

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 08, 2017

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HELD AT: Committee Rm - City Hall

B E F O R E:

DANIEL R. GARODNICK
Chairperson

ROBERT E. CORNEGY
Co-Chair

COUNCIL MEMBERS:

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

BILL PERKINS
ERIC A ULRICH

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

James Patchett
President of New York City Economic Development
Corporation

Gregg Bishop
Commissioner of the New York City Department of
Small Business Services

Jackie Mallon
First Deputy Commissioner at New York City
Department of Small Business Services

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[gavel]

CHAIRPERSON GARODNICK: Good afternoon

everyone. My name is Dan Garodnick and I am the
Chair of the City Council's Committee on Economic
Development. Today we are going to be hearing from
the Economic Development Corporation and the
Department of Small Business Services to discuss
the Fiscal 2018 Preliminary Budget. I'm very
pleased to be here with Council Member Robert
Cornegy, who chairs the Committee on Small business
and we all know that EDC is the City's primary
agent for economic development and their principle
mandate is two-fold to encourage investment and to
attract, retain, and create jobs in New York City.
As such this committee is interested in having a
robust conversation about how EDC's budget as laid
out in this preliminary plan connects to the larger
job creation and economic development strategies of
the city. We're also interested in getting some
details today on the mayor's state of the city
pledge to create 100,000 permanent jobs paying
between 50,000 and 75,000 dollars over the next ten
years. Don't get me wrong we appreciate the goal
but we do not yet see where the 100,000 number

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comes from, even with the most generous assumptions
and I do mean generous assumptions and without yet
questioning the validity of the numbers themselves
I can only see 52,610 jobs that have been
identified to be created under the mayor's plan
that may be 52,810 if you include the 200 ferry
jobs that the mayor announced today although we
would like to know how many of these jobs are in
fact new and not just transfers and I note 28,000
of the 52,000, more than half appear to be
attributed to the east Midtown rezoning which is
not yet passed and those jobs are projected to be
created over ten years not ten so it is likely a
much lower number than 28,000. The plan at this
point feels like it is either incomplete or without
crucial details or simply a cobbling together of
job numbers from already anticipated programs. If
this is not the case we will happily be proven
wrong but no matter the case we need more details
and we look forward to getting them today. The
Fiscal '18... 2018 Preliminary Capital Commitment
Plan for EDC includes more than 3.2 billion dollars
through Fiscal 2020, of the 3.2 billion dollars 1.3
billion dollars is supposedly expected to be

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committed in Fiscal 2017 however we all know that that is not likely to happen. In the first four months of the year capital expenditures totaled 100.7 million dollars that represented about eight percent of the Capital Commitment Plan through a full third of the Fiscal Year. That may actually mean that EDC is making some progress here which we would appreciate and I hope that EDC can share updated capital commitment numbers today. We also have questions for the Department of Small Business Services and I... Chair Cornegy is going to take the lead on those questions but from my own perspective we need to review the status of SBS's School Bus Driver Program that first received funding through a City Council Grant Program that was supposed to be a one year, one shot program. At the city council's August 19th, 2014 hearing on this matter the administration testified before the council that the legislation was for one year only and that the request of supplemental wages would not be pursued again. Chris Berner, the Chief of Staff in the Mayor's Office of Labor Relations testified that the bill would encourage school bus companies to offer better wages and benefits to senior

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1 drivers only for the upcoming school year. He went
2 on to say that the bill would quote, "ensure smooth
3 services for the year" and gave the city time in
4 the next several months to seek state legislation
5 to provide for retention of senior drivers. Mr.
6 Berner represented that his council has confidence
7 that the city would be able to secure a change in
8 state law and therefore only requiring a one year
9 commitment. This bill was accordingly applicable
10 for one year and faced a sunset on December 31st,
11 2015 in the interim the administration was not
12 successful in securing a change in state law. After
13 the bill's sunset, rather than return to the city
14 council SBS passed an extension to the expired law
15 by rule on November 20th, 2015 and is seeking to do
16 so again. I don't believe that SBS had the
17 authority in November 2015 to perpetuate the
18 program without the consent of the, the consent of
19 the council and I don't believe that it has the
20 authority to do so today. We intend to explore with
21 SBS the status of this program and it's continuing
22 budgetary implications. I want to thank both
23 President James Patchett and Commissioner Gregg
24 Bishop for coming here today and testifying, I will
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say I have great respect for both of these gentlemen and have worked very closely with both of them on a number of issues and I want to note that is Mr. Patchett's first budget hearing as president of EDC and I'm very happy to welcome him here in his new capacity today. I would also like to thank both my staff and the staff of the Finance Division for their help in preparing for this hearing. Lastly before turning over the microphone to Chair Cornegy I just want to make one final comment and acknowledge that today is International Women's Day and I know that some colleagues and council staffers are taking steps to highlight the significant role that women play in our economy. As this is the Economic Development Committee it is important for us to take this moment to acknowledge that women continue to be underpaid making 79 cents for every dollar that men make even less for women of color and continue to do so... continue to do the overwhelming majority of unpaid labor in our economy. We need to continue to fight for economic equality and we stand in solidarity with those who are working towards that goal today and every day and with that Chair Cornegy the floor's yours.

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COUNCIL MEMBER CORNEGY: Thank you

Chair Garodnick. Good afternoon, I'm Council Member Robert Cornegy, Chair of the Committee on Small Business. Today the committee will present... be presiding over the Fiscal 2018 Preliminary Budget and the Fiscal 2017 Preliminary Mayor's Management Report for the Department of Small Business Services. This hearing is being held as always jointly with the Committee on Economic Development and Dan Garodnick which will preside over the Preliminary Budget for the New York City Economic Development Corporation. We've been joined by the Commissioner, who I'm pleased Gregg Bishop and I want to thank you obviously for coming. This is the part usually where I acknowledge all of my colleagues who are probably outside enjoying the sun right now obviously. The Fiscal 2018 Preliminary Budget for the Department of Small Business Services is 159.5 million. This represents less than half a percent of the city's proposed Fiscal 2018 Preliminary Budget and it's 79 point... 76.9 million or 33 percent less than the agency's Fiscal 2017 adopted budget of 236.4 million. The Preliminary Budget reports an overall headcount of

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363 full time and full time equivalent positions.
This committee is interested in learning more about
how the agency intends to utilize funding for the
proposed budget for the benefit of the city's Small
Business and Workforce Development. In particular,
we're hoping that the Commissioner will give us
details about the Center for Faith and Community
Partnerships and the type of support SBS will
provide to the center. Also, the administration
added more funds in a preliminary plan to expand
the city's M/WBE Program and I would like to
commend you for that. This committee would like to
hear specifics about how these funds will be
utilized by the agency. Though we're here to mainly
discuss items in the agency's proposed Preliminary
Budget I'm also interested to hear updates
regarding the agencies various programs and
initiatives. I'm especially interested in learning
more about the CAP M/WBE Mentorship Program, a
program that connects M/WBE's with successful
entrepreneurs from the private sector. I'm hopeful
that the Commissioner and I... I'm, I'm, I'm aware as
always, the Commissioner's prepared to answer many
if not all of our questions today. We'll hear from

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2 the Department of Small Business Services and then
3 members of the public will have the opportunity to
4 provide testimonies. I look forward to working with
5 the agency and all interested parties to finalize
6 the budget in the next few months. In closing I'd
7 like to thank my staff and the committee staff for
8 working hard to put this hearing together. Thank
9 you.

10 CHAIRPERSON GARODNICK: Thank you Mr.
11 Chairman and with that we're going to go right to
12 the testimony and... do you have a preference, okay
13 President Patchett welcome.

14 JAMES PATCHETT: Thank you. Good
15 afternoon Chairman Garodnick, Chairman Cornegy and
16 members of the Committees on Economic Development
17 and Small Business. I am James Patchett, new
18 President of the New York City Economic Development
19 Corporation. I am pleased to be here to testify
20 before you today. This being my first budget
21 hearing as President of EDC before I present our
22 Fiscal Year 2018 and answer your questions I want
23 to give some context at about where we are as an
24 organization and what our priorities will be in the
25 year ahead. I've had the pleasure of working with

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2 both of you in my previous role as Chief of Staff
3 to Deputy Mayor Glen where we successfully advanced
4 projects that are going to bring affordable
5 housing, jobs, and neighborhood investments to your
6 districts. For those of you I haven't worked with
7 which at this point if no one... sorry, I couldn't
8 help it. I look, I look forward to partnering in
9 the months ahead as we, as we use all of EDC's
10 tools to advance smart and inclusive economic
11 development projects. Today through the focused and
12 thoughtful work of this administration the city is
13 in strong economic position. For example, for
14 example annual average employment grew by 328,300
15 from 2013 to 2016 and the unemployment rate fell by
16 2.9 percentage points over that time period. With
17 that said it is no secret that this growth has not
18 been shared equally. While many of the jobs our
19 city has added offer good wages, others are in
20 lower wage sectors that offer little opportunity
21 for career advancement and among the better paying
22 jobs many still remain out of reach for New Yorkers
23 without a college degree. This EDC and this
24 administration are deeply committed to addressing
25 that inequality. One way is raising the floor for

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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 compliment those efforts by ensuring that even
more of the jobs in our city 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,
salary or offer a career ladder into the middle
class. This city is currently working on a more
detailed plan to reach that goal. While I'm
primarily here to talk about the 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, our own generated revenues to
support operations and fund our core programs such
as citywide Ferry Services. Our revenue comes

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1 primarily from property management, financing fees,
2 and land sale proceeds because of our unique
3 structure EDC uses the revenue generated by our
4 assets not only to make financial contributions to
5 the city but also to make strategic investments
6 either in our own assets or to fund a broad range
7 of programs and services with the goal to expand,
8 expand economic opportunity throughout the city.
9 For FY '17 our board approved budget stands at 848
10 million dollars and then comprised of city capital,
11 city expense in the form of grants, and money
12 generated from the management of our own assets.
13 Our ten-year capital plan is about 4.2 billion
14 dollars. EDC remains in strong financial standing
15 and continues to make substantial progress in our
16 ongoing projects. Over the year's commitment rate
17 has been an important topic at EDC budget hearings.
18 As the committees are, are well aware for those
19 less familiar with the terminology commitment rate
20 represents the percentage of EDC's capital budget
21 that is committed by encumbering funds and
22 registering contracts for our ongoing projects.
23 We've made increasing commitment rate a real
24 priority as a result of your advocacy and work
25

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2 closely with the Office of Management and Budget
3 and the Controller's Office to bring our commitment
4 rate up to the highest point possible. I am pleased
5 to report that we were able to meet the target set
6 by former EDC President Maria Torres Springer at
7 this years... this hearing last year and finished
8 our, our year... last year with a commitment rate of
9 35 percent. This year we are on track to meet or
10 exceed last year's goal. Last year EDC's former
11 president also testified about our efforts to
12 create programs to help M/WBE businesses benefit
13 from EDC projects in city investments. In the last
14 year, we created a new suite of tools training and
15 networks for M/WBE's designed to build the capacity
16 of these firms and enable them to successfully work
17 on the city's projects. For business owners in the
18 construction field our ConstructNYC Program offers
19 training and support to pre-qualified contractors
20 who are grant exclusive access to bid on specific
21 EDC construction related contracts. More than 20
22 firms have completed the training program so far
23 with nine additional firms currently enrolled in
24 the pipeline. Firms pre-qualified for ConstructNYC
25 are also able to compete against other similar

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1 sized businesses for EDC's projects. For M/WBE
2 business owners not in the construction industry we
3 offer high quality training resources through our
4 Next Level Bronx and Manage Forward Initiatives.
5 These eight month long programs allow participants
6 to work on growth plans with expert guidance and
7 create a peer networking group originally offered
8 as a pilot program in Brooklyn, in Brooklyn Manage
9 Forward's MBA style program was so successful they
10 were able to partner with the City Bank to expand
11 it to the Bronx. Manage Forward and Next Level have
12 graduated a total of 23 businesses to date and an
13 additional 15 firms will be matriculating in the
14 second class to begin in mid-March. Given their
15 success we are always looking for opportunities to
16 expand these programs even further. And looking at
17 the full scope of how best to support a merging
18 developers and M/WBE's we noticed that many often
19 struggle to procure the necessary capital at the
20 predevelopment and acquisition stages. Last year we
21 launched a ten-million-dollar emerging developer
22 loan fund to meet this need. We are approaching the
23 final selection of the first few firms to receive
24 loans through the programs and look forward to
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briefing you as we come closer to announcing those publicly soon. I'd like to give the committee's 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 online on time and on budget. I'm pleased to thank, thanks to this 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 capital for, for floats, gangways and capital infrastructure. Our Preliminary FY '18 allocates 84.4 million for the purchase of 21 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 on our timeline vessel construction is fully underway at the two shipyards in the gulf region. Sea trial testing on the vessels began last month and once that testing is complete the ferry's will begin to make their way to the city. Construction of the home port facility is also well underway at the Brooklyn Navy Yard as we announced with the mayor this morning and on November 28th we began driving

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1 piles that will be used for the construction of the
2 pier and by mid-May we expect the decking to be
3 fully completed. By early next year the home port
4 facility will be ready for use overnight and to
5 maintain the new Citywide Ferry Fleet. Before I
6 take questions, I want to address something that I
7 know many of you are focused on. Last month Mayor
8 De Blasio announced the city's commitment to
9 creating 100,000 new jobs over the next ten years.
10 In the coming months, we will be finalizing a
11 detailed plan on the projects that will create the
12 jobs over the next ten years but to give, give a
13 sense of what we're working on let me talk a bit
14 about EDC's job creation strategy that will be
15 informing that plan. EDC has several levers that,
16 that it intends to activate for its job creation
17 plan. We manage over 66 million square feet of
18 industrial space at Brooklyn Army Terminal and Bush
19 Terminal that we are able to activate for job
20 intensive uses. Our real estate and area wide
21 development practices allow us to partner with the
22 private sector to activate underutilized city owned
23 land to create jobs, affordable housing and open
24 space and other important investments. Finally,
25

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1 through the industrial development agency we are
2 able to incentivize small and medium sized
3 businesses to grow across the five boroughs. Using
4 all these tools and tandems we focus, focus our
5 efforts on the industries that we believe have
6 significant potential to create good jobs. For
7 example, the industrial and advance manufacturing
8 sector presents one of the most diverse potential
9 for what... job opportunities in the city. Employing
10 nearly half a million New Yorkers and paying a
11 median wage at 50,400 dollars a year this sector
12 continues to be a cornerstone in the city's economy
13 and a vital source of good paying jobs. By
14 investing in these job opportunities, we are
15 growing a vital pathway to the middle class for
16 1,000's of New Yorkers. As many of you know one of
17 the key focuses of this administration has been
18 retaining and attracting small and medium sized
19 businesses in various neighborhoods across the five
20 boroughs. The industrial development agency has
21 been an instrumental partner in making progress on
22 that goal as it seeks to... seeks to encourage
23 economic development citywide, preserve existing
24 jobs, and create quality good paying new ones. I am
25

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proud of IDA's performance record which includes helping to create more than 15,000 jobs across the city over the last two fiscal years. 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 an 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-million-dollar 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 the, the administration we're beginning our work on the 10-point industrial action plan to modernize New York City's industrial and manufacturing sector. EDC established the industrial developer loan fund in late 2015 by providing qualified real estate developers with financing assistance in the form of grants and loans IDF designed... is designed to create 400,000

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square feet of new and renovated space and up to
1,200 jobs by 2020. Since the city began seeking
jobs for the industrial development fund last year
we have, we have been working to identify qualified
firms capable of bringing quality and affordable
space online. We were pleased to select GMDC, a
non-profit 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-
square foot industrial building in Ozone Park which
we will then sublease to small businesses. Once
completed the 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 they were
activating for job intensive uses. Some of those
sites you may be familiar with are Bush Terminal,
Brooklyn Army Terminal and South Brooklyn Marine
Terminal. Take Brooklyn Army... Brooklyn Army
Terminal or BAT as a specific example of how these
spaces can help us create real jobs. EDC recently
announced a selection of TechShop to operate an
advanced manufacturing center BAT which is expected

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to create or to support more than 200 businesses and create 500 or more 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 of 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 Bush Terminal provides the perfect space to do so. This is an unprecedented opportunity to stabilize, modernize, modernize and strengthen the manufacturing industry in New York City and support its growth. Last year EDC announced the creation of the food manufacturing hub at Brooklyn Army Terminals Annex Building. EDC designated the entire 55,000 square foot space to serve up to ten growing 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 in new and exciting industries to figure out how we can

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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, they experienced job growth over 16 percent 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 of 2016 the De Blasio Administration and EDC announced a 500-million-dollar investment in life sciences. We expect this investment to spur the creation of an estimated 9,000 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 trainings 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

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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 the tech, tech hub at Grand Central and
New, New Lab to provide resources for growing tech
companies and training for New Yorkers looking to
expand their skill sets. These hubs will retrain
and... 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 this type of
economy we think has most potential for growth is
the VR/AR sector which has seen nearly three
billion dollars in investments nationally in the
past ten years... the past two years. As different
industries and applications make use of VR/AR
technology the global market could grow to just
over two trillion dollars by 2035. New York City is
uniquely positioned to become a leader in VR/AR

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1 thanks to its diverse talent pool and strong anchor
2 industries like healthcare, education, and retail
3 just name a few. Our newly announced VR/AR lab will
4 serve as a hub for the growing industry and help
5 the city leverage its competitive advantage as
6 AR/VR sector grows. Specifically, the lab will
7 support early stage growth companies with space,
8 infrastructure and a multitude of other resources.
9 Finally, across all our efforts we work to make
10 sure these jobs and in conjunction with SBS are
11 accessible to members of the community that's why
12 our HireNYC Program establishes local hiring goals
13 at the outset of EDC projects to ensure the newly
14 created jobs benefit the neighborhood. HireNYC
15 began in 2008 as a partnership between SBS and EDC
16 with a goal of connecting low income residents to
17 permanent jobs in their communities. Over the last
18 few years thousands of people have been hired
19 through the program and we currently have over 45
20 projects in the HireNYC pipeline. To conclude our
21 work across the city is diverse but we at EDC
22 remain committed to supporting equitable growth
23 across all corners of the city. In my new capacity
24 as president of EDC I look forward to partnering
25

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2 with the council to continue our work to build
3 strong neighborhoods and grow good jobs. Thank you
4 for all your attention, I am happy to take
5 questions.

6 CHAIRPERSON GARODNICK: Yep. Before,
7 before you start Commissioner let me just note that
8 we've been joined by Council Members Rosenthal,
9 Miller, and Koo; welcome to all of you and
10 Commissioner thank you.

11 GREGG BISHOP: Thank you. Good after...
12 can you hear me?

13 CHAIRPERSON GARODNICK: Yes.

14 GREGG BISHOP: Good afternoon Chairman
15 Garodnick, Chairman Cornegy and the members of the
16 Committees on Economic Development and Small
17 Business. My name is Gregg Bishop, I'm the
18 Commissioner of the New York City Department of
19 Small Business Services. I am pleased to join with
20 President James Patchett, congratulations and my
21 colleagues at the New York City Economic
22 Development Corporation to testify today. I'm
23 joined by SBS first commissioner... first Deputy
24 Commissioner, Jackie Mallon and my senior
25 leadership team. At SBS we aim to unlock economic

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potential and create economic security for all New Yorkers by connecting New Yorkers to career track jobs, building stronger 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 job seekers, small businesses and commercial quarters 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 and from there I will go into our services made possible through this funding. SBS FY '18 Preliminary Budget is 159.5 million with a headcount of 322 employees. The Preliminary, the Preliminary Budget includes pass through funding for other financial needs within city government including 31.9 million for... and for EDC, 21.2 million for New York City and Company, and 15.6 million for Governor's Island. The remaining 90.8 million or 57 percent of the FY '18 Preliminary Budget is allocated for SBS Programs. Now I'm going to focus on how this funding supports SBS mission of economically empowering New Yorkers throughout employment, business, and neighborhood services. As

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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. Through our services... though our services produce results for businesses and workers many people are not aware of what we do and I'm sure, you know Council Member Cornegy you understand this and thank you very much for your support with this. To combat this, we have increased our communication 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 Ferries, social media and 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 percent in the first quarter of FY '17 as compared to the same period of the previous year. We will expand the initial campaign this year to continue this effective outreach. I've also gone door to door with many of you to learn firsthand the issues

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small businesses... small business owners are facing, walking the commercial corridors in your districts have 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 partnership to address community concerns. Working with Chairman Garodnick and the NYPD we responded to the concerns of small businesses near the Trump Tower who are effected by the increased security requirements and we partnered with the NYPD to reach out to the 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. At SBS we prepare and help New Yorkers to find jobs by training local residents and connecting job seekers to employers in need of talent. Supporting the mayor's focus on quality jobs our agency connects New Yorkers to employment opportunities and 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

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New York City. Our centers are located throughout the five boroughs, utilize recruitment expertise, industry knowledge, and skill building workshops to match qualified candidates and positions with our employers. This year we're successfully connecting 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 the Workforce1 Career Centers with our unprecedented expansion of the system driven by community engagement featuring new services tailored to growing populations of the city. In Washington Heights for example 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 support and customized workshops for help.. to help foreign born job candidates. The center also offers direct access to HRA benefits and connection to social service is provided by community base organizations. In East New York SBS worked with a

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coalition of community organizations to identify local needs and tailor services for our 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 industrial and transportation career centers in... Staten Island, and Sunset Park. We developed the Brooklyn Workforce Industrial Transportation Center in partnership with EDC to serve as an onsite resource at the Brooklyn Army Terminal connecting tenants to... of the facility to job seekers in the Sunset Park area. Along with our Workforce1 career system SBS leverages the city's industry partnerships to inform the design of not... of our 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, health care, food service and hospitality, and the technology sectors. Most recently the NYC Food and Beverage Hospitality council created Stage NYC, a new three-month program connecting out of school, out of work youth with rewarding careers in a New York City restaurant industry. The program will

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begin this Spring and train participants in technical skills and life skills to ready young adults to the careers in the restaurant industry. The participants will also receive a paid on the job training at... with an industry partner in order to gain the hands-on experience necessary. Through the city's HireNYC policy city contractors are not 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 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 related to city projects and the, and the, and the employers have access to a pool of talent from the local community. Small businesses provide opportunities for individuals and... to strengthen their own economic security and provide jobs for members of the... their communities. At SBS we help the city's 220,000 small businesses start, operate, and grow in New York City by helping minority and

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women owned businesses get certified and compete for city contracts, connecting entrepreneurs to, to free resources, and navigate government. I've shared this before but I feel it's important more than ever to repeat it now, growing up with my grandmother in Grenada who supported our household as a woman entrepreneur I came to understand firsthand 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 business owners 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, we offer free business courses on topics such as credit, marketing, legal aid, entrepreneurship in Spanish, Chinese, Haitian, Creole, Russian, Korean, and Bengali. Through IBI we have served over 1,500 immigrant business, businesses over the past two years, we've also partnered with the New York Public Library, Brooklyn Public Library and Queens Public Library

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systems to better reach our entrepreneurs in
immigrant communities across the five boroughs. We
have dedicated... 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 solution 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 service
providers. In FY '16 our industrial providers
helped more than 1,200 unique industrial businesses
surpassing the 552 businesses we served in FY '15.
New York City is a great place to start and operate
a small business but as we all know many small
businesses operate under very... 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 in small
businesses and the like our office has a number of
solutions to help reduce business expense... expenses

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and boost sales in other areas. To ensure that small businesses remain an essential part of the character of New York City neighborhoods we recently launched Love Your Local, a multiplatform public engagement campaign and business operational support program. This new initiative celebrates and promotes the diversity of independent small businesses that are in rich neighborhoods across New York City and encourages New Yorkers to share their favorite non-franchise business on an interactive online map. These businesses will also be able to apply for technical assistance and a share of the 1.8 million in grant funding to help their business continue to succeed. Eligible businesses may receive a grant of up to 90,000 dollars 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 appropriately we have seen over 1,000 businesses added to the map and I would encourage you all to visit NYC dot gov slash love your local, you can pull out your smart phones right now and help your local beloved restaurant or dry cleaners or bodega get on the map and become

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1 eligible for the grants. To help businesses operate
2 in a stable location SBS has been working
3 diligently to help businesses to better understand
4 and negotiate a commercial lease. SBS offers
5 commercial lease education, workshops in all five
6 boroughs to teach New York City entrepreneurs about
7 the components and implications of signing a
8 commercial lease and we have recently released an
9 RFP to expand our commercial lease legal services
10 to support Chairman Cornegy's historic commercial
11 tenant harassment law which gave essential legal
12 protections to commercial tenants who previously
13 lacked these protections and I thank you Chairman
14 for taking the leadership on that. SBS offers a
15 number of programs to address critical business
16 compliance and regulatory needs. Through Small
17 Business First, a multiagency initiative to reduce
18 the regulatory burden on small businesses and
19 increase compliance we have dedicated compliance
20 advisors that are helping to guide businesses..
21 business owners through the government processes
22 such as inspection of violations. In the programs
23 first nine months of operation alone we have served
24 more than 1,000 businesses helping businesses to
25

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correct violations that could have resulted in fines of more than 1.2 million dollars. Again, this is focused on... a lot on the mayor's focus on reducing the operational burden on businesses, we want to educate instead of fining and this initiative is very important to that program. When opening a new business, we also provide advice on sequencing of services, scheduling, and coordinating inspections, understanding and resolving violations which have helped over 3,500 businesses open up their doors. We are also continuing to grow and expand our highly successful Women Entrepreneurship Program and we are very excited since its launch WE NYC 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's emergency response unit provides immediate support in the field to assess damages and refer

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business owners to services such as pro-bono legal and insurance assistance and certainly we have seen it in a couple of your districts with either fires or even the terrible explosion that we had in, in Chelsea. To better prepare businesses for natural disasters before they occur we launched business prep, a three million... a three-million-dollar business resiliency program that will provide support for small businesses impacted by super storm 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 dollars to purchase resiliency related items recommended by the assessment. SBS also plays a key role in the city's minority and women business owned enterprise program with a goal of ensuring that the city's procurement reflects a diversity of our business owners. Mayor De Blasio has made a significant commitment to the city's M/WBE firms creating the

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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 percent of the dollar amount of city contracts to M/WBE's by 2021 and a goal of doubling the number of certified M/WBE's 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/WBE's in FY '16, a 23 percent increase since the start of Mayor De Blasio's administration. With the Mayor's investment, we have added additional staff capacity to our certification outreach and capacity building teams. We also use these investments to increase in deepening our capacity building programs. Of the M/WBE's that have won contracts nearly two thirds have 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/WBE's while maintaining the integrity of the program. In February SBS announced new community partnerships to increase outreach to M/WBE's with support from SBS these community partners will work to help M/WBE's not only get

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certified but also recertify as a M/WBE contractor and help these businesses to compete for city contracts. Soon we'll be opening applications for the contract financing loan program which will allow eligible M/WBE's to apply for loans of up to 500,000 dollars. This revolving fund will be capped at a three percent APR, the lowest of its kind in the entire state among government funded programs. We are also launching a ten-million-dollar bond fund this Spring to help M/WBE's secure bonding or increase bond capacity and I want to thank Council Member Rosenthal for your advocacy in this role and serving on our M/WBE advisory council, thank you very much. SBS works with community based organizations to build vibrant neighborhoods where New Yorkers can shop, work, and live working with the 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 in the country with 73 bids delivering more than 130 million dollars in services throughout the five boroughs. In the past year, we have seen a number of increases in bid assessments, bid expansions and

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the creation of the new... of new bids such as the greater JFK industrial bid with the support of Council Member Richards and the businesses and residents of Springfield Gardens work together to form a bid adjacent to JFK Airport, Airport. The bid will support over 600 businesses and provide logistical support to the millions of tons of goods that flow through JFK and we'll soon release our annual bid trans 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 neighborhood. Through our Neighborhood 360 Program, an initiative dedicated to strengthening Commercial Corridors SBS, SBS published six commercial district needs assessment. The published CDNA's cover downtown Flushing, downtown Staten Island, East Harlem, East New York, Inwood, and Jerome Avenue. These CDNA's 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

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2 able to tap into to approximately three million
3 dollars in program grants per year to develop and
4 staff revitalization projects that address the
5 needs identified in a CDNA. Another component of
6 the program, the Neighborhood 360 Fellows pairs
7 neighborhood development professionals with
8 community based organizations to offer dedicated
9 support for these projects. The Fellows are paid
10 full time community development professionals,
11 community organizers or planners. SBS is currently
12 wrapping up our first cohort, applications for the
13 next cohort are due March 12th and we again ask for
14 your assistance in... to ensure that the emerging
15 professionals in your district have the ability to
16 benefit from this unique opportunity. Our programs
17 include Avenue NYC grant program which funds
18 organizations in low to moderate income areas to
19 implement commercial revitalization activities that
20 benefit businesses and local residents, currently
21 we are managing 1.4 million dollars in Avenue NYC
22 grants for 43 projects at 38 organizations covering
23 such work as merchant organizing, business
24 attraction and retention, and place making
25 initiatives. Additionally, SBS is re-launching the

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Neighborhood Challenge Grant 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 non-profit 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 dollars 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 the council in the year ahead. Thank you and I would be happy to take your questions.

CHAIRPERSON GARODNICK: Thank you very much. We have been joined by Council Members Koslowitz and Borelli, welcome and I'm going to start things off and then we're going to go to, to our colleagues because I know several of them have,

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have other hearings today that they need to attend.

Mr. Patchett I want to start with you on the

subject of the jobs from the state of the city

speech, no surprise there, as we discussed the

Mayor made an announcement in the state of the city

speech promising that he would create 100,000 good

paying jobs over ten years. I, I heard and read

your testimony so I think I know what the answer to

this question is going to be but are you prepared

today to identify the 100,000 jobs that will be

created as the Mayor had cited in his state of the

city speech?

JAMES PATCHETT: Right, Council Member

thank you for the question as, as you and I

discussed I think that this goal is incredibly

important for the city especially in the times that

we're in where there's a clear challenge of

inequality with higher and higher income people

doing better and people at the lower end having a

challenge getting better jobs, I think it's an

important goal. As to your question you're correct

that I'm not going to be able to site for you every

single 100,000 jobs today but I also, I would like

to say we absolutely can talk about specific

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sectors that we're focused on which I'd be happy to do with you and also the tools that we know that we're going to use and how we're planning to use them. And the other thing that I would say is as, as you know and frankly we did a lot of good work together on this. When we came out with the housing plan, you know we came out with a goal of 200,000 units of housing and by no means had we identified every of the two... all of the 200,000 units that we would plan to include in that plan. In fact, you and I worked very closely on the preservation Stuy Town in Peter Cooper Village where there was not... it was not part of the plan at the outset but I think it was an incredibly important project. So, we need to allow the flexibility in the plan for us to be able to do the kind of important things that we did there. As we go out throughout the course of the plan so we have flexibility so you're correct, I'm not going to be able to give you all of the 100,000 jobs today but what I can talk to you is about the tools that we intend to use and the sectors that we intend to focus on and I can also assure you that we'll be releasing a much more detailed plan in the coming months.

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CHAIRPERSON GARODNICK: So tell us a little bit more about when we can expect the more detailed plan; coming months being before summer time?

JAMES PATCHETT: Yeah, I would expect it in the next couple of months.

CHAIRPERSON GARODNICK: So the plan itself... [cross-talk]

JAMES PATCHETT: Yes...

CHAIRPERSON GARODNICK: Do you expect that it will identify specific locked projects or will it be more goals by industry or project?

JAMES PATCHETT: You said locked projects, is that... [cross-talk]

CHAIRPERSON GARODNICK: Yeah, like... [cross-talk]

JAMES PATCHETT: ...like what you guys want... [cross-talk]

CHAIRPERSON GARODNICK: ...well the EDC... [cross-talk]

JAMES PATCHETT: ...no, I understand... [cross-talk]

CHAIRPERSON GARODNICK: ...has a certain sub-city... [cross-talk]

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2 JAMES PATCHETT: Yeah... [cross-talk]

3 CHAIRPERSON GARODNICK: ...for a specific
4 project to do a specific thing or will it be we're
5 going to use the following tools which we expect
6 will create 8,000 jobs in the following industry...
7 [cross-talk]

8 JAMES PATCHETT: Yes, I think it will
9 be a combination of both. I think you're absolutely
10 right, as you pointed out in your testimony and in,
11 in your letter there are, there are a series of
12 things that we, that we can identify and talk about
13 today like the life sciences initiative that I
14 referred to and, and, and... and other initiatives
15 specific plans that I'll be able to talk about in
16 the plan and I can even talk about today but also
17 in addition to that I will talk about how we intend
18 to use the tools and how many jobs do you think
19 each of those will create and then also the sectors
20 which we'll focus on where we think there's the
21 highest opportunity for growth but not just the
22 highest opportunity growth... for growth but also the
23 types of sectors that we think will provide this
24 important balance of quality jobs but also access
25 to jobs for people who may not come from, you know

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1 a traditional background. So, it's important for us
2 to focus on those sectors which will... you know
3 again you don't have to come out with a master's
4 degree in order to get into the sector but instead
5 there are good jobs that will maybe requires a
6 master's degree but other jobs where if you don't
7 even have a college degree you can get in at the
8 ground floor and grow and have an opportunity to
9 succeed.
10

11 CHAIRPERSON GARODNICK: So with,
12 without the plan there still is the number hanging
13 out there...

14 JAMES PATCHETT: Absolutely...

15 CHAIRPERSON GARODNICK: Why is 100,000
16 the number as opposed to 200,000 or 500,000, is it...
17 is, is, is it ambitious enough, how, how do we
18 access that without, without the, the plan at this
19 moment in time?

20 JAMES PATCHETT: Right, well you know
21 we spent a lot of time thinking about what was the
22 appropriate number and, and you're right that it
23 is... it was a very challenging exercise to come up
24 with the right number and I think that you'll find
25 when you see it in the context of the plan it makes

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a lot of sense. We think it's very aggressive but not because it's 100,000 but because it's 100,000 quality jobs. If you look at the history of the last ten, 15 years of economic development effort there's been a lot of focus on just creating jobs for jobs sake and many of those frankly were retail jobs which, which have their own value in, in... often in economic development in the form of revitalizing a community but in and of themselves don't provide a path to a career, a future for, for folks. So what we did was we looked at all of the... you know many of the industries that you've identified in your testimony and in your letter and we put a screen on them when we... and when we looked at... really looked at quality we, we knew that the target would have to be... there would be much more aggressive to have 100,000 target and so we looked at everything that we knew that we had on the board today, many of the things that you alluded to and we... and the mayor asked us to stretch as far as we could and come up with an aggressive but achievable goal and that's what I believe 100,000 is, it's, it's, it's similar to the 200,000. If you had... you know if, if you had asked... if you asked why 200,000

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units of housing it's because it's significantly more than we've done in the past and it's the most that we think we can achieve with the resources that we have but it requires a firing on all cylinders and that's how we came to the 100,000.

CHAIRPERSON GARODNICK: Okay, so let's just test my numbers that I was able to cobble together from the speech and from various press reports and... [cross-talk]

JAMES PATCHETT: Please... [cross-talk]

CHAIRPERSON GARODNICK: ...you can tell me whether we hit them right or wrong...

JAMES PATCHETT: Okay...

CHAIRPERSON GARODNICK: We have 10,000 attributable to the Brooklyn Navy yard, is that accurate?

JAMES PATCHETT: We anticipate that over the next four years the Brooklyn Navy Yard will create 10,000 jobs.

CHAIRPERSON GARODNICK: We have 9,000 attributable to life sciences which I think you actually said in your testimony so that's correct?

JAMES PATCHETT: That's correct.

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2 CHAIRPERSON GARODNICK: We have 3,000
3 attributable to green jobs initiative?

4 JAMES PATCHETT: There is a green jobs
5 and... those are temporary jobs, as... I wouldn't
6 include those in the... [cross-talk]

7 CHAIRPERSON GARODNICK: So those don't
8 belong on the list?

9 JAMES PATCHETT: Those, those belong...
10 [cross-talk]

11 CHAIRPERSON GARODNICK: They're not...
12 [cross-talk]

13 JAMES PATCHETT: ...on a list but...
14 [cross-talk]

15 CHAIRPERSON GARODNICK: ...they're not
16 permanent jobs?

17 JAMES PATCHETT: Well they're not
18 permanent jobs, that's correct.

19 CHAIRPERSON GARODNICK: Okay, Made in
20 New York, 1,500, accurate?

21 JAMES PATCHETT: That is correct.

22 CHAIRPERSON GARODNICK: Okay. BAT, the
23 Brooklyn Army Terminal we had 1,100, you cited a
24 couple of initiatives in your testimony of TechShop
25 and food manufacturing which were somewhat less but

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2 is 1,100 the, the accurate number for BAT over a
3 ten-year period?

4 JAMES PATCHETT: Well that is the... that
5 is an accurate number for, for one of the phases of
6 the work that we're doing is BAT, there's
7 significantly more potential at BAT but what you're
8 talking about is an announcement that was made a
9 little over a year ago by the mayor but there's...
10 but, but BAT is a very large facility that's
11 significantly underutilized.

12 CHAIRPERSON GARODNICK: So, so what is
13 the... what... is 1,100 the appropriate number when
14 we're thinking about the jobs that already are
15 known to be created or expected to be created at
16 BAT and included in the mayors... [cross-talk]

17 JAMES PATCHETT: ...uh-huh... [cross-talk]

18 CHAIRPERSON GARODNICK: ...tally from his
19 speech, is... should that be in there?

20 JAMES PATCHETT: Well you know I, I
21 appreciate what you're trying to do which is to try
22 to, you know add up, add up all the jobs and I
23 think it's a, it's, it's an important exercise but
24 what I... you know the 1,100 that you're referring to
25 was a specific announcement that the mayor made

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related to phase five of the Brooklyn Army Terminal. Brooklyn Army Terminal... that's 500,000 square feet of a four million square foot facility. So that... which is... remains... significant parts of it remain significantly under invested in and there are other parts of the facility where there are... you know a space that potential new construction. So, if, if... you're, you're correct that 1,100 was a number that was assigned to one of the components of the BAT project but we also believe there's significantly more opportunity there. If you look... actually if you look broadly at the Sunset Park community across all of the assets that EDC has there I think another number that you're probably going to refer to the Made in New York campus if I, you know read your letter correctly that... the... which where we included 1,500 but again even with the investment in Bush and Brooklyn Army Terminal you have to look at the fact that today we employ approximately 5,000 people across the Sunset Park assets that EDC controls. If you look back 30 or 40 years ago there were 20,000 people working in those facilities. So, depending on the way we decide to focus the plan if we... which we expect to make

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1 significantly more capital investment in those
2 assets and then there can be, you know tens of
3 thousands of additional jobs generated in those
4 assets alone. So, there's a lot of potential there
5 and I see where you're going which is absolutely
6 correct which is there are a series of things that
7 we've identified so far that we know we're doing
8 and there are other things that are going to be
9 subject to conversations with the council and the...
10 and OMB and the mayor to determine what the, the
11 most sensible future investments are.

12
13 CHAIRPERSON GARODNICK: Well will, will
14 you all be including... presumably you are because
15 these, these... some of these have been made as
16 announcements and the mayor cited them in his
17 speech as a component part of the 100,000 but it
18 sounds like you will be including things like BAT,
19 1,100 pre-announced jobs as part of this 100,000,
20 that's just from the... from next door... [cross-talk]

21 JAMES PATCHETT: ...Okay... [cross-talk]

22 CHAIRPERSON GARODNICK: ...you can ignore
23 that... [cross-talk]

24 JAMES PATCHETT: ...Jimmy is a... [cross-
25 talk]

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2 CHAIRPERSON GARODNICK: ...yeah, exactly...

3 [cross-talk]

4 JAMES PATCHETT: ...he's, he's like he's...
5 it's like he's... it's like he's right outside. The...
6 yeah, so I think... I think we're, we're obviously
7 going to be very specific in the plan about what
8 will be counted and what will not be counted,
9 certainly the Made in New York campus that you
10 referred to will absolutely be counted, you know I,
11 I don't... I mean I know there's a lot of different
12 things than the... in the 50... I don't actually have
13 all of the 55,000 like I don't know precisely
14 what's in that number but many of those things will
15 count, some of them will not count for a variety of
16 reasons like you know you, you mentioned the Mid...
17 East Midtown Rezoning and you're correct and you
18 mentioned it in your... in your opening, you know
19 that's the, the 28,000 number I believe you
20 included in your 55,000 is over a many year period.
21 So clearly we would not be accounting for all of
22 those in a ten year period then that example, you
23 know based on our preliminary estimates we expect
24 about 9,000 of those jobs to be in the ten year
25 period but you know it, it... we want to be very

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1 explicit in our plan about what the methodology is
2 so that the exact types of questions that you're
3 asking will be clearly addressed when... you know
4 when you see the plan and you know they're
5 obviously very important questions because what we
6 don't want is to have people saying well how can
7 you count this it doesn't... you know it's, it's
8 something that you... you know were going... was going
9 to happen anyway or it's... the... which is very
10 important to us that's why we want to have a very
11 clear methodology and lay it out and I think the
12 methodology you know will be... will absolutely be
13 explicit in the plan and I think you're alluding to
14 exactly the types of questions that we need to
15 precisely answer.

17 CHAIRPERSON GARODNICK: Okay. So... and,
18 and I'm glad you mentioned East Midtown because
19 the, the environmental impact statement has it at
20 28,000 over a 20-year period so 9,000 is your
21 current thinking as to what... [cross-talk]

22 JAMES PATCHETT: And my... is my best
23 estimate based on what I expect to happen over 10
24 years, yeah.

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2 CHAIRPERSON GARODNICK: Okay, got it.

3 Okay, well that's, that's helpful. And did we... did
4 we miss anything, is there anything else that is
5 already being contemplated as part of that 100,000
6 number that was not on the list that I just walked
7 you through?

8 JAMES PATCHETT: Yeah, there are... there
9 are many things...

10 CHAIRPERSON GARODNICK: Like what?

11 JAMES PATCHETT: Well just for example
12 our industrial development agency which does
13 thousands of jobs a year and we would expect to
14 continue to do thousands of jobs... [cross-talk]

15 CHAIRPERSON GARODNICK: That's a tool
16 though, right, I mean that's, that's more of a tool
17 as opposed to a specific project?

18 JAMES PATCHETT: Well there are... as I,
19 I, I don't... I can't list for you every project as I
20 sit here but the... many of them involve a few
21 hundred jobs each but as I mentioned in my
22 testimony over the last few years we've done 15,000
23 at the... through the IDA and so over the course of
24 the ten years, I... can I tell you exactly the
25 companies that we'll finance, no but I can talk

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1 about companies like S&L Aerospace which is a great
2 company in Queens which is going to be growing and
3 doing manufacturer... doing manufacturing in Queens.
4 So, they... I, I don't know exactly... again I don't... I
5 don't have the spreadsheet that you guys use but I
6 think the, the, the math is probably consistent but
7 if you look... we know for a fact we'll continue to
8 do IDA deals, what we will do is we'll target those
9 towards the companies that meet the objectives
10 we're trying to accomplish.

12 CHAIRPERSON GARODNICK: Okay. Thank
13 you. I'm going to go to Chair Cornegy, I'll be back
14 but...

15 JAMES PATCHETT: Thank you.

16 CHAIRPERSON GARODNICK: Thanks.

17 JAMES PATCHETT: I look forward...

18 COUNCIL MEMBER CORNEGY: I'm going to
19 reserve my questions for SBS and, and the
20 Commissioner. I'll start with something obviously,
21 that's very important and very close to my heart
22 which is the RFP that you stated in your testimony
23 that was going to be associated with the commercial
24 harassment and tenant law. The last time we spoke
25

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about it, it was at or around a five million dollar RFP, does that... does that stand?

GREGG BISHOP: I don't believe it's, it's a five million I think it's at one point some odd million but we... what we are doing is really deepening the bench of our pro-bono legal service. As you know thanks to, you know your bill we are now able to... the council's bill we are able to actually help commercial tenants before they get to litigation so certainly right now commercial... are legal... pro-bono legal service we help them with sort of the top layer in terms of understanding what their lease says, how to ensure that this business owner has protections in their lease but what we want to do is go one layer deeper that pro-bono service... like our pro-bono services doesn't allow so we are, are deepening the services that we'll be able to offer.

COUNCIL MEMBER CORNEGY: So do you have... or what are the time lines for the RFP and its implementation if any, can you... [cross-talk]

GREGG BISHOP: Right, so RFP was released actually earlier this week or last week so typically we leave an RFP on the street for about

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2 30 days to make sure we have a robust response then
3 there's the negotiation process and then the
4 controller has 30 days to register the contract.
5 So, all in all we expect to have the service up and
6 running... we'll try to move as quickly as possible
7 where we can cut the time down but by the end of
8 Summer, early Fall we'll have the service up and
9 running.

10 COUNCIL MEMBER CORNEGY: So just...

11 [cross-talk]

12 GREGG BISHOP: In the meantime... I mean
13 business owners, it certainly doesn't mean that if
14 a business owner has a problem right now we cannot
15 assist them, I think the... what the challenge we
16 have with our pro-bono service is obviously that,
17 that attorney may not have... may not have for, for
18 example the eight hours that is necessary to help
19 that business owner but we can certainly at least
20 connect them to attorney to help that business
21 owner understand their right and understand where...
22 and what steps they need to take in case they have
23 an issue with a landlord, landlord that's harassing
24 them.

25

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2 COUNCIL MEMBER CORNEGY: So, so that's
3 great. Can you give the committee a breakdown of
4 the RFP and what it's... what it's desired goal is,
5 the, the RFP?

6 GREGG BISHOP: In terms of like the
7 services that we'll be able to offer?

8 COUNCIL MEMBER CORNEGY: Yes, please..

9 GREGG BISHOP: Sure, we have... [off-mic]
10 do you have the... okay. So, the... I mean there's a
11 lot... a lot of it is prelitigation so for example if
12 a business owner has an issue with a landlord
13 there's a consultation with the attorney, there is..
14 you know whether or not, you know that attorney has
15 to engage that, that landlord, it could be just a
16 simple letter, it could be figuring out the rights
17 that that business owner has and the necessary
18 steps they need to take. So, everything again is
19 all prelitigation, we are not going to enter into
20 litigation because of the uncertainty in terms of
21 the cost associated with that but I think in most
22 cases that we've heard the prelitigation services
23 are, are enough to actually address the concerns
24 that the business community has indicated.

25

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COUNCIL MEMBER CORNEGY: So in the event that there's actual litigation that wouldn't be covered in what the responsibility of the RFP recipient, that's, that's not in their wheel house... [cross-talk]

GREGG BISHOP: So the, the individual receiving that service we hope that with, you know sort of the attorney working with the landlord in terms of negotiating whatever it is that they are looking to negotiate that we will not get into litigation but if it actually gets into litigation what we will offer is sort of a pathway in terms of what is necessary. In certain... in certain cases most of this... most of the litigation is actually on the civil side which would require a business owner to filing a claim against the landlord which the... which, which the service will help them lay out the path on how to do that but in actually litigating we would not be able to, to help them in, in that regard.

COUNCIL MEMBER CORNEGY: That, that... thank you, that clears up a lot. My second question is so the current administration on the federal

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level has threatened to cut federal funding for sanctuary cities?

GREGG BISHOP: Now... currently our Now federal funding makes up half of our agency's current fiscal 2017 budget and 32 percent of the fiscal 2018 preliminary budget. If the White House actually makes good on this promise city agencies, especially city agencies like SBS that receive a lot of federal funding are bound to be affected negatively.

COUNCIL MEMBER CORNEGY: Has the agency done an analysis on how such a cut by the federal government would impact your operations?

GREGG BISHOP: Yes, so we are working closely identifying the risks with our budget should any cut happen, I think it's, it's... you know obviously we've, we've heard a lot from the current president but we've seen... there's rhetoric and then there's action and certainly we hope that the number of success that we've had with our workforce programs and with our investment and commercial quarters will serve as a model for some of the work that the current president has talked about in terms of connecting Americans to jobs. So, we hope

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1 that there would not be any cuts to those programs.
2 We certainly... our intent is to continue if there
3 are cuts is to... our intent is to maintain services
4 as we have but I think it's too early for us in the
5 absence of actually seeing a number of what that
6 looks like for us to talk about, you know what,
7 what we are doing but we are looking at where we
8 have... where we are vulnerable and working with OMB
9 on that.
10

11 COUNCIL MEMBER CORNEGY: So I'm going
12 to forego a few of my questions so that my
13 colleagues can jump in and I'll, I'll, I'll come
14 back. Thank you.

15 GREGG BISHOP: Thank you.

16 CHAIRPERSON GARODNICK: Thank you Mr.
17 Chairman. We're going to Council Member Miller.

18 COUNCIL MEMBER MILLER: Thank you
19 Chair. Good afternoon. Commissioner... [cross-talk]

20 GREGG BISHOP: Good afternoon.

21 COUNCIL MEMBER MILLER: Let me just
22 start, I have a brief question. I've, I've recently
23 received a number of phone calls and, and, and...
24 from local M/WBE's excited about recently achieving
25

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2 that certification but they are now, you know what,
3 what are next steps...

4 GREGG BISHOP: Right...

5 COUNCIL MEMBER MILLER: So could you
6 speak to that in fact that we have... tomorrow
7 evening we have another session... [cross-talk]

8 GREGG BISHOP: Sure... [cross-talk]

9 COUNCIL MEMBER MILLER: I'm sure
10 they're going to be out so...

11 GREGG BISHOP: So I, I think that that
12 is one of... you know we're... not only with the
13 investment that the mayor's made we're trying to
14 move that needle and, and certify the right
15 companies and certify them as quickly as possible,
16 you know the next question is, you know I'm
17 certified now what and I think, you know one of the
18 things that we're doing with the investment that
19 the mayor has made is really creating an
20 opportunity to raise awareness of the services that
21 SBS has to offer. So, a number of certified
22 companies, you know in terms of now what, well it's
23 really how do you target your business development
24 to the right agencies, what are the agencies that
25 are procuring your product and how you can actually

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get in front of those agencies. Just as a reminder we buy a lot and you know at any given year we're between 13 and 16 billion dollars but almost 92 percent of that is under 100,000 dollars. So, if you do not have the right codes you're not going to hear about our opportunities, if it's a micro-purchase and I just want to remind the committee is that we are pushing at the state level to increase our discretion up to 200,000 because where we have full discretion we can actually increase the opportunities for M/WBE's. So, in terms of the now what and for those who are working with M/WBE's who are, are excited about certification... their certification they should connect with us. We can help almost create the roadmap, we have a team of vendor service reps who will sit down with an M/WBE, will look at their commodity codes, say... when, when I talk about commodity codes we're going to look at what you can do right now, not what you're aspired to do but what you can do right now in terms of delivering services then we're going to look at the city agencies that actually procured those services and then make the connection. We want to make sure we prepare you so we're going to

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1 help you with your capability statement to make
2 sure that you have the perfect pitch for those... for
3 those agencies. And again, just a reminder if
4 we're... if we're talking about micro-purchases which
5 is anything under 20,000 dollars it's really about
6 the relationship, the agencies need to know who's
7 out there and we have a team led by Deputy
8 Commissioner Kim Hardy who's really focused on
9 connecting with the agencies, understanding you
10 know what their future procurement opportunities
11 will be and then connecting them to the companies
12 that we're certifying.
13

14 COUNCIL MEMBER MILLER: Okay, great.

15 So, they'll certainly be looking forward to that.
16 With EDC... so question for... I'm, I'm... this is our
17 first introduction, I will... I will say that...

18 [cross-talk]

19 JAMES PATCHETT: Nice to meet you...

20 [cross-talk]

21 COUNCIL MEMBER MILLER: It is... it is a
22 pleasure, I look forward to working with you. So
23 obviously, EDC has a very impressive portfolio and,
24 and, and... and, and admirable mission but it, it
25 appears that has been... has not trickled down to, to

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2 all areas of, of the city. In particular, I'm going
3 to speak about Southeast Queens and I know that we
4 are beginning to pay... now pay particular attention
5 to JFK around the bid but I would submit that is
6 something that was, was really community organic
7 and, and we, we kind of brought that into the
8 agency and so what... [cross-talk]

9 JAMES PATCHETT: We appreciate it.

10 COUNCIL MEMBER MILLER: What is EDC
11 doing to engage communities so that they could
12 really take advantage of all that you have to
13 offer, it seems that is concentrated in specific
14 areas and, and... of emerging communities and, and
15 not communities that had been well established and,
16 and, and lack resources in one area or the other
17 and I, I will speak specifically about the Jamaica
18 area that... and the lack of investment that is there
19 and if you could speak to the M/WBE projects
20 throughout the city but specifically there I... be...
21 it has been my experience and I'm just speaking
22 personally of my experience and, and the community
23 that I represent that not only were they not
24 engaged but they was often... the attempts to engage
25 community was undermined and thus projects did not

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1 reflect community and I think that the
2 administration has time and time again in, in, in
3 its effort to increase M/WBE participation have
4 said that M/WBE's are more likely to employ those
5 from those communities and so if those projects
6 aren't occurring in those communities and you know
7 I, I see... you know where I'm getting to with this
8 so how, how do we address that and then finally
9 earlier... well this past year in finance we had a
10 hearing on oversight of, of, of previous EDC
11 projects in, in sub cities and what then happens to
12 those who were not meeting those criteria's?

14 JAMES PATCHETT: Uh-huh, okay. Thank
15 you for your question. I think that those are all
16 extremely important issues for, for, for EDC and
17 for the city and, and frankly it's, it's good to
18 hear it directly from you in my first four weeks so
19 I, I know the priorities. So just to, to speak
20 generally about M/WBE issues and then specifically
21 to Jamaica if I can. So broadly about M/WBE I'm...
22 you know I'm happy to report that... actually I think
23 broadly speaking EDC does quite well on M/WBE
24 recognizing that there's always significantly more
25 to be done and the mayor just set a citywide goal

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of 30 percent M/WBE participation by 2021 which is considered by many to be an aggressive goal considering the city is currently in the mid-teens in terms of M/WBE participation. I'm happy to say that EDC is at 29.9 percent fiscal year to date on M/WBE participation meaning that essentially, we're four years ahead of schedule in meeting the mayor's goal that he just set. So, I'm very proud of that and you know happy to say that we're, we're successful but we don't... you know we don't take that lightly and we don't think that that's enough to your point, you know we have... in the last year released four new programs all of which are targeted towards developing additional M/WBE capacity. Now the ConstructNYC Program which specifically allows M/WBE's to have access to a specific pool of projects which are only provided to M/WBE firms and they... where they have a specific opportunity to compete against each other to try and realize those contracts and merging developer loan fund which attempts to address the lack of acquisition and free development financing for M/WBE's and small contract... or small developers, the Manage Forward Program which is an effort to

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1 train and, and teach, you know the business skills
2 to M/WBE firms as well as a... the Kick-Start Program
3 which is intended to provide kick start loans of up
4 to 250,000 dollars per business with a total of ten
5 million dollars of loans again to M/WBE's with a
6 goal of getting them up and running so they can
7 deal with cash flow issues because often smaller
8 businesses which M/WBE's frequently are can have
9 access to capital and really be able to access
10 these projects. Now specifically to Jamaica you're
11 absolutely correct that, you know Jamaica is, is an
12 area of concern for EDC in the city and, and we
13 appreciate your advocacy there, you have brought
14 our attention to the area around the airport and
15 the... and the community has brought that to our
16 attention as well and we're focused on that as a
17 result. Also as a result of community advocacy we...
18 you know we were... work together with you and the
19 borough president to establish the Jamaican Now
20 Plan for, for the city's increased investment in
21 downtown Jamaica and one of the elements of that
22 was the 168th Street RFP which we think is an
23 important project to bring housing, affordable
24 housing to the community and as a part of that the
25

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2 developer Omni has committed to a 30 percent M/WBE
3 participation. So, you know I think broadly
4 speaking we have... always have more to do but I
5 take... I take the commitment very seriously and I'd
6 welcome further questions.

7 COUNCIL MEMBER MILLER: So... and, and,
8 and then finally on... and, and specifically about
9 that project it, it was... were there not qualified
10 M/WBE developers on... that, that completed RFP's
11 there?

12 JAMES PATCHETT: So... [cross-talk]

13 COUNCIL MEMBER MILLER: I know you're
14 new to this so... [cross-talk]

15 JAMES PATCHETT: Well yeah so I, I... you
16 know it was... it was issued in February of 2015 and
17 we got the responses in April of 2015 so it was
18 almost... you know two years prior to my tenure so I
19 can't speak to the specific responses that were
20 received in that but you know we take M/WBE
21 participation very seriously as a part of any
22 proposal and you know we have a broad criteria and
23 part of it is about in being certain that we can
24 deliver and the quality of the benefits they're
25 providing to the community and the level of M/WBE

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1 participation and those all have to be weighed
2 together and I think to my point earlier, you know
3 we need to do everything we can to create the
4 resources so that more firms who are M/WBE's can
5 compete directly for those types of transactions.
6

7 COUNCIL MEMBER MILLER: So, so for, for
8 the record, you know this is a clean slate here but
9 quite frankly I... you know again M/WBE's are more
10 likely to participate more within the community
11 that they come from and that they serve and there
12 were qualified M/WBE's that were part of that and,
13 and I reject the notion that they weren't qualified
14 or... [cross-talk]

15 JAMES PATCHETT: Uh-uh... [cross-talk]

16 COUNCIL MEMBER MILLER: ...that they...
17 what, whatever happened and, and, and that there
18 was indeed opposition from EDC on, on that project
19 and I hope that as we move forward that we, we can
20 keep that in mind that we do have goals to be more
21 inclusive and that these projects should reflect
22 the diversity of the, the, the entire city and,
23 and, and... and thus far it really has not if you
24 look at the portfolio and where it lies is, is very
25 Brooklyn centric and, and some of the upcoming

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1 projects are certainly... we have ideas that would
2 greatly enhance the entire city in particular the
3 downtown and the Queens... in, in the borough of
4 Queens so we love to work... [cross-talk]

5 JAMES PATCHETT: ...Yes... [cross-talk]

6 COUNCIL MEMBER MILLER: ...with you on
7 that...

8 JAMES PATCHETT: Great, I look forward
9 to getting together, I, I appreciate your advocacy
10 it's a really important issue to me as well
11 personally.

12 COUNCIL MEMBER MILLER: Thank you.

13 JAMES PATCHETT: Thank you.

14 CHAIRPERSON GARODNICK: Thank you very
15 much Council Member Miller. Let me just jump in
16 with a couple of questions for, for each of you.
17 Mr. Patchett I want to just cover the, the ongoing
18 conversation that we've had with your predecessors
19 on the subject of the Capital Commitment Plan...

20 JAMES PATCHETT: Sure...

21 CHAIRPERSON GARODNICK: You know and
22 just for, for those who are less familiar with it
23 we have seen over time there's a lot of money put
24 in the first year of the Capital Budget for EDC and
25

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2 only a small percentage of it had historically and
3 still been actually used in that first year and
4 then monies were then rolled over from year to year
5 giving I think the, the wrong impression to the
6 public as to what actually was likely going to
7 happen. So, we've been having this conversation
8 with EDC for years and it does seem like we're
9 making some progress although I'm not sure it's as
10 much progress as you said in your testimony so I
11 wanted to talk to you about that...

12 JAMES PATCHETT: Okay...

13 CHAIRPERSON GARODNICK: Because by our
14 math in fiscal 2016 which was the year that you
15 cited in your testimony EDC's plan commitments were
16 821 million dollars of which just shy of 186
17 million dollars was actually committed so that's a
18 commitment rate of about 22.6 percent which is up,
19 it's up from 19 percent to 22.6 percent but you had
20 cited in your... in your testimony a number of 35
21 percent and so I think that, that... I don't know
22 what number that is based off of...

23 JAMES PATCHETT: Right. So... right and I
24 appreciate that, I don't... I don't have the numbers
25 that you have in front of you, I think... you're

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correct, I mean it's... to your point it's the conversation we've been having for a long time and frankly it is largely because of your focus on this that we have really strived to increase the commitment rate. So, we really appreciate that focus, it's important to me, you know you and I have discussed it and I take it very seriously, I don't think it's acceptable to ask for money and then not spend it when it's the public's money and the council's working so hard to ensure the funds are allocated appropriately. I think it's just... I think it's a difference in calculation, your... what your numbers may not reflect funding that... during the course of the fiscal year was adjusted so I think ours is the final year end commitment rate whereas yours may be a mid-year calculation but in any event, I don't... I don't have the numbers you have and the 35... from our, our perspective the way that we look at the commitment rate if you look at the final year end numbers the 35 percent I believe is the correct number and I'm happy to say that next year we're going to do even better, I think we'll be close to 40 percent by the calculation that, that I have.

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CHAIRPERSON GARODNICK: Is, is that
the... just... [cross-talk]

JAMES PATCHETT: Yes... [cross-talk]

CHAIRPERSON GARODNICK: Is that the
right way to think about it because and you can
persuade me on this because to me if you're looking
at the, the number that you should be looking at is
the, the adopted budget... [cross-talk]

JAMES PATCHETT: ...uh-huh... [cross-talk]

CHAIRPERSON GARODNICK: ...for the year
prior so in Fiscal Year 2016 we adopted a budget
which had 820 million dollars and 185. 5 was spent...
[cross-talk]

JAMES PATCHETT: ...uh-huh... [cross-talk]

CHAIRPERSON GARODNICK: ...which would be
the... that's the 22.6 percent commitment. Now if you
guys adjusted over time it may get closer to right
but the point is we want you to be as close to
right at the beginning. So why is it right to, to
look at this at the end as opposed to the beginning
of the, the budget cycle?

JAMES PATCHETT: I, I wouldn't say that
one is correct and the other one is incorrect, I
think you're right it's... you know they, they should

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1 both be as high as possible. I think the point is
2 that, that, that... would you rather have someone
3 wait until, you know after the fiscal year was over
4 or do it part way through the fiscal year, I mean I
5 think they're both important metrics because one
6 shows, you know... one, one is a, a question of how
7 were you... how, how was your forecasting 12 months
8 out and the other one is a question of how was your
9 forecasting six months out so obviously you would
10 expect it to get better over time. I would
11 anticipate the second number would be higher
12 because we have a better sense of what's going to
13 get done but I agree, we need to continue to work
14 and make both numbers higher.

16 CHAIRPERSON GARODNICK: Okay, just tell
17 us the sorts of things that EDC is doing now to
18 help move that number whether you measure it from
19 the beginning or the end move that number higher,
20 help us understand what, what you're doing?

21 JAMES PATCHETT: Right, I think it's a
22 combination of factors to, to your questions which
23 is... it is thinking very thoughtfully in advance and
24 I mean I'm going to be focused on this, I mean I'm
25 as, as you know relatively new but I've already

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discussed with our CFO and she's very focused on ensuring that our budget reflects things that we are confident that we will be able to spend to the best of our ability. So I think it's, it's partly about up front and the second is just getting off to the races very quickly at the outset because you know there is a period of time that it takes from the time that EDC submits for funding to the time that it is actually committed which can be many months and so we really need to focus on in the... you know the first few months after the, the, the funding is allocated in getting those CP's prepared and being in the position we will by the end of the Fiscal Year we'll be able to have all the... as much of the funding as possible committed.

CHAIRPERSON GARODNICK: Commissioner Bishop I, I wanted to raise with you before I go to, to my colleagues again the subject of the school bus drivers grant program. As you know back in August of 2014 the council had passed a bill that would allow SBS to establish a grant fund for school bus companies that were contracting with the Department of Education. The bill was supposed to have a one year time horizon with a specific dollar

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1 amount and it expired on December 31st, 2015. Can
2 you bring us up to speed and you know I, I
3 testified against as you know, against the, the
4 rule... the recent rule proposal to allow for the
5 program to continue absent city council approval I
6 voted against it when it was at the city council
7 because I actually thought that it was inconsistent
8 with, with the, the constitution but can you tell
9 us what has happened since December 31st, 2015;
10 dollars spent, how the program has, has proceeded
11 so that we can, you know consider it in the... in the
12 context of the budget?

14 GREGG BISHOP: So in terms of the, the
15 dollar spent I'm going to ask Commissioner to, to
16 answer that question however as you mentioned when
17 we first started the program, you know we came to
18 the city council and as you mentioned we were
19 expecting the state legislation to pass however we,
20 we believe that we do have the, the charter
21 authority to do this program through rule making,
22 it serves as a public purpose which is why we will
23 continue... and which is why we had a public hearing
24 and we hope that the state legislature would reach
25 an agreement. In terms of the dollars spent so far

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2 again just to remind you the... we are working
3 closely with DOE so they actually work on, on
4 whether or not the reimbursement is eligible we are
5 just the administrator of the program so we really
6 work in terms of distributing the grant to the bus
7 companies that are participating.

8 CHAIRPERSON GARODNICK: So before you...
9 before, before you go to the budget question let...
10 since you noted the public purpose point which was
11 one of the real concerns that I had, can you say a
12 little bit more about what SBS regards as the
13 public purpose here for supplementing wages of
14 employees of private companies that have an
15 existing contract with the city?

16 GREGG BISHOP: Right, so again we... at
17 SBS with our charter authority allows us to
18 actually provide grants to companies for job
19 creation and retention etcetera and working with
20 council we believe that we have the authority to do
21 this program through rule making.

22 CHAIRPERSON GARODNICK: Okay, I, I
23 really... you know and I just want to make the point
24 and it may not be the right moment for us to have
25 the conversation but the... for this rule to proceed

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1 and for it to have proceeded there needs to be..
2 there needs to be a public purpose associated with
3 the distribution of public dollars to private
4 individuals and the public purpose for this program
5 has evolved over time. When it was first presented
6 to us it was avoidance of a strike, it later became
7 protection of the kids and now it is still unclear
8 to me whether any of those things actually were
9 sufficient enough of a public purpose to actually
10 allow for the allocation of funds for supplementing
11 wages but I wanted to know if you had any view as
12 to what the public purpose is?

14 GREGG BISHOP: So I, I, I... I, I think I
15 disagree with it has evolved over time, I think we
16 have always said from the very beginning that we
17 are protecting the wages of the hard-working bus
18 drivers who take our kids to school every day and
19 I... and I think that is the public purpose, you know
20 if these drivers are not properly compensated, you
21 know we may have, you know a, a, a strike and, and
22 of course retaining and helping individuals in
23 well-paying jobs is the public purpose.

24 CHAIRPERSON GARODNICK: If the taxi
25 drivers of New York City were to consider going on

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2 strike in a way that obviously has an impact on New
3 Yorkers do you think there would be any limit in
4 SBS's supplementing their wages so as to avoid a
5 strike in that context?

6 GREGG BISHOP: So I, I think that is a
7 very hypothetical situation, number one we do not
8 have a contract with the taxi drivers in New York
9 City but I, I really don't want to get into
10 hypothetical, it... every single incidence we will
11 take... we will... we'll, we'll, we'll conduct an
12 analysis, we'll figure out if there's a public
13 purpose and again with the guidance of council
14 we'll figure out whether or not a program like this
15 but again I, I don't want to get into hypothetical.
16 For the school bus program, we are administering
17 through rule making and we believe that we have the
18 charter authority to do that.

19 CHAIRPERSON GARODNICK: Okay, so it was
20 the first example I could think of, you're right
21 there's... it's not a great... it's not the perfect
22 parallel I'm not sure... I don't think I agree with
23 you on the conclusion but, but you're right to
24 observe that there is a difference between the
25 contract that exists between school bus drivers and

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say taxi drivers, I'm going to think of the example though but I do want to get the answer to... I do want to think of... I do want to think of... Department of... Department of Corrections buses, how about there?

GREGG BISHOP: What was that?

CHAIRPERSON GARODNICK: Department of Corrections buses? So, let's say you had... that's, that's a private contract, oh okay, well I... [cross-talk]

GREGG BISHOP: So, so again... [cross-talk]

CHAIRPERSON GARODNICK: ...for it to be the right example I've got to... [cross-talk]

GREGG BISHOP: ...right, I... [cross-talk]

CHAIRPERSON GARODNICK: ...I, I have to find the, the, the contract between the... [cross-talk]

GREGG BISHOP: ...it is... [cross-talk]

CHAIRPERSON GARODNICK: ...city and a private entity here... [cross-talk]

GREGG BISHOP: ...right, it is... it is... it is... I, I know we're looking for other examples but again we will look at every case on a case by case

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1 basis and I, I really don't want to get into
2 hypotheticals because we could go down that rabbit
3 hole really quickly, we are looking at this
4 particular instance with the law department and our
5 charter we believe that we have the authority to do
6 this through rule making.
7

8 CHAIRPERSON GARODNICK: The problem
9 with the rabbit hole is that once, once it's opened
10 and once SBS determines that it has the ability to
11 simply supplement wages in any circumstance which a
12 strike might be present then it, it, it has no
13 limit to the public fisc as to what you guys can
14 do.

15 GREGG BISHOP: Well I, I don't... and I
16 want to be clear that that was... when you asked what
17 the public purpose of the school grant program I
18 used that as example is does not mean that any
19 other entity that we have a contract with that,
20 that threatens to strike we would also agree that
21 it fits a public purpose, again we have to look at
22 every case on an individual basis and we will work
23 with our, our corp council to figure out whether or
24 not a program similar to this would, would be
25 necessary but again we, we are, are, are... we want

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1 to really focus on the school bus program and, and
2 for the school bus program I think... I think we have
3 agreed that... we agree to disagree in terms of we
4 believe that we have the charter authority to do
5 this. And I'm going to turn it over to First Deputy
6 Mayor... First... whoa I just gave you a huge promotion
7 Jackie, First Deputy Commissioner, sorry, sorry,
8 sorry Tony but you're not wearing red but it's
9 okay. She's going to give you the number breakdown.
10

11 JACKIE MALLON: You asked about
12 spending to date, correct? So, 28 million for year
13 one to date and 32 million for year two to date
14 which is 60 altogether. [off-mic] that's an easy
15 number.

16 CHAIRPERSON GARODNICK: Okay and, and
17 the reason why you all didn't come back to the
18 council for re-authorization of the local law, can
19 you... can you talk to that, I recognize that this
20 was presented to SBS but do you have any sense as
21 to after the expiration of the law in December 2015
22 why the, the mayor decided to pursue this by, by
23 rule as opposed to through council action.

24 GREGG BISHOP: Right, so I... I'm, I'm
25 not able to answer that question because I have

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pre-dates, my, my, my time at SBS but again you know using the, the, the fact that we've worked with the law department and because it's a, a public purpose we feel that we could do this program through rule making.

CHAIRPERSON GARODNICK: Okay, I am... I wanted to recognize we've been joined by Council Members Menchaca and Vallone and I want to go to Council Member Koo for some questions... oh I'm sorry, Council Member I, I... Council Member Rosenthal has, has just come back for a few minutes let... if you don't mind let's just give her the chance because she's got to go back... okay, good. Thank you for that, I'm sorry.

COUNCIL MEMBER ROSENTHAL: National Women's Day deferring to one of the 13 council members who are women, thank you so, so much. Thank you, I appreciate it. Thank you both for coming here, congratulations Mr. Patchett becoming the president of EDC and Commissioner Bishop it's always great to be working with you. So, I'd, I'd actually like to start with a EDC question if that's okay. As the Commissioner noted as Chair of the Contracts Committee I'm very... I've, I've been

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1 spending a lot of time thinking about our minority
2 and women owned businesses and I'm trying to think
3 of just any opportunities where we can open up the
4 door and I think the... I'm wondering if the ICAP
5 Program where you have people apply to get funding
6 there and where their... they have to solicit, you
7 know M/WBE's I'm wondering if we could strengthen
8 that in some way maybe lowering the amount over
9 which they have to do the solicitations, right now
10 it's at 1.5 million maybe we could lower it to
11 750,000 dollars and you know how we could really
12 know that, that, that I... that, that our small
13 minority and women owned businesses are getting
14 access to these programs, right now you know the
15 waiver is so easy for them to say yeah, I mean and,
16 and this is true throughout city government and
17 we're fixing it one by one but it's so easy for a
18 company to say oh year, I checked that box
19 especially... yeah, okay I'm done, thank you...

21 JAMES PATCHETT: No, no, please... well,
22 well thank you and you know it's a pleasure to work
23 with you in this new capacity and always appreciate
24 your questions. So absolutely it's an incredibly
25 important issue, I appreciate your focus on it, you

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1 know I, I just want to say broadly speaking the EDC
2 has done a lot on the M/WBE front. I'm happy to say
3 that as I... as I noted earlier the mayor set a goal
4 that by 2021 the citywide would be at a 30 percent...
5 the participation rate this fiscal year to date EDC
6 is at 29.9 percent. So, so I think we're, you know...
7 we're, we're making real, real progress at EDC in
8 that goal and like I said I think we're four years
9 ahead of schedule but there's always more to do.

11 COUNCIL MEMBER ROSENTHAL: Well I, I
12 think that's sort of the notion where we have low
13 hanging fruit... [cross-talk]

14 JAMES PATCHETT: Yeah... [cross-talk]

15 COUNCIL MEMBER ROSENTHAL: ...let's do
16 more, DDC says the same thing but they can
17 manipulate... not manipulate, they can size their
18 contracts in such a way where we can use city
19 contracts as an opportunity and so to the extent
20 you're at 29 percent, thank you, how do we get to
21 60 percent?

22 JAMES PATCHETT: Yeah, I know... good,
23 good... well 60, you know... well we should get... we
24 should work on that. So I think... well I guess... as
25 it relates to that... the most recent question you

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1 asked we, we do have a new program that we're work...
2 we've created which we're trying out, you know is
3 worth conversations to see if it should be expanded
4 is our ConstructNYC Program where we have, you know
5 these specific pools and projects that are targeted
6 at M/WBE's and they compete among each other to try
7 an access those projects so that's exactly the
8 notion you're referring to which is break apart the
9 size of contracts, ensure that they're the right
10 size so M/WBE's can actually compete for them and
11 then give them a real opportunity and pipeline into
12 those, you know I'm interested in your idea about
13 ICAP. As you know ICAP is, is state legislation so
14 we would need to... you know to have that
15 conversation but it's a... it's a really... it's a
16 really interesting idea and I... you know I'd love to
17 talk about other ideas.

18
19 COUNCIL MEMBER ROSENTHAL: Great, thank
20 you I'm going to take you up on the offer.

21 JAMES PATCHETT: I'm... [cross-talk]

22 COUNCIL MEMBER ROSENTHAL: So... and then
23 Commissioner Bishop one thing that I've always
24 struggled with is trying to connect the
25 certification work you do which you know I know

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you're always growing your number of, of businesses that are certified with the M/WBE's like at city contracts or really just answering the question of what does M/WBE certification get you... [cross-talk]

GREGG BISHOP: Uh-huh... [cross-talk]

COUNCIL MEMBER ROSENTHAL: ...that there are so many businesses where there is not an opportunity to contract with the city, a restaurant tour for example or a baker, I think I mean although maybe they do and I'm not thinking...

[cross-talk]

GREGG BISHOP: If, if they have...

[cross-talk]

COUNCIL MEMBER ROSENTHAL: ...about it...

[cross-talk]

GREGG BISHOP: ...catering?

COUNCIL MEMBER ROSENTHAL: They do catering, there you go but if... are, are you working on doing an analysis of, of making that... closing that disconnect... [cross-talk]

GREGG BISHOP: Yes... [cross-talk]

COUNCIL MEMBER ROSENTHAL: ...a little bit?

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2 GREGG BISHOP: And you're asking me a
3 terrific question because one of the things that we
4 are doing, you know like I said we spend anywhere...
5 depending on the fiscal year between 13 and 15
6 billion dollars and the question is how do we open
7 up more opportunities, you know if, if for example...
8 for example a barber shop wanted to certify we
9 cannot stop them from certifying, will there be
10 real opportunities well the question is we have to
11 do analysis to see has the city ever procured, you
12 know independent barbers to... for any type of
13 service, I, I have... I don't have that data, I'm
14 sure we... I've seen some unusual procurements in the
15 past so that's why I do not actually discourage...
16 I've seen German shepherd's, I've seen coffins,
17 I've seen a number of things and not to get morbid
18 but you know I'm sure you're wondering where the
19 coffins went but the, the, the... the idea is, is
20 that really you know we have to look at where
21 there's opportunity, where do we have certified
22 companies right now, how do we open those
23 opportunities for those certified companies and
24 where we do not have certified companies. For
25 example, you know... you know the Department of

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1 Transportation, you know the, the... and I don't even
2 know what to call it but the machine that actually
3 lays down the yellow lines in the middle of the
4 road there's no certified companies that are
5 actually doing like paint striping and if I was
6 actually not a Commissioner I probably would go
7 into that business because certainly there's
8 opportunity there. So again we are looking at where
9 we have opportunity, where there's not a lot a lot
10 of M/WBE's, we're doing targeted outreach for... in...
11 you know either working with the council or working
12 with trade groups to get more companies certified
13 in those areas, we're looking at our state partners
14 to see if there's companies in those particular
15 areas that we can fast-track into our, our, our
16 certification system, we're looking at Port
17 Authority who also has certified companies to see
18 who has the capacity to do some of the work that
19 we're doing. So, we're looking at all our partners,
20 we're even... you know in, in some cases looking at
21 other cities where M/WBE's are doing really well
22 and see if we can connect them to... and, and figure
23 out ways we can get them certified here in New York
24 City. Obviously... especially around the resiliency
25

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work that's coming up there's going to be the need for heavy industry type work where we also may not have a lot of M/WBE's. I think the second part of your question which is very important is like... you know it's almost like American Express, membership has its privileges, what do you get when you actually certify, well you get a whole team. So, there's a lot of M/WBE's when you look at an... and I know you know this data but for those who don't a lot of our M/WBE's have five or less employees so they don't have the time to actually find the right RFP's, they don't have the time to actually do the business development. They don't have the time to actually respond to the RFP correctly and that's the benefits of being certified, not only are we going to do that and... well we're going to help you with that, I don't want to say we're actually going to help you respond to RFP but we're going to check that RFP to make sure that there's no technicalities, we're going to work with our sister agencies to make sure that there's opportunities for you to sit down with the buyers to actually, you know pitch your business. So, there's a lot of benefits to certification, you know our, our

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2 procurement fairs one of them where you have access
3 to over 70 buyers, not only city but state buyers.
4 So again there's a lot of benefits to being
5 certified but most importantly and I'm just going
6 to stop after this because I get really excited is
7 that when you are certified especially in the sweet
8 spot of 20,000 to 100,000 you now have the ability
9 to compete in a closed market, you have five
10 certified... you have five non-certified companies
11 who are competing but then you are now part of a
12 group in that closed sort of market there where
13 you're not competing globally but only with those
14 smaller... with that smaller pool which allows you
15 more opportunities but your codes have to be right,
16 you have to know... you know how we buy and, and, and
17 that's what you get for being certified. Hopefully
18 I sold you on being certified, right?

19 COUNCIL MEMBER ROSENTHAL: Okay, I'm,
20 I'm going to, you know start that paint striping
21 line striping firm with you although mine's
22 actually I want to start a firm that is with an
23 anaerobic digester because I just love saying that
24 word so that's going to be my company is with that.
25 So I appreciate that and I see that this

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2 administration is doing work that, you know we've
3 not seen before so I definitely appreciate that,
4 you know one of the most striking findings from the
5 procurement indicator report which comes out of,
6 you know the mayor's office of contract services is
7 that the group that is least likely to get a
8 contract are black women... yeah, black... firms owned
9 by black women and, and the, the percent that get
10 city contracts is miniscule and I'm wondering what
11 you're doing to open, open those doors.

12 GREGG BISHOP: So, I, I, I think... and
13 that goes to our analysis so not only are we
14 looking for the right M/WBE's in the sectors we're
15 also looking at the boroughs, obviously, we, we
16 know we have a lot to do there and also and when we
17 break down under the M/WBE better, you're
18 absolutely... [cross-talk]

19 COUNCIL MEMBER ROSENTHAL: Right...
20 [cross-talk]

21 GREGG BISHOP: ...correct. Black women...
22 in terms of the number of certified black women we
23 can do a better job in get... in targeting them and
24 that is part of our targeted outreach. So... you know
25 one of things that I've been talking about is

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1 really... you know figure out ways to connect to
2 black women who are entrepreneurs and there's a
3 number of ways we can do it. One of the things
4 I've, I've been... one of the conversations I've been
5 having with... is with all the black sorority
6 organizations who are, you know full of... you know
7 entrepreneurs who are, are hungry for opportunities
8 to actually learn about how they can do business
9 with the city. So that's just one example but
10 certainly there's a number of organizations that
11 black women are a part of that we will make
12 connections to those organizations but again we are
13 looking at all areas, you know where we have a
14 deficit and we'll make sure that we're strategic in
15 our outreach.
16

17 COUNCIL MEMBER ROSENTHAL: You know the
18 sorority example is a perfect one, I mean that
19 really is a great demonstration that you're
20 listening and that you're talking to the right
21 people and I'm really glad to hear that, I didn't
22 know that.

23 GREGG BISHOP: Good, thank you...

24 COUNCIL MEMBER ROSENTHAL: So I'm going
25 to leave it at that, thank you so much for the

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2 courtesy Council Member Koo, thank you for slipping
3 it and letting me go...

4 CHAIRPERSON GARODNICK: Thank you
5 Council Member Koo, the floor is yours.

6 COUNCIL MEMBER KOO: Thank you. Thank
7 you President Patchett and Commissioner Bishop. I
8 have two questions for, for each of you. The first
9 one is for President Patchett, yeah, first
10 congratulations on your appointment to be Head of
11 the EDC.

12 JAMES PATCHETT: Thank you...

13 COUNCIL MEMBER KOO: Being the largest
14 city in U.S.A and this is a very important job. So,
15 my question is the, the last administration we
16 spent a lot of time and energy to approve the
17 Willets Point development so can you give me an
18 update on the status, now is, is, is the current
19 administration give up on this development or..
20 because we spent so much time and energy and money
21 on the... on Willets Point... [cross-talk]

22 JAMES PATCHETT: On Willets Point, oh
23 sure, sorry... [cross-talk]

24 COUNCIL MEMBER KOO: ...Yeah...

25

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JAMES PATCHETT: ...of course, okay,
absolutely, sorry. So yeah, there was a tremendous
amount of effort put into the, the Willets Point
Development in the previous administration, you
know at, at the moment we're in litigation from
the... some individuals, local constituents who
believed that there were some issues with the EIS
process and so unfortunately, we are precluded from
having any moment until that litigation is
resolved. We had a finding that was against,
against the city in the appeals court and we're
waiting for a final decision from the... from the,
the highest court before we can proceed.

COUNCIL MEMBER KOO: So is, is the
administration supporting the development or not?

JAMES PATCHETT: We absolutely want to
see development happen at Willets Point, I mean and
I think that our focus is on ensuring that the... you
know that it also is not just a mall but also
there, you know is real progress on the housing in
the near term.

COUNCIL MEMBER KOO: Because I hate to
waste all the time and effort we spent on this... on

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this plan, the, the administrator didn't go forward
for it, yeah...

JAMES PATCHETT: I appreciate... [cross-
talk]

COUNCIL MEMBER KOO: It's, it's
important that you guys know. Ask the mayor to go
forward.

JAMES PATCHETT: Okay...

COUNCIL MEMBER KOO: This is... [cross-
talk]

JAMES PATCHETT: ...understand... [cross-
talk]

COUNCIL MEMBER KOO: ...we spent so much
time and effort and this, this place need to be
developed. The, the second question for you is the,
the new administration in Washington D.C. is
proposing a trillion-dollar infrastructure
spending, New York City being one of the largest
cities and we... I mean we give that... we... no, we give
D.C a lot of tax revenues, right?

JAMES PATCHETT: Yes, absolutely...

COUNCIL MEMBER KOO: So we should ask
them for personal return for the infrastructure
development here. Now seeing all this... the

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1 bleachers, the tunnels everything would need to be
2 upgraded here and this is our airports, our
3 subways, you name it we need an upgrade on it so
4 have you been fighting for this funding from D.C.?

5 JAMES PATCHETT: Right, what... yes,
6 absolutely it's, it's a... it's a really important
7 question Council Member. So you know broadly
8 speaking EDC is, is not the agency that is tasked
9 with ensuring the state of the repair or seeking
10 funding from, from Washington but that being said
11 it's critically important to us to see the
12 infrastructure of the city being in a state of good
13 repair and not just the state of the repair but
14 that it were constantly innovating and thinking
15 about new projects that will make the
16 transportation network and the city stronger, give
17 people better access to jobs, make sure our streets
18 are in good repair so that people can get to work
19 and that companies can successfully locate here so
20 those are all really important issues to EDC. We
21 are in conversations with the mayor's office about
22 the... what our priorities would be in the... you know
23 in any Trump administration infrastructure bill,
24 we've been speaking closely with Senator Schumer

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office about the things that we believe should be focused on... that, that we should focus on and I think there are some real opportunities that maybe the, the only or one of the few rays of hope with the new administration.

COUNCIL MEMBER KOO: So... and also are you guys involved with anything with the airport development, the upgrading of the LaGuardia or is it only a state thing?

JAMES PATCHETT: The airport... oh no, the airport itself is a purely Port Authority project.

COUNCIL MEMBER KOO: So you have no say on it?

JAMES PATCHETT: None.

COUNCIL MEMBER KOO: And the reason I asked it because I, I represent Flushing and we... the major... the major... the major portion of Flushing, the major portion. We suffer tremendously because of the airport noise, you know... [cross-talk]

JAMES PATCHETT: ...Yeah... [cross-talk]

COUNCIL MEMBER KOO: ...because psychologically the motion of the area a lot, a lot

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1 of our constituents to complain about the noise. So
2 being we are the sufferer of the noise we should
3 get portion of the job opportunities but it seems
4 like nobody like tell us what kind of jobs is
5 available for the... of the building of the airport,
6 nobody approach us and I never heard of anything
7 just say hey no we're building the airport, the
8 local residents should have a, a preferred choice
9 to come to work for us. So, can you do anything
10 about that and let even Commissioner Bishop let the
11 development over there know about they have to hire
12 local people to work?

14 JAMES PATCHETT: Yeah, I think... and,
15 and for... I mean I absolutely agree with your goals
16 if, if it were a city project or we had any say
17 whatsoever we would be very focused on that. As you
18 know the Port Authority has been moving very
19 quickly on that project, there've been a tremendous
20 amount of jobs created and we would like to see
21 more guarantees of local hiring for your
22 constituents and other New Yorkers, we have not
23 seen that to date.

24 COUNCIL MEMBER KOO: Okay, so, so the,
25 the, the last part of the question I want to ask

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Commissioner Bishop, so first I want to thank you for your past contributions especially that we are finding downtown Flushing and you... your agency is very efficient helping the small business to, to, to do whatever they need to do like filing for insurance, helping them to get loans, you know things like that, yeah. So, so I guess since my, my question is to, to both of you so I want you both to be messenger for the small business community the reason all the posts New York City or New York State is one of the worst place to do business in terms like tax and other stuff so we are always on, on the bottom of the list, the, the business favorable conditions so I want you to relay this message to the... to whoever, to the upper echelon administrators that first we have to delay the increase of minimum wage because if, if the minimum wage goes to 15 dollars in just two years it's too fast, too much and a lot of people will lose jobs because if you go to 15 dollar minimum wage employees are going to cut hours or they will use robots to replace some jobs and we always have to remember minimum wage is not meant to be supporting the whole family with your wage, you know when I

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1 went... came here my minimum wage was only \$1.65, I
2 survived and I became a business man, I become a
3 Councilman. So, my first job was \$1.65, you can...
4 you can trace how long ago I've been working. So,
5 the second thing is the, the property tax is going
6 too fast too in terms of residential and also
7 commercial and property tax, it's going up real too
8 fast, no you had to do a... on the tax increase,
9 that's critical to... for you if you want to have a
10 small business to survive in New York City. So
11 those are the comments maybe you can comment on
12 them...

14 GREGG BISHOP: Yeah, so I, I think the,
15 the... there's a couple things, one I would say that,
16 that New York City actually is not the worst place,
17 a lot of other cities actually look at what we are
18 doing to help strengthen and, and grow businesses
19 and we serve as a model not only to other cities
20 across the United States but actually
21 internationally. I was just actually... a, a couple
22 students at Baruch was in Italy and one of the
23 things that they were talking about is how to
24 support small businesses and the Professor there
25 said look at New York City. So, I would say... I

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would push back on your assessment that New York City is the worst place, I, I would... but I do understand and from, you know talking to you and, and walking the district with a number of Council Members that there are pressures that we need to address. So you may have missed my opening remarks but that's why we launched Love Your Local which identifies and... longstanding businesses so this is an opportunity for businesses, small independent businesses, not franchises, to benefit from our marketing campaign so you can go to NYC dot gov slash love your local and if you are trying to find one of... you know the, the... one of the longstanding businesses in your district you can just click on the map and you can see all the businesses that people have actually nominated, that actually will unlock an opportunity for, for those businesses to get up to 90,000 dollars in grants to help them operate. We have done a lot in terms of... and the mayor's done a lot in terms of reducing the fines so if you look at the fines from the regulatory agencies they have been reduced tremendously again saving businesses money but again one of the things that we've heard from business owners is that we

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1 need to educate more so we have our, our compliance
2 advisors that will go out to the community and help
3 them, educate them on how to avoid fines. Through
4 your support of Council Member Cornegy's Chamber
5 On-The-Go Initiative, we are hitting commercial
6 districts to let them know about our services and
7 how we can help them. So, there's a number of
8 services that are, are available to help a
9 business; recruitment services to help a business
10 save money and your, your, your... I understand your
11 comments about the minimum wage but I would push
12 back, when I started I was at \$4.25 so, so that'll...
13 [cross-talk]

14 COUNCIL MEMBER KOO: ...That is good...

15 [cross-talk]

16 GREGG BISHOP: ...tell you when I started
17 my career I was actually at the Brooklyn Public
18 Library but, but one of the things that we have
19 always said to business owners is that you have to
20 pay for talent and while I think you... what you're
21 saying is that yes, the minimum wage is the floor
22 but if you really want to support and, and retain
23 talent at your business you have to pay a
24 competitive wage and we're not saying it's a
25

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1 minimum wage, what we're telling business owners it
2 is much harder to actually retrain your staff
3 constantly than to pay a decent wage and actually
4 have that staff for a, a long period of time and as
5 a business owner I'm sure you know that if... once
6 you get a staff trained they are more productive
7 than if you are, are constantly retraining your
8 staff every, every three or six months. So
9 certainly, we help businesses understand that
10 concept and then we try to reduce the expenses in
11 other areas so that way they can retain a strong
12 workforce.
13

14 JAMES PATCHETT: And I guess... [cross-
15 talk]

16 COUNCIL MEMBER KOO: I want to raise
17 another point to it, I, I appreciate what... your
18 agency has done a lot of things. Sometimes it's not
19 their model they are paying minimum wage, a lot of
20 people they don't want to worry about the wage,
21 the, the salary so if you... even if you increase it
22 you won't help them that much because they think...
23 because once they get above a certain amount, I
24 forgot seven, eight, or... they cannot get food
25 stamps, they cannot get... what is... government help

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so they refuse to work all, all those extra hours,
I mean... you know what I mean.

GREGG BISHOP: There are actually...
well... [cross-talk]

COUNCIL MEMBER KOO: And, and they...
and, and then you, you, you have to understand this
is a big underground economy which is a cash
economy, you know but these people they work a lot
of... for cash jobs, you know on the paper they're
poor, right, on the paper they only receive so much
and they... when the w-2 form there say oh we only
make 7,000 dollars, 7,000 dollars, 8,000 dollars or
10,000 dollars so they qualify for all these other
benefits even you insist on the... hey we want to
increase our wages, sometimes they say oh no, then
I work less hours so we have to tackle on that
problem from the... from, from the government point
of view.

JAMES PATCHETT: Council Member I, I
would just... as Commissioner Bishop was saying and
to your question which we, we appreciate and, and
respect I just... I would just respectfully disagree.
The... given what the Trump administration is
threatening in terms of potentially draconian cuts

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1 to social services it's more important than ever
2 that we ensure that people make enough money to
3 support themselves and their family and frankly
4 we're facing what could be unprecedented cuts in
5 our social services so I don't think we should rely
6 on food stamps as the solution for the future for
7 our New York City families to the contrary I think
8 we need to do everything that we can to ensure that
9 they receive wages which is why the mayor advocated
10 for and still supports the \$15 minimum wage and we
11 share that focus and I think the... and secondly I
12 would say New York City has the most jobs it's ever
13 had in its entire history, that is a reflection is
14 that the New York City is a great place to do
15 businesses, it has it's challenges no question but
16 we're all here working hard and there are 4.3
17 million people who are employed in New York City
18 because it is the place that people increasingly
19 want to work and have their businesses located.

21 CHAIRPERSON GARODNICK: Thank you very
22 much Council Member Koo, Chair Cornegy's back, I
23 just wanted to follow up on one point with the
24 Commissioner, Love Your Local is an opportunity for
25 a private business to receive a grant from New York

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2 City, up to 90,000 dollars as you described it, is,
3 that right?

4 GREGG BISHOP: Correct.

5 CHAIRPERSON GARODNICK: So this may be
6 the example that we were lacking before because the
7 gift clause language says the money of the state
8 shall not be given or loaned to or in aid of any
9 private corporation or association or private
10 undertaking, etcetera, etcetera that's the language
11 which has been bothering me about the school bus
12 driver contracts and wage supplement, how is it
13 okay as much as we would want to do it, right, I
14 mean it's a very... it's a... it's a... it's a fun idea,
15 it... you know as a small business you would want to
16 be able to take advantage of it, how is it
17 consistent with the gift clause to just give money
18 to private interests in this way?

19 GREGG BISHOP: So in, in terms of Love
20 Your Local the way we're, we're looking at... and,
21 and our ability to grant dollars to businesses is
22 really serving the public purpose, right, so these
23 small businesses are economic engines within their
24 community, they're either... we're either retaining
25 jobs or we're creating jobs, the grants will be

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1 used to... for businesses to either for example if
2 they are looking to upgrade their technology to
3 remain competitive we are looking at businesses
4 that have been around for more than... legacy
5 businesses for... you know we're going to prioritize
6 businesses that have been around for over 20 years
7 and again it... we are, are focused on the, the job
8 creation or job retention end result of the grant...
9 [cross-talk]
10

11 CHAIRPERSON GARODNICK: So is, is...

12 [cross-talk]

13 GREGG BISHOP: ...it is the same... [cross-
14 talk]

15 CHAIRPERSON GARODNICK: ...tied... [cross-
16 talk]

17 GREGG BISHOP: ...it is the same thing
18 that we due to hurricane Sandy where we were
19 giving... we had a grant component to businesses that
20 were affected by hurricane Sandy to recover because
21 that was tied back to job creation and job
22 retention.

23 CHAIRPERSON GARODNICK: So it... it's
24 tied in a way in which you can recapture the funds
25

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2 if the promise is made or the initiatives that are
3 undertaken do not materialize... [cross-talk]

4 GREGG BISHOP: Right. So, similar to
5 all our grant programs we have a strict criteria in
6 terms of how the money can be used, it is
7 reimbursable so we look at what the money was used
8 for and then reimburse the business based on that.
9 So again similar... we're following a lot of the same
10 sort of templates from previous... from other grant
11 programs that we've administered in the past.

12 CHAIRPERSON GARODNICK: So it's a
13 reimbursement for an expenditure that has a...
14 [cross-talk]

15 GREGG BISHOP: That's been approved.

16 CHAIRPERSON GARODNICK: That's pre-
17 approved... okay, but it being preapproved is not... it
18 isn't what avoids a gift clause problem, it would
19 have to somehow connect to a, a broader purpose
20 here other than just we want to give money to small
21 businesses. So that's, that's, that's what I...
22 that's what I'm, I'm getting at is to how exactly
23 they identify what is reimbursable by SBS.

24 GREGG BISHOP: So we worked with the
25 legal department to, to actually lay out the, the

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2 edibility based on the, the charter authority that
3 we have and again it goes back to... at the end of
4 the day either job retention or job creation based
5 on activities that you're doing. So if you're going
6 to use the grant again to... and I'm using this as an
7 example so your local cleaners who's been nominated
8 may not have a, a, a technology solution to
9 actually either get more customers or maintain
10 their customers and they're losing... you know or
11 they may lose the ability to compete with, you know
12 the... a changing... because of a changing neighborhood
13 so that goes... that upgrade would be a, a grant that
14 we... that we would fund and that would also fit into
15 the retaining jobs because they are able to stay
16 competitive.

17 CHAIRPERSON GARODNICK: Is any analysis
18 given to what level of job creation might have
19 been... might have taken place in the aggregate in
20 the absence of the grant like for example let's say
21 you have three dry cleaners on the... on the block
22 and they're all similar sized and one is expanding
23 and one of them is struggling because it does not
24 have proper technology, is it possible that
25 propping up the dry cleaner that had gotten the

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most votes or whatever could actually impede the aggregate number of jobs created?

GREGG BISHOP: So I think... so just taking a step back the, the, the premise of this program was really to address... it... the... it... what we've heard from small businesses in terms of you know my rent has gone up and I could have actually... you know absorbed this increase but I need to make either improvements with the my technology, I need to do something else and I just don't have the ability to do that so, so we want to make sure that we help those businesses stay in the neighborhoods because they are a fabric of those neighborhoods, there will be a selection criteria so I, I get where you're headed but certainly we want to make sure... we've heard from business owners and we've had a terrific response from business owners about this program because it, it, it really addresses some of the concerns that they've had in terms of what is the city doing to help us stay in this particular neighborhood.

CHAIRPERSON GARODNICK: Okay, well we hope you also support the, the commercial rent tax reform proposal too which would illuminate a tax on

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1 the rent for small business... I mean well all
2 businesses in Manhattan South of 96th Street but it
3 is crushing small businesses, the ones who are in
4 particular paying just above the exemption level so
5 you know that's, that's another way for us to love
6 our locals and we hope that you and the
7 administration will support that initiative too.

8 GREGG BISHOP: Yeah.

9 CHAIRPERSON GARODNICK: Was that a yes
10 you will or was that just a... [cross-talk]

11 GREGG BISHOP: That was an
12 acknowledgement to the fact.

13 CHAIRPERSON GARODNICK: Understood,
14 okay. Chair Cornegy.

15 COUNCIL MEMBER CORNEGY: That was...
16 that's pretty sweet their Chair... Chairperson. So, a
17 couple... a couple of things, one is I would be
18 remiss if I didn't address my colleague Peter Koo's
19 sentiments and try to articulate them as best I
20 could to you as it... as it relates to small
21 businesses and I speak to regularly. So while small
22 businesses understand and believe that they'd like
23 to support a \$15 an hour minimum wage, it's not
24 that in and of itself that small businesses are
25

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1 cowering to in terms of the changes that are
2 happening to them, there's, there's, you know the
3 implementation of paid sick plus this plus this
4 plus this so I think what my colleague is
5 articulating is that the, the, the sentiment around
6 some small businesses that the cost of doing
7 business in the city is escalating to the point
8 that I've heard from several businesses that they
9 are considering having to cut back on staffing to
10 meet the requirements of paid sick plus the
11 increase in minimum wage plus fines and fees plus
12 taxes so while in and of itself these very
13 progressive programs that of the cities and states
14 across the country are looking at modeling when you
15 compile them or when, when it seems like in a... in a
16 truncated period time they have to address them
17 many small businesses find themselves... find that
18 they don't have the capacity to do that and their
19 first thought maybe to reduce the size of staff, to
20 look at the quality of their products, all things
21 that don't... that are not conducive to, to
22 businesses being great in, in a great city. So... and
23 Peter and I have had this... Council Member Koo and I
24 have had this conversation over and over again and
25

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2 as a small business owner he's continually
3 advocating on behalf of his colleagues in the small
4 business realm and I've heard from them so I, I
5 don't want to be dismissive as the Chair of Small
6 Business about what his concern and what the
7 concern of some small businesses are at, at the
8 cost of doing business in the city so it's, it's
9 not as simple as we make it out to, to be for
10 small... especially small and micro businesses. So
11 that... but that... but I just think that it's... it's
12 worth noting that there are some points in what
13 he's been articulating... [cross-talk]

14 GREGG BISHOP: Sure... [cross-talk]

15 COUNCIL MEMBER CORNEGY: ...that are
16 consistent barriers to growth and development and
17 even to entry into the market so some small
18 businesses are choosing to continue to operate in
19 their basements, at their kitchen tables where they
20 should be coming forward but they find it
21 prohibitive with... you know as they look at the
22 changes in the city and, and the programs that are,
23 are very pro-worker some of them shy away from
24 even, even coming forward or coming into the light
25 of day as a small business because they don't think

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1 they have the capacity to meet the needs and
2 demands of a very tough city like New York. So,
3 let's just... let's just keep that... bear that in mind
4 please. So, I just want to go through a couple of
5 questions that I have, one is a follow up question
6 to Council Member Rosenthal's question about better
7 targeting of contracting opportunities for
8 businesses owned by, by black women specifically.
9 So a staff member of mine sat in on your M/WBE
10 certification training workshop put on this morning
11 and several minority female business owners
12 present... that were present were told that the
13 grounds of their minority ethnicity... they didn't
14 have to... they didn't have to apply on the grounds
15 of their ethnicity because they already met the
16 M/WBE through being women and that cross section is
17 there any way that we can improve the city's rate
18 of contracting with them by looking at that cross
19 section and I don't know if that's true or false
20 that they're being told hey you don't have to apply
21 for M/WBE certification as a black women because
22 you're already a women so their minority status
23 seems to have taken a backseat to some degree based
24 on this morning's seminar, it seemed as though that
25

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2 was the subtle inference that you, you shouldn't...

3 [cross-talk]

4 GREGG BISHOP: Right, that, that

5 doesn't sound... that doesn't sound... in, in terms of

6 our, our, our... [cross-talk]

7 COUNCIL MEMBER CORNEGY: ...I, I... [cross-

8 talk]

9 GREGG BISHOP: ...our certification...

10 [cross-talk]

11 COUNCIL MEMBER CORNEGY: ...I wasn't, I

12 wasn't there Commissioner... [cross-talk]

13 GREGG BISHOP: ...yeah, yeah, I... [cross-

14 talk]

15 COUNCIL MEMBER CORNEGY: ...I'm just...

16 [cross-talk]

17 GREGG BISHOP: ...I wasn't there either

18 whenever anyone is looking to certify if you're

19 African American women you can certify as a... as a

20 M/WBE instead of the WBE so I... we, we will make

21 sure that our staff is, is properly trained on, on,

22 on the advice that we're giving potential companies

23 that are certifying but yes... so if, if you are a

24 black woman you can certify and recognize the

25 minority part of your, your, your certification.

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1 Again, we connect and we... you know regardless of
2 your, your classification whether you're WBE or MB
3 or an M/WBE what we really want to do is make sure
4 that one, we target the right companies to get
5 certified, we want to target the areas where it...
6 either in gender or ethnicity where we're lacking
7 and then really connect them to the agencies that
8 have the opportunity whether it's in micro, whether
9 it's in a small, or whether it's in a general
10 contracting.
11

12 COUNCIL MEMBER CORNEGY: Okay, thank
13 you and lastly for me I, I want to discuss what
14 seems to be on, you know the most forefront of, of
15 the minds of small businesses which is access to
16 capital obviously, right so we've, we've gone two
17 hours and nobody's mentioned access to capital so
18 I'm a little late on it but I definitely want to
19 bring up... you know city small businesses and
20 particularly M/WBE's face difficulties in obtaining
21 financing especially micro loans. Does... is
22 currently the agency or the administration as a
23 whole have any program or programs that help small
24 businesses secure loans if you do can you give us
25 a, a brief synopsis of what they are and maybe walk

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1 them... walk us through it otherwise do you have any
2 plans to develop a program that would help small
3 businesses gain easy access to micro loans?
4

5 GREGG BISHOP: Sure, so there's a
6 number of... and, and thanks for bringing it up.
7 Access to capital is one of the major issues that
8 we hear small businesses talk about, it's that and
9 then it's access to a great workforce and you know
10 at NY... at Small Business Services we run the NYC
11 Business Solution Centers, we have nine center
12 services including financing, we have a network of
13 over 40 lenders including the lenders who actually
14 focus on the micro lending space so for example we
15 have a terrific partnership with Kiva with a Kiva
16 zip product, product we were one the largest
17 referrals, they do loans up to 10,000 dollars and
18 it's really character based lending so it really
19 fits into some of the concerns we've had from
20 entrepreneurs who may not have for example a strong
21 credit score to actually get the micro loan that
22 they need to launch that business. Regarding
23 M/WBE's in general so last year we connected
24 businesses to over 60 million dollars and so we
25 have a great team of financial account managers who

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will not only work with the business owner, we'll look at your credit profile, we'll look at your cash projections and then we'll find the right lender for you because we also play a critical role in terms of helping businesses understand how to get the right capital because a lot of businesses are lured by sort of quick returns in terms of some of the online lenders which turns into a very death spiral for that business because the, the cost of actually borrowing is much greater than disclosed so we want to make sure we connect businesses to, to lenders that we think are, are, are appropriate. With the administration made a commitment not only in terms of a resource stem, WBE's but also addressing some of the barriers that face... the M/WBE's face when you're talking specifically about city contracting so we, we announced a contract finance increase of our contract finance fund which is now capitalized at 10 million dollars which is just a floor, it's a revolving fund, M/WBE's who have won a city contract can now borrow up to half a million dollars at a three percent interest rate and we think... and applications will... we will announce the applications shortly but we think that

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that is going to be a game changer in terms of getting M/WBE's who are contracted with the city access to immediate capital that's so necessary to help grow their business.

COUNCIL MEMBER CORNEGY: And, and lastly ironically simultaneously to this hearing we're having democratic conference downstairs and I'm going to have to excuse myself because I'm actually finally introing the 311 bill which is a push notification bill that seeks to when there's a 311 complaint made on a small business they get immediate... well 32... a three day turnaround on a push notification to let them know that a complaint has been made and the reason that that bill came about was because we found that primarily bars, lounges, and restaurants when they go to renew their liquor license they were finding at that time that they had had a series of complaints against them and was summarily denied at most community boards the ability to redo their licenses. I wanted to know if you're familiar with the bill which you know I, I know you are and, and where the administration stands on the bill now because we are... it has been aged and we'll be introing it and

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I got to run downstairs to make sure that I can articulate... [cross-talk]

GREGG BISHOP: Right... [cross-talk]

COUNCIL MEMBER CORNEGY: ...the, the contents of the bill.

GREGG BISHOP: So I think in... and, and you know I'd have to look at the details of the bill but I think in principle any time we bring transparency to help small businesses know what they don't know, you know it's important and that goes back to... you know even the, the work that we... work we did together with Chamber On-The-Go in our compliance advisors where we go into a business and we help educate them on some of the regulations that they may not be aware of so in principle I, I agree that we should be as transparent as possible. I, I would have to look at the details in terms of the mechanism of how we do that... [cross-talk]

COUNCIL MEMBER CORNEGY: Right... [cross-talk]

GREGG BISHOP: ...which is why... [cross-talk]

COUNCIL MEMBER CORNEGY: ...so I'm, I'm not going... [cross-talk]

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2 GREGG BISHOP: ...I can't make a
3 statement... [cross-talk]

4 COUNCIL MEMBER CORNEGY: ...to hold you...
5 I'm not going to hold you to it but I did want to
6 know overall I think that it's a strategy that
7 gives businesses some of the skills and tools that
8 they need to be successful and they're not getting
9 hit, you know or blindsided in the end.

10 GREGG BISHOP: Yep.

11 COUNCIL MEMBER CORNEGY: So at... on that
12 note I'm going to have to ask the Chair to excuse
13 me so I can go introduce that bill downstairs and,
14 and, and I'll be right back.

15 GREGG BISHOP: Understood.

16 CHAIRPERSON GARODNICK: And in the
17 interim we're going to go to Council Member
18 Menchaca to be followed by Council Member Vallone
19 and we've been joined by Council Member Ulrich too,
20 welcome.

21 COUNCIL MEMBER MENCHACA: Thank you
22 Chair Cornegy and Chair Garodnick for their
23 leadership today and welcome to both of you...
24 [cross-talk]

25 GREGG BISHOP: Thank you... [cross-talk]

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2 COUNCIL MEMBER MENCHACA: A newly

3 welcome to new President Patchett and I have some
4 questions here. There we go... I... some of... some of
5 the members of my community gave me some of these
6 questions to ask and so it's going to be kind of
7 top level and then we'll go a little bit deeper
8 into, into the budget but one of the questions
9 that, that, that some folks have at home is really
10 kind of thinking about both of your budgets
11 themselves and what are the differences between an
12 SBS budget and how, how you do what you do through
13 the budget and the difference between an EDC
14 budget, can you kind of both talk a little bit
15 about the, the differences between both of your
16 budgets?

17 JAMES PATCHETT: Sure, well I think one
18 of the most notable things, the difference is, is
19 that EDC, you know is, is funded separately from
20 the city so we're primarily funded through our own
21 operating revenue so our annual operating budget...
22 we do receive city capital and expense for certain
23 specific city programs but for our operations, our
24 staff is all funded by revenues generated from
25 EDC's operations.

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2 COUNCIL MEMBER MENCHACA: And how much
3 is that before, before Commissioner... [cross-talk]

4 JAMES PATCHETT: Well our... [cross-talk]

5 COUNCIL MEMBER MENCHACA: Bishop goes...
6 [cross-talk]

7 JAMES PATCHETT: ...well our overall
8 budget is 848 million dollars for Fiscal '17 but
9 the... you know our... that includes a... is primarily
10 composed of capital construction projects, our
11 actual operating budget in terms of you know people
12 and facilities those kinds of things is sort of... is
13 in the vicinity of 60 million dollars.

14 COUNCIL MEMBER MENCHACA: And 60
15 million dollars and... and is that also compared to
16 the revenue, is that the revenue that you get from
17 all the assets?

18 JAMES PATCHETT: The revenue exceeds
19 the assets and we return approximately... we expect
20 to return about 60 million in revenue to the city
21 this year.

22 COUNCIL MEMBER MENCHACA: 60 million in
23 revenue returned from... [cross-talk]

24 JAMES PATCHETT: Yes... [cross-talk]
25

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2 COUNCIL MEMBER MENCHACA: ...all the
3 assets, okay, great. Commissioner Bishop?

4 GREGG BISHOP: And our, our budget, you
5 know after you, you break out our, our preliminary
6 budget is about 159 million however that includes
7 31.9 million to EDC, 21.2 million to NYC and Co.,
8 and 15.6 to Governor's Island which leaves the
9 remaining 90.8 million allocated to our programs
10 and I think to your question about the difference,
11 you know we... our budget is used primarily for
12 programs to help job seekers, for training of job
13 seekers, to help businesses start, expand, and
14 operate that's some of the... all the work that I
15 talked about and also supporting Commercial
16 Corridors through investments either to community
17 based organizations or working closely with the
18 business improvement districts.

19 COUNCIL MEMBER MENCHACA: Thank you for
20 that and we're going to... we're going to talk about
21 the bids in a little bit but this kind of begs the
22 next questions about the kind of hiring components
23 and the, the kind of job seeker roles that you both
24 play so how, how does... how does... how does the
25 administration make decisions about who's going to

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1 take what and like who's going to do this hiring
2 initiative and that, is there... is there like a... is
3 there a rubric, some kind of... is there a coin toss
4 like how... [cross-talk]

5 GREGG BISHOP: No... [cross-talk]

6 COUNCIL MEMBER MENCHACA: ...how does...

7 [cross-talk]

8 GREGG BISHOP: ...it's, it's... [cross-
9 talk]

10 COUNCIL MEMBER MENCHACA: ...how does it
11 get done... [cross-talk]

12 GREGG BISHOP: ...definitely not a... well
13 I mean... no, it's definitely not a coin toss. When
14 you look at the work that we do at SBS we work
15 closely with industry so we have taken I think as
16 an administration a sector base approach to focus
17 on industries that either will lead to a quality
18 job or industries that are already paying decent
19 wages so a perfect example... so we at SBS... so we are
20 the connector so industry tells us the skills that
21 they're looking for so, so... and that is any type of
22 business, it could be a large business or a small
23 business and they will come to us and say this is
24 the type of skill I'm... we're... I'm looking for and
25

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part of the advantage is that we are saving them
time which equals money because we will then do the
first pass in terms of finding the right skilled
individual and connect them to that opportunity and
of course they will then make the hire. They'll do
the interview and, and we hope will make the hire.
For our, our sector base approach we have made a
lot of investments in training so a good example
and we talked about this a little bit earlier in
terms of the quality jobs and jobs that do not need
a degree so for our Tech Talent Pipeline for
example we have made investments in training
programs from web development to quality assurance,
these, these programs... these training programs are
run anywhere... you know for months in terms of
training, a few months to a, a couple... to, to, to...
a couple weeks to a few months and then we make the
connection to a job. These jobs are based on skill
and not necessarily a degree and certainly we have
seen success where individuals have gone through
for example a web development program and are now
working and earning on average about 60,000
dollars. So, when we sort of look at... you know so

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think of SBS as the connector and the trainer in terms of job opportunities.

COUNCIL MEMBER MENCHACA: And how does that differ at EDC?

JAMES PATCHETT: Well right absolutely so I think it's, it's, it's a partnership really honestly. It is... you know it is EDC's responsibility as well as other agencies to do the projects that create the jobs and it is our, our partnership with SBS we connect them to SBS so that they can ensure that the, the people that come into our workforce centers and SBS is you know partnerships can actually access the jobs.

COUNCIL MEMBER MENCHACA: Okay, how, how... just I think we... so, so you're the connectors you, you kind of... you're, you're connecting people to, to jobs and sectors and then EDC is creating the jobs and then once you've created the jobs you are then connecting them after you've created the jobs so how... [cross-talk]

JAMES PATCHETT: Right, well yeah, I mean I... it's... we're, we're, we're doing the, the... I mean for example the Brooklyn Army Terminal, you know what I... what we... what we... what we want to

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1 accomplish... we... you know we recently opened a, a
2 workforce center there and there are jobs that will
3 be available there and what we need to do is work
4 in partnership with the SBS and with you to ensure
5 the local members of the community and people who
6 really need those jobs can access them. So, it's a
7 partnership, it's something that we do together. As
8 you know I'm relatively new to this but it's really
9 important to me as... [cross-talk]
10

11 COUNCIL MEMBER MENCHACA: Uh-huh...
12 [cross-talk]

13 JAMES PATCHETT: ...as you and I
14 discussed and we have to make sure that the jobs
15 that are part of everything that we do and is a
16 part of the mayor's plan are accessible to New
17 Yorkers regardless of education and that they're
18 accessible to people in local communities where the
19 jobs are available.

20 COUNCIL MEMBER MENCHACA: And I think
21 you... if... for EDC anyway you have HireNYC, is that
22 right and how big is the budget for HireNYC?

23 JAMES PATCHETT: Well we don't... we
24 don't have a budget for HireNYC per se, it's a
25 requirement as a part of our contracts that... and so

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when we... when we enter into an agreement with
someone we require them to use the HireNYC Program
which also is a partnership with SBS.

COUNCIL MEMBER MENCHACA: So HireNYC
is, is kind of housed to SBS?

GREGG BISHOP: So... no, so it... think of
it as, as more... so if, if you're receiving a
benefit from the city what the city has said
through the HireNYC Program is that you have to
give us, meaning the city a first opportunity to
connect you with a, a, a job seeker for any work
that's related to that project. So, it's really...
[cross-talk]

COUNCIL MEMBER MENCHACA: It's like a
requirement?

GREGG BISHOP: Right, so it's really...
[cross-talk]

COUNCIL MEMBER MENCHACA: Not, not a...
[cross-talk]

GREGG BISHOP: ...Right... [cross-talk]

COUNCIL MEMBER MENCHACA: It's not like
a... [cross-talk]

GREGG BISHOP: ...and it's using our
infrastructure... [cross-talk]

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COUNCIL MEMBER MENCHACA: ...a program...

[cross-talk]

GREGG BISHOP: ...right, so, so... right, so, so if, if, if there's a project that company will come to us and say well I have... I'm projecting x amount of jobs and here are the skill sets that I need for x amount of jobs and then using our infrastructure, our workforce infrastructure we will connect individuals for that company to interview. Now we would... we want them to hire but you know again the... [cross-talk]

COUNCIL MEMBER MENCHACA: Right...

[cross-talk]

GREGG BISHOP: ...we are making that, that connection.

COUNCIL MEMBER MENCHACA: Awesome, thank you. Thank you for clarifying. I think there are some folks that, including myself that were trying to figure out exactly how, how that works and the Workforce1 Centers I'm assuming are really like the, the, the engine where people kind of go through to get that but HireNYC is really just more like a mandate for organizations to get a benefit from the city of New York.

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2 GREGG BISHOP: Correct.

3 COUNCIL MEMBER MENCHACA: Awesome,
4 thank you for that. Now let's go to Sunset Park.
5 Tell us a little bit about that portfolio and how,
6 how it compares as a... as a... and this is now for
7 EDC, the portfolio for Sunset Park and how it kind
8 of compares both holistically what is the Sunset
9 Park portfolio in terms of... well actually I'll let
10 you define that terms, how do you define the Sunset
11 Park portfolio and how it kind of compares to the
12 rest of the city?

13 JAMES PATCHETT: Sure, well I mean you
14 know as we've discussed Sunset Park portfolio as...
15 in terms of when I use the word... when I use the
16 word portfolio I would mean the, the physical real
17 estate which... that we have which means the 4.2
18 million square feet of physical space that is
19 available in Sunset Park... [cross-talk]

20 COUNCIL MEMBER MENCHACA: 2.4 million
21 square feet... [cross-talk]

22 JAMES PATCHETT: 4.2.

23 COUNCIL MEMBER MENCHACA: 4.2.

24 JAMES PATCHETT: Across the Brooklyn
25 Army Terminal, Bush Terminal and the meat market as

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well as the South Brooklyn Marine Terminal. So, you know it's a substantial amount of... [cross-talk]

COUNCIL MEMBER MENCHACA: Can you walk us through each of those in, in, in size?

JAMES PATCHETT: So, so it's... there's, there's 3.1 million square feet at the Brooklyn Army Terminal, the Bush Terminal has 940,000 square feet, the meat market has 220,000 square feet, and then the South Brooklyn Marine Terminal is 70, 70 acres, you know with a, a lot of potential and is... as, as you know we're, we're going through a process on that right now to determine the long-term future of SBMT.

COUNCIL MEMBER MENCHACA: Actually while you're at... on SBMT can you tell us a little bit about the time line really, really quick on... and, and like essentially just the time line on when the contract will... or the RFP anyway will be announced for the winners?

JAMES PATCHETT: Yeah, I would expect something in the next few months but it's, it's a conversation and you know I want to make sure that you and I have a chance to speak about it in detail before we get there.

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2 COUNCIL MEMBER MENCHACA: So, so soon-
3 ish is... [cross-talk]

4 JAMES PATCHETT: Yeah, then... in next
5 few months... next few months I would expect by the
6 summer.

7 COUNCIL MEMBER MENCHACA: Okay,
8 awesome, thank you for that.

9 JAMES PATCHETT: ...Uh-huh... [cross-talk]

10 COUNCIL MEMBER MENCHACA: I know
11 everybody, everybody is waiting for, for that and
12 you've been working really hard and I just want to
13 thank your team... [cross-talk]

14 JAMES PATCHETT: Yeah... [cross-talk]

15 COUNCIL MEMBER MENCHACA: ...who's been
16 diligently working on, on kind of landing
17 somewhere.

18 JAMES PATCHETT: Great...

19 COUNCIL MEMBER MENCHACA: Thanks for
20 mentioning that. So, the next... so, so let's just
21 now dig deep in one of the big budget items right
22 now, just the mayor... you and the mayor announced
23 recently made an NYC Initiative at Bush for the
24 900... within the campus... the larger campus of
25 940,000 square feet... [cross-talk]

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2 JAMES PATCHETT: Correct... [cross-talk]

3 COUNCIL MEMBER MENCHACA: ...can you tell
4 us a little bit more... the testimony didn't go
5 through some of that if you can just kind of walk
6 us through the investment both the, the kind of
7 amount of investment and I'm assuming it's not for
8 the whole 940,000 square feet, if you can kind of
9 tell us a little bit about where's it's going to
10 land and how much investment... how much the
11 investment is going into, how much property?

12 JAMES PATCHETT: Sure, so the, the...
13 it's 136-million-dollar investment and it is
14 focused on 280,000 square feet of... [cross-talk]

15 COUNCIL MEMBER MENCHACA: 280,000...
16 [cross-talk]

17 JAMES PATCHETT: ...280,000 out of the
18 940,000 square feet available at the... at the Bush
19 Terminal and you know as we have discussed in our
20 view it's a... it's a... it's a vision about making
21 affordable real estate available for manufacturing
22 companies and film and t.v. companies where they
23 are, you know currently being priced out or
24 challenged if you continue to stay in the city and
25 we're making space available to... or we're intending

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2 to make space available to them but, but you know
3 that is a vision but it's not going to come online
4 for three years and so I think the, the really
5 important is that between now and that time we
6 sculpt the vision, we work closely with your
7 office, your constituents, the Sunset Park Task
8 Force to determine exactly how it will function and
9 in particular to go back to the earlier
10 conversation we were having to ensure that the jobs
11 really are available to people who live in the
12 community and that we're creating the right types
13 of jobs that are accessible to people, you know who
14 may not have a traditional academic background,
15 people who have... maybe have less... you know have
16 less than a college degree or less than a high
17 school degree.

18 COUNCIL MEMBER MENCHACA: And, and I
19 think we, we share that vision so this, this is
20 great that we're, we're totally aligned on, on
21 vision and impact for the local neighborhood. How...
22 since the park is not the only place where garment
23 is alive or t.v. is alive how does this really
24 impact both the, the kind of greater Sunset Park
25 because the 280,000 square feet of impact from the

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1 investment will have a larger impact on Sunset Park
2 and, and really how does it relate to the other
3 centers in the city and can you tell us a little
4 bit about how you're, you're thinking about maybe
5 potential other investments in other parts of the
6 city and are we... are we putting enough, do we need
7 to... can we put more or should we be asking for more
8 money for across the city and tell us a little bit
9 how it kind of connects the dots across the city
10 for the garment and t.v. industry?

12 JAMES PATCHETT: Absolutely, well... so
13 you know those are two industries that are
14 extremely important to EDC for similar reasons,
15 reasons. Film and television, you know is, is, is a
16 significant job creator and there's a lot of
17 opportunity for good jobs, many good union jobs so
18 it's a very important sector from that perspective
19 but it's also important because it's... you know it's
20 iconic for the city, it's one of the things that
21 helps people identify with New York City, it's
22 something that causes people to, you know think of
23 the city come as tourists, spend their money at
24 local businesses so film and t.v. is important for
25 that reason and similar... fashion is important for a

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1 similar reason which is people identify, you know
2 high end fashion with the fashion... you know fashion
3 weeks we have in the Spring and the Fall and you
4 know I think it's important for New York City to
5 continue being a... an international leader in both
6 of those industries. So that's part of the reason
7 why the Made in New York Campus is important but in
8 particular as it relates to the garment
9 manufacturing, you know we've seen a significant
10 decline in, in jobs, in the garment industry and
11 one of the things that we're try, trying to do by
12 creating the Bush... the Bush campus in this way is I
13 said to invest significantly in city owned assets
14 so that people will have access to high quality
15 space with the appropriate infrastructure and the
16 long term possibility or guarantee of low rents
17 that they can afford and stay there long term as
18 opposed to being subject to the whims of the
19 private sector which we can never... you know never
20 be sure of the direction that's going to go and if
21 it continues to go in the direction it's going it's
22 going to be a challenge for... you know for that
23 industry, you know and, and as, as to your
24 additional questions, you know I... it is our goal

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1 that these investments be nothing but good for
2 Sunset Park, you know these assets have been under
3 invested in for years, it's part of the reason why
4 this is a priority, why additional investments in
5 the Brooklyn Army Terminal are important, why
6 determining the future of the future of the South
7 Brooklyn Marine Terminal and partnership with you
8 is important. As you and I have discussed it... there
9 was a time when 20,000 people worked in these... in
10 these areas in Sunset Park, today it's
11 approximately 5,000. From my perspective, we need
12 to get back to 20,000, it may not be... it may not be
13 next year... I'm sorry, will not be next year but,
14 but it may... but it's something we have to work
15 towards so that does mean additional investment,
16 we'll be fighting for additional investments from
17 the city in these areas hopefully in partnership
18 with you and that also means improving the areas
19 around these assets, you know the, the associated
20 parks and community assets, it's all about, you
21 know building that community and importantly not
22 just building it... we're... I don't want to see this
23 community built and I think we share this vision
24 for... you know for, you know people outside the
25

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community and these... you know it should be an important citywide asset but it needs to be built and come from the Sunset Park community and that's very important to me.

COUNCIL MEMBER MENCHACA: Well again, thank you for... we, we are totally aligned on vision and so I want to... I want to thank you for that recommitment and that very kind of public commitment to Sunset Park and again we, we share that vision and before I, I, I dig deeper on some of the questions that I, I definitely want you to answer I want to say thank you as well. Yesterday EDC was in the neighborhood at our CB7 Subcommittee for Parks subcommittee for parks where Julie Stein, I don't know if she's in the room but shout out to her, talked a little bit about the new ask for from OMB on the 20 million dollars to the park, that's never happened before and we're so happy and so this is... I think this is actually your kind of demonstration of the... of, of Sunset Park and so we want to say thank you for that. I don't want to go without saying that but back to my original question, I, I, I, I know we're committed to Sunset Park, I'm asking about connecting the other garment

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1 centers and I, I have yet to kind of hear from you
2 what those centers are, where they are, how they
3 connect to Sunset Park, how there's like a synergy
4 and eco-system so if you can just kind of focus on
5 like where, where are the other garment centers,
6 you know I represent one of them, thank you and
7 we're, we're going to work on that but how does it
8 connect to other centers and I don't want to name
9 them, I want... I want EDC to name them, where are
10 you looking, where are they and what's happening
11 there and how does it connect to Sunset Park
12 because one of the questions I think we have in
13 Sunset Park are the mayor has a 100,000, is that
14 right, 100,000 new... [cross-talk]

16 JAMES PATCHETT: Yes... [cross-talk]

17 COUNCIL MEMBER MENCHACA: ...jobs...

18 [cross-talk]

19 JAMES PATCHETT: ...uh-huh... [cross-talk]

20 COUNCIL MEMBER MENCHACA: ...and so are
21 we counting the new jobs that are moving from
22 another place to another place as a new job, that's
23 a big question for my community right now and, and
24 so, so that's, that's maybe a sub-question but tell
25 us a little bit about how EDC is looking at the

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garment centers in other places in the city, define them for us and how, how they relate to the Sunset Park project?

JAMES PATCHETT: So thank you. So, you know I... there was a time in the city where there was a garment center, that is, you know no longer the case, you know today to, to answer your question, you know I, I will name them for you. The specific areas where we... where we see garment centers today include Soho, Sunset Park, the Brooklyn Navy Yard, East Williamsburg, Bushwick, and in Tribeca and the meat packing district. So, they... as well as the traditional garment center, center in Midtown. So, you know it really is incredibly dispersed all across the city and those workers, we have done some analysis and they live all over the city. Some of them live in Queens, many of them live in Brooklyn and South Brooklyn, some of them live in the Bronx, others live in Northern Manhattan so it is... it is diverse both in terms of its locations and in terms of where the workers work and you know our vision is to ensure that that industry can continue to thrive in the city and it's, it's not an easy task, we have to...

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1 the only... in my mind the only way we can ensure
2 that is by providing, you know long term stability.
3 That means the, the best way to assure that is it's
4 a city owned asset, there are other ways to do that
5 but, you know it's, it's, it's a... it's a
6 challenging effort and we're in conversations right
7 now with the industry, with yourself and other
8 elected officials to try and make sure that we have
9 a thoughtful plan but for the moment in and of
10 itself in my mind the Made in New York campus
11 investment just taking this city owned asset which
12 has been in disrepair, putting a 136 million
13 dollars in it, requesting capital for the
14 corresponding amenities is an important first step.

16 COUNCIL MEMBER MENCHACA: And, and we
17 agree, more people at the park... or, or in Sunset
18 Park, working in park... in the park, Sunset Park
19 will want to use the park at Bush Terminal. So, I,
20 I think it makes sense just logic there. Look
21 there's more that we're going to follow up on this
22 and this is going... this is going to be part of the
23 larger conversation. So, two last questions, the,
24 the ever-evolving EDC has really kind of pushed a
25 kind of portfolio manager, Julie Stein to head that

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up and there's again reorganization at EDC, can you tell us a little bit about maybe how you are staffing up or changes from last fiscal year to this fiscal year as far as staff and, and where that might be reflected in the budget, I didn't see it necessarily but if you can kind of push that... or point that to me?

JAMES PATCHETT: Sure, well I mean the most noticeable ways that you'll see in the budget for the... our investment in Sunset Park is in the capital funds which is really the only way that you would see it in the city's budget our investments in Sunset Park or, or frankly anywhere so there's the 136 million dollars for the Bush Terminal, the 100 million dollars for the Brooklyn Army Terminal which is a substantial amount from EDC's capital over the course of our plan and as well as, as you eluded to, you know additional funds we're seeking from OMB for the executive budget and from, from the council is part of our conversation effort to continue to revitalize Sunset Park and you know I think as, as Chair Garodnick and I were discussing earlier, you know this has got to be an essential element of any jobs plan to continue... to continue

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to grow and grow this and as I eluded to earlier
maybe not 20,000 next year but I'm hoping for soon...

[cross-talk]

COUNCIL MEMBER MENCHACA: Right, so...

[cross-talk]

JAMES PATCHETT: ...so... [cross-talk]

COUNCIL MEMBER MENCHACA: ...I was
talking... I'm referring to staff.

JAMES PATCHETT: So... yeah... no, and I
said... [cross-talk]

COUNCIL MEMBER MENCHACA: ...oh you're
going to... [cross-talk]

JAMES PATCHETT: ...so get... [cross-talk]

COUNCIL MEMBER MENCHACA: ...the staff...
[cross-talk]

JAMES PATCHETT: ...so to get to... [cross-
talk]

COUNCIL MEMBER MENCHACA: ...sorry...
[cross-talk]

JAMES PATCHETT: ...so to get to staff
you wouldn't see it reflected in the budget because
EDC is, is, is primarily self-funded and so, you
know we are... we are increasing the staff in this
area, we have... and generally we have increased the

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1 staff in our asset management division and we have,
2 you know as you said Julie is, is dedicated to
3 Sunset Park and she has an increasing, increasing
4 resources or a pool of a... of analysts in the asset
5 management division and we're certainly opening to
6 adding more staff as needed and then separately
7 we've also, you know in partnership with you
8 started to and need to go further in expanding the
9 way that we work with the community in terms of,
10 you know ensuring that we have the appropriate
11 partnerships, I know we have the task force focused
12 on Sunset Park, bid as a partnership between EDC,
13 yourself and community and you know we just need to
14 keep going further in that direction.

16 COUNCIL MEMBER MENCHACA: Got it and so
17 it doesn't sound like there's, there's a specific
18 number but we can follow up on, on changes from
19 last fiscal year. How, how does that differ... it
20 sounds like that's not something that needs to be
21 in a report for staffing at EDC, is that something
22 that SBS has to do, do you... do you... do you share
23 with us your, your kind of like staffing needs, is
24 that something that... [cross-talk]

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2 GREGG BISHOP: In terms of... [cross-
3 talk]

4 COUNCIL MEMBER MENCHACA: ...that...
5 [cross-talk]

6 GREGG BISHOP: ...staffing needs... [cross-
7 talk]

8 COUNCIL MEMBER MENCHACA: ...and this is
9 like maybe to the Chair actually I don't know, I'm,
10 I'm learn... I want to learn a little bit more about...
11 [cross-talk]

12 GREGG BISHOP: ...yeah, I... [cross-talk]

13 COUNCIL MEMBER MENCHACA: ...the
14 differences.

15 GREGG BISHOP: I think just to
16 reiterate so we are a city agency so we and EDC has
17 their... a, a part of the budget that's funded by the
18 city but they're privately funded so they're a
19 corporation so I think that's, that's... I think
20 that's what you're eluding to. So, we do... if we
21 need additional staff we have to go through OMB, we
22 have to get the approval, etcetera, etcetera and we
23 do publish out our numbers.

24 COUNCIL MEMBER MENCHACA: Got it and
25 that's just a note for the Chair just like we're

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2 not... we're not seeing the kind of transparent
3 nature of the staffing and, and so when there's
4 real kind of commitment it'd be great to kind of
5 see it and so maybe we can see it anyway and we can
6 ask... [cross-talk]

7 JAMES PATCHETT: Well sure... [cross-
8 talk]

9 COUNCIL MEMBER MENCHACA: ...for... [cross-
10 talk]

11 JAMES PATCHETT: ...and like I said well
12 what's... sorry, what's... so the, the, the number...
13 what you receive from, from SBS is there... you know
14 you approve individual, you know dollars which
15 leads to head count and we're... what it... if you have
16 a specific question we'd be happy to provide the...
17 [cross-talk]

18 COUNCIL MEMBER MENCHACA: Yeah and my...
19 [cross-talk]

20 JAMES PATCHETT: ...information... [cross-
21 talk]

22 COUNCIL MEMBER MENCHACA: ...my question
23 is at the, the Sunset Park portfolio of team
24 management so these are staffers... [cross-talk]

25 JAMES PATCHETT: Yes... [cross-talk]

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COUNCIL MEMBER MENCHACA: ...kind of what we would... we would love to kind of see... well we would probably see because they have... SBS has to go and seek for that from OMB, extra lines, extra, extra staff, we're not seeing that from... just out of the nature of your corporation so that's important.

JAMES PATCHETT: Well right, absolutely. Well I... we... I mean if, if it... I don't have the number in front of me as to the... I don't know the... [cross-talk]

COUNCIL MEMBER MENCHACA: Okay, well we can follow... [cross-talk]

JAMES PATCHETT: ...but I'm pretty sure... [cross-talk]

COUNCIL MEMBER MENCHACA: ...up, it's not important... [cross-talk]

JAMES PATCHETT: ...I'd be happy to... I'd be happy to give you any information you'd like about the staffing levels, I don't... [cross-talk]

COUNCIL MEMBER MENCHACA: ...great... [cross-talk]

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JAMES PATCHETT: I don't think it's a lack of transparency, it's just a different budgeting process.

COUNCIL MEMBER MENCHACA: Right, so let's just... we'll, we'll get to that and... [cross-talk]

JAMES PATCHETT: ...absolutely, I'd be happy... [cross-talk]

COUNCIL MEMBER MENCHACA: ...and so, so for... [cross-talk]

JAMES PATCHETT: ...share... [cross-talk]

COUNCIL MEMBER MENCHACA: ...a, a, a tweet that came in, in the middle of all this from the street vendors project and they were kind of asking for SBS and the bid and thinking a little bit about kind of membership and, and really including street vendors in, in this concept of, of kind of bid... well there's a larger question here, bid formation but also kind of bid services to street vendors on the ground, there's a big legislative push right now so I just wanted to see if you're... if you had any thoughts about like how to incorporate street vendors into the kind of bid, bid services as we... as we kind of move forward with

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1 this larger conversation about changing our
2 relationship with the street vendors with the big
3 bill that we have but just wanted to see if you had
4 any thoughts about... [cross-talk]

5 GREGG BISHOP: Yeah, I, I would...

6 [cross-talk]

7 COUNCIL MEMBER MENCHACA: ...about that...

8 [cross-talk]

9 GREGG BISHOP: ...need to get more
10 information in... when you say incorporate the
11 services I, I would... say that if, if there's... and
12 there are, are... there are bids who have a terrific
13 relationship with vendors and... [cross-talk]

14 COUNCIL MEMBER MENCHACA: ...Right, it's
15 a mixed bag... [cross-talk]

16 GREGG BISHOP: ...and, and... I mean it, it
17 is, I mean that's why I said they are... they're...
18 they are some bids and, and, and certainly those
19 vendors benefit from the services just by the
20 nature of being on the corridor. So, I think... I
21 would need to understand a little bit more of what
22 exactly we're, we're talking about...

23 COUNCIL MEMBER MENCHACA: Yeah and I
24 mean they're... I, I went a little bit further but I
25

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mean all they're saying is that it would be great
for any bid receiving public dollars' support... that
they support all the small businesses in the area
including street vendors and it's like how do we...
how do we... how do we bring in an agency
conversation around that to really support all the
businesses including street vendors. I went deeper
in... [cross-talk]

GREGG BISHOP: Right... [cross-talk]

COUNCIL MEMBER MENCHACA:

...presentation... [cross-talk]

GREGG BISHOP: ...and, and I think for...

[cross-talk]

COUNCIL MEMBER MENCHACA: ...and

everything so... [cross-talk]

GREGG BISHOP: ...for me I, I just need

to clarify what support means... [cross-talk]

COUNCIL MEMBER MENCHACA: Well, we can...

[cross-talk]

GREGG BISHOP: ...but, but certainly you

know if... just a reminder in, in terms of the bids

we administer the process of creating a bid but

bids are independent organizations so there are

501, C3, you know council has a seat on the board,

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we have a seat on the board representing the mayor, decisions are made in terms of the services and, and how the bid is run by the chair and the executive director obviously we can, you know work with a particular bid in, in, in terms of what that support means but at the end of the day the bid is an independent entity but I'd love to, you know continue the conversation and figure out exactly the details of that.

COUNCIL MEMBER MENCHACA: And we will and, and so to both you Commissioner Bishop and President Patchett I, I welcome our continued partnership throughout this budget process but also the continued nature of our aligned mission to bring Sunset Park and, and the rest of the district into the second.. pipeline, thank you.

JAMES PATCHETT: Thank you very much Council Member.

CHAIRPERSON GARODNICK: Thank you Council Member Menchaca, Council Member Vallone?

COUNCIL MEMBER VALLONE: Thank you Chair. My question... not sure what my questions are anymore. I don't know... [cross-talk]

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2 CHAIRPERSON GARODNICK: ...help you if
3 you want... [cross-talk]

4 COUNCIL MEMBER VALLONE: ...something
5 about Sunset Park, let's just go... let's just go
6 back to Sunset Park because that's clearly... [cross-
7 talk]

8 CHAIRPERSON GARODNICK: ...that's a
9 winning... that's a winning list of questions.

10 COUNCIL MEMBER VALLONE: I'm going to
11 have to go... So President welcome, nice to... [cross-
12 talk]

13 JAMES PATCHETT: Thank you... [cross-
14 talk]

15 COUNCIL MEMBER VALLONE: ...see your new
16 vision. Commissioner, always good to see you and
17 thanks for meeting all the groups out in our
18 district, I think that's paramount really to what
19 SBS's vision is, is to getting to areas that
20 sometimes feel a bit remote and you can't be any
21 more remote than my district... to Staten Island but
22 when you're out in little neck Douglaston in
23 Bayside sometimes folks feel a little bit cut off.
24 I think President what we could do is maybe with
25 your new vision and with the Commissioner so many

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of the... these meetings over the last quarter, over the last four years focused on a major part of the city's future in my eyes and... not my district but affects all of Queens and the city was the hundreds of millions that were dedicated to Willets Point and what the future of Willets Point will be as the demands of the city change with affordable housing and small business, schools ability to reshape a very large part of the city that we may never get this opportunity again where the local businesses and the local community boards are so invested like Council Member Koo and Chair Cornegy have said have spent years talking about the future of it. I think we don't do service if we just say there's a lawsuit there and we're not going to put it in the presentation, it used to be part of... a big part of EDC's future, present and future outlook and a district like mine that borders on Willets Point and I think from City Field to U.S. Open, to ferry service, to local job recruitments, to the LaGuardia Airport I, I think maybe we can re-focus back, I just wanted to get your thoughts on... I just left Borough President Katz who spoke to Karen Koslowitz our Chair, all the Queen's Council

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Members are, are focusing on getting answers back to our residents, to our communities as to what your focus will be now at Willets Point?

JAMES PATCHETT: At Willets Point?

COUNCIL MEMBER VALLONE: Yes.

JAMES PATCHETT: Right, so absolutely.

Well so... I mean I, I... absolutely I, I don't mean to suggest that the, the lawsuit means that we don't need to have a vision but it does literally legally preclude us from doing... to acting on the vision, that is what the lawsuit is, is precluding us from doing but what... at, at the moment what we are doing regardless of that is we are advancing the things that we can legally do which is we are clearing that area which... so that we can be as ready to go as soon as the lawsuit is, is completed so... [cross-talk]

COUNCIL MEMBER VALLONE: And how is that... [cross-talk]

JAMES PATCHETT: ...you know... [cross-talk]

COUNCIL MEMBER VALLONE: ...process go... where... [cross-talk]

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JAMES PATCHETT: ...we are... we are...

we're, we're demoing the vacated structures in the Willets Point Peninsula, I think it's actually a... if, if you were out there, you know eight months ago and you went back now you would... I think you'd be pleased to see a significantly... significant improvement, we're also... I've met with Commissioner Trottenberg last week about trying to focus on the streets out there to make sure that they're in good condition. So, I realize that those are not to the bigger vision but those to us... to us those are the things that we can do now to ensure that we are ready to go as soon as the lawsuit is resolved. So as to the... as to the broader vision, you know it is our vision to proceed with the project and we haven't... you know that is our understanding with the councilmember as well as the developers, you know we, we... what we would like to see is there are two phases to the project, there is the, the retail site and there's also... which is to the west of City Field and then there's also a, a large parking lot planned for the east side of City Field with the intention that over long term it would be converted into housing.

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COUNCIL MEMBER VALLONE: Which is phase one though, right?

JAMES PATCHETT: What's that... [cross-talk]

COUNCIL MEMBER VALLONE: ...there are future phases, that's phase one?

JAMES PATCHETT: The... well the... phase one is the... is the mall, phase two and it's several phases... there are many... there are several additional phases that involve housing and, and commercial space and potentially a hotel on the East side of, of... correct but I'm just saying we... the, the original vision had the, the housing following several years after the mall and so the conversation we've been having while we're waiting for the lawsuit to get resolved is to see if we can, you know get all of the development to move ahead together, it's something everyone is interested in, it's a conversation that we're having and you know I... we're hopeful that we can see it move together but regardless, you know we hope to have action soon out there as soon as the lawsuit is resolved.

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2 COUNCIL MEMBER VALLONE: Well then
3 maybe we can have a dialogue... [cross-talk]

4 JAMES PATCHETT: Yeah... [cross-talk]

5 COUNCIL MEMBER VALLONE: ...within the
6 Queens Council Members, they're... like I said so
7 many of the communities... it becomes one of the
8 number one questions when you visit set or group of
9 community associations... [cross-talk]

10 JAMES PATCHETT: Yeah... [cross-talk]

11 COUNCIL MEMBER VALLONE: ...beyond just a
12 particular... I think there's four Council Members
13 that intersect right there anyway... [cross-talk]

14 JAMES PATCHETT: ...sure, we should do...
15 absolutely, I'd be... welcome that.

16 COUNCIL MEMBER VALLONE: And I think
17 one of the Council... questions from Council Member
18 Koo was LaGuardia Airport and being someone that's
19 the victim of the... of the traffic and the insanity
20 that goes around since we have to go through
21 everyday... [cross-talk]

22 JAMES PATCHETT: Yeah... [cross-talk]

23 COUNCIL MEMBER VALLONE: ...to get there
24 and that includes Willets Point so we see it every
25 day. I think we should have a say not in what the

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1 airport, the Port Authority, I think... if they're
2 bringing their construction vehicles through our
3 streets, if they're using our resources, if they're
4 using our space, if they're using our time, and our
5 quality of life to create a multi-billion dollar
6 project that's going to help everyone else in the
7 country except for the homes around my district who
8 are sick of it, I think we should have a say and
9 knowing the timeline, knowing where the impacts are
10 going to be and not just waking up to another 880
11 or a 1010 traffic alert saying avoid the entire
12 Grand Central Parkway because LaGuardia... and you
13 can't do that because unfortunately our
14 transportation desert there is no greater one, I
15 have no subway, we're stuck driving. So, I think
16 maybe there's an opportunity with two major
17 airports and billions of dollars that this
18 governor's investing to say hey you know it's time
19 to get our local city involved on this project that
20 the state has basically hijacked from us..

22 JAMES PATCHETT: Yeah. It's, it's an
23 excellent point Council Member.

24 COUNCIL MEMBER VALLONE: And it's also
25 local jobs too.

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JAMES PATCHETT: Yeah, there's...
absolutely.

COUNCIL MEMBER VALLONE: We'd love to
join you and, and going with that. The, the ferry's
great to see they're going forward that spot, again
not my district but when you don't have
transportation alternatives a ferry would be a good
one so we always looked at the City Field Marina...
[cross-talk]

JAMES PATCHETT: ...uh-huh... [cross-talk]

COUNCIL MEMBER VALLONE: ...as an
opportunity that all of Queens could kind of use,
you could take the seven train, you could get
there, you jump off the Grand Central Parkway. Are
there thoughts for expanding now beyond the, the
original phase of the ferries to additional
locations?

JAMES PATCHETT: Yes, absolutely. So, I
was actually... I was with the mayor this morning at
an announcement related to the ferries at the
Brooklyn Navy Yard which is exciting, we are still
on time for the delivery of the first phase this
summer which we're thrilled about. The initial
phase this summer plus next summer we are

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1 anticipating 21 landings across the city. So those
2 are the first two phases and I'll just echo what
3 the mayor said this morning which is that it is
4 absolutely our intention to take a look at what's
5 possible once we get the service successfully
6 delivered, see how it's running and take a look at
7 how we can expand it because we need to be able to
8 do the things that we can that are within the
9 city's control to expand transportation whenever
10 possible.
11

12 COUNCIL MEMBER VALLONE: Well and
13 that's one of those things that combines with the
14 airport because they were talking about high speed
15 ferries, we're talking about local ferries... [cross-
16 talk]

17 JAMES PATCHETT: Yes... [cross-talk]

18 COUNCIL MEMBER VALLONE: ...and we're all
19 talking the same thing but it would be a perfect
20 spot because there's already a dock there and...
21 [cross-talk]

22 JAMES PATCHETT: Yeah... [cross-talk]

23 COUNCIL MEMBER VALLONE: ...you already
24 have a parking lot and, and on a... Commissioner
25 Bishop you had mentioned 21 new jobs, remember when

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2 we had met at, at SBS, I think there's 21 new staff
3 within SBS that's in the report today?

4 GREGG BISHOP: Yeah, so, so we had a
5 couple of investments in this budget cycle, a lot
6 on the M/WBE side to really expand our ability to
7 do targeted outreach, to expand our ability to
8 certify faster while maintaining the integrity of
9 the program... [cross-talk]

10 COUNCIL MEMBER VALLONE: ...But remember
11 what... [cross-talk]

12 GREGG BISHOP: ...and also... [cross-talk]

13 COUNCIL MEMBER VALLONE: ...they asked
14 you when they... the language, right, the Korean and
15 the Chinese business owners who were having
16 difficulty contacting and conversing... [cross-talk]

17 GREGG BISHOP: ...correct... [cross-talk]

18 COUNCIL MEMBER VALLONE: ...with city
19 agencies because of the... not because of an
20 interpreter, they didn't want an interpreter they
21 want... [cross-talk]

22 GREGG BISHOP: ...want someone directly...
23 [cross-talk]

24 COUNCIL MEMBER VALLONE: ...staff that
25 actually works... [cross-talk]

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2 GREGG BISHOP: ...correct... [cross-talk]

3 COUNCIL MEMBER VALLONE: ...at the city
4 agency that speaks the... [cross-talk]

5 GREGG BISHOP: ...and that... [cross-talk]

6 COUNCIL MEMBER VALLONE: ...language...
7 [cross-talk]

8 GREGG BISHOP: ...that is part of our
9 hiring process is to ensure that we build the
10 language capacity of our staff to communicate
11 directly with individuals. So, I've actually had
12 some follow up conversations with some
13 organizations about that and we are as we hire
14 we're looking at the make up in terms of the staff
15 and making sure that based on our conversation that
16 we have individuals that can actually speak their
17 language.

18 COUNCIL MEMBER VALLONE: Perfect and
19 the last point Commissioner Cornegy and Council
20 Member Koo and Garodnick had mentioned the, the
21 climate, I think we want to see you be cognizant
22 and aware of small businesses throughout the city
23 that are not just M/WBE businesses but to all
24 businesses and I think today the crisis for all of
25 us as the cost of living increases is those are the

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necks of the woods that often feel most forgotten because as they take the burden of the higher cost of living and the cost of doing business and rents and utilities, insurance, overhead and employee insurance and unemployment insurance and everything else you have to pay to have a small business we need to have your vision there for all of the small businesses.

GREGG BISHOP: Right... [cross-talk]

COUNCIL MEMBER VALLONE: ...not, not just a segment and I don't think they realize when you were mentioning to Council Member Menchaca the list of services the SBS does support for small businesses was last, I want you to flip that and make it first because that's... [cross-talk]

GREGG BISHOP: So... [cross-talk]

COUNCIL MEMBER VALLONE: ...that's what I want to see.

GREGG BISHOP: So, so and, and, and the listing was by no means the priority at the agency, I've... I have three verticals which is workforce, business, and neighborhoods so depending, depending on how... depending on how... [cross-talk]

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2 COUNCIL MEMBER VALLONE: We're moving
3 on... [cross-talk]

4 GREGG BISHOP: ...depending on how...
5 [cross-talk]

6 COUNCIL MEMBER VALLONE: ...we're moving
7 on... [cross-talk]

8 GREGG BISHOP: ...how I talk about it but
9 certainly I hear you and, and some of what we've
10 talking about as administration is to reduce the
11 cost of doing businesses within the city so if you
12 look at our small business first initiative we have
13 30 points where we're working with agencies to
14 reduce the regulatory burden on businesses, we're
15 trying to educate businesses... [cross-talk]

16 COUNCIL MEMBER VALLONE: ...They love
17 that... [cross-talk]

18 GREGG BISHOP: ...more... [cross-talk]

19 COUNCIL MEMBER VALLONE: ...when you came
20 out they love that.

21 GREGG BISHOP: ...and, and so we want to
22 do more of that, certainly the mayor and, and it's
23 not just our agency, the mayor has worked with DCA
24 for example to reduce their, their, their fines to
25 small businesses so it is an administrative wide

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approach to really support small businesses and we serve as the advocate to small businesses and, and certainly I'll remember next time I'm talking to you to always say small business first.

COUNCIL MEMBER VALLONE: Thank you, thank you Chair.

CHAIRPERSON GARODNICK: Thank you Council Member Vallone. So, we're at the point of this hearing where there are no more Council Members left and only a few speed round questions from me so I'm going to keep them really fast and I know you've, you've been here for a long time but just only a few of them and I want to just make sure we get them and then we'll be done. First is on workforce development, there... we had a... an early 2016 update to the Career Pathways Report and we want to know when we might see an update for 2017, we had one in early 2016 should we expect one anytime soon?

JACKIE MALLON: I remember that. Can you hear me?

CHAIRPERSON GARODNICK: Yes... [cross-talk]

JACKIE MALLON: Yes... [cross-talk]

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CHAIRPERSON GARODNICK: I think so,
let's see.

JACKIE MALLON: Yeah, we'll be working
with the Mayor's office of workforce development
to, to come back and give you an update for sure.

CHAIRPERSON GARODNICK: Is that...
[cross-talk]

JACKIE MALLON: ...it's, it's... [cross-
talk]

CHAIRPERSON GARODNICK: ...is that on...
[cross-talk]

JACKIE MALLON: ...that was about a year
ago, you're right, I think it was last February-
ish...

CHAIRPERSON GARODNICK: Yep.

JACKIE MALLON: So I would have to
confer... I don't know exactly where they are in, in
their planning but I, I know we've been talking
about it so, so we can come back to you... [cross-
talk]

CHAIRPERSON GARODNICK: I just... [cross-
talk]

JACKIE MALLON: ...with a specific time
frame.

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CHAIRPERSON GARODNICK: Okay, has there been a change in personnel running that office, the office of workforce development?

GREGG BISHOP: Yes, so Barbara Chang is now the new Executive Director and I think what, what, what we're saying is that SBS is part of the overall Career Pathways Report and updates come from the mayor's office of Work Force Development.

CHAIRPERSON GARODNICK: Okay, please encourage them to... [cross-talk]

GREGG BISHOP: ...we will send that message... [cross-talk]

CHAIRPERSON GARODNICK: ...give us an update. Okay, BQX... [cross-talk]

JAMES PATCHETT: Yes, sir...

CHAIRPERSON GARODNICK: The project timeline shows that an alternatives analysis study was scheduled to be released in February do you have an update on when that study will be available and also whether there will be any discussion of proposed financing mechanisms in that study?

JAMES PATCHETT: Absolutely, so the... yeah, we anticipate releasing that study shortly,

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the next few months, I don't have the February
timeline in front of me, what are you looking at...

CHAIRPERSON GARODNICK: I'm reading it
off my notes... [cross-talk]

JAMES PATCHETT: Okay... [cross-talk]

CHAIRPERSON GARODNICK: ...but I think
that that... [cross-talk]

JAMES PATCHETT: ...okay... [cross-talk]

CHAIRPERSON GARODNICK: ...comes from
the... [cross-talk]

JAMES PATCHETT: I understand... I don't...
[cross-talk]

CHAIRPERSON GARODNICK: ...website... it
comes from the city's... [cross-talk]

JAMES PATCHETT: ...website?

CHAIRPERSON GARODNICK: ...yeah... [cross-
talk]

JAMES PATCHETT: ...okay, well in any...
[cross-talk]

CHAIRPERSON GARODNICK: EDC... [cross-
talk]

JAMES PATCHETT: ...in any event I've
not... that's... the timeline that, that I recall is,
you know soon so I, I hear you, we're working on

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2 the report and we'll have you something shortly as
3 it relates to the financing alternatives we
4 absolutely are, are looking at those as you know
5 the mayor discussed value capturing when he
6 initially proposed this, we are still focused on
7 that but also a number of council members have
8 including Councilman Lander have, have put out
9 alternative financing mechanisms and we want to
10 make sure that we look at all those.

11 CHAIRPERSON GARODNICK: Okay. The last
12 category here is on the Life Sciences Initiative...
13 [cross-talk]

14 JAMES PATCHETT: Sure... [cross-talk]

15 CHAIRPERSON GARODNICK: ...our
16 Preliminary Capital Plan includes funding for the
17 life sciences hub of the mayor's 500-million-dollar
18 Life Science Initiative as it turns out Governor
19 Cuomo also announced a statewide Life Science
20 Initiative totaling 650 million anchored by a 17
21 million dollar 30,000 life sciences hub in New York
22 City. JLABS so how do these two initiatives work
23 together if at all?

24 JAMES PATCHETT: Right, well our goal
25 is for them to work together closely, we've been

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1 having a conversation with the Governor's Office
2 about that, it's obviously would be best for
3 everyone if they were working closely together so
4 the main... the, the Governor's plan is this... is a
5 statewide plan as, as you said that was a 30,000-
6 square foot facility that you referenced with...
7 what'd you say 17 million dollars... [cross-talk]

8 CHAIRPERSON GARODNICK: ...Yes... [cross-
9 talk]

10 JAMES PATCHETT: So our commitment is
11 for 100 million dollars and our goal is for the
12 facility to be between half a million and a million
13 square feet so we're talking about a real hub for
14 the Life Science Center which includes academic
15 uses, incubator space, wet labs and a place where
16 companies can really come, I think... we think of it
17 as like the Cornell Technion for the life sciences
18 industry as really... as really a catalyst to ensure
19 that this industry can continue to grow in the way
20 the technology industry has in this city and
21 frankly where there's a tremendous amount of
22 opportunity.

23 CHAIRPERSON GARODNICK: Say that last
24 line one more time I, I couldn't hear it?
25

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JAMES PATCHETT: In an area where
there's a tremendous amount of opportunity.

CHAIRPERSON GARODNICK: Okay, okay, got
it... [cross-talk]

JAMES PATCHETT: Yeah...

CHAIRPERSON GARODNICK: Thank you.
Okay, so with that I'm going to leave there
because... [cross-talk]

JAMES PATCHETT: Thank you...

CHAIRPERSON GARODNICK: ...we, we've
covered a lot of territory today and you, you've
all been very patient and it's been several hours
so with that I'm going to thank you for your
testimony, thank the various staffs who worked on
the hearing, to all the... all who participated and
focused on this subject today, we thank you for
being here and with that we are adjourned.

JAMES PATCHETT: Thank you...

GREGG BISHOP: Thank you...

[gavel]

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 7, 2017