

New York City Economic Development Corporation

New York City Council Oversight Hearing:
Fiscal Year 2018 Executive Budget Testimony
James Patchett, President
March 8, 2017

Introduction

Good afternoon Chairman Garodnick, Chairman Cornegy, and members of the Committees on Economic Development and Small Business. I am James Patchett, new president of the New York City Economic Development Corporation (NYCEDC), and I am pleased to be here to testify before you today. This being my first Budget Hearing as President of EDC, before I present our plan for fiscal year 2018 and answer your questions, I want to give some context about where we are as an organization and what our priorities will be in the year ahead.

I've had the pleasure of working with many of you in my previous role as Chief of Staff to Deputy Mayor Glen, where we successfully advanced projects that are going to bring affordable housing, jobs, and neighborhood investments to many of your districts. For those of you I haven't yet worked with, I look forward to partnering in the months ahead as we use all of EDC's tools to advance smart and inclusive economic development projects.

Today, through the focused and thoughtful work of this administration, the City is in a strong economic position. For example annual average employment grew by 328,300 from 2013 to 2016 and the unemployment rate fell by 2.9 percentage points from December 2013 to December 2016.

That said, it is no secret that this growth has not been shared equally. While many of the jobs our city has added offer good wages, others are in lower wage sectors that offer little opportunity for career advancement. And among the better paying jobs, many still remain out of reach for New Yorkers without a college degree.

This EDC and this administration are deeply committed to addressing that inequality. One way we do so is by working to raise the floor for lower wage jobs, and I'm proud that we've made some real progress in that regard - successfully campaigning to raise the minimum wage, and expanding paid sick leave, family leave, and living wage requirements to even more New Yorkers.

But we need to complement those efforts by ensuring that even more of the jobs our city is creating are good paying jobs - and providing more New Yorkers with the skills and supports they need to access those jobs. It's for that reason that the Mayor recently made a commitment to using all the tools at the City's disposal to create 100,000 quality jobs over the next decade - jobs that pay a middle class salary or offer a career ladder into the middle class. EDC is currently working on a more detailed plan to reach that goal.

While I am primarily here to talk about EDC's budget, I'd like to use a few minutes at the end of my testimony to discuss the Mayor's commitment, and some of the ways we are already working to reach that important goal.

EDC is a self-funding entity, meaning we use our own generated revenues to support operations and fund our core programs such as Citywide Ferry Service. Our revenue comes primarily from property management, financing fees, and land sale proceeds. Because of our unique structure, EDC uses the revenue generated by our assets not only to make fiscal contributions to the City, but also to make strategic investments - either in our own assets or to fund a broad range of programs and services - with the goal to expand economic opportunity throughout the city.

FY17 Clean Up & Updates

For FY 17 our board approved budget stands at \$848 million and is comprised of city capital, city expense in the form of grants, and money generated from the management of our own assets. Our ten year capital plan is about \$4.2 billion. EDC remains in strong financial standing and continues to make substantial progress on our ongoing projects.

Over the years, commitment rate has been an important topic at EDC budget hearings. As the Committees are well aware, for those less familiar with the terminology, commitment rate represents the percentage of EDC's capital budget that is committed by encumbering funds and registering contracts for our ongoing projects. We have made increasing our commitment rate a real priority and worked closely with the Office of Management and Budget and the Comptroller's Office to bring our commitment rate up to the highest possible point. I am pleased to report that we were able to meet the target set by former NYCEDC President Maria Torres-Springer and finished out last year with a commitment rate of 35%. This year, we are on track to meet or exceed last year's goal.

Last year, EDC's former president also testified about our efforts to create programs to help minority and women-owned businesses benefit from EDC projects and city investments. In the last year, we created a new suite of tools, trainings and networks for MWBEs, designed to build the capacity of these firms and enable them to successfully work on the City's projects. For business owners in the construction field, our ConstructNYC program offers training and support to prequalified contractors who are granted exclusive access to bid on specific EDC construction-related contracts. More than 20 firms have completed the training program so far, with nine additional firms currently enrolled in the pipeline. Firms prequalified through ConstructNYC are able to compete against similarly-sized businesses for EDC projects, receive fast-tracked payments and access to mobilization capital.

For minority, women and disadvantaged businesses owners not in the construction industry, we offer high-quality training resources through our Next Level Bronx and Manage Forward initiatives. These eight-month long programs allow participants to work on growth plans with expert guidance and create an exclusive CEO peer-networking group. Originally offered as a pilot program in Brooklyn in partnership with Banco Santander, Manage Forward's MBA-style program was so wildly successful that we were able to partner with Citibank to expand it to the Bronx. Manage Forward and Next Level have graduated a total of 23 businesses to date, and an additional 15 firms will be matriculating in the second Manage Forward class set to begin in mid-March. Given their success, we are always looking for opportunities to expand these programs even further.

In looking at the full scope of how best to support emerging developers and MWBE's, we noticed that many often struggle to procure the necessary capital at the predevelopment and acquisition stages to bring their projects to fruition. Last year, we launched a ten million dollar Emerging Developer Loan fund to meet this need. We are approaching the final selection of the first few firms to receive loans through the program and look forward to briefing you as we come closer to announcing those publicly soon.

I'd also like to give the Committees a brief update on Citywide Ferry Service. Since last year's hearing, we've been working around the clock to ensure that this new transit offering comes on line, on time and on budget. I'm pleased to say that thanks to a true team effort – including hard work from many of you - we remain on track to launch our first new service routes this summer.

EDC's budget for Citywide Ferry Service includes \$59 million in City capital for floats, gangways and capital infrastructure needs. Our preliminary FY18 plan allocates \$84.4 million for the purchase of 20 vessels. We are confident that these investments will allow us to deliver the project on schedule and as planned.

Just to give you an idea of where we are in our timeline, vessel construction is fully underway at two shipyards in the Gulf region: Metal Shark and Horizon. Sea-trial testing of the vessels began last month and once that testing is complete, the ferries will begin to make their way to the City.

Construction of the homeport facility is also well underway at the Brooklyn Navy Yard. On November 28th, we began driving piles that will be used for the construction of the pier and, by mid-May, we expect the decking to be fully completed. By early next year, the homeport facility will be ready for use overnight and to maintain the new Citywide Ferry fleet.

100,000 New Jobs in Ten Years

Before I take questions, I want to address something that I'm sure many of you are focused on. Last month, Mayor de Blasio announced the City's commitment to creating 100,000 new jobs over the next ten years. In the coming months, we will be finalizing a detailed plan, on the projects that will create the jobs over the next ten years. But to give a sense of what we're working on, let me talk a bit about EDC's job creation strategy that will be informing that plan.

EDC has several levers that it intends to activate for its job creation plan. We manage over 66 million square feet of industrial space at Brooklyn Army Terminal and Bush Terminal that we are able to activate for job intensive uses. Our real estate and area wide development practice allows us to partner with the private sector to activate underutilized city owned land to create jobs, affordable housing, open space and other important investments. Finally, through the Industrial Development Agency we are able to incentivize small and medium sized business growth across the five boroughs through robust tax incentive packages. Using all these tools in tandem, we focus our efforts on the industries that we believe have significant potential to create good jobs.

For example, the **industrial and advanced manufacturing sector** presents some of the most diverse potential for job opportunities in New York City. Employing nearly half a million New Yorkers and paying a median wage of \$50,400/year, this sector continues to be a cornerstone of

the City's economy and a vital source of good-paying jobs. By investing in these job opportunities, we are growing a vital pathway to the middle class for thousands of New Yorkers.

As many of you know, one of the key focuses of this administration has been retaining and attracting small and medium sized businesses in various neighborhoods across the five boroughs. The Industrial Development Agency has been an instrumental player in making progress on that goal as it seeks to encourage economic development citywide, preserve existing jobs and create quality, good-paying, new ones. I am proud of IDA's performance record, which includes helping create more than 15,000 jobs across the city between FY15 and 16.

For example, there's a company founded in East New York in 1974 called Transcontinental Ultra Flex. Ultra Flex designs and manufactures flexible plastic packaging for perishable and durable goods. The company felt like they had the opportunity to expand jobs, so they came to us to help figure out how to do it. EDC helped them secure financing to undergo a \$16.4 M renovation and equipping of their East New York facility. By doing so EDC was able to support the creation and retention of up to 300 jobs in East New York.

A big part of providing manufacturing jobs includes expanding industrial space throughout the City. Thanks to a partnership between the Council and Administration we're beginning our work on the 10 point Industrial Action Plan to modernize NYC's industrial and manufacturing sector. EDC established **The Industrial Developer Fund** in late 2015. By providing qualified real estate developers with financing assistance in the form of grants and loans, IDF is designed to create 400,000 square feet of new or renovated space and up to 1,200 jobs by 2020.

Since the City began seeking bids for the Industrial Developer Fund last year, we have been working to identify qualified firms capable of bringing quality and affordable space on line. We were pleased to select GMDC, a nonprofit real estate development organization dedicated to the preservation of permanent affordable manufacturing space. GMDC will use the funds granted through IDF to renovate a 90,000 sq. ft. industrial building in Ozone Park, which will then be sub-leased to small businesses. Once completed, this project will bring 80 middle class jobs to New Yorkers.

In addition to helping create new space, EDC currently manages a number of already-existing assets on behalf of the city that we are activating for job intensive uses. Some of those sites you may be familiar with such as Bush Terminal, Brooklyn Army Terminal (BAT), and South Brooklyn Marine Terminal. Take BAT as a specific example of how these spaces can help us create real jobs: EDC recently announced the selection of Tech Shop to operate an advanced manufacturing center at BAT, which is expected to support more than 200 businesses and create over 500 jobs.

While some of the manufacturing initiatives I've been talking about are available to any type of industrial firm, others are more targeted. A few weeks ago, I was pleased to stand alongside Mayor de Blasio in Sunset Park to announce the role we envision for Bush Terminal in the Made in New York Initiative.. As the Mayor said, we are committed to supporting the fashion industry and garment manufacturing – and Bush Terminal provides the perfect space to do so. This is an unprecedented opportunity to stabilize, modernize, and strengthen the fashion manufacturing industry in NYC and support its growth.

Last August, EDC announced the creation of a food manufacturing hub at Brooklyn Army Terminal's Annex building. EDC designated the entire 55,000 square foot space to serve up to 10 growing food manufacturing companies with the capacity to house over 100 new jobs. This use of the Annex building builds on EDC's larger vision of turning Brooklyn Army Terminal into a 21st century manufacturing center.

In addition to more traditional sectors, EDC is looking at new and exciting industries to figure out how we can bolster them in New York City to create high quality, 21st century jobs.

One of these industries is **Life Sciences**, where companies are doing groundbreaking work to develop new vaccines and pharmaceuticals, build advanced prosthetic devices, and design software that makes diagnostics more accurate. The industry is not only innovating, but also quickly expanding. It experienced job growth of over 16% since 2009; offering a wide range of employment opportunities for those with a high school diploma all the way to PhD. In order to harness this potential, in December 2016, the de Blasio Administration and EDC announced a \$500 million investment in Life Sciences. We expect this investment to spur the creation of an estimated 9,000 new jobs in the next ten years.

Another key sector we are watching closely is innovation and **technology**. We are continuing to not only look for opportunities to create more tech jobs, but also to provide workforce training so that New Yorkers from all five boroughs feel that these new jobs are accessible to them.

One of these opportunities arose last month when EDC announced a project at 124 East 14th Street which will provide affordable access to 21st century skills training for technology jobs that offer career pathways into the middle class. The project will also offer affordable space for workforce training and flexible office space for companies and first time entrepreneurs.

Meanwhile our Urbantech NYC program helped open hubs at Grand Central Tech and New Lab to provide resources for growing tech companies and training for New Yorkers looking to expand their skill sets. These hubs will retain and attract high-growth smart cities and clean tech companies in New York City, supporting up to 3,200 jobs over the next ten years. The hubs will also provide space to train local workers and pair students with internship opportunities.

And one subsector of the tech economy we think has significant potential for growth is the VR/AR sector, which has seen nearly \$3 billion in investments nationally in the past two years. As different industries and applications make use of VR/AR technology, the global market could grow to just over \$2 trillion by 2035. New York City is uniquely positioned to become a leader in VR/AR thanks to its diverse talent pool and strong anchor industries like healthcare, education, and retail, just to name a few. Our newly announced VR/AR lab will serve as a hub for the growing industry, and help the City leverage its competitive advantages as its VR/AR sector grows. Specifically, the Lab will support early growth-stage VR/AR companies with space, infrastructure and a multitude of other resources.

Finally, across all our efforts, we work to make sure these jobs are accessible to members of the community. That's why our HireNYC program establishes local hiring goals at the outset of many EDC projects to ensure that newly created jobs benefit the neighborhood. HireNYC began in 2008 as a partnership between SBS and EDC with the goal of connecting low - income

residents to permanent jobs in their communities. Over the last few years more than 2,000 people have been hired through the program and we currently have over 45 projects in the HireNYC pipeline.

Conclusion

To conclude, our work across the city is diverse, but we at EDC remain committed to supporting equitable growth across all corners of the city. In my new capacity as president of EDC, I look forward to partnering with the Council to continue our work to build strong neighborhoods and grow good jobs. Thank you all for your attention – I am happy to take any questions you have.

TESTIMONY BY
COMMISSIONER GREGG BISHOP
NEW YORK CITY
DEPARTMENT OF SMALL BUSINESS SERVICES
BEFORE
THE COMMITTEE ON ECONOMIC DEVELOPMENT
AND
THE COMMITTEE ON SMALL BUSINESS
OF THE
NEW YORK CITY COUNCIL
WEDNESDAY, MARCH 8, 2017

INTRODUCTION

Good afternoon Chairman Garodnick, Chairman Cornegy and the members of the Committees on Economic Development and Small Business. My name is Gregg Bishop and I am the Commissioner of the New York City Department of Small Business Services ("SBS"). I am pleased to join President James Patchett and my colleagues at the New York City Economic Development Corporation ("NYCEDC") to testify today. I am joined by SBS First Deputy Commissioner Jackie Mallon and my senior leadership team.

At SBS, we aim to unlock economic potential and create economic security for all New Yorkers by connecting New Yorkers to career-track jobs, building strong businesses, and fostering vibrant neighborhoods across the five boroughs. Today, I want to share an update on our efforts over the last year to strengthen the City's support for jobseekers, small businesses, and commercial corridors in neighborhoods around the city. After my testimony, I am 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' FY18 Preliminary Budget is \$159.5 million with a headcount of 322 employees. The Preliminary Budget includes pass-through funding for other financial needs within City government, including: \$31.9 million for NYCEDC, \$21.2 million for NYC & Co., and \$15.6 million for Governors Island. The remaining \$90.8 million, or 57% of the FY18 Preliminary Budget, is allocated for SBS's programs. Now, I am going to focus on how this funding supports SBS's mission of economically empowering New Yorkers through our employment, business, and neighborhood services.

COMMUNITY ENGAGEMENT:

As mentioned in my testimony last year, my personal goal as SBS Commissioner is to ensure all New Yorkers have access to the programs and services we have to offer and to direct our services to those most in need. Though our services produce results for businesses and workers, many people

are not aware of what we do. To combat this, we have increased our communications staff and resources in order to reach the widest audience. For example, this year we ran a highly successful **M/WBE certification ad campaign** on subways, the Staten Island Ferry, social media, as well as traditional print media and radio. The ads were also placed in Spanish, Urdu and Chinese-language media. After the campaign launched, the number of certification applications increased by 35% in the first quarter of FY17 as compared to the same period the previous year. We will expand the initial campaign this year to continue this effective outreach. I have also gone door-to-door with many of you to learn, firsthand, the issues small business owners are facing. Walking the commercial corridors in your districts has allowed me to truly understand the impact and importance of our work. Through this engagement with the Council, we have also been able to strengthen our partnerships to address community concerns. Working with **Chair Garodnick** and the **NYPD**, we responded to the concerns of small businesses near Trump Tower who were affected by increased security requirements. We partnered with the NYPD to reach out to small businesses in the area to help the local community navigate the new security environment. We hope to continue this close partnership to ensure our communities are aware and have access to our services.

SUPPORT FOR JOBSEEKERS

At SBS, we prepare and help New Yorkers to find jobs by training local residents and connecting jobseekers to employers in need of talent. Supporting the Mayor's focus on quality jobs, our agency connects New Yorkers to employment opportunities in fast-growing industries with real opportunities for advancement.

Through our network of 20 Workforce1 Career Centers, SBS prepares and connects job seekers with career opportunities in New York City. Our centers, located throughout the five boroughs, utilize recruitment expertise, industry knowledge and skill-building workshops to match qualified candidates to

positions with our employers. This year we successfully connected more than 25,000 New Yorkers with quality employment and 4,000 New Yorkers with the training needed to advance their careers.

Last year, we built upon the success of Workforce1 Career Centers with an unprecedented expansion of the system driven by community engagement, featuring new services tailored to growing populations of the city. In Washington Heights, we launched the first Workforce1 location to offer tailored employment, training, and supportive services to the City's vibrant immigrant workforce. Through our partnership with the Human Resources Administration (HRA), the center offers pre-training programs featuring English as a Second Language (ESL) support and customized workshops to help foreign-born job candidates. The center also offers direct access to HRA benefits, and connection to social services provided by community-based organizations. In East New York, SBS worked with a coalition of community organizations to identify local needs and tailor services for a new Workforce1 center, opened in October. SBS is also dedicated to ensuring connection to good paying jobs in the city's industrial sector. This year, SBS opened three new Industrial and Transportation Career Centers in Port Morris, Staten Island and Sunset Park. We developed the **Brooklyn Workforce1 ITC Center** in partnership with EDC to serve as an on-site resource at the Brooklyn Army Terminal, connecting tenants of the facility to jobseekers in the Sunset Park area.

Along with our Workforce1 Career Center System, SBS leverages the City's Industry Partnerships to inform the design of training programs in key economic sectors that meet employers' needs, and help New Yorkers to enter and advance in sectors that are driving New York City's economy. This includes construction, healthcare, food service and hospitality, and the technology sectors. Most recently, the NYC Food & Beverage Hospitality Council created Stage NYC, a new three-month program connecting out-of-school, out-of-work youth with rewarding careers in the New York City restaurant industry. The program will begin this spring and train participants in technical skills and life skills to ready young adults for careers in the restaurant industry. Participants will also receive paid, on-the-job training with an industry partner in order to gain hands-on experience.

Through the City's HireNYC policy, City contractors are now required to consider New Yorkers for employment opportunities created through eligible City contracts with our partner agencies. The City's HireNYC program will leverage SBS's network of Workforce1 Career Centers to connect New Yorkers to open positions created through the City's purchases and investments. Through HireNYC and the Workforce1 Career Center system, this Administration is making sure that more New Yorkers have a first shot at jobs related to City projects, and that employers have access to a pool of talent from the local community.

SUPPORT FOR BUSINESSES:

Small businesses provide opportunities for individuals to strengthen their own economic security and provide jobs for members of their communities. At SBS we help the city's 220,000 businesses start, operate, and grow in New York City by helping minority and women-owned businesses get City-certified and compete for City contracts, connecting entrepreneurs to free resources, and navigate government. I've shared this before but I feel it's important to repeat it now more than ever- growing up with my grandmother in Grenada, who supported our household as a woman entrepreneur, I came to understand first-hand that business ownership can empower a family and support greater economic opportunity for future generations. As an immigrant myself, and with nearly half of the city's small businesses owned by immigrant entrepreneurs, it is critical for SBS to provide services that are inclusive of all communities and ensure a person's country of origin does not limit their access to economic opportunity. Through the **Immigrant Business Initiative (IBI)** we offer free business courses on topics such as credit, marketing, legal aid, and entrepreneurship in Spanish, Chinese, Haitian Creole, Russian, Korean, and Bengali. Through IBI we've served over 1,500 immigrant businesses over the past two years. We also partner with the New York Public Library, Brooklyn Public Library, and Queens Public Library systems to better reach entrepreneurs in immigrant communities across the five boroughs.

We are dedicated to providing supportive services and resources through a number of programs and initiatives that help small businesses to successfully grow and thrive in this city. We have seven Business Solutions Centers across the boroughs that provide free, accessible services to local businesses, including one-on-one assistance with developing business plans, securing financing and accessing City benefits. To serve industrial and manufacturing businesses, SBS partners with seven **Industrial Business Services Providers**. In FY16, our Industrial Providers helped more than 1,246 unique industrial businesses, surpassing the 552 businesses we served in FY15.

New York City is a great place to start and operate a small business. But as we all know, many small businesses operate on very small margins and every way we can help support them makes a difference. With rising rent being one of the top challenges facing many residents and small businesses alike, our office has a number of solutions to help reduce business expenses and boost sales in other areas. To ensure that small businesses remain an essential part of the character of NYC neighborhoods, we recently launched **Love Your Local**, a multi-platform public engagement campaign and business operational support program. This new initiative celebrates and promotes the diverse, independent, small businesses that enrich neighborhoods across New York City - and encourages New Yorkers to share their favorite non-franchise businesses on an interactive online map. These businesses will also be able to apply for technical assistance and a share of \$1.8 million in grant funding to help their business continue to succeed.

Eligible businesses may receive a grant up to \$90,000, which may be used to address operational and capital improvements, as well as other needs that will help the business better compete. Since the launch on Valentine's Day, we have seen over a 1,000 businesses added to the map. I would encourage you all to visit nyc.gov/loveyourlocal and help your local beloved restaurant, bodega, or dry cleaner get on the map and become eligible for the grants.

To help businesses operate in a stable location, SBS has been working diligently to help businesses to better understand and negotiate commercial leases. SBS offers commercial lease education workshops in all five boroughs to teach New York City entrepreneurs about the components

and implications of signing a commercial lease. SBS has released an RFP to expand our commercial lease legal services to support **Chairman Cornegy's** historic **Commercial Tenant Harassment Law**, which gave essential legal protections to commercial tenants who previously lacked these protections.

SBS offers a number of programs to address critical business compliance and regulatory needs. Through **Small Business First**, a multi-agency initiative to reduce the regulatory burden on small businesses and increase compliance, we now have dedicated **Compliance Advisors** that are helping to guide business owners through government processes such as inspections and violations. In the program's first nine months of operation alone, we have served more than 1,000 businesses, helping businesses to correct violations that could result in fines of more than \$1.2 million dollars. When opening a new business, we also provide advice on sequencing of services, scheduling and coordinating inspections, understanding and resolving violations which has helped over 3,500 businesses open their doors

We are also continuing to grow and expand our highly successful Women's Entrepreneurship Program. Since its launch, **WENYC** has reached nearly 1,500 women through over 250 hours of workshops and 140 hours of direct mentoring. We recently launched **WE Master Money**, which helps budding entrepreneurs identify the right funding opportunities and develop an, effective pitch.

Sudden emergencies can disproportionately impact small businesses, disrupting operations and making it difficult to plan for the future. When a crisis event occurs the **SBS Emergency Response Unit** provides immediate support in the field to assess damage and refer business owners to services such as pro-bono legal and insurance assistance. To better prepare businesses for natural disasters before they occur we launched **Business PREP**, a \$3 million business resiliency program that will provide support for small businesses impacted by Superstorm Sandy and other vulnerable businesses to implement operational and physical resiliency measures. In October 2016 we began providing free, on-site risk assessments featuring customized physical, operational and financial preparedness and

resiliency-related improvements to business owners. Businesses that receive an assessment will be eligible to receive a grant of up to \$3,000 to purchase resiliency-related items recommended by the assessment.

SBS also plays a key role in the City's Minority and Women-owned Business Enterprise ("M/WBE") program, with a goal of ensuring that the City's procurement reflects the diversity of our business owners. Mayor de Blasio has made a significant commitment to the city's M/WBE firms, creating the **Mayor's Office of M/WBE** and announcing a bold new vision for the City's M/WBE program - which included the goal of awarding at least 30% of the dollar amount of City contracts to M/WBEs by 2021, and a goal of doubling the number of certified M/WBEs to 9,000 by 2019. SBS is working with the Mayor's office to support the City's commitment, hitting a record high of more than 4,500 City-certified M/WBEs in FY16, a 23% increase since the start of Mayor de Blasio's administration. With the Mayor's investments, we have added additional staff capacity to our certification, outreach and capacity building teams. We will also use these investments to increase and deepen our capacity building programs. Of the M/WBEs that have won contracts, nearly 2/3 had used our services and we hope to increase that number this year. We are also reviewing our certification process to simplify and shorten the intake period for new M/WBEs while maintaining the integrity of the program. In February, SBS announced new community partnerships to increase outreach to M/WBEs. With support from SBS, these community partners will work to help M/WBEs get certified or re-certified as an M/WBE contractor and help these businesses to compete for City contracts. Soon we will be opening applications for the **Contract Financing Loan Program**, which will allow eligible M/WBEs to apply for loans of up to \$500,000. This revolving fund will be capped at a 3 percent APR, the lowest of its kind in the entire state among government-funded programs. We are also launching a **\$10 Million Bond fund** this spring to help M/WBEs secure bonding or increase bond capacity.

SUPPORT FOR COMMERCIAL CORRIDORS:

SBS works with community-based organizations to build vibrant neighborhoods where New Yorkers can shop, work, and live. Working with local partners is essential to understanding and tackling the unique challenges faced by New York City's diverse communities. SBS oversees the largest network of Business Improvement Districts (BIDs) in the country, with 73 BIDs delivering more than \$130 million in services throughout the five boroughs. In the past year we've seen a number of increases in BID assessments, BID expansions and the creation of new BIDs such as the **Greater JFK Industrial BID**. With the support of **Council Member Richards**, the businesses and residents of Springfield Gardens worked together to form a BID adjacent to JFK airport. The BID will support over 600 businesses and provide logistical support to the millions of tons of goods that flow through JFK. We'll soon release our annual BID Trends Report, which highlights the great work being done by BIDs across the city.

SBS invests in community-based organizations to support community-directed resources in our city's neighborhoods. Through **Neighborhood 360°**, an initiative dedicated to strengthening commercial corridors, SBS published six **Commercial District Needs Assessments (CDNAs)**. The published CDNAs cover: Downtown Flushing, Downtown Staten Island, East Harlem, East New York, Inwood, and Jerome Avenue. These CDNAs identify the needs and opportunities for local neighborhood revitalization, with recommendations for merchant organizing, public programming, and other quality of life improvements that will be funded by **Neighborhood 360° Grants**. Community-based organizations will be able to tap into approximately \$3 million in program grants per year to develop and staff revitalization projects that address needs identified in the CDNAs. Another component of the program, the **Neighborhood 360° Fellows**, pairs neighborhood development professionals with community-based organizations to offer dedicated support for these projects. The fellows are paid, full-time community development professionals, community organizers, or planners. SBS is currently wrapping up our first cohort. Applications for the next cohort are due March 12th and

we again ask for your assistance to ensure that the emerging professionals in your district have the ability to benefit from this unique opportunity.

Other programs include the **Avenue NYC** grant program which funds organizations in low- to moderate-income areas to implement commercial revitalization activities that benefit businesses and local residents. Currently, we are managing \$1.45 million in Avenue NYC grants for 43 projects at 38 organizations, covering such work as merchant organizing, business attraction and retention, and place making initiatives. Additionally, SBS is relaunching the **Neighborhood Challenge** grant program in partnership with EDC. The program provides grant funding to support catalytic projects that solve commercial district and small business challenges. Since launching, Neighborhood Challenge has awarded 26 organizations nearly \$1.7 million in grants for innovative projects including storefront improvements, district marketing campaigns, property and public space activations, and public art installations. This year the program will pair nonprofit community organizations and tech companies to create tools that address common commercial district issues. The competition seeks to make awards of up to \$100,000 to fund innovative ideas that use data and technology to improve operations, target services or address local public policy challenges.

We look forward to working with Council in the year ahead. Thank you and I would be happy to take your questions.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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Address: EDC

I represent: _____

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**THE COUNCIL
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Name: *Gregg Bishop, Commissioner*

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I represent: *SBS*

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I represent: *SBS*

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