 language guides, held nearly 100 educational  
24 outreach events, and introduced two new digital  
25 tools that help business owners avoid the most  
common violations and better understand

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3 regulations. Since the launch of Small Business  
4 First more than 600 additional violation codes can  
5 now be resolved online by phone or by mail so that  
6 a business owner can contest a violation remotely  
7 without having to leave his or her business.

8 Through Small Business First compliance advisors  
9 would begin consultant with businesses this spring.

10 Compliance advisors are a new type of city employee  
11 who will educate small businesses on who to avoid

12 common violations. These common sense reforms make  
13 it easier for businesses to interact with the city  
14 and increase compliance so that the New York... so

15 that New York City's hardworking small business  
16 owners can focus more on running and growing their  
17 business and less on dealing with government. At

18 SBS we know that immigrant communities are key  
19 contributors to the diversity and vibrancy of our  
20 economy making up a third of the city's population  
21 and accounting for nearly half of the small

22 business community. SBS is partnering with the...  
23 with New York City's three library systems to help  
24 reach immigrant entrepreneurs directly in their  
25 neighborhoods. To better serve immigrant

entrepreneurs throughout all our programs SBS is

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3 focused on increasing access to our services  
4 through non-English offerings. Under the de Blasio  
5 administration SBS has increased the number of non-  
6 English business courses offered at our NYC  
7 business solution centers by more than six fold  
8 providing instruction in eight languages; English,  
9 Spanish, Chinese, Korean, Russian, Haitian Creole,  
10 Arabic, and Bengali. With support from city  
11 community development SBS launched the immigrant  
12 business initiative to better serve immigrant small  
13 businesses by working with community based partners  
14 to develop on the ground solutions, one on one... one  
15 on one counselling and community based outreach in  
16 five languages; Spanish, Chinese, Korean, Russian,  
17 and Haitian-Creole. In 2015... partners served nearly  
18 15 hundred small business owners and entrepreneurs  
19 over 90 percent of which came from low to moderate  
20 income communities. This year we added an  
21 additional provider to serve the Bengali community.  
22 We know that women entrepreneurs are key economic  
23 actors in New York City building businesses that  
24 support family, uplift communities, and generate  
25 jobs. Under the leadership of Deputy Mayor Glenn  
and also former Commissioner Maria Torres-Springer

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SBS launched We NYC; a first of its kind effort in a major American city to address the entrepreneurship gender gap with a focus on underserved communities. Through extensive research and engagement efforts SBS conducted... connected with more than 15 hundred women entrepreneurs to learn more about the unique challenges and opportunities faced by women owned businesses. In February we announced the program 17 we connect mentors who will provide advice to other woman entrepreneurs through in person meetings, online chats, and blog posts. This spring the city will launch the We Connect portal; a one stop digital portal for women entrepreneurs highlighting success stories, business resources, events, and classes. SBS operates the city's minority and women owned business enterprise program with a goal of ensuring the city's procurement reflects the diversity of our business owners. To make it easier for businesses to certify as MWBEs we launched our NYC online certification portal last year and have received more... more than 450 MW applications. In FY '15 there are... there were 1,000... 1,003 firms newly certified at MWBEs bringing the total to 4,115. In

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3 April of 2015 Mayor de Blasio set an ambitious goal  
4 of awarding a minimum of 16 billion over the next  
5 ten years to MWBEs certified with the city of New  
6 York. During FY '15 the city awarded over 1.6  
7 billion to MWBEs and we are on... and we are on track  
8 to reach the 16 billion goal. Strong community  
9 partners extend the reach of SBS certification  
10 outreach efforts including the New York City  
11 council funded community based organizations that  
12 comprise the MWBE leadership association. In FY '15  
13 member organizations sponsored 88 events and hosted  
14 over 1,101 assistance sessions. During FY '15 SBS  
15 held two procurement fairs helping to connect over  
16 12 hundred minority and women owned firms to public  
17 and private contracting opportunities and other  
18 resources. And I invite you to come out on May 24<sup>th</sup>  
19 SBS we will host our 10<sup>th</sup> annual citywide  
20 procurement fair... and we... I encourage you to join  
21 us. SBS MWBE program is committed to build... to  
22 building the capacity of certified firms to  
23 successfully compete for and win city contracts.  
24 Through our Sell Intergovernmental Services and  
25 Technical Assistance Program we offer monthly  
workshops and 101 assistance to help business



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owners navigate the city's procurement system and submit the most competitive bids for contracts. In partnership with 13... 13 corporations our corporate alliance program helps firms connect with private sector contracting opportunities. We offer long term training such as strategic steps for growth, a nine-month executive education program designed for MWBEs offered in partnership with the NYU Stern School of Business. The city has also committed to establishing an MWBE bond surety fund, an upfront capital loan program to provide collateral assistance to MWBEs attempting... attempting to obtain a bond as well as low interest loans to city certified MWBEs. This will provide firms with the support and capital they need to compete for contracts. To support the infrastructure of the city's MWBE procurement policy and assess the presence and prevalence of market place discrimination against minority and women in business enterprises the city is now in the process of undertaking on disparity study. The city and our selected vendor MGT are currently planning significant outreach efforts and expect to begin connecting with the city's business community this

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3 spring. This will include committee meetings across  
4 the city, discussions with committee stakeholders  
5 and a robust traditional and social media campaign.  
6 We will continue to engage with the city council to  
7 aid in these outreach efforts. And I just want to  
8 pause right here and... and... and stress the  
9 importance that our partnership with you... a lot of  
10 MWBEs unfortunately the state and the city are  
11 conducting the disparity study at the same time.  
12 And MWBEs will be contacted both... by both us and  
13 the state. And we want to make sure that they  
14 understand it. It's important that they actually  
15 participate in both outreach events because this is  
16 the underpinning of our program and we want to make  
17 sure we have 100 percent participation. A lot of  
18 MWBEs are confused about government and they only  
19 see one sort of government so we want to make sure  
20 we are clear with them that they need to  
21 participate in both. SBS also provides support at  
22 the neighborhood level partnering with the  
23 community based organizations to foster  
24 neighborhoods where local businesses thrive in  
25 vibrant commercial corridors where New Yorkers can  
shop, work, and live. We believe that working with

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3 on the ground partners is essential to tackling the  
4 unique challenges faced by New York City's diverse  
5 communities. To support neighborhood level economic  
6 development SBS oversees the city's network of 72  
7 business improvement districts with 47 bids outside  
8 of Manhattan. These bids deliver more than 127  
9 million in supplemental services. SBS provides  
10 financial support to other neighborhood based  
11 community organizations through additional  
12 programing, grants, staff support, and capacity  
13 building. For example, the Avenue NYC grant program  
14 funds organizations in low to moderate income areas  
15 to implement commercial revitalization activities  
16 that benefit businesses and local residents.  
17 Currently we're managing about 1.4 million in  
18 Avenue NYC grants for 56 projects at 47  
19 organizations covering such work as merchant  
20 organizing, business attraction and retention, and  
21 place making activities. Additionally, SBS runs the  
22 neighborhood challenge grant program in partnership  
23 with EDC to provide 500... 500,000 dollars to support  
24 catalytic projects that solve commercial district  
25 and small businesses challenges. Since launching  
neighborhood challenge has awarded 26

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3 organizations, nearly 1.7 million in grants for  
4 innovative projects including storefront  
5 improvements, district marketing campaigns,  
6 property and public space activations, and public  
7 art installation. Last month SBS and EDC announced  
8 the six 2016 neighborhood challenge winners and  
9 launched neighborhood challenge dot NYC; a new  
10 website to showcase current and past projects that  
11 can serve as a bowl creative and replicable case  
12 study for... for communities throughout New York  
13 City. SBS has been closely involved in the mayor's  
14 plan for tackling the affordable housing crisis  
15 holistically. SBS new neighborhood planning team is  
16 supporting DCP, HPD, and EDC by leading business  
17 engagement to ensure that businesses, stakeholders,  
18 and community based organization voices in the  
19 neighborhoods being rezoned are heard. To  
20 proactively address the unique and diverse  
21 characteristics of the city's main streets we have  
22 started the work of Neighborhood 360; a  
23 comprehensive approach to neighborhood development  
24 that embraces ground up community engagement and  
25 planning to identify, develop, and launch  
customizable place based commercial revitalization

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3 programs and services. Moving forward I will ensure  
4 SBS works harder to connect communities across the  
5 five boroughs to our employment business and  
6 neighborhood resources providing critical  
7 opportunities for all New Yorkers to compete and  
8 thrive and contribute to our city's economy.  
9 Specifically, I'm committed to increasing awareness  
10 about the services we offer and making sure there's  
11 no wrong door at our agency when a New Yorker comes  
12 to us in need of help. Thank you and I'll be happy..  
13 we'll be happy to answer your questions.

14 CHAIRPERSON GARODNICK Well thank you  
15 very much for that then Commissioner. We thank you  
16 for the... the detail in your testimony. I want to  
17 note we've been joined by Council Members Vallone,  
18 Williams, and Gentile. Welcome. I'm going to get  
19 the... the show on the road here with a few questions  
20 directed at EDC and then turn to Chair Cornegy and  
21 then our colleagues. I wanted to start on... on my  
22 favorite subject; the issue of the allocation of  
23 funds over time and a conversation that we had  
24 extensively with... with your predecessor. And back  
25 at our last hearing, back in the executive hearing  
budget for last year we had... we got an estimate

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3 from EDC that there would be about 44 percent of  
4 that year's budget committed. It ended up being  
5 around 31.4 percent. Because you all have done a  
6 much better job in allocating year to year  
7 anticipated expenditures can you give us a sense as  
8 to what you expect now the commitment to be for  
9 fiscal year 2016? You have... you've got 821 million  
10 dollars in there. I would assume that the expected  
11 commitment would be much higher than what we had  
12 seen in the past. Can you tell us what... what your  
13 expectation is?

14 COMMISSIONER: Thank you Chair  
15 Garodnick. We have certainly been over the course  
16 of the last two years not just because of the  
17 hearings but because it's a good budgeting practice  
18 much more diligent and comprehensive in how we  
19 think about the budgeting for our capital project  
20 and certainly share the... the sentiment across the  
21 administration to make sure that we are committing  
22 the funds as effectively as we can in the given  
23 fiscal year in which those funds are allocated. And  
24 so for the over 800 million dollars for instance in  
25 the FY '16 capital budget currently we are at a  
commitment rate of about 12.6 percent which

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3 includes a number of registrations that are  
4 currently at the controller's office. A point of  
5 comparison around this time last year we are about  
6 nine percent and we ended up being at about 30 by  
7 the end of the fiscal year. And so here are the  
8 things that we are doing in order to get us to a  
9 better place than we were last year. So one; as  
10 projects evolved making sure that we are in close  
11 contact with OMB to the extent that projects... the  
12 funds for certain projects need to be forecasted  
13 into future years. So for instance out of that 880  
14 million that we have for this fiscal year we know  
15 that about 200 million that will need to be  
16 reflected in out years. And so that... you will see  
17 that change in the executive budget. And that's  
18 part of our effort to always look at the flow and  
19 the progress of our capital projects. Also as... as  
20 part of... and so we believe that the... in the  
21 denominator essentially and that event goes down.  
22 We are also... instituted with OMB better a new  
23 program that we spoken about in... in a couple of  
24 budget hearings the... the issue... the multi-year CP  
25 model. And that one has... has proven fruitful and  
think we're off to a good start. And that

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3 essentially as we mentioned earlier instead of  
4 having all and in the past having all of the  
5 funding in one year trying to CP for that. We have  
6 through a couple of projects that we're working on  
7 now on that face Brooklyn Army Terminal  
8 redevelopment the phase five aspect of that as well  
9 as green infrastructure have worked with OMB to  
10 essentially get a multi-year CP so that we get that  
11 CP up front but we are able to put in the right  
12 fiscal years the full... the... the funding that will  
13 be committed based on our knowledge. And so with  
14 all of that making sure we're continuing to... to  
15 understand where the funding should go, the use of  
16 multi-year CP and every other effort to get  
17 projects moving we feel confident that we are going  
18 to surpass last year's commitment rate of 31.4  
19 percent and I'm going to try to get that several  
20 percentage point if not more higher by the end of  
21 the fiscal year.

22 CHAIRPERSON GARODNICK Okay can we... can  
23 we pin you to a... a number on what you would like to  
24 see? I mean you're going to take 200 million  
25 dollars out and move that to fiscal 2017. Last year  
it was at 31. Your predecessor had estimated that



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3 it would be 44. You're at 12.6, last year at this  
4 time you were at nine. So what do you think would  
5 be a reasonable outcome here for EDC for commitment  
6 of this year's funds?

7 COMMISSIONER: I would like to be at at  
8 least 35 to 40 percent.

9 CHAIRPERSON GARODNICK Okay. The... the  
10 multi-year process by the way for those who are  
11 less familiar with this I... let me just... let me just  
12 try to put it in simple terms. You can tell me if  
13 my understanding is right. The reason we have this  
14 conversation year after year is we have multi-year  
15 capital budgeting for this agency and others. And  
16 what happens is we put money at your request into  
17 the budget. And what happens is sometimes the money  
18 just does not get committed or spent. And when we  
19 say committed here we're really saying it is in a  
20 position to be spent. Is that correct? What... what  
21 does... simple explanation of commitment. It's the  
22 ability to spend... [cross-talk]

23 COMMISSIONER: ...the contract has been  
24 registered in order for us to actually start  
25 spending.

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3 CHAIRPERSON GARODNICK Right you can't  
4 spend it until there's a registered contract and  
5 until there's a registered contract we can't call  
6 it committed. So the various legal processes need  
7 to happen to get the money out the door and when we  
8 are pushing EDC to get a better handle on when the  
9 commitments are happening it's really just try to  
10 get a better clarity on when these dollars are  
11 actually in place to go out the door. So tell us  
12 about this multi-year process or certificate to  
13 proceed. Know that there is a test model at Hunters  
14 Point South and give us a sense as to the benefit  
15 for doing this. Would seem the way I just described  
16 it, it would seem that once you have your... your  
17 dollars committed for a particular project you  
18 should be good. That is obviously not the case  
19 because you need to have multi-year certificates to  
20 proceed from OMB in order for this to have real  
21 value. Explain to us why that is important and what  
22 we should be looking for here.

23 COMMISSIONER: Sure so the... the two  
24 projects where we are testing this or for green  
25 infrastructure, we have a green infrastructure  
project as well as the redevelopment of the

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3 Brooklyn Army Terminal phase five. And so these are  
4 several hundred million dollars. Essentially what  
5 the multi-year CP allows us to do is instead of in  
6 the past we've had to frontload all of that as  
7 mentioned in a particular period in order to get  
8 the CP. And then it has in some instances stayed  
9 there and not actually moved. Instead we worked out  
10 a program with OMB where we are able to say instead  
11 of... as it all being in one fiscal year it is over  
12 in the case of that phase five three fiscal years  
13 we identify essentially what the scope is going to  
14 be for each of those years and we get that  
15 particular CP up front. With that... the benefit for  
16 us is that it allows us certainty instead of having  
17 to go through what can be a... a long process, a  
18 complicated process with all of the relevant  
19 agencies every year. And of course for the city and  
20 for OMB and for everyone the... the benefit of it is  
21 that we are... we have allocated the funds in the  
22 right year. And so it's a better picture of the  
23 city's actual commitment... spend for the capital  
24 projects that we mention.

25 CHAIRPERSON GARODNICK If we're doing it  
right ideally though the commitment should take

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3 place in the year of the budget allocation right? I  
4 mean the ideal is 100 percent right? We allocate  
5 the dollars for fiscal '16 and they are committed  
6 in '16. Like that is what we're striving for.  
7 You're moving... your goal is to move closer. I mean  
8 a goal of 35 to 40 is better certainly. But the  
9 ideal is to get the dollars out the door in the  
10 year in which they are allocated. Is that fair?

11 COMMISSIONER: Correct.

12 CHAIRPERSON GARODNICK Okay.

13 COMMISSIONER: That's right.

14 CHAIRPERSON GARODNICK So we'll...

15 obviously we'll continue to... to have the  
16 conversation. We appreciate it very much that  
17 you're... you... you know you've made big strides in...  
18 in trying to you know move this more sensibly  
19 across a several year budgetary process. EDC as you  
20 noted in your testimony is managing a lot of money  
21 for a variety of different agencies. Give us a  
22 sense as to what criteria is used to determine  
23 which projects come through EDC. I mean if you  
24 looked at the... the overall dollar amount in  
25 addition to the 2.5-billion-dollar capital  
commitment plan that we... you talked about and that

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3 we were just discussing, EDC also includes about  
4 548 million dollars for a variety of different  
5 agencies. The biggest of which is the Department of  
6 Environmental Protection at 204 million dollars.  
7 Tell us why this is going through EDC. What's the  
8 benefit of having it go through EDC... to you...

9 COMMISSIONER: Yes. So for a number of...  
10 a number of the projects that you mentioned just  
11 in... in general in terms of the capital projects  
12 that we manage on behalf of different agencies  
13 there are a few different common themes that you  
14 will see. The biggest one of which is that to the  
15 extent that we are engaged already in that  
16 neighborhood making certain investments it's part  
17 of an area wide planning initiative that we are  
18 doing. And there are other capital projects that we  
19 are running. In that instance it often makes sense  
20 for us to do the work. So for instance a lot of the  
21 work that we've done in Coney Island for instance  
22 has... part of the rezoning... the larger comprehensive  
23 plan for not just the amusement district but to  
24 spur mixed use development outside of the amusement  
25 area in many of those... in those instances we work  
very closely with DEP, with DDC, with DOT to try to

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3 understand of the cap... the infrastructure work that  
4 needs to go... needs to happen how can we move it  
5 forward in a way that aligns with larger  
6 redevelopment plans, gets that project off the  
7 ground as quickly as possible and then so in those  
8 instances we often manage the capital project that  
9 otherwise might be done via DDC, via parks  
10 department, or via department of transportation.  
11 That is... if you boil it all down that is in most  
12 cases why we are managing it.

13 CHAIRPERSON GARODNICK So of the 548  
14 million dollars about 200 million is DEP related.  
15 So that... what you just described makes perfect  
16 sense in the context of EDC is otherwise managing a  
17 project. It has infrastructure related issues  
18 whether you're doing sewers or other mains or  
19 whatever you can... you can take the money for DEP  
20 and allocate it and spend it on those projects.  
21 Less clear for something like the cultural  
22 institutions, 149 million parks, 31 million health...  
23 what are the... what are the circumstances at play?  
24 And those... and is there any disadvantage to doing  
25 this through EDC? Does EDC prefer to have these  
monies flow through your agency this way or would

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3 you prefer to have more of a division and allow the  
4 agencies themselves to spend the money through  
5 their own budgets?

6 COMMISSIONER: So a couple of things. In  
7 fact for projects that are... that are con... cultural  
8 affairs projects or could be parks department  
9 projects often times they are part of area wide  
10 economic development efforts so not from this list  
11 of the 500 million but in the past with the  
12 managing the construction of the highline, an area  
13 wide redevelopment effort that... what's happening we  
14 manage the construction of that particular park. So  
15 open spaces and parks are often... fit into that  
16 initial criteria and cultural institutions as well  
17 in the... cultural district for instance in downtown  
18 Brooklyn or the North Shore of Staten Island. I  
19 mean there are a number of cultural projects. Not  
20 all the time but for the most part that that  
21 investment that the department is making in either  
22 the public space or the cultural institution fits  
23 pretty neatly with larger economic development  
24 goals, area wide goals for that community. The  
25 benefit for... for us and you know really for the  
city is to make sure that the project... the capital

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3 projects are executed in a way that makes sense  
4 given larger plans. Also we have over time  
5 developed certain expertise for moving projects  
6 quickly especially if they are complicated  
7 interagency projects. And so we think that too is a  
8 real benefit. And... but of course there... there's so  
9 much capital work that needs to be done in the city  
10 and we... we are not in the position to do it all.  
11 And so the nexus that we look for... one is it's in  
12 an area we already have a number of properties, if  
13 it's in an area where we're doing larger economic  
14 development work. It's a project because of it's  
15 interagency complicated nature or the speed by  
16 which it needs to happen lends itself to the type  
17 of expertise that we have in house. And so if it  
18 meets any of those criteria we are more than happy  
19 to do it. And if it doesn't then you know that's a  
20 conversation that we have with... with all of the  
21 agencies and those projects are managed by the  
22 corresponding capital agency.

23 CHAIRPERSON GARODNICK Presumably if  
24 it's on the list here of dollars that are  
25 anticipated to be spent over a four-year capital  
program for DEP or these cultural institutions or



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3 for any of them there are specific projects that  
4 are in mind to derive those dollar amounts. This is  
5 not just place holding..

6 COMMISSIONER: Correct.

7 CHAIRPERSON GARODNICK ...like activities.

8 COMMISSIONER: Correct.

9 CHAIRPERSON GARODNICK Okay. And these  
10 are dollars which are allocated through those  
11 agencies but we are anticipating to see them flow  
12 through EDC. Okay. Just a couple questions and I'm  
13 going to go to my colleagues about the... the various  
14 funds that exist. Because this I think relates to  
15 what you were just describing, the notion that EDC  
16 is saying well we're going to embark on various  
17 economic development projects and in conjunction  
18 with those projects we're going to need to do some  
19 extra work. So along those lines you know you have  
20 a neighborhood development fund which is a 687.6  
21 million dollar 10 year capital program for  
22 infrastructure work for the neighborhoods that are  
23 expected to be rezoned. And we obviously are deep  
24 in this conversation right now. But tell us what  
25 funds have been spent to date and what you

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3 anticipate for this fund as it relates to the  
4 zoning questions that we are about to vote on.

5 COMMISSIONER: Correct. So you are right  
6 that we have in our budget approximately 700  
7 million from FY '16 to FY '27 as part of the  
8 neighborhood development fund. This fund, it's a  
9 novel fund. We think it's pretty profound in that  
10 unlike what the administration may have done in the  
11 past for area wide rezonings that are happening  
12 really understanding upfront and allocating the  
13 funds upfront to address many different  
14 infrastructure challenges needs of the different  
15 communities that are part of the larger affordable  
16 housing plan. What's important to note before I  
17 talk about where we are is that this is not the  
18 only source of funding for investments in each of  
19 those neighborhoods. For instance, investments in  
20 schools... those are still within the SCA capital  
21 budget. There's another 300 million in DEP's budget  
22 for instance for their work. And of course each  
23 relevant agency might already have capital funding  
24 that has previously been allocated for that  
25 neighborhood. So it certainly shouldn't be seen as  
the only source for needs that emerge from the

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3 rezonings. The process... and we testified together  
4 with Chair Carl Weisbrod for the East New York  
5 Rezoning just a couple of weeks ago. It's... it's a  
6 very iterative one with the local council member  
7 throughout the process and with community  
8 stakeholders to understand the full gambit of  
9 needs, parks, schools, sewers, streets, economic  
10 development. And as it relates to the East New York  
11 rezoning as Chair Weisbrod mentioned when we  
12 testified there are a few projects that have  
13 already been identified working together with  
14 Council Member Espinal, some parks projects as part  
15 of the East New York rezoning. However, there is an  
16 ongoing dialogue about the balance of additional  
17 projects that could draw from the fund and that is  
18 currently a live conversation with the council. And  
19 so to date we have not yet spent on the fund but  
20 as... and... and it's not a surprise because they are  
21 tied to each of the rezonings. And so the... the... the  
22 calendar or timing of... of each of the rezonings  
23 will dictate how the... the funds get spent down. But  
24 it is our... our goal to as the east New York  
25 rezoning goes to the public approve process to pin  
down what the investments are from this fund for

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3 that neighborhood and to do the same with the other  
4 rezonings that are happening across the city.

5 CHAIRPERSON GARODNICK Well let me... let  
6 me say I recognize why it is of value to have this  
7 amount of money available for the purpose of  
8 dealing with the community concerns that come up.  
9 When you add the neighborhood development fund and  
10 the housing fund which seems to me the way it's  
11 described in the documents that I have also  
12 infrastructure investment for potential housing  
13 sites to be viable for development. We're dealing  
14 with over a billion dollars which is not  
15 anticipated for specific projects. It is really  
16 just sort of hanging out there to be drawn down as  
17 needed. In contrast to what we were talking about a  
18 few moments ago the... the things that flow through  
19 EDC from either DEP or DCA or whatever for specific  
20 projects. If I'm understanding it correctly this  
21 is... and I recognize it's over a longer period of  
22 time, ten year period of time it is over a billion  
23 dollars to be drawn down essentially as needed by  
24 this or future administrations, is that correct?

25 COMMISSIONER: I would characterize it  
different. I... the... the specific projects will be

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3 itemized, will be fully known as each of the  
4 rezonings runs its course. Those... all of those  
5 projects will not necessarily be managed by EDC  
6 because they can run the gambit from parks projects  
7 to DOT projects. And so once those... the projects  
8 are identified there will be a managing agency.  
9 And... and as... as the... that will be made clear as it  
10 goes from what is now a... a large source of funds to  
11 a specific set of investments and projects for each  
12 neighborhood.

13 CHAIRPERSON GARODNICK Totally. Did not  
14 mean to suggest you're going to be leaving bags of  
15 money on the street or anything of that nature. My  
16 only point is that we... there is a lot of money that  
17 is being reserved for this purpose. And I'm saying  
18 this you know because a lot of council members are  
19 going to have various needs in their own districts.  
20 From a budgetary perspective it is... it's not very  
21 precise from a... the ability to get these things  
22 done quickly. Perhaps it aids in... in the ability to  
23 do that. I just make that observation because I  
24 think it's just... it's just worth pointing out  
25 because of the size of the... the dollars there. Okay  
I'm going to stop for the moment. I... I certainly

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3 have some more but I don't want to hog all the  
4 time. I'm going to go to Chair Cornegy. We've been  
5 joined by Council Members Barron and Lander.  
6 Welcome. And after Chair Cornegy we're going to  
7 Council Member Borelli and Richards.

8 CO-CHAIRPERSON CORNEGY: Thank you Chair  
9 Garodnick. So I am going to center my initial  
10 questions and my first questions around the MWBE  
11 bond surety and loan program with the idea that we  
12 can get a better understanding of the program and  
13 its administration. So the administration added 10  
14 million for MWBE bond surety and another 10 million  
15 for MWBE loan program. Can you please tell us  
16 specifically what the two programs are and what the  
17 city hopes to achieve with them? Commissioner  
18 Bishop.

19 BISHOP: Thank you Chair Cornegy. As you  
20 know and... and I think we've talked about this a lot  
21 with... in previous hearings with the MWBE program.  
22 You know the mayor's really focused on... on building  
23 and... and focused on increasing the capacity of  
24 MWBEs. We're taking different sort of paths to do  
25 that. In my testimony I talked about the sort of  
capacity building services that we have. One of

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3 them is the bond readiness program. And as you know  
4 access to capital is a major issue for small  
5 businesses but it's a particular issue for MWBEs.  
6 And if you're not... and for those who are here and  
7 not aware of... of the bond requirements to get a  
8 bond is probably worse than getting a mortgage. You  
9 have to you know produce your financial documents.  
10 The surety needs to know and needs to be clear that  
11 you can actually do the job that you're required to  
12 do. Part of that is capital and your financial  
13 position. So the bond fund will actually help MWBEs  
14 to tip over to that... where we can show a stronger  
15 balance sheet. So MWBEs who... they don't necessarily  
16 have to go through a bond... program but we would  
17 like them to do that. But if they are ready to  
18 actually get a bond and their financial position is  
19 a little bit weak this fund is going to help them  
20 get to that point where they can actually get a  
21 bond. Bonding is a major barrier for MWBEs to  
22 participate in a lot of city projects. It's  
23 required by law. So we have established this fund  
24 to really help MWBE get to the... to the... to the  
25 other side. In terms of the actual loan fund... as  
you know we... in the past we've talked about a

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3 upfront capital program where if you're a MWBE and  
4 you've won a contract with the city of New York you  
5 can borrow up to 125,000 dollars against that  
6 particular contract. This fund just adds more  
7 capital to that... that... that program which we are  
8 still working out the details with EDC. But we want  
9 to make sure that we find a... a price point in... in  
10 terms of the levels that come... companies can borrow  
11 that actually makes most sense. And also make sure  
12 that the timing is right. Because we want to make  
13 sure that when a company is actually bidding they  
14 have an opportunity to actually apply for this loan  
15 fund. And when they win they can draw out on those  
16 funds immediately. So we will be administering both  
17 programs. And again we want to make sure we tie  
18 that into all the other set of services because  
19 it's not just the bond fund, it's not just a loan  
20 fund, but it's a package of services that we have  
21 to ensure that MWBEs have the best opportunity to  
22 be competitive.

23 CORNEGY: Thank you. It wasn't on my... my  
24 list of questions to ask but I do want to ask now  
25 as it relates to the... the bond readiness program  
is... is that a Segway into being able to access the



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3 funds? So if you didn't attend or participate in  
4 the bond readiness program would it affect you as  
5 you apply for these funds?

6 BISHOP: No it wouldn't. It... ideally it...  
7 you know depending on the... you know when we look at  
8 a MWBE look at their... sort of their capacity. And  
9 ideally depending on where you are financially we  
10 may actually want you to go through the bond  
11 readiness program. However, you do not have to go  
12 through that program in order to access this... this  
13 new service. Certainly the bond readiness program  
14 for certain MWBEs actually is really helpful to  
15 help them with their operations. We go... it's a...  
16 it's a nine-month program. We go deep in the  
17 operations of your company. A lot of MWBEs are not  
18 aware that you know when you present your  
19 financials you have to have like the right CPA to  
20 actually do it for example. Because you can present  
21 your financials to surety and you may not look like  
22 a strong company and you have the right CPA you  
23 know look at... and look at your financials, rework  
24 your financials and all of a sudden that surety is  
25 not comfortable. So those are the things that we go  
into with the bond readiness program. So depending

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3 on who actually comes to us to access the... the  
4 capital we'll take a look at it and make... and see  
5 if there... if we can just connect them to that  
6 program or if they need to actually go through the  
7 bond readiness program.

8 CO-CHAIRPERSON CORNEGY: Thank you. So  
9 the 10 million dollars in both programs seems like  
10 a nice round number. I'm a little curious as to how  
11 you arise at that number.

12 BISHOP: So I'll get back to you on that  
13 because I'm... you know I'm two months into the job  
14 and I'm going to use that... that... that card right  
15 now.

16 CO-CHAIRPERSON CORNEGY: I think you... I  
17 think you get one of those... want to use it now  
18 Commissioner, it's fine.

19 BISHOP: I don't know maybe I shouldn't  
20 have used it now but we'll... I'll... I'll get back to  
21 you on... on the... on the numbers. But I think you  
22 know one of the things that we looked at in... in  
23 terms of you know our... at least our loan fund... our  
24 previous program had a... was capitalized at three  
25 million. So we think that you know the... the 10  
million number will give us more flexibility.

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3 CO-CHAIRPERSON CORNEGY: So... so you do  
4 know that one of the... if any criticisms of the two  
5 programs was that that 10 million wasn't sufficient  
6 or... or may not be sufficient. How do... how do... how  
7 does the administration feel about that number? As...  
8 as... as administrators of the program do you feel  
9 that that's a sufficient number? Is there a ramp up  
10 to a larger number or like... what... what is... what...  
11 what... what do... what do you feel about the 10-  
12 million-dollar number?

13 BISHOP: So I would... I would answer that  
14 question this way. It's a start. And certainly once  
15 we look at demand I think we'll be in a better  
16 place if we can come back to either you know the  
17 administration or the council to say hey this  
18 program has been wildly successful. We need to add  
19 another 10 million. We need to add another 20  
20 million. Right now I don't have enough data to say  
21 that there's going to be a huge demand for 10  
22 million, for 20 million, for 30 million. So I think  
23 we need to start somewhere. And if we do get into  
24 that situation where it's not enough I think that's  
25 a good position to be in. Because then we know that  
this program actually works.

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3 CO-CHAIRPERSON CORNEGY: So you... you  
4 more than anybody else... both of you know that the  
5 Chamber on the Go program was designed to be able  
6 to take very important information that the city  
7 offered directly to the doorsteps of small  
8 businesses. What... what measures will you take to  
9 make sure that all small businesses are aware of  
these two programs?

10 BISHOP: So... and... and thank you for... for  
11 of course supporting us with Chamber on the Go. As  
12 I said in my testimony outreach is very important  
13 for me. And one of the things you'll be seeing is a  
14 lot of... in my commitment to make sure that we  
15 actually do more to get the word out for our  
16 program. So working with council members, working  
17 with community based organizations that are funded  
18 through council specifically to connect with MWBEs  
19 and figure out ways... other ways to connect to  
20 MWBEs. We have a database of over 4,000 MWBEs that  
21 are currently certified. Some of the work that  
22 we're doing with the disparity study that  
23 information is not going to go to waste because  
24 we're going to try to find MWBEs who are not  
25 certified with the City of New York but certified

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3 with other entities. So we're going to figure out  
4 ways either through social media, through email,  
5 through community based organizations, through  
6 organizations that actually MWBEs are part of to  
7 get the word out about our services. One of... in  
8 general and specifically for the MWBE program we  
9 want to actually do more targeted marketing  
10 campaign to make sure that we actually connect to  
11 those MWBEs. So you'll be seeing a lot more coming  
12 out of us and also coming out of the  
13 administration. The counsel to Mayor Maya Wiley and  
14 I have talked a number of times on how we can do  
15 more to connect to MWBEs about our services because  
16 we do have a comprehensive number of programs that  
17 I think MWBEs should be utilizing.

18 CO-CHAIRPERSON CORNEGY: So I would be  
19 remiss if I didn't say that I wanted to be totally  
20 involved in the outreach... [cross-talk]

21 BISHOP: Absolutely. [cross-talk]

22 CO-CHAIRPERSON CORNEGY: ...as we... as we  
23 move forward with that. So while we talk about that  
24 number and whether or not it's sufficient or  
25 insufficient I'm wondering what the metrics are for  
judging whether or not the program's successful. If

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3 you have those in place, I'd... I'd love to hear what  
4 those metrics...

5 BISHOP: Right...

6 CO-CHAIRPERSON CORNEGY: ...are.

7 BISHOP: So we're still... we're still  
8 building out the program. Like I said there's a  
9 couple of loan programs that's out there. EDC has  
10 some, we have some, and we're right now talking on  
11 what that... what the best sort of program looks  
12 like. In the past we've measured performance based  
13 on utilization. So how many companies who have  
14 actually connected to the loan sum and the size of  
15 the loan. So certainly I think we'll probably head  
16 down in that similar direction. But if you know... if  
17 there's anything else that you're interested... or  
18 any other council members are interested in... in  
19 measuring we can certainly work with you on that.

20 CO-CHAIRPERSON CORNEGY: Yeah I just  
21 want to make sure that when we get to... to the end  
22 we've had a good set of... metrics to be able to  
23 measure...

24 BISHOP: Absolutely.

25 CO-CHAIRPERSON CORNEGY: ...the success of  
the program. So ordinarily I don't monopolize the

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3 time and I'm respectful of my colleagues who are  
4 here and who have other obligations. I'm just going  
5 to ask them to indulge me because this piece and  
6 this component to this is very important to myself  
7 and... and this committee. I've got a few more  
8 questions Chair on... on the... these two programs and  
9 then I'll go directly to my colleagues who are  
10 present. I do want to acknowledge the presence of  
11 Council Member Mark Treyger who is here. Yes. So  
12 the administration is going to release... will this  
13 be one RFP for both programs or two RFPs?

14 BISHOP: It's going to be two RFPs.

15 CO-CHAIRPERSON CORNEGY: So there'll be  
16 one RFP for each program?

17 BISHOP: Yes.

18 CO-CHAIRPERSON CORNEGY: When... when do  
19 you expect for it to commence, the programs to  
20 commence? Will they be running concurrently? Will  
21 they... will they be staggered? How... how is the  
22 implementation?

23 BISHOP: Yeah. So we're going to release  
24 the... the RFPs concurrently. And we are targeting a  
25 summer launch of the program.

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3 CO-CHAIRPERSON CORNEGY: How many MWBEs  
4 do you expect to service... [cross-talk] for this  
5 program?

6 BISHOP: So... so for the... I... I think I  
7 want... so both programs require MWBEs to actually  
8 win a contract. Because one of the things that  
9 we've recognized with our bond readiness program is  
10 that you know we want MWBEs to be poised... to be in  
11 the... the best situation possible that when they win  
12 a contract they can actually work on it. However,  
13 what I've seen in the past is that MWBEs are sort  
14 of shy to pull that trigger if they're not clear on  
15 where the opportunities are. So intangent with  
16 these programs what we're going to be doing is open  
17 up and... and helping MWBEs learn about opportunities  
18 throughout the city so that way they have some...  
19 sort of like a goal post where you know we want you  
20 to bid on this work and because you're going to bid  
21 on this work we want to make sure that you're...  
22 you're properly prepared so we want you to actually  
23 prequalify for the loan program. We want to make  
24 sure depending if it's... you know if it's  
25 construction related we want to make sure that  
you're correct... do you have the right bonding? So



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3 the answer to that question is it all depends on  
4 how many opportunities the city will have that are  
5 in line with the program for the MWBEs to take  
6 advantage of. So I don't have that number because  
7 you know depending on opportunities... but in the  
8 past we've had a number of MWBEs... one contract sort  
9 of taking advantage of the loan program. The bond  
10 program... the bond program itself, the surety fund  
11 is brand new. So I don't have any historical data  
12 on that.

13 CO-CHAIRPERSON CORNEGY: So for the next  
14 question I want to give some context. I am not a  
15 huge fan of reporting bills. And I had hoped that  
16 we don't get to the end and then we have to do a  
17 bill for reporting. So will there be an annual  
18 report separately on both programs?

19 BISHOP: Sir... I mean we... we can  
20 certainly with you know working with you and if... if  
21 it's... all of our information... captured in...  
22 internally with our... system. So we'll be more than  
23 happy to share with you that data as the program is  
24 evolving. I would say that with programs like these  
25 you start seeing activity you know three to six  
months after the program has launched just based on

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3 the procurement cycle of the city. So I'll be happy  
4 to sit down with you and... and your team at the end  
5 of you know this year to talk about how this... this...  
6 this... both programs are progressing.

7 CO-CHAIRPERSON CORNEGY: But the reality  
8 is if we go into it understanding that there is an  
9 annual... maybe an 18<sup>th</sup> month, 18 month report to be  
10 generated. Then we're not 12 months down the line  
11 and I'm sitting here saying that I have a reporting  
12 bill on these two programs. I think these are  
13 essential programs. I think we can work from the  
14 beginning though on a report. And if you say that  
15 because of the time of implementation that the... the  
16 report should be you know a 16 month or 18 month  
17 report I think that that's acceptable but I just  
18 want to go into it understanding that there should  
19 be a report at the end and we should be working  
20 backwards towards giving the numbers for that  
21 report.

22 BISHOP: Absolutely.

23 CO-CHAIRPERSON CORNEGY: And then...  
24 lastly but very importantly is the loan program  
25 open only for prime contractors or subcontractors

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3 as well? And if... if it's not do you have a plan on  
4 how to help subs?

5 BISHOP: So it is not... it... so the loan  
6 program, the way it works is through an assignment.  
7 And in the past with a smaller capitalized loan  
8 program what we've worked with if you're a  
9 subcontractor we will actually work with a prime  
10 contractor. And once the prime contractor is open  
11 to the assignment relationship and what that means  
12 is that the prime contractor... so we have partners  
13 who administer these... these funds. Right now BOC,  
14 Business Outreach Center, is one of them. And NYBC  
15 us the other. What they do is the prime contractor  
16 would actually pay them. And they would... and the  
17 way it works is that they then sort of take out  
18 the... the monthly payment and then send the rest of  
19 the payments to the... to this... to the MWBE. Once a  
20 prime contractor agrees to that type of  
21 relationship it is open to... to the MWBE that's on  
22 that project. So typically... so right now we've... we  
23 worked with all city agencies to agree with that...  
24 we've been working with other prime contractors. So  
25 for example the prime contractors through the build  
it back program all agreed to this type of

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3 relationship so it opens up more opportunities for  
4 MWBEs as subcontractors. Once we are aware of who  
5 the prime contractor is. So that... that's... that is  
6 also one of the criticisms and/or concerns is that  
7 these programs would be springboards to minorities  
8 who are primarily in this city than subs to help  
9 them get to be primes through these two... through  
10 the help of these two programs.

11 BISHOP: Mm-hmm.

12 CO-CHAIRPERSON CORNEGY: So I'm... I'm a  
13 little bit concerned that MWBEs will find  
14 themselves in the same position that they've been  
15 in with this larger commitment from the city. So we  
16 had hoped... or there was some hope that the  
17 commitment would lead to opportunities for  
18 characteristically subs to be able to become primes  
19 through those two programs. Is there any... is there  
20 any idea that we'll be able to move in the  
21 direction in the future.

22 BISHOP: So no... so I think the... the... the  
23 first question was whether or not if you're a  
24 subcontractor you can access the program and the  
25 answer is yes. But I agree with you. I think what  
this program we'll do is you know an MWBE that has

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3 the potential of being a prime contractor but does  
4 not have the financial capacity they'll be able to  
5 take advantage of the loan program and actually you  
6 know work on prime contracts. Typically, MWBEs and  
7 when I talk about financial capacity you know once  
8 they get a prime contract they have to have a month  
9 or two months of operating capital to actually work  
10 on this contract and in some cases MWBEs don't have  
11 that capital available. So they will be able to...  
12 and this is part of the working through the  
13 logistics of the program because we want to make  
14 sure if you know the 100 and... and... and 50 thousand  
15 level or the 125,000 level. But we want to make  
16 sure that we hit the right level in terms of what  
17 they can borrow up to. And... and if we find in  
18 certain cases that you know it makes sense to have  
19 a higher level because then they can work on more  
20 prime contracts then that's what we'll do.

21 CO-CHAIRPERSON CORNEGY: So as part of  
22 the administration's MWBE task force hoping to help  
23 drive that a little bit. So...

24 BISHOP: Yeah.  
25

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3 CO-CHAIRPERSON CORNEGY: ...from... from... in  
4 another hat I... I'm hoping to drive... to drive that.  
5 So with that...

6 BISHOP: Absolutely.

7 CO-CHAIRPERSON CORNEGY: ...I'd like to  
8 invite my... my colleagues to ask their questions and  
9 then I'll come back on the second round and finish  
10 where I started.

11 CHAIRPERSON GARODNICK Thank you very  
12 much Mr. Chairman. Council Member Borelli.

13 COUNCIL MEMBER BORELLI: Thank you very  
14 much. I'm hoping President Torres Springer I could  
15 take a few minutes of your time. I don't mean... in  
16 fairness it... it's somewhat of a immoral sin in a  
17 legislative body to... to pit districts against  
18 districts against districts. But you sort of have  
19 when you guys came out with a citywide ferry plan  
20 that was only inclusive of certain neighborhoods  
21 just anecdotally do you know visa vie last year's  
22 census what the part of the city was with the  
23 longest commute? Do you have any idea?

24 BISHOP: No...

25 COUNCIL MEMBER BORELLI: Close... close,  
no cigar. No cigar.

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3 COMMISSIONER: I don't know off the top  
4 of my head although I have a feeling you're going  
5 to tell me.

6 COUNCIL MEMBER BORELLI: I'm going to  
7 tell you. I'm going to tell you. It's also been  
8 labeled as a transit desert by a number of other  
9 city programs. It's the south shore of Staten  
10 Island, basically south of... of New Dorp. I guess my  
11 first question is the \$2.75 that folks will pay  
12 when they board one of these fast ferries, is that  
13 the actual cost per rider?

14 COMMISSIONER: So the... it was important  
15 to us to do... to set up a system where we're going  
16 to peg the fair to an MTA fair. And so that's the  
17 commitment that we have made in terms of the launch  
18 of the ferry wide... citywide ferry service. In terms  
19 of the cost of the system we are actually in the  
20 imminent... the very imminently going to be making  
21 announcements about the... the citywide ferry system  
22 which will provide a lot of details about... about  
23 the launch. But it all... always has been our intent  
24 and... and expectation that there will be subsidy  
25 associated with the launch of the system and the  
operations of the system. But that subsidy amount

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3 would be in line with comparable systems. And so we  
4 are going to end up in a place... and those details  
5 will be made publish shortly where the subsidy is  
6 approximately... we anticipate it to be and... more  
7 than what the subsidy for the subway for instance  
8 but certainly less than subsidy per ride for  
9 railroad or for an express... [cross-talk]

10 COUNCIL MEMBER BORELLI: Right well...  
11 the... the... the subway subsidy is... the subway is  
12 probably the most efficient thing that the MTA runs  
13 in... in the region. But we do have disparate  
14 subsidies for different modes of transportation.  
15 And even when you stick with the same mode of  
16 transportation I mean you... are you aware that the  
17 subsidy for east river stops would be less than the  
18 subsidy for say stops in... in the Northern Bronx, in  
19 Rockaway for example?

20 COMMISSIONER: Well that... it wouldn't  
21 surprise me because part of what we are trying to  
22 do in standing up the citywide ferry service is to  
23 provide transit equity across the five boroughs.  
24 And so places like the Rockaway for instance,  
25 Soundview in the Bronx, these are places where we  
know that there will be ridership but we want to



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3 make sure that they are connected to a larger  
4 transit option like the citywide ferry. And... and I...  
5 I absolutely understand and appreciate... and we've  
6 spoken to so many stakeholders and elected  
7 officials in Staten Island about what citywide  
8 ferry will mean to them and certainly with Council  
9 Member Treyger in terms of Coney Island. And what  
10 I'll say about where the stop... the... the routes that  
11 are part of the 2017 and 2018 launch these are the  
12 initial routes that were chosen and stops that were  
13 chosen... [cross-talk]

14 COUNCIL MEMBER BORELLI: But... but even  
15 in the second phase the south shore was never  
16 identified as a potential spot.

17 COMMISSIONER: And we are focusing our  
18 efforts on the... the five routes that I mentioned in  
19 my testimony for the initial launch. And those were  
20 just so we're clear were chosen based on  
21 navigability, potential ridership, and  
22 infrastructure investments. It certainly does not  
23 mean that the efforts stop there. We have been... but  
24 we're... we're focused to make sure that we can stand  
25 up a system effectively on those routes with the  
intent of learning from that, collecting as much

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3 data, continuing to talk to stakeholders to see how  
4 that system can be even more enhanced in the years  
5 to come.

6 COUNCIL MEMBER BORELLI: Right but just...  
7 just so we're clear the city is willing to spring  
8 for a higher cost per rider subsidy in certain  
9 neighborhoods, but not others, is that accurate?

10 COMMISSIONER: What we're trying to do  
11 is create a citywide, a citywide ferry service  
12 system and we have to make some decisions where the  
13 stops are and those decisions were... had been made  
14 based on as I mentioned ridership potential was,  
15 navigability, and infrastructure investments that  
16 were needed but that in the future our goal whether  
17 it's this project or others is to ensure that the  
18 investments are made in the most equitable way  
19 across the city.

20 COUNCIL MEMBER BORELLI: So you... you  
21 mentioned navigability and infrastructure. Are you  
22 aware that... that within Raritan Bay where a south  
23 shore ferry would operate there are already  
24 existing ferry operators that... that service parts  
25 of New Jersey and... and they literally come within  
feet of Staten Island Shore. You could hear them.

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3 You could feel the wave if you're on the beach. So  
4 clearly there... there is the ability to navigate  
5 that. And there are probably as many challenges to  
6 navigating a Coney Island ferry as there would be  
7 to navigating a south shore ferry and the distance  
8 to the Rockaway Ferry is further than a south shore  
9 ferry. I guess I'm not really concerned with the  
10 how but the why. Why does a person from my district  
11 have to take a train to access the ferry system in  
12 Stapleton when a person from other parts of the  
13 city don't have to take a train to access fast  
14 ferry service on the east river?

15 COMMISSIONER: We're... these were the  
16 initial routes and I... we certainly look forward to  
17 as we go forward learning from the launch of that  
18 and providing as many options and doing as many...  
19 making as many investments on transportation across  
20 the city. And there'll be an ongoing discussion  
21 which we're very much interested and committed to  
22 doing.

23 COUNCIL MEMBER BORELLI: So then just  
24 to... just to switch modes of transit for... for a  
25 second. How... how much is the Brooklyn Queens  
connector going to cost?

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3 COMMISSIONER: This will... the... what is  
4 we think powerful about this project is that it  
5 will be completely self-financed. We anticipate  
6 that it will be at this point about a 2.5-billion-  
7 dollar project. But it will be financed through a  
8 form of value capture where additional... where  
9 revenues associated with new development an higher  
10 property values across the corridor that  
11 incremental revenue will essentially be captured in  
12 order to pay back bonds that will be issued at the  
13 beginning of the project... the cap... [cross-talk]

14 COUNCIL MEMBER BORELLI: You're... you're  
15 issuing... you're issuing municipal bonds that... that  
16 ultimately if the projects of the value added to  
17 the neighborhood doesn't cover the whole cost the  
18 entire city's liable for. You... you wouldn't be able  
19 to I think issue bonds based on the imagination  
20 that... that your future development is going to pay  
21 for that. I don't think the... the bond covenants  
22 will even allow that. I mean... Commissioner... [cross-  
23 talk]

24 COMMISSIONER: And... and certainly...  
25 [cross-talk]

COUNCIL MEMBER BORELLI: But... but...

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3 COMMISSIONER: It's...

4 COUNCIL MEMBER BORELLI: Just to clear...

5 why was that decision made? And that's fine and I  
6 support both projects. I... I think... I think the... the  
7 inclusion of citywide ferry... ferry service citywide  
8 is a great thing. I think the... the Brooklyn Queens  
9 connector is going to be transformative to those  
10 neighborhoods and having been someone who... who  
11 dines and enjoys you know social activities in that  
12 neighborhood. I see the need. My district needed a  
13 study done, an alternatives analysis to even get to  
14 the... to the next first down line. You guys are  
15 going for a touchdown with the... with the Brooklyn  
16 Queens connector. And that's great. We're just  
17 looking for the first down. Why weren't we able to  
18 be included in... in any funding for an alternative  
19 analysis for the west shore light rail which I  
20 think once we have this alternative analysis we'll  
21 find out that a BRT or a bus system would be more  
22 economical in the first place. But why couldn't we  
23 find four million dollars or whatever it was to  
24 fund this study?

25 COMMISSIONER: I'm not aware of the  
particulars of that study. But what I can say is

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3 that the... the BQX and citywide ferry what we're  
4 trying to do despite not being a transportation  
5 agency but certainly working with different  
6 agencies is to provide multimodal access to  
7 different communities that have previously been  
8 underserved. That is... that is a mandate emission  
9 that we're going to carry across all the five  
10 boroughs and whether it... there are additional  
11 investments and options in Staten Island, that is  
12 something that we can continue to... I'd be more than  
13 happy to talk about and each... each mechanism for  
14 financing each and every one of these options is  
15 different and it'll depending the... the structuring  
16 for them is based on the... not just the needs of the  
17 neighborhoods but... but in the... in the case of the  
18 BQX it's not out of imagination of what is... what is  
19 to come there. It is a growing corridor. It already  
20 has the tremendous residential growth, tremendous...  
21 [cross-talk]

22 COUNCIL MEMBER BORELLI: But it... you're  
23 not able to issue bonds based on the potential  
24 growth of a... of a sort of a sub-district of a  
25 neighborhood.

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3 COMMISSIONER: No we... we... it's... it's  
4 exact... it is similar to the structure... used to  
5 finance the seven line extension at Hudson Yards.

6 COUNCIL MEMBER BORELLI: Okay.

7 COMMISSIONER: So there's precedent for  
8 it. It won't be exactly the same and well we learn  
9 from that experience wills... we're in the process of  
10 doing detailed planning to make sure that we... that  
11 project in the most fiscally responsible way while  
12 at the same time maintaining our commitment to  
13 making the types of investments on Staten Island  
14 and anywhere across the city that need the support  
15 of the city and additional investments for their  
16 economic growth.

17 COUNCIL MEMBER BORELLI: You know I'm  
18 sorry to... to sort of keep questioning this and I'm  
19 sorry I mean a lot of people have come to EDC in  
20 the past with... with sort of the... the honey approach  
21 and I'm sorry to be spitting some vinegar today.  
22 But you know you... you guys are in a transit agency.  
23 And the administration has made the decision to  
24 become somewhat of a transit agency. And everything  
25 you said is true about how the administration wants  
to enhance transit in transit areas that... that are

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3 underserved. And I just... I can't... I can't possibly  
4 fathom how the administration doesn't see at the  
5 south shore of Staten Island which incidentally is  
6 larger... equal in size to the entire borough of  
7 Manhattan. I... I can't imagine and fathom how they  
8 can't see that this is a transit desert and would  
9 have its own economic renaissance if some transit  
improvements were brought to bear. So thank you.

10 CHAIRPERSON GARODNICK Thank you very  
11 much council Member. Now on to Council Member  
12 Richards.

13 COUNCIL MEMBER RICHARDS: Thank you. And  
14 I certainly will challenge the census on who has  
15 the longest commute to Manhattan. I think Far  
16 Rockaway certainly is Far Rockaway. Pleasure to see  
17 you and just want to thank you and your... your  
18 agencies for your... for such a great and true  
19 partnership investment that you're making in our  
20 community is historic and we look forward to  
21 continuing to work with you in particular on those  
22 things. Just wanted to point out a few things. So  
23 obviously we're going through rezonings and we  
24 spoke of you know subsidies certainly having to be  
25 utilized to stimulate economic development in many



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3 of our communities. And I wanted to know what is  
4 EDC's and SBS's strategy going to be in time local  
5 jobs with many of these subsidies and I know we get  
6 into you know the legal questions and... and those  
7 particular things when we speak of tying subsidy  
8 with jobs. But I'm very interested in knowing how  
9 as we move forward we're going to work on those  
10 particular things. So... so I'll start with the... with  
11 the... on the job front. And I think you... you know  
12 Council Member Richards you seen it with the  
13 Rockaway Center that we have there. The way we  
14 operate our Workforce1 Center is we do a lot of  
15 business development. So in my previous testimony  
16 with the east New York rezoning what I... what I was  
17 really trying to clarify is that yes we have hire  
18 NYC. Yes when there's a development either through  
19 EDC or HPD there is a threshold where that work if  
20 they are doing any hiring related to that work they  
21 have to use our... they have to notify us. And then  
22 we in similar to the sort of you know model that we  
23 have developed over in the Rockaways we know who  
24 the... the skill sets of the local community. We know  
25 what the local community looks like and so we have  
the ability to then connect those individuals to

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3 the jobs. However outside of that we typically work  
4 with a number of businesses in the local area to  
5 understand their needs and you know we have our NYC  
6 business solutions account managers really working  
7 with them to develop that job order... what we call a  
8 job order. So as a local business is hiring we want  
9 to make sure that we connect them to those  
10 opportunities. Now it... depending on what the actual  
11 work is you know if we see that there's a skill set  
12 missing that's where the industry partnership comes  
13 in in working with local organizations we want to  
14 make sure that the local workforce is trained for  
15 those opportunities. So I think at these New York  
16 hearings spoke of I think two million dollars or  
17 more in subsidy and so how does that work in... in  
18 ensuring... I believe in your testimony you spoke of...  
19 HPD was saying they will give one million in  
20 subsidy. You spoke of two million. And that  
21 triggers some sort of...

22 COMMISSIONER: Yeah... yeah so...

23 COUNCIL MEMBER RICHARDS: So can you go  
24 a little bit into the...

25 COMMISSIONER: First in term... just a  
little bit of context... because I think it's

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important... I believe in the past when the issue of  
targeted hiring, local hiring... hiring has come up  
the response has been one of the lot of legalize...  
we can't do it, it's unconstitutional. But the... the  
commitment that this administration has made is to  
of course within the bounds of the law to go as... as  
far as we can to move as aggressively as we can to  
connect people of this city to jobs that are  
available because of projects. We spend a lot as  
you know in any given year on goods, services,  
construction. At EDC we have leases, RFPs, IDA  
incentives, and what we've literally have done  
across each and every one of those categories is  
try to find the sweet spot, try to establish a  
threshold whereas many jobs are going to be covered  
but still above a certain threshold so that it's  
not a very small project to... for which having them  
work with the Workforce1 apparatus makes sense on a  
practical basis. And so the thresholds that you  
mentioned in one million that's for all citywide  
contracts it's two million for HPD projects and...  
but what we do know for the one million dollar  
threshold is that it covers about 94 95 percent of  
all of the value of the... the contracts. So it's

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3 essentially all of the jobs. And with... and with HPD  
4 the... the threshold is a little bit higher. I don't  
5 know the exact percentage. It still covers the vast  
6 majority of their jobs. But it's pegged to a point  
7 where we know that the... it's not... it is a thing...  
8 something that we want to happen but it doesn't...  
9 given all of the other requirements, provisions,  
10 policy objectives for affordable housing projects  
11 it doesn't stifle that development. And for EDC  
12 projects the thresholds in addition the... the one  
13 million dollars for construction but for jobs with  
14 projects with permanent jobs whether those are IDA,  
15 incentive deals, or leases, are real estate  
16 development projects. It's essentially pegged so  
17 that these are projects that have 10 or more new  
18 permanent jobs as part of the projects. Again so  
19 that it's not just if there's one job we have to  
20 work with us because we don't want it to be a huge  
21 burden but enough so that if you're doing a lot of  
22 hiring you have to make sure and we require you to  
23 work with us so that New Yorkers have a first shot  
24 at those jobs.

25 COUNCIL MEMBER RICHARDS: Okay well I  
just want to just put on the record and I know that

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3 they... our chairs certainly share the same sentiment  
4 if we are given subsidy to developers and whomever  
5 that we should really be holding their feet to the  
6 fire to ensure that local hiring is happening  
7 especially in many of the communities like east New  
8 York in particular. So we spoke of Workforce1  
9 Centers a little bit. And I know... thank you for  
10 working with Council Member Espinal. We're  
11 obviously going to see a Workforce1 center in East  
12 New York now. Are you prepared to open East...  
13 Workforce1 Centers in all the rezoned areas in  
14 particular where we have high unemployment? And I...  
15 I just want to put that on the record now is this  
16 going to be something that the committee...  
17 particular I chair the zoning committee looks to  
18 have conversations on as we move forward. But  
19 especially those communities who seem to not have  
20 been able to get the proper training to really be  
21 hired on many of the jobs that are going to the  
22 communities. We want to make sure that there is  
23 workforce training happening in these communities.  
24 And obviously we got a commitment from the... on...  
25 through the rezoning stuff we're doing now to do  
additional training in many of these communities

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3 but wanted to just gage and let you know that that  
4 conversation is going to be an ongoing conversation  
5 as we rezone many of these communities.

6 BISHOP: So I... I mean it's starting to  
7 look that way. But I would say that we will look at  
8 each community on a case by case basis. I think  
9 with East New York when we looked at the traffic at  
10 a downtown Brooklyn Center we recognized a large  
11 percentage of the applicant... the participants were  
12 actually coming from East New York. So it made  
13 sense to have a center there. But I will also say  
14 that you know in certain... some of our centers we  
15 have individuals who travel to actually go to the  
16 centers for opportunities. So I think our focus  
17 really is on creating the right opportunity, the  
18 right job opportunity which why we... again we're  
19 focused on the industry partnerships where it is a  
20 job... a meaningful job. And individuals believe it  
21 or not will travel if they're looking for a great  
22 job. So the... the proximity of the centers obviously  
23 makes a lot of sense depending on you know the  
24 community but I... I just want to make sure people  
25 are aware that you know whether the center is  
downtown Brooklyn or whether it's in Hunts Point or

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3 whether it's Long Island City, wherever it is if  
4 there's a meaningful opportunity people will travel  
5 to actually participate.

6 COUNCIL MEMBER RICHARDS: Definitely  
7 understand that. But just want to point out you  
8 know especially for people who may not have the  
9 money to travel you know to downtown Brooklyn. I  
10 mean you're speaking of people who... individuals who  
11 may just not have the means. And it's nothing like  
12 having something local. And that's why I commend  
13 you for working with us on the Rockaway Workforce  
14 Center... that was very important you know to ensure  
15 that local people could actually have the  
16 opportunity in their neighborhoods to be trained.  
17 And... and yes I agree that you know in some cases  
18 people should be willing to travel, they may have  
19 to travel to a job... good to get people used to  
20 that. Right.

21 BISHOP: Right.

22 COUNCIL MEMBER RICHARDS: But just want  
23 to emphasize that if you don't have any dollars to  
24 travel you know the best thing for you to be able  
25 to do is walk a few blocks down... [cross-talk]

BISHOP: Sure. And I...

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3 COUNCIL MEMBER RICHARDS: ...to actually...

4 BISHOP: ...and just to add to that I mean  
5 part of our strategy is actually work with  
6 community based organizations. So you know if... if  
7 there are communities where individuals don't have  
8 the means to actually travel you know we work with  
9 a number of community based organizations... churches  
10 etcetera where we let them know what the job  
11 opportunities are and we actually send our team out  
12 there to connect with perspective employers.

13 [cross-talk]

14 COUNCIL MEMBER RICHARDS: Definitely  
15 hear that but...

16 BISHOP: So... so we're touching on... on...

17 [cross-talk]

18 COUNCIL MEMBER RICHARDS: ...you know I... I  
19 know some of these programs and I think... you know I  
20 know how Chair spoke of reporting and... and these  
21 particular thing but there needs to be more  
22 reporting, not to say that organizations aren't  
23 doing what they're supposed to do but just more  
24 meaningful tracking to ensure that they are  
25 ensuring there are hires and that the proper  
training is happening.



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3 BISHOP: Got it.

4 COUNCIL MEMBER RICHARDS: I'm going to  
5 move from there. Just two more questions; Fresh  
6 Initiative. So we've been having this discussion a  
7 lot at communities are losing supermarkets across  
8 the city in particular I know East Harlem just lost  
9 one I know even Councilman Corey Johnson lost one,  
10 I know I lost one. Is there any thought to un-  
11 expanding the fresh initiative?

12 COMMISSIONER: So certainly we have heard  
13 and we have seen given a number of closures of  
14 supermarkets across the city that there is a real  
15 need to do everything that we can do to ensure that  
16 different neighborhoods food deserts have access to  
17 the type of healthy food and produce that they  
18 need. And so that was the impetus for sure for  
19 the fresh program which over the years has helped  
20 support the... the building rehabilitation, the  
21 location of supermarkets in these food deserts  
22 across the city. I think that as we do with all of  
23 our programs there's always an opportunity to see  
24 if its needing contemporary needs and to the extent  
25 that either by marketing early enough so that it's...  
it's... because it's not the type of program that if

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3 you know a grocery store... a supermarket is closing  
4 tomorrow that can really address it. But if we  
5 market early enough I think that we can do a much  
6 better job of identifying opportunities within the  
7 city to make sure that developers, operators know  
8 about the program and are able to... to build the  
9 supermarkets there. So we're always open, we'd love  
10 to talk more about it to make sure that it is as  
11 effective as it can be.

12 COUNCIL MEMBER RICHARDS: In the  
13 interest of time I'm going to respect the chair's  
14 wishes. But just want to point out we look forward  
15 Council Member Garodnick and I'm sure Cornegy be  
16 involved in this conversation and... and  
17 conversations on expanding that program. And I'll  
18 just end with this because I know we have a ferry  
19 service announcement to be at. And while I will be  
20 there today I still am not completely happy with  
21 the fact that eastern end residents of the Rockaway  
22 still in particular don't have access to a ferry  
23 stop. And I just will also say the shuttle service  
24 that we're having conversations on perhaps needs to  
25 extend a little bit east. We're hearing... we're  
getting a lot of input from local residents. So I

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3 know we have 67<sup>th</sup> street is what we're looking at  
4 but really want to extend that further east, as  
5 further east as we can. And I just... ending just  
6 want to say thank you for your partnership. Thank  
7 you for your strong community partnership. Both of  
8 your... your agencies have done really good work with  
9 our local residents. You've given a breath of life  
10 back to the rockaways that we haven't experienced  
11 in a long time. So I'm very happy with the de  
12 Blasio administration investment. We look forward  
13 to seeing it wisely spent. And... and I'm sure we'll  
14 be tracking that and continuing to work with you as  
15 we move along. So thank you for your partnership  
16 and thank you for living in the Rockaways for the  
17 last few months. And we look forward to more years  
18 of that. Thank you.

19 CHAIRPERSON GARODNICK Thank you for  
20 that. We're going to go to Council Member Koo.  
21 Because we... we have a variety of time constraints  
22 including this room, there's a committee coming in  
23 after us at 1:30 I'm going to... we're not going to  
24 officially put the clock on for council members  
25 because I just... I just... I hate when we do that. But  
I am going to keep an eye on about five minutes or

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3 so. And I'm just going to try to encourage you to  
4 keep it to five and I'm going to just start jumping  
5 in and encouraging you to wrap up at five. So  
6 please Council Member Koo and then we're going to  
7 go to Council Member Miller.

8 COUNCIL MEMBER KOO: Thank you. Thank  
9 you Chair Garodnick and Chair Cornegy. And thank  
10 you commissioners and we are all here today to  
11 serve the people of New York. And the main goal,  
12 the final goal is to create good paying jobs right.  
13 So there's a final goal... we do the end result is  
14 want to create jobs... wages... With that preamble I  
15 want to and I thought about the... the... the... on a  
16 governor level and the mayor level they want to  
17 increase the minimum wage to \$15.00 you... how you  
18 affect small business people. You have a picture  
19 there and there happens to be a pharmacy there I  
20 believe... so you know in a small pharmacy we're  
21 stock boys, we're cashiers, we're technicians, we  
22 have manager. And... and usually people experience  
23 get payed maybe \$15.00 \$16.00 an hour, just come  
24 out about \$30,000 a year. If you increase the  
25 minimum wage to \$15.00 the stock boys will get 15  
right? So what about those people getting... already

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3 getting 15. So you have to increase those people  
4 they experience to... an another 5,020. So in... sense...  
5 it's not only raising the minimum wage or the  
6 minimum wage people it's almost like raising...  
7 raising the wage \$5.00 for most levels of the  
8 employees. Because otherwise it's not fair. They  
9 say how come I only make 15 and the stock boy's  
10 making 15 too right so you have to give a raise to  
11 everyone. So there's a big question. Where is the  
12 money coming from? A pharmacy they get most of the...  
13 the profits or the revenue from the insurance  
14 companies now. ...people pay cash for prescriptions.  
15 They all use insurance. But for the last 10 years  
16 the insurance company pay the... to the pharmacy or  
17 the providers. So as a pharmacy owner or other  
18 small business where they going to get the \$5.00  
19 extra from? Because it was... they cannot increase  
20 the price, the insurance companies, they won't pay  
21 for it. The... every year they want to cut it but  
22 last year they pay us \$10, this year they want to  
23 pay you \$8 or next year they want a \$7. Every year  
24 it keeps decreasing. So... but in the mean... meantime  
25 we have the... adjust this coming minimum... minimum

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3 wage problem. So this is only one problem for small  
4 business people.

5 BISHOP: So...

6 COUNCIL MEMBER KOO: The second thing  
7 is... you know let me finish and then I let you  
8 answer right. The second is the... the cost of doing  
9 business is rather high. This is why the money is  
10 small business big business expensive... right... they  
11 move away from New York City because the tax too  
12 high, the... too high, and the wages are too high.  
13 And everything is you know expensive here so they  
14 move away. They move to Connecticut or New Jersey.  
15 Small business cannot move. They... they get stuck  
16 there because the... they're a neighborhood business.  
17 So it's rather hard for small business people to  
18 absorb the increase of the wage so fast. I mean if  
19 you're... five take six... seven years... make anything...  
20 and then the city... then... Maybe you create a rebate...  
21 payable tax... suppose we increase salary 100 dollars  
22 every day. Proportionally you give us a rebate on  
23 the... because otherwise where is the money coming  
24 from. I don't where's the money coming from?  
25 Because the insurance company not paying us and we  
cannot increase the price on all the other

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3 merchandise because they all go online to buy stuff  
4 now. It's retail business is different. It's  
5 tremendously changed compared from the 10 20 years  
6 ago. People just come in a store to look at the  
7 stuff and then they just... they look at it, compare,  
8 and then they buy it online. There's the problem.  
9 The tax is too high too. The may... the may need...  
10 also the... the property tax. The way it's so high is  
11 because the property tax is high. The landlord  
12 always tell me hey I get \$20,000 rent from you. He  
13 say oh Peter I don't get this \$20,000 rent. I get  
14 half of this. I have to go to the government. I go  
15 to you guys. So we have to do a... a moratorium on  
16 property tax increase because increase... increase at  
17 6.5 percent right, our property tax is too much.  
18 Every year you increase this. Nobody can bear. You  
19 just... sooner or later you're going to... the... no  
20 more... they're all gone.

21 CHAIRPERSON GARODNICK Councilman since  
22 we're... [cross-talk]

23 COUNCIL MEMBER KOO: Yeah.

24 CHAIRPERSON GARODNICK ...let... let's...  
25 let's give them a chance... [cross-talk] to respond  
since we're almost at five minutes here.

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3 COUNCIL MEMBER KOO: I'm against the  
4 increase of minimum wage. When I first came to  
5 America in 90 70s my first job is \$1.65, minimum  
6 wage job. I was working at Kentucky Fry... no no  
7 Dunkin' Donuts at that time. And then... then I move  
8 on to Kentucky Fried Chicken about the same pay. So  
9 later on I get two dollar an hour pay job I was so  
10 happy you know. I was working as a intern in a  
11 hospital. So I get 40 cents increased. It was a lot  
12 increase to me already. So of course I understand  
13 the difficulties of being a minimum worker. So I  
14 hope... I mean we all get ten increase... we... increase  
15 not... not too long ago right?

16 CHAIRPERSON GARODNICK That's true.

17 COUNCIL MEMBER KOO: So... so I want you  
18 to answer those questions and how you help the  
19 small business people to cope of the increase of  
20 wages and the property tax increase and the wage  
21 increase. The wage is too damn high you know.

22 CHAIRPERSON GARODNICK Thank you Council  
23 Member Koo. And after you respond we're going to go  
24 to Council Member Miller. Go ahead.

25 BISHOP: Okay Council Member Koo thank  
you. You've... you've raised a lot of valid you know



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3 challenges that face our small businesses. But... but  
4 there's opportunity there and I think you know  
5 certainly in the interest of time we have a number  
6 of services to help businesses navigate these  
7 challenges in... you know in terms of helping them  
8 figure out where to... where... do your... the questions  
9 to your answer is like where is the money going to  
10 come from. We think you know some of the programs  
11 that we have will help businesses identify  
12 opportunities to streamline their operations to  
13 actually have savings in other areas to help meet  
14 some of the... the regulatory demands of their  
15 business. I could go to more details about the  
16 different programs that we have for strategic steps  
17 for growth to fast track... there's... there's a number  
18 of programs that... that we do have. In terms of the...  
19 you know the... the property tax issue I can't answer  
20 because that's not my agency. However, we do  
21 understand business owners don't know what they  
22 don't know. So when they're entering into a lease  
23 they may not understand sort of the hidden traps in  
24 there. So we have expanded our pro bono legal  
25 services to business owners not only to help them  
understand their current lease conditions but if

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3 they're about to enter into a lease to help them  
4 make a more informed decision before they sign that  
5 lease. I'll be happy... and we've... when we met I told  
6 you I was going to come out to your district. So  
7 I'll be happy to breakdown more of the programs  
8 that we... that we offer to help small businesses not  
9 only in your district but across the city.

10 CHAIRPERSON GARODNICK Thank you very  
11 much Commissioner and let's go to Council Member  
12 Miller.

13 COUNCIL MEMBER MILLER: Thank you Chair  
14 Garodnick and to Chair Cornegy as well. Thank you  
15 Commissioner, Madam President for being here this  
16 afternoon. So with... with... with all of the emerging  
17 communities that have grown throughout the... the  
18 city. What are we doing to... to support those  
19 particular communities with all the wrap arounds,  
20 amenities that are necessary. In particular, what  
21 are we doing to stimulate local investment in areas  
22 such as downtown Jamaica? What I mean by local I  
23 mean local folk, local MWBEs, so forth... what  
24 opportunities are we attempting to create for those  
25 folks in those emerging communities?

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3 COMMISSIONER: I can start and the  
4 Commissioner has others from programs from SBS. It...  
5 when I talked earlier about what it means for us to  
6 drive an agenda of inclusive growth there is... a big  
7 part of that is to make sure that people and the  
8 businesses of the city can take advantage of  
9 benefit from investments that are made. And so we  
10 talked earlier about what that means for residents  
11 looking for employment. Certainly in terms of  
12 businesses we have a full array of different types  
13 of programs policy changes for women and minority  
14 owned businesses MWBEs. And we know... and the  
15 connection there is that a lot of MWBEs hire  
16 locally. And so there's a multiplying affect. What  
17 we have tried to do in all of our projects is to  
18 make sure that any opportunity associated with a  
19 development that it's known to the different firms,  
20 diverse firms across... in that particular community  
21 and lots of different ways for them to benefit. To  
22 give you an example in East New York where there  
23 has been even before the rezoning significant  
24 development... we worked very closely for instance  
25 with the LDC of east New York to arrange what we  
were calling meet the developer events so that the

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3 local industrial businesses in the industrial  
4 business zone could be connected to developers. And  
5 through just a couple of those events I think they  
6 were able to help a handful of businesses get  
7 almost three million dollars in contracts. I think  
8 that's a good model and there's certainly something  
9 that as we do this work across the city we will  
10 look to replicate and certainly open to other ideas  
11 that you might have for how that work can be  
12 enriched.

13 COUNCIL MEMBER MILLER: Okay I... I know  
14 we... we did that in Jamaica. We... we had one of  
15 those... and it was... it was pretty good. I don't know  
16 if... if... how much of that... we have benefit from  
17 just... but I know that we've also talked to local  
18 BIDs and... and... and talked about business  
19 opportunities, franchising opportunities, and kind  
20 of in an... system some of the needs of the  
21 communities. How do we then go in and what is the  
22 outreach in addressing those needs locally before  
23 we begin to bring in those folks from outside when  
24 if fact there is potential opportunity for... for  
25 qualified business owners from the community to  
actually take part?

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3 BISHOP: So I think... and... and if I  
4 understand the... the question correctly you know we  
5 are as... as each neighborhood we're looking at  
6 making investments. Our neighborhood development  
7 team we have something called the committee needs  
8 assessment where we actually... community district...  
9 the commercial district needs assessment where we  
10 actually work with a local partner to identify sort  
11 of what a commercial corridor needs. And... and  
12 certainly you know looking at... at what services we  
13 could bring to that community to help with leakage,  
14 to help with retail attraction. So those are... are  
15 some ways we can look to bring commercial activity  
16 to an area. One of the things I wanted to follow up  
17 with you know President Torres-Springer you know  
18 when we work similar to the Corporate Alliance  
19 Program. As we learn of opportunities, construction  
20 opportunities across the city. We have a team that  
21 can identify that and certainly work with that  
22 prime contractor to open up and... and to connect  
23 MWBEs at least to make them aware that there are  
24 MWBEs if... if it's in a particular area that could  
25 actually provide those set of services. So on both

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3 fronts we have the ability to work closely with the  
4 local community.

5 COUNCIL MEMBER MILLER: So are we... are  
6 you working with to some degree local elected... I  
7 know that there was some things done. Kind on the  
8 board of the district with... with local group and...  
9 and that I was made aware afterwards but are you  
10 doing this with like local development corps or are  
11 you working with elected as well? How then do we  
12 partner and kind of getting this information out?

13 BISHOP: Yeah... I mean happy to work with  
14 everyone because I think it's important... local  
15 electeds... local community based organizations. It's  
16 important for... for everyone to understand exactly  
17 what we're doing. And because you helped spread the  
18 word so that way we have maximum participation. So  
19 happy to... to continue working with your office and  
20 any organizations that you think we should be  
21 working with.

22 COUNCIL MEMBER MILLER: Okay thank you.  
23 So I'm going to finish with a shameless plug on  
24 the... my commuter rail equity resolution because  
25 there is not a greater trans... in fact we are  
technically known as an extreme transit desert. And

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3 so there is a resolution that would allow folks  
4 throughout the five boroughs wherever a commuter  
5 rail stops in the district for them to use it for  
6 the price of a metro card. And that obviously is  
7 negotiable but certainly I know at least in  
8 Southeast Queens, Northern Bronx, and Manhattan  
9 this would impact hundreds of thousands of lives...  
10 change it. And I think that if we're going to make  
11 these type of investments we should really invest  
12 in people in communities. So any support we can get  
13 on that we'd appreciate. Thank you.

14 CHAIRPERSON GARODNICK Thank you Council  
15 Member. We're going to go to Council Member Lander  
16 followed by Treyger and then Vallone and then we're  
17 going to work to try to wrap it up at least for the  
18 first panel. Thank you.

19 COUNCIL MEMBER LANDER: Thank you Mr.  
20 Chair. It's wonderful to have both of you in these  
21 positions so... and this is your first budget hearing  
22 with us in these jobs. So I just want to say you  
23 know what a... what a great thing that is for the  
24 city and the administration. And Greg thank you  
25 especially for coming out recently to a good  
meeting. We have a small businesses in Park Slope

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3 with a lot of good... a lot of good feedback. The  
4 chair in one of his earlier questions went to the  
5 question of EDC's role in managing capital  
6 projects. And I don't know if you guys are aware  
7 but in our main budget hearing Budget Director  
8 Fuleihan committed to work with the council on a  
9 more comprehensive review of the city's capital  
10 projects management practices. And I think that  
11 EDC's got an important role to play in that, partly  
12 the sort of super powers that EDC has helps you  
13 move projects along in ways that agencies like the  
14 Parks Department are not able to. But I don't think  
15 we've done a good best practice sharing across city  
16 agencies... You know simple things like developing a  
17 good database so the contractors that are doing a  
18 lousy job for DOT don't get hired by the Department  
19 of Sanitation. But also you know I think EDC has  
20 developed a good practice of projects management  
21 which is why for example the prospect park alliance  
22 would want you to manage lakeside and so I guess  
23 I'm mostly saying it doesn't look from your... your...  
24 your facial expression like you'd already been  
25 invited to that conversation. But I just want to  
make sure that we work on that together. I think



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3 there's a real opportunity there to make some  
4 headway in the way...

5 COMMISSIONER: Agreed.

6 COUNCIL MEMBER LANDER: Super. Thank  
7 you. I was out for a little... for a few minutes at  
8 the education hearing so I don't know if there was  
9 sort of a conversation about Hire NYC... Asked you to  
10 talk about that? Alright good. I... I don't know how...  
11 it... it's been my perception that there's a lot of  
12 room for council members to learn more about it,  
13 understand how it works. There was a great  
14 commitment made as part of the mayor's mandatory  
15 inclusionary housing, targets and resources... I  
16 think two million dollars for outreach and training  
17 to make sure that people in rezoning neighborhoods  
18 can get access to outreach and then some training  
19 so they'll be the Hire NYC Pipeline for HPD jobs. I  
20 think there's many more things we could work on  
21 together if we had a better collective  
22 understanding of what does that really mean? What  
23 are the pipeline of jobs, how do we help you know  
24 what it mostly is is not people in this area but  
25 people that come through our workforce system can  
get a first look for particular kinds of positions?

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3 But that works a lot better if we're all working  
4 together to think alright what are those positions  
5 going to be and what can we be doing in our  
6 districts and where are there resources available  
7 to reach out to people and provide the readiness or  
8 training sometimes with one of your existing  
9 partners or perhaps with new resources to get  
10 people ready. So at the moment when they get that  
11 first look they're most likely to be hired. So will  
12 you guys agree to work with us to figure out how we  
13 can learn more together and be better partners in  
14 making that program successful.

15 BISHOP: Yeah. Absolutely. And you know  
16 we... our... our agency is the first touchpoint for our  
17 Workforce1 Centers. So happy to come out to you  
18 know whoever you think should be part of the  
19 briefing and we can break down the specifics of how  
20 we intend... how we see the... we envision the program  
21 working and cover some of the points that you  
22 raised.

23 COUNCIL MEMBER LANDER: Mr. Chair let me  
24 just... you know this is... it's got... it's a... as part  
25 of why it gets hard to wrap your arms around  
because it's got a contracts element, a land use...

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3 you know it's... but I think there's a real  
4 opportunity here for the council to play a good  
5 role and it'd be great to make that happen.

6 Congratulations on getting the industrial  
7 development fund moving. I know the first meeting  
8 of the working group on manufacturing took place.

9 But I'm just going to keep pushing. You know I  
10 think the urgency there is important. We want the  
11 rezoning to protect against inclusion of hotels and  
12 self-storage to be accelerated. We want... and I

13 think there's some concerns around that... that... the  
14 thoughtfulness you guys are applying get extended

15 to the zoning conversation as well, some concerns  
16 about 25 Kent [sp?] and the formula there and then

17 just real thinking that needs to take place that I  
18 hope EDC can be a part of in Sunset Park, in Guanos  
19 as well. So thank you for... for what you've done but

20 hear our continued urgency to... to keep it moving  
21 forward. And unlike Council Member Richards I... you  
22 know I'm... I'm excite... though I'm excited about the  
23 citywide ferry service I... I don't know the details

24 yet so I look forward to seeing it. I hope there's  
25 a Governor's Island to Brooklyn Ferry connection in  
there. If not, you know you'll be hearing from me

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3 to make sure we can get there as activity expands  
4 on Governor's Island. And then finally but I hope...  
5 you know we've had some beginning conversations  
6 about what we can do around... you know on demand and  
7 digital economy and promoting inclusion there. We  
8 had a great hearing about providing better theft of  
9 payment protections to freelancers. But I... I think  
10 that's an area where we can both encourage the  
11 continued growth of that sector in New York City  
12 and come up with a lot more strategies than we have  
13 to make it inclusive. It's a big new generator for  
14 us but it left to its own devices may not be as  
15 diverse and inclusive as we want it to be. So hope  
16 we can work together to do more on that in the  
17 coming year. Thank you.

18 CHAIRPERSON GARODNICK Terrific. Almost  
19 exactly five minutes Council Member Lander. I'm  
20 impressed. Maybe we have a new model here. Council  
21 Member Treyger.

22 COUNCIL MEMBER TREYGER: Thank you to  
23 both Chairs Garodnick and Cornegy for holding this  
24 important hearing. Welcome to both Commissioner,  
25 President, and... I do want to say that for the  
record President Torres-Springer was very helpful

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3 to my office and local officials on Coney Island  
4 for helping convince Chase Bank to stay in some  
5 form, not the form that I ideally would like but I  
6 think that there's a short term and long term plan  
7 so I do appreciate your role in... in that. But I  
8 just want to just say a couple of things that I'm  
9 sure that these are things that we've discussed but  
10 we just need to continue to advocate for and to  
11 push for. I understand the mayor is very much  
12 adamant about his housing plan. But we still have  
13 neighborhoods we have to serve today. And we still  
14 have to meet the needs of people who live there  
15 today and not just the people who we want to  
16 accommodate for 10 20 years down the road. Having  
17 said that in Coney Island we heard some comments  
18 about you know ferries and transportation. Just  
19 what makes us unique and I think that history has  
20 recorded that Coney Island has not been treated  
21 with the type of love and care and investments  
22 historically... certainly in the western end of  
23 Staten Island. But we're a community that used to  
24 have the F express. That was taken away from us.  
25 We're a community that used to have the X-28  
express service to the west end of Coney Island

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3 taken away from us. We used to have the X-29  
4 express service to the high rises of Wabash and  
5 Trump taken away from us. The list goes on of  
6 services and transportation that was taken away.  
7 Now I understand the city does not govern  
8 completely the MTA. It's most... the state has a  
9 majority of the seats but the city does govern its  
10 ferry plan. The city also entered into a two and a  
11 half billion dollar capital agreement or agreement  
12 with the MTA. And I'm not sure if... if a dime of  
13 that agreement is heading to Southern Brooklyn. So  
14 when we're talking about the rollout of the ferry...  
15 In 2009 they rezoned Coney Island as you know both  
16 Commissioners here... over... up to 5,000 units of new  
17 housing when we already have challenges in moving  
18 people around in my community it takes a long time  
19 for people to commute; over an hour, hour and a  
20 half. So we are strongly urging EDC and the  
21 administration to work with us on incorporating...  
22 feasibility of course is crucial, a ferry extension  
23 into Coney Island as quickly as possible. Housing  
24 is important but we still have a complete  
25 neighborhood to serve. And we still have to help  
move people around. So transportation is a

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3 critical... critical need if we're to actualize the  
4 vision for all of Coney Island and not some of  
5 Coney Island. And with regards to the small  
6 business... and Commissioner Bishop I... I appreciate  
7 your leadership and your... your office's  
8 responsiveness to me and to... and with Maria we  
9 worked together on some Sandy Resource... in my  
10 district and I do appreciate that. Having said that  
11 however I urge my colleagues... I know both Council  
12 Member Cornegy and Garodnick have been around  
13 Southern Brooklyn. If you look at parts of Mermaid  
14 Avenue, it still looks like... it still looks... some  
15 areas it look like a war zone. We have not fully  
16 recovered from Superstorm Sandy. There are still  
17 major eyesores in the community. And I... and  
18 historically government waits for the private  
19 sector to ignite a fire and then government catches  
20 up. I think the government has an obligation to lay  
21 the foundation to make improvements along these  
22 commercial corridors right now to entice basic  
23 retail to come in. We're still a community that  
24 lacks basic... basic retail. So when my colleagues  
25 can walk down their blocks and they might be able  
to walk a block or two to a bakery or... or to a

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3 clothing store we still have a challenge in Mermaid  
4 Avenue in doing that. So what can we do to improve  
5 the streetscapes? What can we do to really bring  
6 back the flair of Coney Island. We're not asking  
7 for anything new. We're not reinventing the wheel.  
8 We already have the Wonder Wheel on Coney Island.  
9 We're asking for basic things, basic improvements  
10 to especially after Hurricane Sandy the challenges  
11 that we faced in bringing back all of retail and  
12 all of our homes. And I said a lot and I await your  
13 response and I thank you for your partnership.  
14 Thank you Chairs for your time.

15 CHAIRPERSON GARODNICK Thank you Council  
16 Member.

17 BISHOP: So I think... just to start on  
18 Mermaid Avenue I think it... it makes sense for us to  
19 you know sit down with your office and figure out  
20 what we can do in terms of retail attraction. A  
21 number of other corridors that we've worked with...  
22 we just need to put together a plan and figure out  
23 how we can use our resources to highlight you know  
24 sort of the community and highlight the potential  
25 to get more retail there. So I just wrote a note to



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3 follow up with you on... on that particular issue and  
4 looking forward to working with you.

5 CHAIRPERSON GARODNICK Thank you.  
6 Council Member Vallone.

7 COUNCIL MEMBER VALLONE: Thank you Mr.  
8 Chair. Good morning Madam President, Commissioner  
9 Bishop. First of all thank you for your work down  
10 in the College Point Corporate Park; a long  
11 forgotten area that now feels a little love from  
12 the city. So it's always good to... to get them back  
13 on the map. And if you could just help to push that  
14 through fruition so we can get that done for them  
15 that would be great. One of your I guess big topics  
16 in presentations and budgets in my first two years  
17 were addressing Willets Point but I don't see  
18 Willets Point today. I know there was billions  
19 being put in by EDC for the different phases of  
20 work that were going to happen down at Willets  
21 Point. Do you have any update that you could give  
22 for us today?

23 COMMISSIONER: Yeah so on... on Willets  
24 Point no certainly there's been a... a... a lot of  
25 investment made and a lot... spent on the project  
number of stakeholders across the city... As you

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3 might know court proceedings, litigation continues,  
4 that is running its course be... it... but... what we do  
5 know is that even despite that we have to let the...  
6 the court proceedings continue. But we are going to  
7 do... we're not going to sit on our hands. We have  
8 actually already started to do demolition in the  
9 area to clean it up so that we are while the... the  
10 case makes its way through the court we're... we're  
11 continuing to make investments there. And at the  
12 end of the day what we do hope is that we're able  
13 to realize a project in that area that allows us to  
14 remediate as we had always wanted to build mixed  
15 income housing as we wanted to with a focus on  
16 affordable given our policy goals and really  
17 transform the area. So in... in so many ways the  
18 policy goals have not changed. We are doing what we  
19 can while the litigation continues.

20 COUNCIL MEMBER VALLONE: It... it really  
21 does become probably an open oasis for  
22 possibilities especially by my district where we're  
23 looking for schools, affordable housing, senior  
24 living. This is an area that let's assume at some  
25 point the lawsuits are done I think really gives us  
an opportunity to do the right thing with the

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3 mayor's vision and what we need in the community.

4 Are we finished with leases and replacing and  
5 relocating businesses? Are they all...

6 COMMISSIONER: We have...

7 COUNCIL MEMBER VALLONE: ...one or two  
8 that were still lingering.

9 COMMISSIONER: Yes. Let me see here for  
10 the very specific numbers I think over the years we  
11 have worked on... with scores if not more businesses  
12 who've received different services including  
13 relocation services, moving to different parts of  
14 the city including the property in Hunts Point, a  
15 number of businesses with some city funding...

16 [cross-talk]

17 COUNCIL MEMBER VALLONE: You know we  
18 could do... we could... we could follow-up after today  
19 on that.

20 COMMISSIONER: Okay.

21 COUNCIL MEMBER VALLONE: Because that...  
22 that's a big topic. I don't want to take up all  
23 your... and just if you could re-look at, I think we  
24 meet all of the requirements... it's not even for my  
25 district but I think all of northeast Queens would  
benefit if we were to look at the city field

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3 marina. You've got a parking right option, you have  
4 the seven train there. We do not have a train or  
5 many express busses at all. If we were to look at  
6 that especially as LaGuardia is expanding it makes  
7 a perfect expansion of the Astoria ferry line has...  
8 be the next stop in the future that would be a  
9 really big help. Folks from Douglas and Little  
10 Neck, White... Whitestone, Bay Side, Jackson Heights,  
11 Flushing could all park there and jump on the ferry  
12 as an option. And that would be a really good way  
13 to alleviate half of Queens as another way to get  
14 some transportation alternatives. That would be a  
15 good stop if we could look at that. I'd appreciate  
16 that.

17 COMMISSIONER: Happy to.

18 COUNCIL MEMBER VALLONE: Commissioner  
19 Bishop just real quick you... thank you for meeting  
20 with every one of our small business leaders. That  
21 is exactly the vision that you talked about and  
22 that's exactly what Queens often sometimes feels  
23 neglected because they're detached from that. So  
24 about you coming out we thank you for that. You had  
25 mentioned maybe possibility of opening up an

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3 eastern Queens location for a business center. Any  
4 update on that?

5 BISHOP: So we're still looking at that.  
6 I think one of the things that I've recognized is  
7 the unique language challenges of Flushing. And  
8 certainly as we are looking forward to expanding  
9 our services having some type of expansion center  
10 is... is appropriate. But I'm still working out the  
11 details of what that looks like.

12 COUNCIL MEMBER VALLONE: And you heard  
13 from some of the leaders there that the grant  
14 access and some type of temporary access to the  
15 money while the loans and the funding is coming in.  
16 I know you spoke about that today but will that be  
17 expanded to beyond WMBE businesses?

18 BISHOP: Currently there isn't a plan  
19 for if you're talking about other businesses that  
20 are doing... that have contracting with the city...

21 COUNCIL MEMBER VALLONE: Right.

22 BISHOP: ...to have access to... So the M...  
23 the... the grant program is for MWBEs. However, if  
24 there are businesses that are... have unique capital  
25 challenges our normal service in terms of financing  
and access to capital through our NYC business

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3 solution centers we can certainly help them get the  
4 appropriate funding that they need. This...

5 COUNCIL MEMBER VALLONE: And what about  
6 on the loan... the loan funding also or just the  
7 grants?

8 BISHOP: So we work with 40 lenders. And  
9 the program that I talked about was not a grant. It  
10 was actually a loan based off of their... the  
11 contract value. And we work with over 40 lenders  
12 with various different types of loan programs with  
13 low interest loans or depending on what they need.  
14 So certainly if there are businesses that have you  
15 know capital challenges with working with the city  
16 I'll be happy to... to connect them to our services.

17 COUNCIL MEMBER VALLONE: Thank you very  
18 much Commissioner.

19 CHAIRPERSON GARODNICK Thank you very  
20 much Council Member Vallone. We are sensitive to  
21 your time so let me just go into a speed round of  
22 some cleanup questions because we got... got 7,000 of  
23 them but I'm going to try to dispense with just a  
24 few of them at the very end here. And these are for  
25 EDC. Madam President in the annual investment  
project report EDC noted that in fiscal 15 jobs at

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3 project locations totaled about 221,273 jobs which  
4 was about 6.1 percent of the city's private sector  
5 jobs overall. Question for you is when you look at  
6 a number like that how does EDC determine whether  
7 these jobs were the result of EDC's intervention as  
8 opposed to jobs that would have you know been at  
9 the 215,000 number absent EDC's intervention,  
10 200,000 you know... or you know contrary to what one...  
11 you might... might hope. Maybe it would have been  
12 higher absent EDC's intervention. We don't... we  
13 don't know the answer to that question. How do you  
14 make the determination as to what number of those  
15 jobs are attributable to EDC's actual intervention?

16 COMMISSIONER: Just one second those  
17 are... okay I just wanted to... to confirm because I... I  
18 do... I hear what you are saying and we try not to  
19 take credit for things that we cannot take credit  
20 for but the... the jobs are associated with  
21 investments made both through IDA and through  
22 Build. And so it is that... that investment by the  
23 private sector in those jobs that allows us to say  
24 that if not for the support that we are... are giving  
25 these projects because of the... the set of tools  
through IDA and Build then they would not happen

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3 generally speaking. So it's not just general  
4 private sector job growth but job growth associated  
5 with both IDA and Build NYC.

6 CHAIRPERSON GARODNICK Now I'm sorry the  
7 IDA and Build NYC are responsible for which number  
8 of that... of that total? Do you... do you have that  
9 number as to what they would be responsible for?

10 COMMISSIONER: ...can follow up but I  
11 think it's... I'm assuming if we're... if we're... if  
12 it's in there that it's... it's all of it... [cross-  
13 talk] but I will...

14 CHAIRPERSON GARODNICK Oh you... [cross-  
15 talk]

16 COMMISSIONER: ...follow up.

17 CHAIRPERSON GARODNICK ...think it's all  
18 of it. You think it's all 221? Well come back to us  
19 on that. I don't want to lock you in on something  
20 we're not sure about. But that would be interesting  
21 to know if those... if the 221,000 is attributable to  
22 IDA and Build NYC.

23 COMMISSIONER: We'll follow up.

24 CHAIRPERSON GARODNICK Okay thank you.  
25 The ICAP boundary commission question, par of EDC's  
presentation in September of 2015 EDC recommended



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3 extending certain special area boundaries for a  
4 year as part of a way to review the entire suite of  
5 the commercial tax incentives that are now  
6 underway. Just wanted an update as to where EDC is  
7 in regard to giving a report on you know what the  
8 boundaries should be and when we can expect that.

9 COMMISSIONER: So over the course of the  
10 next few months we'll be meeting with commission  
11 members to review current reform ideas that we have  
12 and discuss various options that might be feasible  
13 for reviving the special area boundaries. And so we  
14 can follow-up with a precise timeline but we hope  
15 to come back to commission members in the... the  
16 weeks... in the weeks to come.

17 CHAIRPERSON GARODNICK Do you have a  
18 target date for the completion of this?

19 COMMISSIONER: Not at this time but if  
20 there is something that is specifically mandated by  
21 the law we will make sure to meet it.

22 CHAIRPERSON GARODNICK Right well you  
23 had a... you had a one-year extension I guess.  
24 Whatever that date is is probably your out date.  
25 Okay let's talk about the revenue and expenses for  
EDC. According to the annual report for fiscal 2015

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3 the perish report; EDC had an operating income loss  
4 of 28 million dollars which was a... it was a big  
5 number. I'm sure it's attributable to something. I...  
6 I can point your attention to operating revenue  
7 between 2014 and 2015 in the category of other  
8 operating revenue. It went down from 80 million to  
9 15 million dollars. Presumably that is what is  
10 responsible for the 28-million-dollar income loss  
11 for EDC. Could you shed some light on what's going  
12 on there?

13 COMMISSIONER: Sure. So what we are  
14 projecting this year and we project it last year.  
15 It's actually projected over the course of the next  
16 few years are overall budget deficits. And so for  
17 instance with FY '16 that deficit is projected at  
18 about 36 million. We expect that number to improve.  
19 In fact, we hope by the end of the fiscal year we  
20 will end up without a deficit. The overall picture  
21 is that you know we've had about a decade of really  
22 great performance that have allowed us to really  
23 strengthen our balance sheet. And so in the years  
24 to come we will... to the extent that those deficits  
25 actually materialize we'll use our balance sheet to  
fund them while at the same time doing everything

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3 that we can in terms of holding head count,  
4 reducing expenses, finding efficiencies, and of  
5 course looking at additional forms of revenue in  
6 order to close the gap. And so our revenue as... as  
7 you know it's land sales, it's rental income. And  
8 those are the... the major drivers for EDC. And we  
9 look to stabilize that line in the years to come.  
10 But in the meantime given we... to the extent that  
11 there are deficits we'll cover them with our  
12 balance sheet.

13 CHAIRPERSON GARODNICK Well okay so let  
14 me just follow-up on that for a second because the...  
15 the drop from 2014 to 2015 was so stark it must be  
16 attributable to some particular circumstance right?  
17 It was... this was in the category of other operating  
18 revenue which was 80 million dollars in 2014 and 15  
19 million dollars in 2015. Was that as... what was that  
20 a result of?

21 COMMISSIONER: The... that... unless I'm  
22 wrong and not... our CFO can correct me, attributable  
23 to less than projected revenues in terms of land  
24 sales. So as you can imagine I... the... with the city  
25 inventory kind of being what it is as well as the...  
the schedule of and pace of when each of these land

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3 sales may close we realize revenues at different  
4 points in time during the year and any given year  
5 can pretty volatile. But also as we try to achieve  
6 multiple policy objectives and make sure that we  
7 are running a triple bottom line type of  
8 organization that some of the... each of the deals  
9 will be structure differently. But I think for that  
10 particular year it was less than anticipated land  
11 sales.

12 CHAIRPERSON GARODNICK So just so I  
13 understand what less than anticipated means it was  
14 not that you had anticipated or your predecessors  
15 had anticipated that the value of the land was  
16 going to sell for 80 million and it sold for 15  
17 million, it was that it didn't happen. It was  
18 anticipated that you would sell land valued at 80  
19 million but for one reason or another it did not  
20 actually get sold, is that correct?

21 COMMISSIONER: Yes.

22 CHAIRPERSON GARODNICK Okay salaries and  
23 wages at EDC decreased from 2014 to 2015 from 43  
24 million to 38 million but other employee benefits  
25 went up from 3.3 million to 10.4 million which was  
an increase of 220 percent. So what... can you

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3 explain why the... the salaries and wages were going  
4 down and the benefits were going up?

5 COMMISSIONER: That was a transcription  
6 error unfortunately in our... in how it got inputted  
7 into P triple A. We have correct numbers which we  
8 are happy to share and they make sense and we're  
9 able to maintain approximately a 30 percent fringe  
10 rate which has relatively stayed the same.

11 CHAIRPERSON GARODNICK Okay we will take  
12 a look at the new numbers. A couple more and then  
13 we will free you. We know you have to... have to run.  
14 And Chair Cornegy too. The Paris report said that  
15 about 90 percent of EDC's operating expenses, so  
16 about 668 million dollars were for professional  
17 services contracts. Now that's a... that's a big  
18 number. And what we wanted to get a sense of is to  
19 what these professional service's contracts were  
20 totaling that amount. Also obviously there's been  
21 some recent discussion about you know reports that  
22 were generated and the value of those reports. We  
23 have 3.3 million dollars in fiscal 2016 for  
24 McKinsey Consulting Services. We'd be interested in  
25 knowing what you used them for. So specifically  
about that 3.3 million plus what are we talking

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3 about with this 668 million dollar professional  
4 services contracts overall?

5 COMMISSIONER: So the general point and  
6 we... we'd be happy to break down exactly what... what...  
7 what boils up to the... the number that you mentioned  
8 but we use professional services for a wide variety  
9 of projects. I imagine they run the gambit from  
10 architectural services, surveying, etcetera to a  
11 management consultant. And the... the one thing  
12 that's important to note is we have... we have  
13 retainer contracts that are bid competitively to  
14 the extent that there is a new contract or a new  
15 project to be worked on that then is also bid  
16 competitively within the retainers. And for the  
17 project that you had mentioned with McKinsey, if  
18 I'm not mistaken that was for the for hire vehicle  
19 study. I... I believe. I could be wrong but if that...  
20 [cross-talk]

21 CHAIRPERSON GARODNICK The... the 3.3  
22 million did you say?

23 COMMISSIONER: One second. Okay. So it's  
24 a mix. It includes the for hire vehicle study and  
25 that is a good example of we bid a retainer  
contract competitively and McKinsey's one of the

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3 retainers with this particular project that's being  
4 led by the Mayor's Office of Operations and the  
5 Office of First Deputy Mayor that also got bid  
6 competitively to... within the retainer contracts  
7 McKinsey won the contract in a short period of time  
8 did a lot of detailed analysis that... and a lot of  
9 modeling and the report for that is now available  
10 on the city's website. And so these are the types  
11 of projects, expertise that we rely on from time to  
12 time to make sure we have the expertise needed to...  
13 and often times study complicated projects in a  
14 short period of time.

15 CHAIRPERSON GARODNICK the 3.3 million  
16 dollar for McKinsey, a portion of that was for the  
17 for hire vehicle study and the rest was for what?

18 COMMISSIONER: There... we'll get the  
19 details. It's a project associated with the  
20 Department of Corrections I believe.

21 CHAIRPERSON GARODNICK Okay. Do you ever  
22 look at these reports and conclude that you did not  
23 get your money's worth? Or do we... do you look at  
24 them and say well we see some inherent value in  
25 this and don't challenge the... you know the folks

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3 who are actually doing the report? What is the...  
4 what is the dynamic there?

5 COMMISSIONER: We absolutely want to  
6 make sure that we get our money's worth and that  
7 when these are... when the projects are bid to  
8 whether it's a retainer or a... a... a larger RFP the  
9 different respondents compete against each other  
10 and the... they're monitored by the specific client  
11 of the project. Sometimes it's purely EDC.  
12 Sometimes it's an interagency group. And we look to  
13 make sure that the... that the product is of quality  
14 and they have every... for the... the firms that we  
15 work with across the board, not just management  
16 consultants, it is important that they complete the  
17 project so that you know for their... for their own  
18 relationship and the ability to build on future  
19 work to do future work for the city that they do a  
20 good job. And so we... we make sure together what  
21 other agencies that it's quality work.

22 CHAIRPERSON GARODNICK Along those lines  
23 one of the things that EDC and IDA do is to  
24 evaluate individual projects after development and  
25 take steps to recapture funds if the benefits that  
were promised did not actually meet the... the



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3 benchmarks. In your annual investment projects  
4 report you state that about 2.3 million dollars  
5 were recaptured from projects during fiscal 2015  
6 and that totals... it's part of a broader total of  
7 100 million dollars or so from non-compliant  
8 projects since fiscal year 20... 2003. Can you share  
9 with us the... the projects that you had recaptured  
10 or clawed back funds, you know and what you saw as  
11 the basis for non-compliance? I don't know if you  
12 have this available today.

13 COMMISSIONER: Sure we can send more  
14 details for that 2.3 million. It's comprised of 15  
15 different projects. We have an entire compliance  
16 department that make sure in the... I think we have  
17 about eight... is it 800 or so project... 500 projects  
18 that we... for which we monitor compliance. They wake  
19 up every morning making sure that recipients of  
20 those benefits over time and every year that the...  
21 that the... that we're providing those benefits that  
22 they are... that they comply with them. And so in  
23 that particular year you know the... the 15 in  
24 general... some of the reasons for the recapture  
25 include the misuse of the sales tax letter, making  
purchases that may have been unauthorized and I

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3 think what it shows... every case is different but  
4 what we... what we want to make sure of is that... that  
5 compliance is vigorous and it happens every year.  
6 And to the extent that people didn't live up to  
7 their expectations that we are able to recapture  
8 the funds and redeploy them for economic  
9 development.

10 CHAIRPERSON GARODNICK Very good. We  
11 want you to do that and we hope you'll share that  
12 document that you have there with us. It would be  
13 of interest. Last question for me. We've been  
14 joined by Council Member Ulrich and Chair Cornegy  
15 is going to wrap us up. My... at our executive budget  
16 hearing last year your predecessor explained the  
17 negotiations between EDC and OMB about what  
18 percentage of EDC's income goes back to the city.  
19 And he testified that about 80 million dollars was  
20 going to go back to the city in fiscal 2015.  
21 According to our finance divisions report only 45.4  
22 million dollars went back to the city in that year.  
23 Can you tell us what the differential relates to  
24 and also what you expect to return for fiscal '16  
25 and extent that you have an anticipated number for  
'17 too?

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3 COMMISSIONER: Yeah so the number that  
4 is part of the chart that the council's briefing  
5 paper... it did not include a number of payments that  
6 make up our contributions to the city. And in total  
7 if they were added back in they would equal what we  
8 had anticipated we would be turning back over to  
9 the city in revenues which is approximately 73  
10 million for FY '15. And to give you a couple of  
11 examples there... our master contract payment was not  
12 included; that's two million, additional 42<sup>nd</sup>  
13 Street payments; another 20 million. We provide  
14 payments for the law department. That's another  
15 400. So it is... it's... it's an incorrect chart that  
16 you have and we'd be happy to in the future make  
17 sure that it lines up with what we... [cross-talk]

18 CHAIRPERSON GARODNICK Good. That's  
19 great. And...

20 COMMISSIONER: ...actually contribute.

21 CHAIRPERSON GARODNICK ...also it sounds  
22 like there still is a differential of about seven  
23 million dollars between what was expected to give...  
24 be given back to the city and what actually was to  
25 the extent that you can account for...

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3 COMMISSIONER: Yeah we have... we have the  
4 rest of it so... [cross-talk]

5 CHAIRPERSON GARODNICK As to... as to... Oh  
6 okay the difference between 73 and the 80?

7 COMMISSIONER: I believe we do.

8 CHAIRPERSON GARODNICK Okay terrific. If  
9 you could provide that to us after that would be  
10 great. Chair Cornegy we're going to give you the  
11 last word.

12 CO-CHAIRPERSON CORNEGY: Actually I'm  
13 going... I had two questions and I was going to keep  
14 those questions relevant to my opening statement  
15 but I will defer one of those questions to allow my  
16 colleague Eric Ulrich to ask his question.

17 COUNCIL MEMBER ULRICH: Thank... thank you  
18 Chairman. I apologize I was late. And I want to  
19 thank EDC and SBS for their testimony today which I  
20 will review. The question I have Chairman if you'll  
21 indulge me just a little bit. The game changer  
22 grant competition that was announced by the  
23 Bloomberg Administration following Hurricane Sandy  
24 appropriated I want to say in the... in the realm of  
25 96 million dollars for revitalization of commercial  
strips in Rockaway, in Brooklyn, and in Staten

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3 Island that were affected by the storm. We heard  
4 testimony from the mayor's office of housing  
5 recovery several months ago that said that that  
6 program was phased out and that funding was rolled  
7 into the housing recovery program; specifically the  
8 build it back program and other initiatives that  
9 the admin... the current administration is  
10 undertaking to help people recover from Hurricane  
11 Sandy. My question is does EDC have any plans or  
12 are they in discussions internally in the  
13 administration to roll out some sort of other  
14 business development plan, a commercial strip  
15 revitalization plan? Is there any you know broader  
16 initiative that they're prepared to undertake?  
17 Because even though Hurricane Sandy was more than  
18 three years ago a lot of the commercial strips are  
19 still struggling. The small business owners... I know  
20 we've made small loans and grants to many of them  
21 and they certainly appreciate that but there are  
22 many small business men and women in the city who  
23 are still trying to recover a lot of the revenue  
24 that they lost from Hurricane Sandy. And I'm  
25 wondering if the administration has anything in the  
budget to help them or plan... any plans or

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3 initiatives to help them. Any... any insight there or  
4 any...

5 BISHOP: So we're trying to figure out  
6 the... so early on we had talked about some of the...  
7 our investments in neighborhoods and I think your...  
8 your particular issue with commercial corridors and  
9 with helping small business recover speaks to our  
10 commercial district needs assessment. So we have  
11 some funding that's baselined through our  
12 neighborhood development division where we are  
13 looking at specific corridors where we are... are  
14 conducting this assessment with local stakeholders  
15 including you know council and also local community  
16 based organizations to really understand the needs  
17 of that commercial corridor and then tailor  
18 services to actually address those needs. So I  
19 think that would be good. Your particular area  
20 might be a good opportunity for us to figure out  
21 what we can do there to help those small businesses  
22 recover.

23 COUNCIL MEMBER ULRICH: I... I think...

24 CHAIRPERSON GARODNICK Wait... wait I know  
25 that the Commissioner has a press conference across  
the street like right now So I just want to say

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3 thank you for fielding the questions that you did.

4 I'll defer mine because I know you have to go.

5 Sorry.

6 COUNCIL MEMBER ULRICH: Thank you  
7 Chairman. Thank you. Thank you very much. Thank  
8 you.

9 BISHOP: I... stay here?

10 CO-CHAIRPERSON CORNEGY: Yep.

11 CHAIRPERSON GARODNICK Oh you can... you  
12 can complete your answer to him but I know that she  
13 had to go.

14 BISHOP: So that was the... that... that was  
15 the... so I think the follow-up for us is to actually  
16 talk with you and figure out where... in... in your  
17 district the need is greatest and then we'll... we'll  
18 take it from there.

19 COUNCIL MEMBER ULRICH: I mean I'll  
20 discuss this with my colleague Council Member  
21 Treyger and Chair Cornegy but it might be a good  
22 idea for this council to explore legislation  
23 setting up some sort of study about how small  
24 businesses have recovered since Hurricane Sandy and  
25 is there a need for government investment or  
intervention or especially designed programs that

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3 could help them because some of them have rebounded  
4 remarkably and they're doing fantastic and we're  
5 very happy for them. Some of them have not. And if  
6 the city's in a position to help them I think we  
7 should be and if we need to study that in any way I  
8 think that's an... an idea for the council and the  
9 administration to kick around. So I want to thank  
10 you Chairman again. Thank you very much. Thank you.

11 CO-CHAIRPERSON CORNEGY: My... my last  
12 question is again relevant to my opening statement  
13 which is the small business portal. So fiscal year  
14 2017 preliminary plan adds 140 in '16 to 630 and in  
15 '17 180,000 through 20... through fiscal year 20 to  
16 create an online business portal. Can you tell... can  
17 you tell us about the online portal and what its  
18 goals are and just where it is in terms of its  
19 development?

20 BISHOP: Great so in my testimony I  
21 talked about some of the tools that we have rolled  
22 out to help small businesses and to really  
23 dismissively the regulatory environment. So  
24 currently launched on NYC dot gov slash business, a  
25 business could actually go to the most common  
violation to put in their business whether it's a



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3 café, a restaurant, whatever it is, and see a list  
4 of violations other businesses of that type have  
5 incurred so that will help them... that will help  
6 educate them on what exactly they should avoid. We  
7 also another tool that helps businesses understand  
8 what permits and license they need. Now the small  
9 business portal is in addition to that. So if you  
10 can just imagine and we expect to have the first  
11 part of this launched by December, the end of  
12 December where you are business and now you have  
13 one... one view into your interactions with other  
14 city agencies. So you will log in to your... your  
15 profile and your profile will bring up the license  
16 and permits that you currently have. And the end  
17 goal for us which will be phase two which will  
18 launch in summer of next year will be the  
19 opportunity to see your exact sort of status for  
20 all your licenses. So you will log in. So initially  
21 you'll have an... a view of the licensing that you  
22 have and what agencies have issued those licenses  
23 and then you can jump over to those agencies to  
24 complete that process. But the final goal of the  
25 portal is that you'll actually have an overview of  
all of your licenses. You'll see the expiration

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3 date. And we are actually putting together... we're  
4 working right now with DoITT and... and several  
5 technology partners to actually... we're doing the...  
6 the fact finding and... and build out now to figure  
7 out what data we need. So if we're working with the  
8 different agencies primarily you can only imagine  
9 it's... it's the regulatory agencies, so DCA  
10 buildings, fire, etcetera... to figure out what data  
11 is available currently at these agencies, what data  
12 will be... what data we'll... we'll need and to  
13 actually get to the end goal.

14 CO-CHAIRPERSON CORNEGY: So just lastly  
15 for me it would be great if you had some way to set  
16 up push notifications that would notify businesses  
17 when it's time...

18 BISHOP: We... That... that...

19 CO-CHAIRPERSON CORNEGY: ...to...

20 BISHOP: That is totally on the list in  
21 terms of you know when you log in you'll get an  
22 alert that says this license is about to expire. So  
23 we're thinking on the same page.

24 CO-CHAIRPERSON CORNEGY: Okay thank you.

25 CHAIRPERSON GARODNICK Thank you Mr.  
Chairman. And thank you Commissioner. I think

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3 that's going to be the final word. And we're going  
4 to go to our next panels. We appreciate your time...

5 BISHOP: Thank you.

6 CHAIRPERSON GARODNICK ...to your  
7 colleagues on the panel and obviously to President  
8 Torres-Springer. We are going to move to the first  
9 panel which will include Ellen Baer of the New York  
10 City BID Association, Adriana Mendoza of CFL and  
11 Sunset Scholars LLC., Nancy Corrin [sp?] BOC, Leah  
12 Archibald Evergreen. I'm... I'm looking at the clock.  
13 It is 1:00. We have a 1:30 hearing coming in here.  
14 So with apologies I'm going to put the panel on a  
15 two minute clock. Again I hate to do it but I... I'm  
16 just doing the math. We have 12 witnesses. We have  
17 25 minutes. We have two minutes per person before  
18 we will be on our way unless nobody else is here.  
19 Ms. Baer we see you're here so that's great. Is  
20 there anybody else who I called who's coming up to  
21 this panel? Leah Archibald, okay. We have Leah  
22 Archibald. Okay we have Ellen Baer and Leah  
23 Archibald. Nancy Corrin and Adriana Mendoza are not  
24 here, is that correct? Adriana Mendoza, is that...  
25 Ms. Mendoza is that you? Nancy Corrin is that you?  
Mendoza... Nancy Corrin are you here? No. Okay. We're

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3 also going to add Emma Yora to this panel, Emma  
4 Yora. Okay. Welcome. Okay Ms. Behr go ahead.

5 ELLEN BAER: Oh there you go. The BID  
6 association was formed in 1995 by the managers of  
7 all the city's business improvement districts and  
8 our membership consists of all 72 of the... the BIDs,  
9 48 of which are outside Manhattan. As you know  
10 we're home to the largest and most comprehensive  
11 network of BIDs in the country and we annually  
12 contribute 100 million dollars worth of services to  
13 more than 70,000 businesses in the neighborhoods  
14 across the five boroughs. You know about the  
15 supplemental services we deliver in sanitation  
16 maintenance, public safety, visitor services,  
17 capital improvements, neighborhood beautification  
18 etcetera, all of which is funded by a special  
19 assessment which is paid by property owners within  
20 the district which means it's all private money.  
21 Over the past year four additional BIDs have come  
22 online, two in Manhattan covering Hudson Yard's  
23 Hell's Kitchen and the meat packing district and  
24 two on Staten Island covering both the south shore  
25 and the west shore. We hear from you guys all the  
time when will my district get one and we look

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3 forward to working with the council, SBS, and  
4 community stakeholders on the more than 20  
5 potential new BID applications that are working  
6 their way through the formation process including  
7 116<sup>th</sup> Street in East Harlem, 86<sup>th</sup> Street on the  
8 upper east side and Austin Street in Forest Hills.

9 Of course none of this would be possible without  
10 the support of our partners at SBS. The agency is  
11 terrific. They work closely with individual bids  
12 and with the association in supporting local  
13 economic development and connecting us to other  
14 agencies. Now specifically in the last year the  
15 associations worked closely with SBS on members  
16 that include... on issues that include streamlining  
17 our contracts with the city and pending legislation  
18 regarding the pedestrian plaza program. We're not a  
19 one size fits all city. We appreciate the  
20 opportunity to work with the council and the  
21 administration devise a framework. I do also want  
22 before I... I hear the bell ringing but I do want to  
23 be very sure to reference the neighborhood  
24 development grant initiative that the council  
25 funded this year. I want particularly to thank  
Council Member Garodnick. The association itself is

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3 doing some capacity building using that grant. And  
4 we really appreciate it. It's been absolutely  
5 essential. We hope that you'll continue to support  
6 this as well as the NYC cleanup initiative. So on  
7 behalf of the bids I thank you for your continued  
8 support and I'm available to answer any questions.

9 CHAIRPERSON GARODNICK Terrific. Thank  
10 you. Go right ahead.

11 LEAH ARCHIBALD: Hello. My name's Leah  
12 Archibald and I'm the Executive Director of  
13 Evergreen. We're the local development corporation  
14 that works with businesses in industrial north  
15 Brooklyn. You've got my extended remarks. I'm just  
16 going to say a couple of quick thank you's. I want  
17 to thank you guys for your support and leadership  
18 in getting the industrial business zone programming  
19 baselined by the administration. This year we're  
20 really delighted to have your support. As ever we  
21 could always use a little extra money in the  
22 program citywide. I know that it was baselined but  
23 the way they ended up dividing it up some of us  
24 like my organization is actually competing for less  
25 money than we got last year. So anything extra  
would be delightful. I also want to thank you guys

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3 for the neighborhood development grant initiative.  
4 That's been a really super supplement to the other  
5 funding that we've been able to raise and we've  
6 been able to contract with the city for. We're  
7 doing a big planning study in the Greenpoint  
8 Williamsburg industrial business zone and some  
9 other support work with that. So we're really  
10 grateful for that support and I... I hope to see it  
11 continued next year. So in closing thanks so much  
12 for your support on the industrial business zone  
13 program and neighborhood development grant  
14 initiative.

15 CHAIRPERSON GARODNICK Great. Thank you.  
16 I'm glad to hear so many positives about the  
17 neighborhood grant initiative. Because last year of  
18 course was the first year that we did that so I'm  
19 glad to hear it.

20 LEAH ARCHIBALD: [off mic] Yeah we'll  
21 have... hopefully this time next year I'll have a  
22 couple of really fun success stories... [cross-talk]

23 CHAIRPERSON GARODNICK Good we want... we  
24 want to hear those. Okay Ms. Mendoza. Would you  
25 pass the microphone over?

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3 ADRIANA MENDOZA: Good afternoon. My  
4 name is Adriana Mendoza and I'm here representing  
5 Sunset Scholars Worker Tutoring Cooperative and  
6 Center for... in Sunset Park. So I work at CFL [sp?].  
7 Thank you. I work CFL as an office manager for four  
8 of our co-ops. And one of them is Sunset Scholars.  
9 And it wouldn't be possible without of course your  
10 support and then of course all the other  
11 cooperatives including my own cooperative Sunset  
12 Scholars that receive support from CFL in terms of  
13 technical assistance, incubation, and ongoing  
14 support with hiring new tutors and creating  
15 employment opportunities. And yeah thank you so  
16 much.

17 CHAIRPERSON GARODNICK Thank you.

18 Hi.

19 CHAIRPERSON GARODNICK Go ahead.

20 EMMA YORRA: My name is Emma Yorra. I'm  
21 the Co-Director of Cooperative Development at the  
22 Center for Family Life in Sunset Park. We're a  
23 community based organization that is part of the  
24 New York City worker cooperative coalition which  
25 has received 3.3 million in funding over the past  
two years from the city council. And just want to



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3 start off by saying thank you so much for the  
4 support and talk a little bit about what it means.  
5 So income inequality is one of the toughest  
6 problems that we face as a society today. We see it  
7 in the platform the mayor was elected on. We live  
8 in this tale of two cities and we're looking for  
9 innovative solutions that can give us jobs,  
10 productivity, and create wealth at the... at the same  
11 time that it's inclusive and truly raises all  
12 boats. Worker cooperatives are a vehicle for such  
13 community wealth creation strategies. And New York  
14 City is interesting because it is already a  
15 cooperative capital. You know we have the biggest  
16 housing cooperative development in the Bronx. We  
17 have places like the Park Slope Food Co-Op in  
18 Brooklyn. We have credit unions all over the city.  
19 So New Yorkers are used to owning and controlling  
20 the economic institutions that are most important  
21 to them. The growing movement of workers owning  
22 their own businesses is an extension of this logic.  
23 So in the first year of funding that we got from  
24 the city council we were able to double the number  
25 of worker co-ops in the city. With a second year we  
have been able to continue to build on this work

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3 and making New York now number one in the country  
4 for the number of worker cooperative and the number  
5 of worker owners. And I guess I just want to kind  
6 of conclude by saying this is something that is  
7 really driven by the most marginalized workers;  
8 people who were victims of wage theft, people who  
9 have had no protections, who have been earning  
10 minimum wage or less are now able to see their  
11 incomes tripled because of being in a worker  
12 cooperative. And I personally have been able to  
13 talk to many owners of worker cooperatives who have  
14 had their lives totally transform... experience. So  
15 thank you so much for your support and we hope that  
16 you continue to support us this year.

17 CHAIRPERSON GARODNICK Great. Thank you  
18 very much. Perfect timing. Thank you very much to  
19 all of you. And we appreciate your time. I will  
20 note on the number of BIDs you said there were...  
21 there are 70... 75 now?

22 EMMA YORRA: [off mic] I said 72... [on  
23 mic] I... I said 72 although there is some discussion  
24 about that number.

25 CHAIRPERSON GARODNICK As to what the  
precise number is?

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3 EMMA YORRA: Yes.

4 CHAIRPERSON GARODNICK Okay. Alright.

5 Well we certainly can figure that out. There is an  
6 answer to this question.

7 EMMA YORRA: We... we've been... SBS has  
8 confirmed for us that it's 72.

9 CHAIRPERSON GARODNICK Oh 72?

10 EMMA YORRA: Yes.

11 CHAIRPERSON GARODNICK Okay got it.

12 Alright well thank you very much. Thanks for all  
13 that you all are doing. We're going to call the  
14 next... next panel. We'll include if they are here  
15 Osman Ahmed, Mr. Ahmed you're here, great, Smiley  
16 Rojas-Nunez, Melissa Risser, Bianca Bockman, Bianca  
17 are you here? Ms. Bockman? Okay whenever you're  
18 settled come on and get started. Great.

19 OSMAN AHMED: Thank you so much

20 Councilperson Garodnick and Cornegy for having us  
21 here today. I'm also here on behalf of the Worker  
22 Cooperation Coalition, the New York City Worker  
23 Cooperative Coalition so are my two colleagues down  
24 here. So we came out in full force. The cooperative  
25 coalition is composed of 29 organizations currently  
in the city and we are a two year old coalition as

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3 Emma mentioned earlier. We're asking for the  
4 council to support... enhancement to 3.8 million in  
5 the next fiscal year, FY '17. And that will  
6 continue our amazing work that this initiative has  
7 done over the past two years suggest in terms of  
8 the numbers of jobs we've created we've created 381  
9 worker owners in New York City in the last two  
10 years. We have tripled the number of worker  
11 cooperatives operating in New York City. So now  
12 there's 67 when there was only 21 when the  
13 initiative started. And this number will continue  
14 to increase in the next year. But specifically  
15 because we are at the SBS committee hearing I want  
16 to talk about the growing collaboration between SBS  
17 and the worker cooperative initiative. And that is  
18 because SBS has created a dedicated staff position  
19 that works specifically on worker cooperatives in  
20 this small business division of SBS. And that's  
21 really increase of transparency, the collaboration,  
22 the... between the small business services and this  
23 initiative and really increase the awareness around  
24 worker cooperatives in the city. The one thing I'd  
25 really like council members to consider is that we  
are asking for 3.8 million; five percent of which

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3 is administer... administrative costs for SBS and  
4 we're urging the mayor to baseline those costs so  
5 worker cooperatives become a part of what SBS does.  
6 So really I would love to you know gain support for  
7 this initiative in the next coming year. We are  
8 very thankful for council support in the last two  
9 years and we hope to you know continue to do the  
10 work with the council support in the near future.  
11 So thank you so much.

12 SMILEY ROJAS-NUNEZ: Good afternoon

13 Chairperson Cornegy and the distinguished members  
14 of the New York City Council Committee on Small  
15 Business and Economic Development. The Working  
16 World Ngo... we are an organization that creates  
17 community based economic development through  
18 innovative finance and support to worker owned  
19 businesses that build income and assets in under  
20 resourced communities across New York City. We put  
21 finance back into the hands of working people using  
22 an award winning innovation called inclusive  
23 financing that doesn't require the prohibitive  
24 barrier of collateral. Using inclusive ownership,  
25 we focus finance on businesses with large base of  
stakeholder ownership such as cooperative...

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3 cooperatives owned by workers or a community. In  
4 these past two years thanks to your approval of our  
5 budget proposals we have been able to hire new  
6 staff and... which has increased our overall ability  
7 to handle more projects. I am one of those new  
8 hires and as a native New Yorker I cannot express  
9 how honored I feel to be working for an  
10 organization that is helping stem the tide of  
11 gentrification. A consequence of the rapid  
12 development of certain areas of our city has been  
13 the unfortunate displacement of many low income  
14 individuals from neighborhoods they help to make  
15 unique and diverse. One way in which the working  
16 world is working to combat gentrification is  
17 through the expansion of our worker cooperative  
18 academy. In partnership with Northeast Brooklyn  
19 Housing Development Corporation we hosted a 10 week  
20 course where Bedford-Stuyvesant residents learned  
21 about the many ways in which worker cooperatives  
22 could offer them the potential to earn a living  
23 wage and ownership of a business in their  
24 community. At our Bed-Stuy training we met  
25 individuals who were interested in starting brand  
new small businesses, employees who shared the idea

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3 of cooperatives with their bosses and convinced  
4 them to convert their businesses and also business  
5 owners who saw worker ownership as a way to engage  
6 employees and secure business growth. First time.  
7 Thank you.

8 CHAIRPERSON GARODNICK Thank you. Great  
9 job.

10 MELISSA RISSER: Good afternoon. My name  
11 is Melissa Risser and I'm a staff attorney with the  
12 Community Development Project of the Urban Justice  
13 Center. The community development project or CDP  
14 strengthens the impact of grassroots organization...  
15 grassroots organizations in New York City's low  
16 income and other marginalized communities by  
17 providing legal support notably for this  
18 conversation with the assistance of the formation  
19 of new organizations and co-ops and providing  
20 ongoing TA. For more than 12 years CDP has  
21 collaborated with community based organizations to  
22 help low income New York City residents form worker  
23 owned co-ops. Through the generous funding we  
24 received as part of this fiscal year's worker  
25 cooperative business development initiative we've  
26 been able to increase our capacity to work with 16

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3 to 18 new co-ops and existing co-ops this year.

4 We've partnered with several community

5 organizations that have incubated those co-ops

6 including the center for family life, make the road

7 New York Damayan Migrant Workers Association and

8 Green Worker cooperatives. We've also collaborated

9 with the Small Business Services to better

10 complement each other's services. Just wanted to

11 give three brief examples of some of the co-ops

12 that we've... we've been working with this year. The

13 first is Damayan Cleaning Co-Op. This co-op was

14 incumated [phonetic] by Damayan Migrant Workers

15 Association; a Filipino workers rights

16 organization. It's the first ever business in the

17 U.S. where the worker owners are Filipino migrant

18 workers, many of whom are survivors of labor

19 trafficking. Members are not only small business

20 owners but they are committed to organizing for the

21 rights of low wage migrant domestic workers. We

22 have also worked with... Cooperative which is a youth

23 co-op that offers Guerrilla marketing services. For

24 those unfamiliar with the term that's grassroots

25 marketing that takes unconventional approaches to

advertising such as flash mobs and other sort of



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3 attention garnering events. They were incubated by  
4 Good Shepherd Services which is a non-profit based  
5 in Red Hook Brooklyn with the assistance of the  
6 Center for Family Life to address the needs of  
7 youth employment in Red Hook, create a safe and  
8 diverse workplace for the youth, and to bring  
9 needed services to small businesses in the  
10 community. And I'll stop there but thanks for your  
11 support.

12 CHAIRPERSON GARODNICK Thank you so  
13 much.

14 BIANCA BOCKMAN: Okay. Thank you so much  
15 to Chair Cornegy and the Economic Development and  
16 Small Business Committees for considering this  
17 testimony. My name is Bianca Bockman. I'm the  
18 Community for Health... Communities for Healthy Food  
19 Advocate at the North East Brooklyn Housing  
20 Development Corporation. We're also known as  
21 NEBHDCO or North East. Chair Cornegy you've been a  
22 consistent supporter of us and thank you so much  
23 for everything so far. I'm submitting this  
24 testimony on behalf of communities for healthy  
25 food. It's a coalition of CDCs. Our coalition is  
requesting 1.3 million dollars. In fiscal year 16

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3 with much thanks to actually member Dickens as our  
4 champion we received 500,000 for the initiative  
5 with 125,000 going to my organization. We're  
6 requesting additional funding to heighten program  
7 impacts and to expand into two neighborhoods, two  
8 more neighborhoods. Communities for healthy food is  
9 an innovative approach to expanding access to  
10 affordable healthy food in four... in four and now  
11 soon to be six of New York City's economically  
12 challenged communities through community based  
13 organizations. We have partners in four boroughs as  
14 of now. Our police base initiative integrates  
15 access to healthy and affordable food into every  
16 aspect of comprehensive community development work  
17 through resident engagement, through nutrition  
18 education and cooking classes, gardening, creating  
19 new and improved healthy food outlets and  
20 generating food sector jobs. One our most exciting  
21 projects I think in economic development and small  
22 business though we have many is actually with the  
23 working world. Smiley talked about the cooperative  
24 business project that we've had going. Tonight we  
25 have our first steering committee meeting for that  
project. And that work will be being pushed

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3 forward. We want to do a whole other cooperative  
4 academy, incubate more businesses. As of right now  
5 we have three businesses in incubation. Thank you  
6 so much for your time again. You know... there were  
7 like 10 more thoughts but we'll leave it.

8 CHAIRPERSON GARODNICK So the... the  
9 reality is from my standpoint I really appreciate  
10 the work that all of you do. I'm proud to have been  
11 on the vanguard of worker cooperatives from the  
12 beginning. And... and plan to continue the support of  
13 that work.

14 [combined thank you's]

15 CHAIRPERSON GARODNICK So if we can just  
16 call for the last panel; Merble Reagon, Armando  
17 Choppel... Chapelliquen, and Berica Williams [sp?].  
18 I'm apologizing for probably the butchering of  
19 several names. That is not a testament to our  
20 commitment of the work that you do. And you can  
21 begin as soon as you're settled. And... and because  
22 we appreciate chivalry I'd like to... for you to go  
23 first.

24 MERBLE REAGON: Thank you. My name is  
25 Merble Reagon. I'm Executive Director at the  
Women's Center for Education and Career

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3 Advancement. I had more remarks. I'm going to  
4 combine them to two minutes or less and then send  
5 you written testimony. So I work with the Women's  
6 Center for Education and Career Advancement which  
7 is a citywide organization. Over the years we've  
8 helped over 40,000 women find jobs and careers that  
9 help them to support their families. In recent  
10 years we've focused on defining what it actually  
11 cost for New York City families to work and make  
12 ends meet. So you are receiving a copy of our  
13 latest report called overlooked and undercounted,  
14 the struggle to make ends meet in New York City.  
15 I'm going to take a moment to commend this city  
16 council as well as city hall for the first time in  
17 20 years being open to discussions about economic  
18 equity and what it actually costs to live and work  
19 in New York City. So... so we believe that this is  
20 now an opportune time to shift our public policy  
21 discussions from just moving families above poverty  
22 to one that addresses in a more comprehensive way  
23 how to help working families achieve economic  
24 stability based on a better understanding of what  
25 they really need to make ends meet. So in that  
regard we have developed this report as well as

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3 backup information which we will send to all of you  
4 that calculates what it cost for 152 different  
5 family types in seven different geographic areas in  
6 New York City; so Staten Island, Queens, the Bronx,  
7 north and south Manhattan, northwest Brooklyn, and  
8 the balance of Brooklyn for family starting with  
9 one adult up to four adults and three children of  
10 varying ages. And so we feel that in your  
11 deliberations about contracts that you're going to  
12 let and work that you're doing we hope you take  
13 this into consideration. And thank you for this  
14 opportunity.

15 ARMANDO CHAPELLIQUEN: Good afternoon  
16 Chair Cornegy and Chair Garodnick and the Small  
17 Business and Committee on Economic Development for  
18 the opportunity to testify on the fiscal year 2017  
19 preliminary budget. I'm actually giving testimony  
20 on behalf of Barica Williams [sp?] also so this is  
21 her testimony that you guys are seeing in front of  
22 you right now. And like I said my name is Armando  
23 Chapelliquen I am the Equitable Economic  
24 Development Campaign Coordinator for the  
25 Association for Neighborhood and Housing  
Development or ANHD. Our mission is to ensure

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3 flourishing neighborhoods and decent affordable  
4 housing for all New Yorkers. We're here because we  
5 want to applaud the city's economic development.  
6 The city's economic development corporation's new  
7 request for proposals for the not-for-profit  
8 industrial development fund. The not-for-profit  
9 industrial development fund is an innovative  
10 program model and an important achievement for the  
11 de Blasio administration. This fund aims to  
12 increase the capacity for not-for-profit  
13 organizations to develop industrial real estate and  
14 support the growth of a more robust mission driven  
15 industrial development ecosystem. Not-for-profit  
16 developers share the mayor's values of equitable  
17 economic development because they are mission  
18 driven and they can create the greatest benefit for  
19 the community and the intentional strategy of  
20 maximizing the number of quality jobs for the  
21 community that most need them. So ANHD is committed  
22 to strengthening the needs of communities and small  
23 businesses because really they're integral to the  
24 fabric of New York's neighborhoods. And ANHD  
25 commends the Department of Small Business Services,  
their work over the past year. But despite the

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3 great achievements made by SBS in the past year  
4 critical steps must be taken to protect small  
5 businesses and expand workforce opportunities at  
6 the neighborhood level. Our city currently has no  
7 system or agency responsible for protecting our  
8 small and local businesses from landlord harassment  
9 and destabilizing rent increases. And while SBS has  
10 small business oversight they have no ability to  
11 protect or enforce our small businesses. And we  
12 support legislation to protect our small businesses  
13 and to establish a clear set of rights for our  
14 city's valued small businesses. ANHD respectfully  
15 requests an increase of funding for SBS's smart  
16 small think big program. This program supports non-  
17 profit organization providing financial and legal  
18 services to low income entrepreneurs. And just  
19 jumping through the remainder of my testimony which  
20 you also have in front of you we're applauding the  
21 work of SBS's neighborhood development division.  
22 We're also happy to see the work that's being done  
23 with the Workforce1 centers especially in the outer  
24 boroughs. And we also ask for the council to  
25 continue to support the city's IBSP, the industrial  
business service providers. We appreciate the fact

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3 that they... that they were baselined their funding  
4 of 1.5 million in the administration's baseline  
5 budget but we would appreciate seeing continued  
6 support from the council on that as well.

7 CHAIRPERSON GARODNICK Terrific. Well  
8 thank you. We thank you for your patience. That is  
9 going to be the last word for today. And we  
10 appreciate the time of everybody who participated;  
11 certainly the staff of both committees. It's always  
12 a pleasure to co-chair a hearing with Chair  
13 Cornegy. And with that on to the exec and beyond.  
14 We thank you all for your testimony today.

15 [gavel]  
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C E R T I F I C A T E

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



Date April 13, 2016