

COMMITTEE ON ECONOMIC DEVELOPMENT

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CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC DEVELOPMENT

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March 17, 2025

Start: 1:05 p.m.

Recess: 3:34 p.m.

HELD AT: COMMITTEE ROOM - CITY HALL

B E F O R E: Amanda Farías, Chairperson

COUNCIL MEMBERS:

Alexa Avilés

Erik D. Bottcher

Jennifer Gutiérrez

Kevin C. Riley

Rafael Salamanca, Jr.

OTHER COUNCIL MEMBERS ATTENDING:

Sandy Nurse

Lincoln Restler

A P P E A R A N C E S

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

Jennifer Montalvo, Chief-of-Staff at the New York City Economic Development Corporation

Julie Coker, President and Chief Executive Officer of New York City Tourism and Conventions

Machiko Grasso, Vice President of External Affairs at Non-Traditional Employment for Women

Gregory J. Morris, Chief Executive Officer of the New York City Employment and Training Coalition

Malat Seyoum, Director of Local Affairs and Strategic Partnerships at the New York City Network of Worker Cooperatives

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

Ofelia Salgado, corporate business developer at Sunset Park Center for Family Life

Ahn Thu Nguyen, Director of Strategic Partnerships at Democracy at Work Institute

Christopher Leon Johnson, self

SERGEANT-AT-ARMS: Mic check, mic check, this is a mic check on the Committee on Economic Development. Today's date is March 17, 2025, in the Committee Room recorded by Walter Lewis.

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

Everybody, please silence your cell phone.

If you wish to testify, please go to the back of the room to fill out a testimony slip with the Sergeant-at-Arms.

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

Chair, we are ready to begin.

CHAIRPERSON FARÍAS: [GAVEL] Good morning, and welcome to today's hearing on the Fiscal 2026 Preliminary Budget for the New York City Economic Development Corporation. My name is Amanda Farías, and I'm honored to be the Chair of the Committee on Economic Development. We're also joined today by esteemed Colleague, Council Member Alexa Avilés.

Today, we will be hearing from NYC EDC on the Fiscal 2026 Preliminary Budget, including the Preliminary Capital Commitment Plan and updates on their Fiscal 2024 Investment Projects. In addition to the NYC EDC capital projects, NYC EDC also manages capital projects for various other agencies. The agency also oversees much of the discretionary economic development investment projects, which involve advisory and financial assistance from EDC. Each one of these programs should support and be well integrated with one another to properly execute the City's economic development and vital infrastructure goals. Today we plan to examine to what extent this is occurring, where improvements can be made, and the overall feasibility of NYC EDC's capital and investment program.

NYC EDC is the City's primary agent for economic development and their principal mandate is 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 NYC EDC's budget is laid out in this year's Preliminary Plan, connects to the larger job creation and economic development strategies of the City. One

of the ways NYC EDC supports the growth of the City's economy and job market is through what it calls investment projects. These represent discretionary financial assistance, largely in the form of tax breaks and tax-exempt bond financing. In Fiscal 2024, there were 440 total active investment projects at a total cost of 293 million. Many of these projects represent investments made years or even decades ago under prior Administrations. However, 20 of these projects were new in Fiscal 2024 and represent a commitment of multi-year tax reductions worth roughly 31.7 million. I would like NYC EDC to update us on how the economic impact of these investment projects are calculated and to what degree the agency coordinates with other arms of the City, including OMB, to ensure that these impacts are reflected in our budget process.

The Fiscal 2026 preliminary capital commitment plan, which covers Fiscal 2025 to 2029, includes 3.9 billion for NYC EDC. NYC EDC's 10-year capital plan includes 5.9 billion in Fiscal 2026 to 2035. Today, I would like EDC to provide this Committee with information regarding both revenue contributed by NYC EDC to the general fund and net

revenue generated post-contributions to the general fund. From Fiscal 2019 to Fiscal 2021, NYC EDC had negative net revenue with a positive 96 million in Fiscal 22 and then revenue dropping by nearly two-thirds to 32.5 million and increasing slightly to 37.6 million in Fiscal 2024. The Committee would like to know what the reason for EDC struggling to come close to the peak of Fiscal 2022's numbers are and what they can do to achieve greater increases. It is essential that the budget that we adopt is transparent, accountable, and reflective of the priorities and interests of the Council and the people we represent. This hearing is a vital part of this process and I expect that NYC EDC will be responsive to the questions and concerns of Council Members. I look forward to an active engagement with the Administration over the next few months to ensure the upcoming Fiscal 2026 adopted budget meets the goals the Council has set out. I would like to thank Andrew Kimball and Jennifer Montalvo for coming here today and testifying. I would like to thank NYC EDC staff who have been consistently responsive to our many requests. We would not be able to analyze the City's budget at such a detailed level without your

cooperation, so I thank you. I would also like to thank both my Staff and the Staff of Finance and Legislative Divisions for helping in preparing for this hearing. Thank you.

I'll now turn it over to Committee Counsel.

COMMITTEE COUNSEL: Do you swear to tell the truth, the whole truth, and nothing but the truth before this Committee?

PRESIDENT KIMBALL: I do.

CHIEF-OF-STAFF MONTALVO: I do.

COMMITTEE COUNSEL: Thank you.

PRESIDENT KIMBALL: Good afternoon, Chair Farías and Members of the Economic Development Committee. I'm Andrew Kimball, President and CEO of the New York City Economic Development Corporation, and I'm here today with my Chief-of-Staff, Jennifer Montalvo. We appreciate your leadership as Chair of this Committee as well as that of your Colleagues in the City Council as partners on major development projects such as ULURP approvals for Willets Point or Sparks Kipps Bay, or quality-of-life improvements such as the introduction of electric helicopters and ferry discounts for high school students. I'm glad to

have the opportunity to update you on the progress we have made over the last year and provide a bird's eye view of our work across the city.

EDC is a mission-driven, not-for-profit organization that works to create a vibrant, inclusive, and globally competitive economy for all New Yorkers. In the third year of this Administration, our mission and strategic priorities continue to underpin the City's recovery. Our work has helped New York City navigate a period of transformation, responding to the impacts of a pandemic and the challenges of our time, including changes to work patterns and industry and our housing and affordability crisis while continuing to build a robust and diversified economy that competes globally while creating opportunities for New Yorkers locally. I'm proud to say that in 2024, New York City reached record highs in employment and labor force participation. Our economy reached a new employment record with 4.8 million jobs and a 61.8 percent labor force participation rate, both all-time highs. New York City's thriving startup and entrepreneurial ecosystem continues to grow with one in eight businesses in New York City starting in the last 12

months. This astonishing statistic speaks to the importance of small businesses and entrepreneurs as the backbone of New York City's economy. From Sunset Park to the north shore of Staten Island, from Hunts Point to Willets Point, and from Midtown Manhattan to Jamaica, Queens, our city is showing its strength and optimism. New Yorkers are back at work. Our streets and plazas and parks are full of life. Our commercial districts exude an energy that you just don't feel in many other cities. Tourism is back and on track to hit an all-time high in 2025. To bolster the City's economy, we've continued to focus on high-wage, high-growth sectors, attract a job-creating businesses and academic institutions, and made substantial progress in reimagining and revitalizing commercial and industrial districts, driving office space modernization and activation, public realm improvements, industrial innovation, and reactivation of our waterways for commercial uses. And yes, of course, we continue to play an important role in addressing New York City's greatest need, creating housing across the boroughs.

Through our capital program, we've channeled City capital towards projects that support

and promote economic development and create strong communities for New Yorkers. For example, this year we completed the renovation of four public libraries and broke ground on the renovation of the Bronx Museum, the largest contemporary art museum in New York City with 100 percent free admission. Our business development team is working tirelessly to attract high-impact, job-creating companies across innovative industries of the future. This year, OpenAI opened its first New York City office, global investment firms Citadel and Citadel Securities announced they will serve as anchor tenants at 350 Park Avenue, which will serve as home to 6,000 jobs, and yogurt giant, Chobani, is locating its new headquarters at 360 Bowery. All of our projects and initiatives are guided by data and an analysis of the City's economy, which we continue to report monthly and which we shared in our inaugural State of the Economy Report in January. Our 2024 Impact Report, which you have in front of you provides additional details on our work. You can also learn more about our work in recent reports on academia in New York City and New York City's artificial intelligence advantage.

EDC is committed to the success of industries critical to our city's current and future economy, tech, life sciences, and the green economy. New York City is a booming global tech hub with the second largest technology workforce in the world. The sector has grown 32 percent over the last decade. Our programs and initiatives in partnership with investors, innovators, and academic institutions have moved this sector forward. AI is both a technology tool impacting every sector of the economy, from law to accounting to life sciences, but it's also an exploding technology subsector in and of itself. Recognizing artificial intelligence as a critical force in shaping the future, EDC is committed to securing NYC's leadership in AI and supporting AI sector growth and job creation, cultivating local talent and ultimately advancing New York City's standing as a premier AI hub. To that end, in the end of January, EDC will issue an RFP to create an AI nexus hub. To provide workforce training and access to AI opportunities, we launched the EDC Startup Internship Program that targeted connecting CUNY students to dynamic roles at AI-first startups. And to improve AI literacy, we're piloting a new AI

literacy program for librarians across New York City's libraries. T

he New York City life sciences community is launching dynamic new startups and leading scientific breakthroughs that are improving health outcomes and powerfully enhancing our basic quality of life. EDC's commitment to investing in life sciences has made the sector a cornerstone of the New York City's economy. Through the City's 1-billion-dollar LifeSci initiative, we're driving innovation in this multidisciplinary sector that unlocks modern therapeutics and life-saving medicines. Vaccines, diagnostics, and devices, all for the advances of humanity. The city's life sciences sector has grown into a citywide ecosystem with neighborhood-based clusters that each make a distinctive contribution.

Similar to tech and life sciences, EDC sees the green economy as a major source of growth for New York City in the coming years and decades. Last February, we joined the Administration to announce the release of the Green Economy Action Plan, a first-of-its-kind plan laying out a roadmap to growing the city's green economy. The plan invests in jobs and sectors that will help the City combat

climate change and train and position New Yorkers, particularly those from environmentally disadvantaged communities, to benefit from the nearly 400,000 green-collar jobs in New York City by 2040.

Underlying all of our work is a commitment to an investment in the development of New York City's greatest asset, its people. We do this by supporting diverse entrepreneurship, expanding workforce development, and improving access to M/WBE firms. This work is at the heart of our mission and our projects and helps us ensure that all New Yorkers can participate in the industries of tomorrow.

Diverse entrepreneurship is EDC's first equity pillar, and our initiatives aim to enhance diversity within three innovation industry sectors. EDC's Founder Fellowship supports a diverse community of New York City tech and green startup founder teams with much-needed access to resources and networks to help them grow their companies. We have had 250 Founder Fellowship participants since 2022, and over 161-million-dollar increase in company valuation for those companies across their teams the last two years. The Venture Access Alliance is a coalition of venture capital investors brought together by EDC who

believe New York City's diversity is its greatest strength and opportunity for growth, and it worked together to build an inclusive tech and venture ecosystem in New York City.

Second pillar of our equity work is workforce development, creating the educational and talent pipeline so that all New Yorkers can participate in the city's growing innovation industries. Building on the foundation for a diverse talent pipeline into startups, we continue our partnership with Company Ventures and CUNY in 2024. Summer Internship Programs provides accessible pathways to tech careers for low-income college students. Our LifeSci NYC Internship Program continued strong in 2024, providing undergraduate and graduate students quality internships at pharmaceutical and biotech companies, digital health companies, research organizations, and startups, while offering curriculum and training support. Since the program's inception in 2018, it has placed more than 1,000 students at over 200 companies. One of the great things we're seeing is that interns from the early years of this program now have their own companies and are hiring LifeSci interns. To advance

a green economy workforce, EDC launched the NYC Waterfront Pathways Program to counter documented disparities in public procurement by increasing opportunities for minority-owned, women-owned, and disadvantaged business enterprises in the offshore, wind, and waterfront industries. EDC is preparing to select three economic mobility networks in the coming months, which will implement a workforce development strategy to foster long-term economic mobility in Hunts Point, Sunset Park, and East New York. These economic mobility networks will leverage EDC assets to expand employment and work-based learning opportunities for local residents, and expand local awareness and training for the city's innovation industries.

Third pillar of our equity work focuses on M/WBE utilization. Last year, EDC committed over 234 million dollars to M/WBE firms. To support the development and capacity building of city M/WBE firms, EDC's Construct NYC program is designed to connect small- to mid-sized, minority-woman-owned, and otherwise disadvantaged business enterprises with exclusive opportunities to work on EDC projects through contracts of up to 3 million.

Before I take you on a flyover of the Harbor of the Future, I'd like to briefly highlight some of EDC's procurement opportunities. We currently have procurement opportunities to support housing and commercial activation at the former Flushing Airport site, the East New York Industrial Business Zone, Gansevoort Square, Coney Island West, and 100 Gold Street. The Harbor of the Future is a bold plan to reimagine New York City's waterfront to fuel 21st century growth and innovation. This brief presentation puts the breadth of our work into context across the city and highlights our mission and strategy in action. This vision includes historic investments to build our future-focused industries, utilizing them as vehicles for job growth, economic diversification, and equitable pathways to prosperity. A new reinvigorated use of the city's waterfront space will create 53,000 temporary and permanent jobs, generate 95 billion in economic impact, offer a hub for connectivity and transportation, make New York City more sustainable and resilient for the future, allow us to reimagine major spaces and assets, and bring us a step closer

to building a modern 21st century city that continues to capitalize on our waterways and waterfront assets.

Along the north shore of Staten Island, we're building a vibrant mixed-use waterfront community that will explore new kinds of sustainable urban design and job creation. This plan outlines a roadmap for a clear and unified vision for the future of Staten Island's north shore, with 400 million dollars of City investment, creating over 20 acres of public space, more than 7,500 family-sustaining jobs, over 2,000 housing options for all income levels, and 3.8 billion in economic impact over 30 years. The centerpiece of the action plan is 20 acres of new waterfront open space from Stapleton to St. George, on par with Hudson River Park or the Brooklyn Waterfront that improves the quality of life for North Shore residents and unlocks nearby private investment in housing and commercial space. Along the west shore of Staten Island, EDC is working with private partners to make available hundreds of acres of underutilized land for the offshore wind industry and other large-scale manufacturing opportunities. On the South Brooklyn waterfront, EDC manages approximately 200 acres of waterfront assets

including the Brooklyn Army Terminal, BAT. BAT is home to over 100 businesses and approximately 4,000 employees. A key initiative of the Administration's historic Green Economy Action Plan is the Climate Innovation Hub at BAT. The hub will bring business development incubation and acceleration to a four million square foot campus and continue to grow Sunset Park as a center for clean tech innovation, manufacturing, local entrepreneurship, and workforce opportunities. The MADE Campus at Bush Terminal is a center for artisans, advanced manufacturing, and media production. The campus will synergize modern facilities, amenities, and well-designed public space. In December, we're thrilled to open the first 220,000-square-foot industrial building as part of the MADE redevelopment. Last June, in partnership with the City, State, and Equinor, we announced the start of construction to transform the South Brooklyn Marine Terminal into the nation's largest offshore wind port. SBMT is poised to deliver 810 megawatts of renewable electricity to the city, providing enough energy to power 500,000 homes, advance the green transition to renewable energy, bolstering the city's national leadership in the offshore wind industry,

and serve as an operations and maintenance hub for Empire Wind One.

Equity and economic mobility are at the center of our offshore wind work, ensuring that diverse businesses and diverse workforce are prepared to best participate in this opportunity.

Last May, after 50 years of dysfunctional government and disinvestment as a result of the ineffective City, State, and Port Authority tri-party agreement, EDC assumed full control of the Brooklyn Marine Terminal. Working with local elected officials and stakeholders, we're working on a transformational plan for this 122-acre site that will spur economic development and job growth in Brooklyn and beyond, develop a modernized 21st century maritime port to bolster the Blue Highway and a micro-distribution network, removing trucks from New York roadways and neighborhoods, and create a mixed-use community that provides improved access to open space and the waterfront while creating thousands of units of housing that help address the city's greatest need.

Governor's Island is home to the New York Climate Exchange, a 400,000-square-foot campus dedicated to research, education, and public programs

addressing the global climate crisis. Climate Exchange is being built by the City in partnership with the Trust for Governor's Island and its Climate Exchange Consortium, which is led by SUNY Stony Brook. And of course, the Brooklyn Navy Yard has become an international model for successful transformation of outdated industrial spaces into a center of modern manufacturing and a home to startups. The Navy Yard is in the midst of an ambitious master plan that will nearly double its size in the next 10 years. These three sites are collaborating to create the Harbor Climate Initiative, three-mission-aligned public entities with sites along New York Harbor connected by NYC Ferry, the Trust for Governor's Island, EDC's Brooklyn Army Terminal, and the Brooklyn Navy Yard to make New York City the global capital of climate innovation. These three campuses totaling 600 acres and 10 million square feet of building space were first built as military bases to defend our country at home and abroad, and are now being reimagined to tackle perhaps our most existential challenge of today and the future, climate change. The collaborative will facilitate research, education,

workforce training, and space for companies to grow, as well as an opportunity for the piloting of new technologies. These sites will support the creation of 5,000 permanent jobs, educate and train 2,100 students, and generate 55 billion dollars of economic impact for our city.

Just last month, we announced the next phase of an ambitious new vision for Coney Island that will deliver 1,500 new homes and invest in the reconstruction of the historic Riegelmann Boardwalk. In addition, the City will invest in new streets, sewers, and public realm improvements, including a 42-million-dollar renovation of the Abe Stark Sports Center. Coney Island West redevelopment advances the Administration's commitment to forward-looking housing projects to make New York City the best, most affordable place to raise a family.

Moving away from the waterfront for a moment to an important neighborhood hub in East New York, EDC is working to improve the Broadway Junction Station Complex and support the East New York Industrial Business Zone. At Broadway Junction, we're working alongside MTA with a 500-million-dollar public investment to deliver accessibility upgrades

to the Broadway Junction Station Complex and additional investment to activate underutilized public spaces around the subway complex, improve street safety, and create new open space. We're also working to strengthen the historic industrial hub and secure its future as a thriving employment center through RFPs for several industrial sites.

Coming back to the East River, EDC controls two of the city's heliports, the East 34th Street Heliport and the Downtown Manhattan Heliport. At the end of 2023, we released a bold new vision to transform DMH to capitalize on new technologies like electric vehicle takeoff and landing aircraft, EVTOLs, and create a first-of-its-kind hub for sustainable transportation and deliveries as part of the City's Blue Highway Network. We recently announced the selection of Downtown Skyport as the new operator of DMH. As part of our new operator agreement, the City will see increased revenues as well as investment to upgrade the heliport's infrastructure to support EVTOLs as well as last-mile maritime freight delivery.

At East 34th Street, our operator has also agreed to invest in new heliport infrastructures

to support EVTOLs. These agreements will create the needed infrastructure to allow New York City to become one of the first heliports in the nation to support EVTOLs, greening our skies while reducing ambient noise.

Resiliency against flooding and overall effects of climate change is at the core of our work, partnering with city agencies like DEP and DDC to build and manage the city's waterfront infrastructure. Lower Manhattan is the financial capital of the nation and one of the most important areas of commerce in the world. We've seen how vulnerable this area is to climate change and the impacts of increasing storm activity. To protect Lower Manhattan from rising sea levels, EDC is in the design phase of the last section of the Lower Manhattan Coastal Resiliency Project, which covers the FiDi Seaport area. This is only one of many resiliency initiatives we're working on with DEP and DEC underway across our city.

In Spark Kips Bay, we're transforming an entire city block into a state-of-the-art and first-of-its-kind education, job, innovation hub focused on life sciences and health tech. Last month, the City

Council voted to approve the Science Park and Research Campus, SPARC Kips Bay, and Innovation East projects, an historic win for New York City's thriving life sciences industry and broader economy. The project is backed by a 1.6-billion-dollar investment from the City and the State, as well as an expected 2 billion dollars in private investment. The project will create over 3,100 permanent jobs and generate 42 billion dollars of economic impact while building pathways to the life sciences and health sectors. On one side of the campus, there will be three CUNY schools focused on public health and life sciences careers as well as a DOE high school with a STEM focus on life sciences and health. On the other side of the campus will be over one million square feet of private biotech space, as well as critical public health facilities for Health and Hospitals and the Office of the Chief Medical Examiner. The public-private sides of this campus will strategically incorporate workforce development strategies to ensure opportunities for our New York City students in their careers of the future.

Moving back across the harbor, Long Island City is a neighborhood that has seen enormous

growth over the last decade and has emerged as a vibrant, live, work, learn, play community. The neighborhood has experienced some growing pains around housing, open space, community resources, and infrastructure. To address these issues, EDC is working with the Department of City Planning and a local Council Member to conduct an extensive community engagement process which will guide the long-term vision for one of the city's fastest-growing neighborhoods.

Cornell Tech, founded in 2012, is a groundbreaking center for technology research and education on Roosevelt Island. Its creation was a key strategy to transform New York City into the second-largest global tech ecosystem, employing over 360,000 New Yorkers, 7 percent of the city's workforce. Our partnership with Cornell Tech continues to grow. We are working with them on growth strategies right now and programs with graduates that have brought nearly 200 startups to the city. This partnership is an example of EDC's strategy of finding piloting opportunities to scale urban innovation on City-controlled assets.

The East Midtown Greenway is a major public realm project that brought us one step closer to the grand vision to close the loop of the Manhattan Waterfront Greenway and provide New Yorkers with continuous waterfront open space around Manhattan. As part of this work, EDC is rebuilding the pier at 107th Street and repairing and reconstructing portions of Bobby Wagner Walk Esplanade from 94th Street to 124th Street along the Harlem River, and we're working on over 80 miles of greenways with Parks and DOT across the city.

At Willet's Point, we're making history through a once-in-a-lifetime public-private partnership to build a mixed-use neighborhood from whole cloth. This project includes 2,500 units of affordable housing, the city's largest affordable housing project in over 40 years, and a 750-million-dollar privately-financed, world-class, all-electric soccer stadium for the New York City Football Club. The stadium, housing, a new school, and dedicated open space will generate 16,000 jobs and 6.1 billion dollars in economic impact for the city.

Jumping back inland, earlier this year, the Mayor and EDC unveiled El Centro Kingsbridge, an

ambitious new plan for the future of Kingsbridge Armory, to redevelop the historic and long-underutilized site and create new economic opportunities in the Bronx. Phase One of the project envisions a vibrant mixed-use development with a state-of-the-art event venue space, sports field for local youth academies, cultural space, and over 25,000 square feet of dedicated community space, an educational facility focused on workforce development, and more. Phase Two, 450 units of permanently affordable rental housing will be adjacent to the armory. The redevelopment is expected to generate 2.6 billion dollars of economic impact over the next 30 years, creating 3,000 construction jobs and 3,600 permanent jobs.

The Bronx is also home to the Hunts Point Food Distribution Center, FDC, the city's primary food distribution hub. The FDC has spread over 200 acres and includes three major cooperatives, fish, meat, and produce, as well as other major food manufacturers and distributors. EDC is working on a number of major upgrades with its partners at the FDC, including a massive redevelopment of the produce market that will take over 1,000 trucks a day off of

fossil fuel generators. The FDC's waterfront access also creates a strategic opportunity to develop a blue highway node at the distribution center, allowing for waterway linkage between the Brooklyn Marine Terminal and food distributors at Hunts Point via barge service and marine terminal operation.

The Harbor of the Future showcases our assets, their interconnectedness, and their position as an integral part of New York City's vast waterfront. The city was established upon our vibrant waterways, and those waterways remain a vital tool to support the city's creation of a sustainable blue highway network to move freight from our roadways to our waterways. We're evaluating potential sites for micromobility and blue highway landings, while also studying how we can utilize New York City Ferry's 25 landings to move goods across the city.

Currently, freight is almost entirely delivered via trucks, which clog our roadways, contribute to air pollution, and negatively impact our communities. To alleviate these problems, we need to remove trucks from our streets. We envision waterfront landings throughout the boroughs, allowing goods to be delivered directly by water from one

borough to another, from warehouses in New Jersey, removing trucks from our street.

Delivering on Mayor Adams' vision of a modern and connected harbor is integral to EDC's mission and strategic priorities, and delivering on a cleaner, greener future for New York City is fundamental to supporting a modern, sustainable city. We're proud to do this work in partnership with all of you, and I thank you for the opportunity to speak with you today. We welcome any questions you may have.

CHAIRPERSON FARÍAS: Thank you so much for the very thorough testimony that included really great visuals. Always appreciate that.

I'd like to start off by acknowledging we've also been joined online by Council Member Riley and Council Member Gutiérrez.

I'd like to start off with discussing the economic impact of the investment projects. State law requires that NYC IDA undertake a cost-benefit analysis before providing any discretionary tax breaks. This evaluation must show that the tax break will have a net positive impact on the City's budget, so every approved IDA investment should have a

positive tax revenue impact on the City. How much in tax revenue impact do you think IDA projects are having in FY25?

PRESIDENT KIMBALL: Well, let me just start by saying there's a return-to-City analysis, which is similar to what the State Legislature requires for IDA build, for every one of our development projects that we go through with the City's OMB, and that analysis includes a projection of job creation, direct and indirect. It includes an analysis of overall economic impact, so goods sold, ripple effect on the local economy, and an analysis of tax return to the City. All of the projects we undertake, otherwise OMB doesn't allow us to undertake them, have a positive impact in terms of return to City and net positive tax revenue that far exceeds the value of any tax break or capital investment.

CHAIRPERSON FARÍAS: Do we have, like, an estimate on?

PRESIDENT KIMBALL: I can get that for you in terms of just pure tax revenue. I'd be happy to follow up on that.

CHAIRPERSON FARÍAS: Great. I asked the OMB Director if their revenue estimates included these calculations. Do you know if they do? Does IDA share their analysis with OMB's revenue team? Do you think it's a problem if not incorporating your tax, your economic and tax impacts into their budget?

PRESIDENT KIMBALL: The question is, does the Budget Director assume those tax?

CHAIRPERSON FARÍAS: If we know for a fact that OMB is incorporating their...

PRESIDENT KIMBALL: In future tax projections?

CHAIRPERSON FARÍAS: Yes.

PRESIDENT KIMBALL: I don't know the answer to that. I mean, typically those tax revenues come in years after the investment because whatever the investment is takes a while to build, in some case many years, and then you start to leverage positive tax revenue after that. You're typically looking at these projects over somewhere between 20- and 40-year time range. I have a number. This is for Fiscal Year '24 of 151 million dollars in tax revenues on IDA projects.

CHAIRPERSON FARIÁS: Thank you for that response. The three M-CORE projects announced to have a tax benefit cost of 142 million, but a total tax benefit of 1.3 billion over a 20-year period. This works out to be a net positive impact of about 60 million per year. Do we know where that shows up in the City's budget?

PRESIDENT KIMBALL: Again, these would be years in advance. So, as an example, there's a project on Water Street. Some of the capital work has been done on it already that's resulting from this program. Some is to come. They will then finish that capital work. They will lease the building. You know, you're looking at full occupancy within a few years, and then you get full tax revenue. Does OMB count those tax revenues three or four or five years out? I'm not sure the answer to that question, but certainly we have to demonstrate to them that as positive tax revenue that exceeds the initial investment. So, you know, the numbers that you put out about the value of the incentive versus the projected return, I think it was 10 times value.

CHAIRPERSON FARIÁS: Yeah. I just think for us what we're always trying to manage is making

sure that there's intercommunication, right, and that what the right hand is saying, the left hand is saying, and both agree upon, just so when we're looking at those assumptions, whether or not OMB agrees with them or whether or not the work you folks are doing is calculated into the future projections so I appreciate the response.

We've also been joined by Council Member Restler that I saw come in and step out shortly.

More than half of the new investment projects in Fiscal 2024 were for educational or social service-oriented projects. These are not the types of projects one traditional considers economic development. How do you evaluate the appropriateness of these investments as an economic development agency?

PRESIDENT KIMBALL: Well, first of all, I believe firmly that educational investments are a key part of economic development in this City. We put out a study, which I really encourage everybody to check out, on the state of academia in the city and, just in the colleges and universities alone here, they generate 35 billion dollars a year of economic impact and employ over 200,000 people so it is a key part of

our economy just in terms of their daily operations and functions, but also in terms of the people that they graduate. Just bear with me for a second because this is one of my favorite stats, but since 2021, over 500,000 recent college graduates, university graduates have moved to New York and they tend to stay here over 10 years. There were recent census updates that just came out that show our population growing for the first time. A lot of that is foreign immigration and migration, but there's also internal domestic migration into the city, and that tends to be very young and highly educated people. There are another 500,000 students in colleges and universities right now. That's a million people. College and university recent or current. And then you've got, of course, the buildup to all of that starts at pre-K and all the way through the system and high school. So, we're really proud of the fact that many of our economic development projects incorporate DOE programs as well as college programs, particularly CUNY. And really the project that speaks to our values the most is the SPARC project where we're taking three CUNY schools, a two-year, a four-year, and a graduate school, incorporating them into one

building with a STEM high school focused on public health and biotech careers on half of the campus. On the other half of the campus will be a million square feet of private biotech and two City agencies. All of those things will be wrapped together into one coherent economic development strategy so those students are stepping into internships, apprenticeships, training programs so that they get into these high wage, high growth sectors of the future. So going back to your question about IDA and BUILD, so we have a tax-exempt bond finance program called BUILD. It is primarily focused on not-for-profits, a lot of whom come are private schools or charter schools, and we've done a number of those projects in recent years. And again, I think those are all critical to our economic development future in the city.

CHAIRPERSON FARÍAS: And are there any metrics that you include in the evaluations beyond the economic impact?

PRESIDENT KIMBALL: I certainly think that those metrics, jobs, economic impact, long-term tax return, really important. Another one I would say, another couple, and I talked to it a little bit in my

testimony, is diverse entrepreneurship. When people ask me what are the biggest challenges the City faced right now, by far it is the housing crisis. I would put as second is diverse entrepreneurship. One of the reasons young people want to be here is not just for the industry options but for the rich cultural diversity of the city and, if we lose young people of color because they want to be entrepreneurs in some other city, that is a massive loss. Cities like Atlanta are doing great on diverse entrepreneurship. We are doing much better, I think, in part because of the programs that we're putting in place at EDC. That's one.

The second I would say, and EDC hasn't done as much on until the last couple of years, is creating these local employment networks. So, Council Member Avilés has been a fervent advocate for her community and wanting to see more direct lines for impact for local residents, and so part of the economic mobility network that we've introduced there, or we are in the process of introducing there, and in Hunts Point, we also have a significant number of assets, in East New York, is developing a network of local not-for-profits that will work with us on

pre-screening and placement from the local community. Even without that, and we recently did an analysis that we'll be preparing to share with you soon with the Sunset Park annual report that we plan to put out now on an annual basis, it'll show that a very significant portion, close to one-third of all of the workers at the Brooklyn Army Terminal, as an example, our highest employment site in Sunset Park come from the surrounding community. So, where the people are getting the jobs don't always come in those return-from-city investments, and we want to make sure that we are doing the best job we possibly can to create job pathways for local residents. It's not just the right thing to do for the communities we serve, but it's more economic development because people who have a short commute or walk to work are much more likely to stay in those jobs.

CHAIRPERSON FARÍAS: And in terms of watching the metrics or looking at the local economic impact of some of this, are we also evaluating how the local hire, for example, or the education piece that we've created impacts working with the local community organizations and non-profits that impacts the local hire and what that's actually doing in

terms of at the rate that we're developing in the city or some of the projects that we're rolling out. I think time and time again, we're in a constant dialogue around how do we build faster, but how do we also ensure that we're building union or including the unionized workforce, but also making sure we're getting the lowest cost, most efficient cost per build. Are we looking at metrics that way or how are we evaluating project by project?

PRESIDENT KIMBALL: Yeah. I mean, if you can't measure something, it's hard to know where you are, and so we are doing a better job at measuring and that goes to some of the data I just talked about with local folks being employed at the Brooklyn Army Terminal. There's similar data around Hunts Point as an example. Your question about good paying jobs and union jobs, also at the forefront of what we do. The vast majority of our work is prevailing wage work when it comes to construction. For the first time ever, EDC has entered into project labor agreements on multiple large projects. These are projects that tend to have city, state, federal dollars in them as well as private. So, some of the examples there are Willets Point infrastructure work is being built on a

PLA as is the stadium. The SPARC Project, both the public side and the private side, two separate PLAs. Up at Kingsbridge Armory, we've committed to doing a PLA and at the Brooklyn Marine Terminal, we plan to do a PLA as well. And Hunts Point, we've committed to a PLA as well on the 650-million-dollar food produce center. Yeah, and SPM too also.

CHAIRPERSON FARIAS: Great. We look forward to hearing about all of those PLAs as they progress.

I'd like to shift over to NYC Ferries. In early 2015, the de Blasio Administration announced the establishment of the citywide ferry system. The intent was to connect waterfront communities throughout New York City. As you may remember, my mother is a huge fan of the ferry system, and I have a few questions regarding our NYC Ferries and followup from last year. Because if I don't ask about it, she'll ask about it. The ferry saw its highest ever average monthly ridership of 827,000 in the first four months of Fiscal 2025. The trend of increasing ridership has continued since coming out of COVID. Does EDC expect the ridership to plateau eventually?

PRESIDENT KIMBALL: I hope not.

CHAIRPERSON FARÍAS: Me too.

PRESIDENT KIMBALL: Kudos to the past Administration for standing up NYC Ferry. When we came in, partly because of COVID and partly because there had previously been a commitment to only charge what the MTA charges across the board, the ferry service was really a financial crisis. We're really proud that we have brought some more financial stability to that. Part of that is that one-time riders now pay 4.75. If you're buying a 10-pack or more, it's the same rate as bus or subway. As you know, thanks to your leadership and the Committee's leadership, there's now a discount program for high school students. We were able to reduce the per-passenger subsidy 30 percent at the same time as we hit record highs in ridership, which we're noting. We're continually looking to increase ridership, to also increase the number of folks who have access to our Fair Fares program, half price. There are now 20,000 New Yorkers participating in that program. You'll be glad to know that I believe it's your mother's route, the Soundview route, has another famous rider, which is the new Deputy Mayor for

Economic Development and Housing, Adolfo Carrión, so the two of them should lobby together.

CHAIRPERSON FARÍAS: Yeah. What does EDC attribute to the increases in ridership to be?

PRESIDENT KIMBALL: I think that during COVID, New Yorkers were looking for alternatives, outdoor alternatives, frankly, to commute, and we saw that numbers increasing coming out of COVID. I think that has only increased since then with the good stewardship of our operator, Hornblower, and the support of EDC in that with improved marketing campaigns around it so I think all of those are factors.

CHAIRPERSON FARÍAS: EDC recently expanded the ferry system to include the St. George route. Are there any plans to expand the ferries to include more locations in NYC?

PRESIDENT KIMBALL: Yeah. It's been a few years since we brought on St. George. That was before my time and before the Ferry Forward Program, as we've been digging ourselves out of some of the financial strains that I just mentioned. We love it that New Yorkers love NYC Ferry, that the Council loves NYC Ferry. We want to continue to work with you

on growing NYC Ferry in smart ways. We have had lots of requests for expansion, and we look forward to continuing that dialogue over the course of the year. We do not have specific plans today for expansion. It is quite expensive any time you add a route, and so we have to balance that with what is the enthusiasm for it and the demand for it.

CHAIRPERSON FARIAS: Sure. Outside of adding maybe more landings throughout the routes, have we expanded any more to the fleet? Do we plan to expand any more boats to the fleet?

PRESIDENT KIMBALL: We don't plan to expand boats to the fleet. We have a good number of boats today. The biggest action we're taking with our fleets is converting all the engines to be able to take biodiesel. There is a movement now internationally and nationally to try to incorporate electric ferries into fleets, and we applied for a very significant federal grant. Unfortunately, we did not get it. It was at the same time that we were successful at getting a big grant for the Brooklyn Marine Terminal, so we got one and didn't get the other. We will continue to apply for those funds, but that really requires a whole new ferry, and as

batteries get bigger, more efficient, and able to really move boats, I think they'll be more and more appropriate for New York Harbor, where the tidal impacts are pretty intense, and so you need to have real power on those engines, but we would like to incorporate those over time. Certainly, if we were to expand stops, there may be a need in the future for acquiring more boats.

CHAIRPERSON FARÍAS: I do think part of the goal for us should also be making sure that we're adding to the fleet over a course of years just to make it a more reliable commuter service. I think right now, sometimes it does feel as if folks can't rely as often on the ferry system if it's every 45 to 55 minutes to get a vessel to get you to your location, so I just say that in the interest of folks like my mom who love the ferry but know that if they're just three minutes off, they're going to have to find another way to get to work.

PRESIDENT KIMBALL: Appreciate that.

CHAIRPERSON FARÍAS: And then, just on the note of you saying it's somewhat expensive or costly for expansion, do you folks have an idea or have you folks looked at what the City subsidy EDC would need

to request for operating or capital cost if the ferry system were to expand?

PRESIDENT KIMBALL: I think that would certainly have to be part of the conversation if the ferry service was to expand. It is subsidized today, just to be clear, so there's a per-passenger subsidy that is about 8.50 per passenger. It was about 13.50 when I got to EDC three and a half years ago, so it's come down substantially, but 8.50 times a lot of riders is a lot of money, and so there is a subsidy today, just to be clear, like all mass transit, and if the ferry service was to expand, that would go up.

CHAIRPERSON FARÍAS: The ferry system in Fiscal 2023 hit 96 percent on-time performance. In Fiscal 2024, it was at 91 percent. How's the ferry system on-time performance performing so far in Fiscal Year '25?

PRESIDENT KIMBALL: I think it's in the same range. What you don't get is sort of mechanical failure, signal failure that you might get on an AG subway system. What you get is impacts from weather, and so particularly in high-wind, high-sea days, that can slow down service and impact those on-time service times.

2 CHAIRPERSON FARÍAS: Would you say that
3 that's relatively what's impacting the performance
4 timing generally?

5 PRESIDENT KIMBALL: Yes.

6 CHAIRPERSON FARÍAS: Okay. Does EDC have
7 plans for the ferry to come at any given point to 30-
8 minute intervals beyond the 45 or 55 that we have
9 now?

10 PRESIDENT KIMBALL: No plans that are
11 imminent, but certainly, you know, looking way down
12 the road, would one like to see a ferry system that
13 had even shorter intervals? Absolutely.

14 CHAIRPERSON FARÍAS: Back in March of
15 2023, as you mentioned in your testimony, my bill,
16 Intro. 236, was passed. The bill expanded contracted
17 ferry service at reduced cost for City high school
18 students. Have we seen an increase in ridership in
19 high school students since we spoke last year?

20 PRESIDENT KIMBALL: We have seen an
21 increase in ridership. I will get back to you on the
22 exact percent, but it's about 1,000 high school
23 students that have taken advantage of the discounted
24 service. Obviously, you've gotten, you know, you have
25 a captured audience, in a sense, with the Harbor

2 School on Governors Island. I think we're seeing more
3 students take it along the other routes as well.

4 CHAIRPERSON FARÍAS: And are there any
5 complaints that jump out immediately at you folks
6 that you've heard about the ferry from riders?

7 PRESIDENT KIMBALL: I'm sorry. About the
8 ferry from?

9 CHAIRPERSON FARÍAS: From riders.

10 PRESIDENT KIMBALL: From Rikers?

11 CHAIRPERSON FARÍAS: Riders, like ferry
12 riders.

13 PRESIDENT KIMBALL: Are there complaints?

14 CHAIRPERSON FARÍAS: Any complaints?

15 PRESIDENT KIMBALL: I think your question
16 about more, you know, shorter intervals between
17 ferries is certainly one that we see, but
18 overwhelmingly the feedback we get is very positive.
19 Certainly, in the summer months when you've got
20 spikes, like on Saturdays and Sundays when people
21 come out, sometimes there are lines for the ferry at
22 certain stops. You know, typically you're getting on,
23 if you don't get that first boat, you're getting on
24 the second boat. So, I'm sure on some of those

Saturdays and Sundays, you know, people would like to see additional boats added.

CHAIRPERSON FARÍAS: Okay. Thank you. I have a bunch more questions, but I'm going to break for some Members, and I'd like to first recognize Council Member Salamanca.

COUNCIL MEMBER SALAMANCA: Thank you. Madam Majority Leader. How are you, Mr. President?

I want to start, you know, by just stating the facts of the good working relationship that my office has with EDC. It's appreciated, and I wanted to just say thank you for the open lines of communication. I represent the Hunts Point, where I have the Hunts Point produce markets, produce, meat, and fish, and over 700 businesses there as well. I'm excited about the Blue Highways project that we're working on now with the closure of the floating jail. Can you give us a status of where we're at with the Blue Highways?

PRESIDENT KIMBALL: Yeah, appreciate that, and Blue Highways is very top of mind. I'm spending a significant portion of my days on it now. Between the work we're doing on the Brooklyn Marine Terminal as one of the key nodes, we have a MARAD grant of 5

million dollars where we're looking at five other stops to deploy dollars, Brooklyn, Manhattan, Queens, the Bronx. Then there are the two locations on the Hunts Point Peninsula, the work that you know of that we're looking at with the fish market and FDM, as well as where the prison barge location is that could be an outstanding transloading point for perishable goods in containers being barged from the Brooklyn Marine Terminal. I am hopeful working with you in the coming weeks, we're going to take some major steps forward on that. We're also working with the private sector, UPS, Prologis, FedEx, Amazon, to encourage, support, prod where necessary, folks to take a closer look at the use of the waterways. There are some promising signs of those with significant warehouse distribution centers in the Jersey side finally realizing that the cost of having trucks paying tolls, getting stuck in traffic on the bridges, much less fouling the air in our neighborhoods is leading them to seriously consider moving goods by water.

COUNCIL MEMBER SALAMANCA: All right. I'm looking forward to that. The Hunts Point produce market, they're going through a phase now where they are going to, in terms of remodeling or building a

new facility from their antiquated facility. There are concerns about the amount of acres that they have and the possibility that EDC may want to take certain acres of land and utilize it for another business to move in, and there's pushback on that. Can you speak a little bit about that?

PRESIDENT KIMBALL: Yeah. So, we've been working with them for years, as you know, and thanks to support from you, from the Mayor, there's 130 million dollars in the project. That was matched by the Governor, and then there's a 110-million-dollar federal grant. As you know, EDC is, for the first time, also pursuing a loan, a federal RIF loan, to close the gap because the produce market co-op preferred to not work with a third-party private developer. We are making very good headway at building a much more efficient plan for the site that both embraces rail, so getting more trucks off the road, eliminating 1,000 trucks from fossil fuel generators. Recently, the co-op has brought to my attention their interest in having some additional parking space, and so we're going to have those conversations, and I'm happy to consider that. But EDC is plowing a lot of time and resources into this

project, and so part of the scenario and part of our agreement with the co-op had always been that there would be some amount of space that would come back to EDC that we could put back out on the market for additional cold storage space. Just on cold storage, and your District is such an exception city-wide because you have a lot of cold storage, but less than 5 percent of all the cold storage in the entire region is in the City of New York. It's in New Jersey, it's in Westchester, it's Long Island, so what does that mean? Trucks coming from everywhere. Hunts Point is obviously an exception to that. We would like to build more cold storage on that take-back space as part of the produce deal.

COUNCIL MEMBER SALAMANCA: All right.

Well, we'll continue to have conversations on that.

Lastly, I need your help. My office has constantly, throughout the years, we've advocated funding for the fish market, for example, and the meat market, and many times we've had the situation where they may need a new façade and they may quote it at a certain price, and then the budget comes, the Council allocates that funding, and (TIMER CHIME) then after the funding has been allocated and they go

through the process on the designs, we figure out that, of course, it's a different price tag than what we were quoting. How can EDC help the markets when they're requesting funding from the Council to ensure that they're giving us accurate numbers so that we can fund the project in its entirety and we don't have to go back and forth with getting the funding from another budget?

PRESIDENT KIMBALL: Appreciate the question, and I think we have the team in place and the trust in place with all the co-ops that if they work with us on the front end, we can properly project what the cost will be realistically because, as you know, even in the best of times, from the moment you allocate capital dollars to the day it gets spent can be a number of years, and so you have inflation, and in some cases you have insane inflation like we've had the last few years. So that is one reason. Another reason that this was a particular problem that I inherited and been trying to work on with you and you've rightly been frustrated with at times is that during the COVID period, all of our capital funding was frozen. So that was like another stretch of time. So, when you

came out of that, you were even farther behind between the point the money was allocated and the time it was going to get spent. So, I appreciated that you have added dollars. I appreciated that you've worked with us to consolidate some of those projects so we get projects going again, and I think we're making real headway.

COUNCIL MEMBER SALAMANCA: All right.
Thank you. Thank you, Madam Chair.

CHAIRPERSON FARÍAS: I'd like to recognize Council Member Restler followed by Avilés.

COUNCIL MEMBER RESTLER: Great. Thank you so much, Chair, and it's good to see you, President Campbell, Jennifer. Thank you for being with us today and for your hard work on behalf of New Yorkers.

I have a few questions of a more parochial nature. Firstly, I'm very concerned about Downtown Brooklyn and the weakness of our office market. I looked at a report recently that showed Downtown Brooklyn office rents are higher than Lower Manhattan, which I found perplexing, but I have some guesses on why that may be, but still found it bizarre. And while I am generally supportive of conversions to residential where it makes sense, I'm

worried that we're going to, if we convert all of the office space away in downtown Brooklyn, we're going to lose an opportunity for really good jobs that we should have in our community. And with the higher educational institutions like NYU, City Tech, this should be a hub for entrepreneurship, and yet we see 50, 60, 70, 80 percent vacancy rates in the key downtown Brooklyn office buildings. So is this on your radar? How can we work together to try to develop some smart economic opportunity and economic development strategies for downtown Brooklyn that leverages the assets we have and maximizes the space that's available to us?

PRESIDENT KIMBALL: It's 100 percent on my radar screen, and I think we're very aligned in wanting to make sure that we build a robust commercial scene in downtown Brooklyn. We absolutely have to. There may be some instances with some buildings, and we should go through a list together, where you can convert partially in order to jumpstart the other part of the building going, but there should be commercial at its core of the strategy. I know you've been speaking with Regina Meyer about this. I have as well, and I'd be happy to meet with

the two of you together to figure out how we can do more. Metro Tech should be much more of a college hub. I'm optimistic about the new leadership at NYU, particularly at Tandon, with coming up with creative strategies. You can just imagine that plaza filled with both entrepreneurs, small businesses, and college students, and really creating a special ecosystem, so I'd love to work with you on that.

COUNCIL MEMBER RESTLER: Great. I'm old enough to remember, you're old enough to remember, you worked, did you work on the rezoning in Downtown Brooklyn? You did. That rezoning was sold to our community as primarily being the third major economic hub for New York City. The very first building opened last year, there was a commercial building, since the rezoning in 20 years, everything that's been built has been residential, and already those guys have come to me to talk about a conversion, right, to residential. So that's where I just, I'm just frustrated, and so I would love to work with you to actually find some positive paths forward. It's been a long, long road. EDC was involved in finally opening the first park in Downtown Brooklyn 20 years after the rezoning. We just opened the first school

in Downtown Brooklyn 20 years after the rezoning this September. I spend too much of my damn time trying to make sure that the promises that were made in the second term of the Bloomberg Administration are followed through on today, which gets me to my next question, which is that EDC has graciously been leading the way on Box Street Park. It's only 85 percent of the park space that we're building out because the MTA still refuses to leave from 15 percent of the park that they keep their vehicles on, the emergency vehicles that they refuse to relocate, but for 85 percent of the park land that we are very close to getting ready to break ground on, it looks like as a result of additional EPA testing, we have a small funding gap. This is approximately a 30-million-dollar project. There's a funding gap that we'll get a final number on by the end of the month, but we think it's between 1 and 2 million dollars, so a small percent of the total project. Do you think this is something that EDC can self-fund?

PRESIDENT KIMBALL: Let me get up to speed on the project and let's talk offline.

COUNCIL MEMBER RESTLER: Okay. It would be enormously helpful if you can. The best-case scenario

right now is a summer 2028 completion. I am now, as I'm sure my Colleagues are, thinking about what projects can we get done before they kick us out of this building, which is already frustrating to be thinking about, but it's where we're at and we want to make sure that we're laser-focused on getting it done.

And then last thing I want to ask about is probably the topic that we agree on the least, which is helicopters. So, as you know, my constituents hate all of the helicopters, and the Chair knows very well, that pervade our community and cause enormous noise and (TIMER CHIME) environmental disruptions. We've been increasingly looking at analyses that have been shared with our office that do not believe that the Lower Manhattan helipad will be able to accommodate electric helicopters because of the intensity of the wind in that area. Is this something that you all have looked at? Do you think that electric helicopters are a viable solution at that site? Or is this on your radar?

PRESIDENT KIMBALL: Absolutely, and we tested it. Over a year ago, we had two different eVTOLs do a test flight and fly in the harbor between

Brooklyn Bridge, Governor's Island, and Downtown Manhattan heliport. So, absolutely, we think that eVTOLs can be transformational in terms of the experience for New Yorkers. They are incredibly quiet, and we're very aware that New Yorkers do not appreciate the ambient sound from helicopters. So, we are working very hard to address that. The eVTOL charging equipment will be in place thanks to investments from our new operator so that the minute that the FAA approves the use of eVTOLs, which we expect will be within the next two years, they will be ready to begin to implement.

COUNCIL MEMBER RESTLER: I will conclude, but I will just say I feel like the timeline on these magical electric helicopters has been sliding for I don't know how long, but I imagine we'll get there someday. I will say, and I think the Chair has been a great leader here, that they have the promise of having dramatically less negative impacts on our communities. The noise impacts are just so severe that people can't have a conversation while they sit on their stoop in their backyard in Brooklyn Bridge Park, and the environmental impacts are similarly troubling. One helicopter idling is the equivalent of

40 cars. And I don't see why we facilitate it on City-owned property so that tourists can get a view from Brooklyn Bridge Park from above. It's perfectly pretty from down below. So, I appreciate your pushing on the electric, on the eVTOLs. I hope we can get there as quickly as possible. And I don't think we should have any of the fossil fuel guzzling helicopters in the sky until we do. So, thank you.

PRESIDENT KIMBALL: Thank you.

CHAIRPERSON FARÍAS: Thank you, Council Member. We've also been joined by Council Member Nurse.

And I'd like to turn for questions to Council Member Avilés.

COUNCIL MEMBER AVILÉS: Thank you, Majority Leader. Thank you. Good to see you all. Every day.

PRESIDENT KIMBALL: Every day.

COUNCIL MEMBER AVILÉS: Every day. I want an office space in the EDC property, by the way. It'll make it easier for Mikale (phonetic), who has to chase me.

Oh, so many questions, so little time. I guess I'd love to, Andrew, you mentioned in your

2 testimony regarding Long Island City and extensive
3 community engagement process. Can you tell me what
4 that means?

5 PRESIDENT KIMBALL: So, Council Member Won
6 has set up an engagement process. There have been a
7 number of meetings so far, and there will be others
8 leading up to the certification into ULURP in the
9 coming months.

10 COUNCIL MEMBER AVILÉS: And is EDC just
11 participating, or is this a process that you're
12 investing in?

13 PRESIDENT KIMBALL: DCP is the primary.

14 COUNCIL MEMBER AVILÉS: Okay. So, it's
15 like a rezoning process that you're participating.

16 PRESIDENT KIMBALL: It's a zoning process,
17 yeah.

18 COUNCIL MEMBER AVILÉS: Got it. So much to
19 say on that. In terms of Brooklyn Marine Terminal, in
20 your testimony, you list an enormous amount of
21 projects, and I, too, really appreciate the flying
22 around New York City. I need that every single day.
23 And it's really striking to hear in some instances
24 you clearly note the City's investments in the
25 projects and other instances, not really. It's

probably embedded. But what's really striking to me, where you even have mentioned them, like in Staten Island's North Shore, a 400-million-dollar City investment. The Climate Innovation Hub, which is one little piece, 100-million-dollar investment. East New York, 500-million-dollar investment. Hunts Point, 130 million from the City, 130 million from the State, and I'm sure that is just a little piece of the investment. And so I'm a little shocked when we talk about BMT, that is of regional importance, of importance, obviously, to our District, to our city, that the City has only committed 80 million dollars to the investment. Can you tell me why that tremendous disparity in investment and importance?

PRESIDENT KIMBALL: So, first of all, there's a lot more in South Brooklyn that I didn't run through every project.

COUNCIL MEMBER AVILÉS: I know, and we could go through the list.

PRESIDENT KIMBALL: Yeah, I mean, you know, the Brooklyn Army Terminal alone, outside of the Climate Innovation Hub, another 100 million...

(CROSS-TALK)

2 COUNCIL MEMBER AVILÉS: (INAUDIBLE) in
3 particular.

4 PRESIDENT KIMBALL: MADE Campus, 100
5 million, SBMT, almost 100 million. So at BMT, to
6 answer your question, there, as you know, had been
7 little to no Port Authority investment for 50 years.
8 As soon as we got control of the site about a year
9 ago, the City committed 55 million dollars for near-
10 term bulkhead improvements. So, for example, at Pier
11 10, ships are already having trouble coming in
12 because of the fendering system, and so we are moving
13 to enter into contract with a several-million-dollar
14 investment right now. This week, we are signing the
15 contract to move forward with a 15-million-dollar,
16 all-electric crane for the facility. The rest of the...

17 COUNCIL MEMBER AVILÉS: Is that paid by
18 the State, the 15-million-dollar...

19 PRESIDENT KIMBALL: The City.

20 COUNCIL MEMBER AVILÉS: The City.

21 PRESIDENT KIMBALL: Yeah, the State had a
22 separate 15-million-dollar commitment for cold
23 storage. So that is 70 million there. As you know,
24 there's a federal grant of 164 million, which, if
25

2 we're lucky enough to keep, requires a 109-million-
3 dollar City match. So that gets you closer to...

4 COUNCIL MEMBER AVILÉS: Is that in the
5 budget?

6 PRESIDENT KIMBALL: It's not in the budget
7 yet. As we've discussed, the Budget Director has made
8 it clear, and City Hall on the other side, clear that
9 they are prepared to do that match if they see that
10 there is a master plan that's financially feasible
11 moving forward. I would hope, going forward, and
12 would love to see more City or State investment in
13 the project overall.

14 COUNCIL MEMBER AVILÉS: And what has EDC
15 requested from the state? Because my understanding
16 is, even though 15 million dollars is the total of
17 the State investment, again, a property, 122 acres,
18 probably the smallest investment we've seen in
19 economic development projects across the city, quite
20 frankly. What has EDC asked from the State?

21 PRESIDENT KIMBALL: So, both Senator
22 Gounardes and Congressman Goldman, and I would ask
23 you as well, have made their voices clear, you may
24 have already, to the Governor's Office about the
25

2 importance of more (TIMER CHIME) State investment
3 here.

4 COUNCIL MEMBER AVILÉS: So have you asked
5 for a specific number from the State?

6 PRESIDENT KIMBALL: I would certainly like
7 to see, and what we have done on other big capital
8 projects together is a match for the City investment.
9 So you saw that on SPARC, you saw that at Hunts
10 Point, you're seeing that at Kingsbridge Armory.
11 Ideally, for me, that would be a big step forward.

12 COUNCIL MEMBER AVILÉS: Is the request
13 about 150 in match from the current investment?

14 PRESIDENT KIMBALL: Closer to two.

15 COUNCIL MEMBER AVILÉS: So that's been the
16 request from the State, is a 200-million-dollar
17 match.

18 PRESIDENT KIMBALL: That is a discussion
19 that has been had, yes.

20 COUNCIL MEMBER AVILÉS: Okay. So, okay.
21 Okay, I guess, you know, I think we know all the
22 problems of the BMT process, particularly that it was
23 a 122-acre property that's been rammed into a four-
24 month planning process, and all the challenges of
25 that. But also, the investment is not at the level

that reflects the importance to the City, quite frankly, of this property. And I get very excited when I see the Blue Highway concepts coming together, and we really want this to be successful. You certainly have our commitment to fight through it, but I still find the investments in this quite paltry compared to not only its economic importance, both for our surrounding community, but for the city entirely. And when you look at it compared to other projects, it really significantly pales in comparison. And there's a real discord there that is very challenging for people to understand, because we're seeing lots of commitments, but we're not seeing the actual investments, and we're seeing luxury housing on public land as what is going to actually subsidize this work, and that's just an unacceptable proposition for us.

But one last question, Chair, if I may.

In terms of, we have so many projects together, I could probably have you here for eight hours, but one thing, really quickly. In the line of investments, we know that EDC has mentioned investments into properties, including the King Solomon and the meat distribution area in Sunset

Park. How has that been unfolding? I haven't heard much.

PRESIDENT KIMBALL: Is the wholesale meat market?

COUNCIL MEMBER AVILÉS: Yeah, yeah.

PRESIDENT KIMBALL: In between? Yes, absolutely. We have been working closely with the tenants there. We are now fully leased up, I believe, and have scheduled a number of shorter-term capital projects. We've got some great tenants there, great local employers, and we're eager to see that facility be modernized further and grow.

COUNCIL MEMBER AVILÉS: Great, so I guess we'll get further updates. Thank you, Chair.

CHAIRPERSON FARÍAS: Recognizing Council Member Nurse.

COUNCIL MEMBER NURSE: Thank you, Chair. How you doing? Good afternoon.

I just had a couple... it is on, I'll be louder, sorry. I just had a couple questions. If you could put on record a status update on the work of the plazas over in Broadway Junction. I know you mentioned in your testimony, but if you could

elaborate on just kind of where you all are on the process for the record.

PRESIDENT KIMBALL: Yeah, those are moving along in pre-design phase. A big step, as you know, to securing the kind of public realm we want around the subway station is relocating the NYPD presence, and have appreciated the conversations we've had with your office in collaboration on that. That's huge to move them, to really get the kind of open space that we want. We will be selecting a design firm shortly in the coming months and are moving forward. The funding is there, as is the MTA funding.

COUNCIL MEMBER NURSE: Okay. And do you know if you have a number of M/WBEs who've applied for that design?

PRESIDENT KIMBALL: RFP is out or about to go out, and so in every one of those we work very hard to make sure that there are applicants who are M/WBE as lead, or they're brought in as subs to the prime.

COUNCIL MEMBER NURSE: Okay. Great. And I know we have a bimonthly public realm working group where the community members come and agencies come. I think we've been trying to figure out how to land a

2 website somehow that has the commitments, that are,
3 you know, be able to track what's coming, and what
4 we're doing, so we're looking forward to getting that
5 online soon. I can't remember if it landed with EDC
6 hosting it, or what (INAUDIBLE)

7 PRESIDENT KIMBALL: That's a great idea.
8 Yeah, let me look into that.

9 COUNCIL MEMBER NURSE: We've been really
10 harping on that to include what kind of local hires
11 are coming out of that. We don't expect to get local
12 hires out of the MTA work, sadly, but it would be
13 great to see if we can get some targets for the plaza
14 work where you all have discretion. I had a question
15 about, and I'm sorry if you covered this, Chair, the
16 basement ADU one-stop shop. Can you tell me a little
17 bit more about why EDC is hosting that, or what that
18 is?

19 PRESIDENT KIMBALL: Honestly, that's the
20 first time I've heard of it, so let me look into it
21 and get back to you.

22 COUNCIL MEMBER NURSE: Well, it was in the
23 Committee report, so it would be great to find out
24 what EDC's role is with that.

And then the only other thing I would say is, I see also that the partnership with OpenAI, and I just want to express caution and concern for partnering with a platform that is right now being accused and sued for taking the work of entrepreneurs, artists, their ideas, their work for their own gain, and just kind of brings into question who the City is partnering with in terms of undermining our creative class that's here that we celebrate and it might be at odds with our goals. So that's it.

CHAIRPERSON FARIÁS: Thank you so much to the Council Members for asking questions.

I'm going to just jump into for a couple more with around City of Yes. City of Yes committed two billion in infrastructure investments to accompanying zoning changes and anticipated growth across the city. Does EDC's Preliminary Capital Plan include any new investments as part of the City of Yes's infrastructure commitments?

PRESIDENT KIMBALL: I do not believe any of the City of Yes capital monies are flowing through EDC, but I will check that and get back to you.

2 CHAIRPERSON FARÍAS: Great. And
3 considering the role the EDC's Neighborhood
4 Development Fund has played in financing
5 infrastructure associated with neighborhood growth,
6 why hasn't any additional funding been added, and
7 would you have liked to see, if anywhere?

8 PRESIDENT KIMBALL: Almost all of our
9 really big projects have neighborhood infrastructure
10 associated with them, so it may not be showing up in
11 exactly that fund, but actually showing up in the
12 capital lines of each of the projects. So just to
13 name a few, you know, our work on the North Shore,
14 certainly our work at BMT will include that, our work
15 at Hunts Point, our work at CUNY, our work at
16 Kingsbridge Armory, SPARC, etc.

17 CHAIRPERSON FARÍAS: Okay. The City of Yes
18 City for All plan also included significant
19 investments for affordable housing development and
20 preservation in the city. Does EDC anticipate playing
21 a role in financing or developing affordable housing
22 as a result of the changes to the City's zoning
23 resolution with City of Yes?

24 PRESIDENT KIMBALL: Yes, but primarily the
25 way that EDC participates in affordable housing

development is through RFPs of City land, where the project is not going into HPD's tax-exempt pipeline which means a wait of five to 10 years before the project gets built. EDC is able to leverage the RFP to essentially cross-subsidize through the value of the land what would look like a 485-X project or above.

CHAIRPERSON FARÍAS: Okay. And are there any particular projects that you're currently looking at that fall into that?

PRESIDENT KIMBALL: Yes. Coney Island West, 100 Gold, Gansevoort Street, Stapleton B4, B5, just to name a few.

CHAIRPERSON FARÍAS: Okay, great. And we've also been joined by Council Member Bottcher.

Did EDC's capital program receive any of the two billion in housing investments that the Administration included in the City of Yes package?

PRESIDENT KIMBALL: I do not believe any of those funds are flowing through our capital budget.

CHAIRPERSON FARÍAS: Okay. Thank you. And just to move over to revenue to the general fund, over the last couple of Fiscal Years, EDC has been

contributing less and less to the general fund. What programs and initiatives do you think are causing the decline and is it because EDC's costs have increased or activity has decreased?

PRESIDENT KIMBALL: Yeah. So, EDC's revenues primarily come, the vast majority of them come from the land that we manage on behalf of the City. It's about 66 million square feet of land. Some of that is just a land lease, so like Metro Tech is an EDC land lease, some of the sites in Times Square, EDC land lease, and then some that we actively manage. So the Brooklyn Army Terminal, Hunts Point, are examples of those. There are then sales of land or long-term leases with upfront payments. So, in order for EDC to function as an entity, some substantial portion of those funds come to EDC so that is in part the way that we close the gap on the funding of the ferries, just as an example, so that is typically a conversation with the Office of Management and Budget when we have a sale or a long-term lease with an upfront payment about how much just goes in the City fund and how much goes to fund EDC. So that's why you have some variability from one year to the next.

2 CHAIRPERSON FARIÁS: Got it. And has there
3 been a net decline in any income over the years for
4 EDC?

5 EXECUTIVE DIRECTOR DE LA UZ: No. I
6 wouldn't say that. Every year is a little bit
7 different, and not every year do we have a big sale
8 or a front lease payment.

9 CHAIRPERSON FARIÁS: Sure. When EDC
10 calculates its net loss or income, does it factor in
11 expenses and revenue generated from programs at
12 Brooklyn Navy Yard or other component units? For
13 example, the Brooklyn Navy Yard had an operating loss
14 of 6.8 million, but a change in net position in 2024
15 of 21.4 million driven largely by an increase in
16 capital City contributions of 45 million. Similarly,
17 the Trust for Governors Island had an operating loss
18 of 28.3 million in 2024. However, City capital
19 contributions were 35.6 million. Are these kind of
20 offsets in component units accounted for in
21 contributions to the City's general fund?

22 PRESIDENT KIMBALL: We have no
23 interconnection from a budget point of view with the
24 Navy Yard or with the Trust for Governors Island.
25 What we do have for the first time is a formal

programmatic partnership. So, for years, EDC has invested in innovation projects at the Navy Yard, particularly at the new lab. What we have now through the Harbor Climate Collaborative is a formalized MOU where we are partnering together, piloting technologies across our three campuses. I mean, it's mind-boggling how big these campuses are, 600 acres, 10 million square feet of space, all of us targeting very similar pieces of the climate strategy. Exchange is more research and development. Navy Yard is more mature companies. At the Climate Innovation Hub, we're going to be targeting more early stage and startup, but those companies have the ability to use our physical assets, our land or our water, to collaborate at each of the three different sites. So, for instance, there's a company called Pliant at the Navy Yard right now that does underwater robots, and so they're working both at land, at that underwater Navy Yard, and at the Climate Exchange. You know, it seems like a very simple thing, but in the past, that kind of level of cooperation was not happening.

CHAIRPERSON FARÍAS: That's great to hear that that's how we're utilizing the programs.

And then, just my last question in this space. In Fiscal 2016, EDC had a net income of 100 million, much larger than any other years. Do we know what the reason for that was? Have we reflected back and seen if there's any way we can get back to those levels, or what were the larger?

PRESIDENT KIMBALL: FY 2016?

CHAIRPERSON FARÍAS: Yes.

PRESIDENT KIMBALL: My guess is that it was a couple of big sales that occurred.

CHAIRPERSON FARÍAS: Yeah. That's what I would assume, too, but.

And then, before I break for another round of questions for Members, just some questions around the World Cup.

The Preliminary Plan includes 20 million in EDC's budget for the World Cup. OMB testified that this funding was to hold, and I quote, fan events for economic development purposes, end quote, and that EDC performed its own return to the city model. OMB told the Finance Committee that the Council would receive that analysis and explain how it landed on the 20 million. Can you share with us the model of

how EDC concluded 20 million was the right amount to invest in fan events for the World Cup?

PRESIDENT KIMBALL: In the instance of the World Cup, when New York and New Jersey were bidding to be a host city, one of numerous ones across the country, there was an economic impact analysis done by a third party. We went outside to a third party. Often, we do these in-house using different established models. So, for this one, we went outside, and it showed a very, very substantial economic return to both New York and New Jersey, but particularly to New York, because this is where so many of the people will come to then go out to the Meadowlands and see the games at MetLife. So, both New York and New Jersey are making a direct contribution to that host Committee and their operations, which include fan fest things on both sides of the harbor, but particularly in New York City, because this is where most of the people will be, and that was the rationale for the 20-million-dollar commitment.

CHAIRPERSON FARÍAS: And arguably, the World Cup is one big fan event. Do you think that the

use of tax levy is appropriate for fan events associated with the World Cup?

PRESIDENT KIMBALL: I do, because these kinds of events generate enormous sponsorship opportunities that help pay for the event being here in the first place, and again, the overall positive economic impact of having both some of the preliminary games, the semifinal games, and the final in New York City. The net value to New York City is massive, and we'll coordinate with OMB to make sure that you see that analysis.

CHAIRPERSON FARÍAS: That would be great. I did request it at the Finance hearing, and they chucked it up to you folks to hand it over to us.

PRESIDENT KIMBALL: Okay, we're on it.

CHAIRPERSON FARÍAS: And just in the same vein of different tax arguments on benefits. In the past couple years, the City has had conversations around hotels and hoteliers and how to utilize different types of, either the hotel occupancy taxes, reducing it, or using those ways to see if there could be a benefit for our hotels and bringing those workers back to work in the hotels. Have we spoken with the Administration at all to look at a hotel

occupancy tax evaluation on whether or not that could be beneficial to the hotels in anticipation of the FIFA World Cup?

PRESIDENT KIMBALL: I have not been in those conversations, and EDC has not been asked to study that. Typically, as it relates to hotels, NYC Tourism handles that because it's in their bailiwick.

CHAIRPERSON FARIÁS: Okay. And I will break again for Council Member questions, and I'd like to call on Council Member Avilés.

COUNCIL MEMBER AVILÉS: Thank you. In terms of, can you speak to us a little bit about how EDC supports M/WBEs to ensure that they're growing? And in particular, I'm thinking about a very specific instance at BAT that EDC has invested in its growth, but is now seemingly choking out this business because it's decided a pier can be used for generating revenue outside of maritime but as a concert venue. But can you talk to me generally about how EDC is supporting its M/WBEs?

PRESIDENT KIMBALL: Sure. We're really proud of our work around M/WBEs. I think we awarded 235 million last year to M/WBE contractors. I think that's a roughly 35 percent rate. And then on top of

that, we have two programs that focus on small startup M/WBEs. So one is called Waterfront Pathways, particularly focused on getting M/WBEs into construction sub-sectors in which they are not in right now, particularly waterfront work so this is relevant to work at SBMT, or future Blue Highway, or hopefully at BMT. And then Construct NYC, where we have a pre-approved list of vendors that have gone through a training program with us that can access contracts for under 3 million dollars. We also have the Founder Fellows, which is overwhelmingly diverse entrepreneurs in the three sectors that we focus on. And so those are some of the entrepreneurship programs we have.

The small business you're referring to that runs party boats at the Brooklyn Army Terminal, there has been a concern there about safety. This isn't just about revenues, but we are happy to work with you on that. We know that they are a local business, and (TIMER CHIME) there should be ways that we can both meet their needs and also be able to do the kinds of larger events there, some of which are purely revenue-generating for EDC, and some of which

are community events. We do tens of millions of dollars at community events every year.

COUNCIL MEMBER AVILÉS: You just made my blood pressure go up real high. I'll talk to you about that. The public safety issue is not a real issue. What is an issue is there's a business that you've grown and you should be very proud of that operates seasonally, and there's only 12 weekends they could operate, and EDC has effectively removed four to eight of those weekends. How do you run a temporary business when you cannot run on the only weekends in the year because EDC has decided it's holding those weekends for concert or community events, right? It's a challenge, so I'll follow up with you. It's not a safety issue. It is a planning, but I believe there's a path. We can get there, but hopefully we get there before the businesses shutters because we couldn't find something more, we couldn't be more aggressive on it.

In terms of, sorry, I just lost my questions. See what happens when your blood pressure goes up? You can't read. So the Mayor launched a community hiring effort to be in compliance with the State law that requires 40 percent of labor hours to

be performed by people who live in NYCHA. I was curious how EDC has been implementing this effort in its economic development projects, in particular anything related to BMT property. How much of any of those jobs have been allocated or, I can't find my words now, NYCHA residents are employed by?

PRESIDENT KIMBALL: Yeah. I mean the City has had a citywide program run out of the Mayor's Office of Talent and Workforce Development and with SBS, with job fairs across the city. EDC has not been a part of that. What we have been a part of is focusing on those areas where we have assets and significant investments happening. So that's South Brooklyn with the economic mobility network we're setting up. It's East New York with a similar mobility network and Hunts Point, the same, where the idea is to make sure wherever possible we're working with local non-for-profits to pre-screen and place local residents in the jobs. At BMT, we're very mindful that a positive outcome of this process must involve workforce development. That's part of why we're working with the Red Hook Initiative on one of our advisory councils. We are doing in-depth work now with the leaders of Red Hook East and West to make

sure there is a plan, both for current work-ready residents of those buildings and students. And within our plan, I think you may have seen it on Friday, but we're going to be talking more about it in the coming meetings, would be a very significant workforce development center onsite.

COUNCIL MEMBER AVILÉS: Do you have any, and I know actually you mentioned earlier, you're going to be producing a report related to this local hires question that I'm constantly asking. Is within that any reporting around current NYCHA residents getting employed at any of the Sunset Park Red Hook assets?

PRESIDENT KIMBALL: I'm not sure we are able to ID exactly what building folks come out of, but I will check. So, the data that you'll see in the Sunset Park annual report that we're going to put out for the first time includes data tracked through W-2s, but also tenant interviews. And typically you can ask a business for zip code data. They're not legally required to provide it, but sometimes they do. And overwhelmingly that data shows good numbers, you always can do better on local hire. I do not think it

2 specifically would show who's coming out of East and
3 West as an example, but I will ask the same.

4 COUNCIL MEMBER AVILÉS: Or even probably
5 zip code. We could figure out more or less by zip
6 code on the Red Hook side. I haven't heard very much
7 mention of, I want to know about the current
8 employment numbers...

9 PRESIDENT KIMBALL: Understood.

10 COUNCIL MEMBER AVILÉS: For current
11 residents. We could talk all about the future
12 projection and all the fancy numbers, but currently
13 that would be great to know. Thank you.

14 CHAIRPERSON FARÍAS: I'd like to ask some
15 questions about capital funds. EDC has several funds
16 in its capital plan. Historically these funds were
17 used in the future for various projects based on City
18 priorities. As the recipients of these funds are
19 decided later, the City Council's not always aware of
20 all the projects when the budget is adopted. The
21 current capital commitment plan shows that the
22 housing fund, the tenant improvement fund, and the
23 manufacturing and industrial investment fund are not
24 funded. Do you have plans to bring them back? And can
25

2 you help us understand the governance structure of
3 these funds?

4 PRESIDENT KIMBALL: Can you say it again,
5 the tenant fund?

6 CHAIRPERSON FARÍAS: Yeah. We have the
7 housing fund, tenant improvement fund, and
8 manufacturing and industrial investment funds.

9 PRESIDENT KIMBALL: Yeah. I think those
10 are funds that may have been active way in the past,
11 but have not been active for some time. Typically,
12 our capital funds are specific to projects. So as an
13 example, you know, at SPARC, there's 500 million
14 dollars for the CUNY schools that we'll be helping to
15 build, 164 million for SCA, and then additional funds
16 for OCME and H and H to move into the private
17 development campus. We have, you know, 400 million
18 dollars on the North Shore. We have an ask in, it
19 hasn't been funded yet, on our Coney West project. So
20 it tends to happen, you know, project by project, as
21 opposed to sort of general funds.

22 CHAIRPERSON FARÍAS: Okay. So, can I
23 follow up to see?

24 PRESIDENT KIMBALL: Sure, we'll follow up
25 and confirm.

CHAIRPERSON FARIÁS: If these are just defunct, because they were associated with the certain project. Great.

Capital funding for Phase Two of the Willets Point redevelopment is 262 million in the first five years of the Capital Commitment Plan, with just 10 million committed in the latter half of the plan period. Why is the plan so front-loaded for these projects? What will these capital commitments support in the Willets Point development?

PRESIDENT KIMBALL: Yeah. So, we're constantly working with OMB to line up our capital needs in the year that they actually happen, and so that means that capital funds may be laid out over a number of years. There may be an instance in which we don't need the money, you know, say until 2027. So the money starts in 2027, goes '28, '29. In the case of Willets Point, that project is actively, the housing is coming out of the ground in Phase One. We already did Phase One infrastructure. We're doing Phase Two infrastructure right now. And the stadium is coming out above ground on a portion of Phase Two. So the reason we need that in the near-term years is we're actually literally spending it right now.

2 CHAIRPERSON FARÍAS: Okay. Great. And what
3 about the additional phases and the funds?

4 PRESIDENT KIMBALL: So beyond Phase Two of
5 public infrastructure funding for Willets, I do not
6 believe there is other capital fund allocated as of
7 now.

8 CHAIRPERSON FARÍAS: Okay. And then I'd
9 like to just chat about some of the RFPs. EDC
10 recently released an RFP for the development of 100
11 Gold Street, a City-owned site. The recent request
12 seeks proposals to develop mixed-income housing. Why
13 was EDC chosen to issue the RFP, and how did you work
14 with the Administration to select the site, and is
15 there any additional funding in EDC's budget for this
16 project?

17 PRESIDENT KIMBALL: So, this is a good
18 example where on a City-owned asset, and Gansevoort
19 Square is another one that we're working with Council
20 Member Bottcher on, where the City is through mandate
21 from City Hall to develop housing wherever you can on
22 underutilized City-owned assets. Now, the reason I
23 would use the word underutilized in the case of 100
24 Gold is the building is literally falling apart. If
25 you work at HPD, mold is falling on your head. I

mean, it's, I don't know if you remember the old 250 Broadway, but it was a lot worse than that. And so HPD, and there are six other entities in there, but HPD's the biggest one by far, are going to have to move soon, or you're going to have to renovate the building in place around them. So that would cost an enormous amount, hundreds of millions of dollars, for the City to sort of renovate in place as you move your people around within the building. So the notion was, let's decamp the building, move all of those uses either into other City-owned assets that are underutilized office space or into new, into rental office space in the private sector. That gives a private developer then the opportunity to come in, take down the existing building, build a new building that could be host to 1,000 new residents. Some of the money that comes off of that will pay for the relocation of the City agencies. So at this time, there is no additional money put into the City's budget. Could that be an issue in the future? It is possible, but it's not needed today.

CHAIRPERSON FARÍAS: And can we expect to see the EDC issue any more RFPs for residential projects on City-owned assets?

PRESIDENT KIMBALL: We just put out a lot of them, and I do not anticipate any others in the next few months.

CHAIRPERSON FARÍAS: Okay. Great. And then lastly, last March, EDC issued an RFP for a 100 million climate innovation hub at Brooklyn Army Terminal. Can you update the Committee on the status of the RFP and the timeline for establishing the hub? And does the prelim include any funding for this project?

PRESIDENT KIMBALL: Yes, it does. We are very close to publicly announcing the operators of the climate innovation hub. It will include both incubation and acceleration, as well as workforce development, local outreach in the community, in particular around workforce development, but also entrepreneurship.

CHAIRPERSON FARÍAS: Thank you for your response. I am going to turn it over to Council Member Bottcher for questions.

COUNCIL MEMBER BOTTCHEER: Good afternoon, how are you?

PRESIDENT KIMBALL: I'm good. Thank you.

COUNCIL MEMBER BOTTCHEER: Thanks. As you know, obtaining shore power for the Manhattan Cruise Ship Terminal is one of my top priorities, and it's so important for our residents because when cruise ships are docked, their diesel generators are running, and they emit toxic fumes that waft into our neighborhoods, specifically Hell's Kitchen. And we've been working closely with you on this, and recently the plan changed somewhat when EDC decided that you are now going to pursue a master plan for the Cruise Ship Terminal to plan for the next 75 years of receiving cruise ships at those terminals, and that pushed out the timeline for when we can expect ships to be able to plug in when they're in port. I understand that this summer you're going to be coming to us with a master plan for these cruise ship terminals. What can be done now, and I know we're going to be meeting about this in the near future, what could be done now with respect to preparing for shore power? Because we know that additional capacity will be needed on land for the electrical grid, substation capacity. What can start now rather than waiting for the master plan to come together?

PRESIDENT KIMBALL: Yes. Appreciate your advocacy on this, and this is something that ports all over the world are moving fast on and also struggling with because this is relatively new technology. We have made some big steps forward, and it's too bad that Council Member Avilés had to leave, but we're in constant contact with her about the Brooklyn Cruise Terminal and implementing a mobile harbor jib that can access most of the boats coming in there with shore power, and we expect by the summer to have the infrastructure in place so that all ships can plug in. What's different there than at Manhattan Cruise is there is a very significant substation already on site bringing the power. What we've been doing actively is working with Con Ed to make sure that there is capacity. We have gotten positive responses there. Now the question is siting for where this substation will go. I know that we have said we want to make sure that this is done within the context of a master plan because one of the things we discovered when we were seeking the siting previously with Con Ed is understanding that the subsurface conditions at 88 and 90 were deteriorating quicker than we thought. Hence, we've

got to master plan this thing together and make sure the substation is going in the right place in the context of that master plan, and frankly, also line up all of the money that we will need to do, which will include both a new public sector ask but also a significant ask of the private cruise operators, not just on the per passenger fees that we've discussed with you, but a significant capital investment in exchange for a long-term lease. So, I appreciate that there has been a delay. I'm not sure that in reality it's as long as it might seem in order to get the master plan done before we go ahead and procure on the substation, but we will be back to you in a few months on this and we understand that it's a very high priority of yours in the community.

COUNCIL MEMBER BOTTCHE: If you had to give a ballpark estimate of how much time it's going to take, what year do you realistically anticipate cruise ships will be able to plug in at the Manhattan Cruise Ship Terminal?

PRESIDENT KIMBALL: I'm going to come back to you on that one. I mean, my guess is that whether we were doing a master plan or not, once you procure a big capital project like that, particularly using

City capital dollars, as you know, it's a few years. So I want to get back to you with a more precise than just a few years. My hope is that not only do we have a master plan together in '25, but we've put out an RFP for long-term operators there and partners. As you know, we have a long-term partnership with Ports America for the day-to-day operations of the port, but then there are those cruise lines coming in like MSC and Norwegian and Carnival, and there's no reason in my mind that in exchange for a very long-term commitment to use those peers and have their presence there, that they should also be contributing to the long-term capital needed, including shore power. So, I would hope that by the end of the year, we would be out with an RFP to determine who our partners are going to be on that project beyond Ports America.

CHAIRPERSON FARÍAS: Okay. Two last bits and then I'll end. Just on the capital projects for waterfronts, the Committee knows how involved EDC is with the city's waterways, and the Preliminary Capital Commitment Plan includes a 152 million lump sum capital project for waterfront improvements. How does EDC decide to draw down on these capital funds for waterfront improvements? Are they for new

projects or for projects currently underway that are funding on a year-to-year basis?

PRESIDENT KIMBALL: They're for a wide array of projects across the 520 miles of the city. Some that are EDC managed, like Pier 36, there's a very substantial project going on right now. We're in application for some work at the Manhattan Cruise Terminal. And then they're for other agencies where we do the work on their behalf, like Parks Department, and so we can get you a full list of all of those projects that make up the 100 million.

CHAIRPERSON FARÍAS: That would be really helpful. And can you explain why there's only 1.4 million committed for waterfront improvements in FY26?

PRESIDENT KIMBALL: 1.4 million?

CHAIRPERSON FARÍAS: Mm-hmm.

PRESIDENT KIMBALL: I don't know. That doesn't make a lot of sense to me given the number of projects we have, so let me check on that number.

CHAIRPERSON FARÍAS: You'll check back.

PRESIDENT KIMBALL: Yeah.

CHAIRPERSON FARÍAS: And then last year we had a discussion about finding savings in the City's

tax expenditures. We spend over 3.3 billion annually in tax breaks to encourage economic development in the city. While much of this represents commitments made years ago, many of the same tax incentive programs still remain on the books and are unchanged from when they were developed years and in some cases decades ago. Considering the limited resources we have, do you believe that each and every single one of the City's existing economic development tax incentives are working as efficiently as they could?

PRESIDENT KIMBALL: By and large, I think they are working very well and are critical to our economic recovery right now and to growth in the future. So, the work that we do through IDA Build and we put out our first annual report just for those two programs this year. It looks back about 15 years. The positive impact of those programs is massive and we'll make sure that we have in the record that report as well. There are other programs that are new like the M-CORE program, where we believe it will have a very positive long-term impact. We talked about the analysis earlier. Time will tell. The Council's certainly right to shine a spotlight on it and see where we are every year. Is it moving? On

smaller business incentives, the main programs are initiated through the State Legislature. So the Relocation Assistance Program, REAP, is a 3,000 dollar per head for 12 years if you move into the city in most parts except for Midtown, or you move from Midtown to the outer boroughs so we don't lose those companies going to the suburbs or another part of the country. I know from my time in the Navy Yard and Industry City that those programs were absolutely critical to the success along the Brooklyn waterfront. I think you'd hear the same from Chambers of Commerce in Long Island City and in the Bronx and in Manhattan about the importance of them. So that program is up for reauthorization. The City has asked for it to be reauthorized and it's also asked for a new tool called RACE. So, we have an ongoing challenge despite the fact that jobs are going very, very well. Tax revenue is strong. We have 100 million square feet of vacant space. Space in luxury office buildings are doing very, very well. Everything else is not doing well, down about 10 percent the last couple years. So, what the RACE program does is for companies moving from outside New York City, taking over 20,000 square feet of space, there's a lot of

space in pre-2000 buildings, the older buildings that are hardest to lease, we will give them a 5,000-dollar-per-employee tax break for 12 years. So richer than REAP but really mirroring the moment in time in which we have to move on that 100 million square feet of vacant space. Some of that is going to be converted to housing but, if I had to guess, maybe 10 million of it, that still leaves 90 million. So we have to move to upgrade these older buildings and to help the ones that are leasing today lease better. That program would be capped if the State Legislature passes it. I think it's a five-year cap with a certain dollar amount. So again, that will be one for the Council to watch, and we're very hopeful that it passes the State Legislature because it's really a tool that we think we need.

CHAIRPERSON FARÍAS: Great. Thank you. And just for the Committee's information, who in the City is ultimately responsible for ensuring that the economic tax breaks are relevant and efficient? Is it EDC or OMB?

PRESIDENT KIMBALL: I think it's EDC first and foremost because primarily we're making the decisions. In a program like REAP, we don't have,

it's as-of-right essentially. So DOF, Department of Finance, technically provides the break. OMB is very rigorous in reviewing all these programs, and we know that Council oversight will be there as well playing their appropriate role.

CHAIRPERSON FARÍAS: Great. Well, thank you folks for testifying today. I don't see any other questions from Members and you are adjourned.

PRESIDENT KIMBALL: Thank you very much.

CHAIRPERSON FARÍAS: Thank you. I now open the hearing for public testimony.

I remind members of the public that this is a government proceeding and that decorum shall be observed at all times. As such, members of the public shall remain silent at all times.

The witness table is reserved for people who wish to testify. No video recording or photography is allowed from the witness table. Further, members of the public may not present audio or visual recordings as testimony but may submit transcripts of such recordings to the Sergeant-at-Arms for the inclusion of the hearing record.

If you wish to speak at today's hearing, please fill out an appearance card with the Sergeant-

at-Arms and wait to be recognized. When recognized, you will have two minutes to speak on today's hearing topic, the Budget for the New York City Economic Development Corporation.

If you have a written statement or additional written testimony you wish to submit for the record, please provide a copy of that testimony to the Sergeant-at-Arms. You may also email written testimony to testimony@council.nyc.gov within 72 hours of the close of this hearing. Audio and video recordings will not be accepted.

For in-person panelists, please come up to the table once your name has been called in that order. Julie Coker, Machiko Grasso, Gregory J. Morris.

Just, yep, press the button on the mic and you may begin when ready.

JULIE COKER: Okay. Good afternoon, Majority Leader Fariás and Members of the Economic Development Committee. I am Julie Coker, and I'm the President and CEO of New York City Tourism and Conventions. I thank you for this opportunity to share the current status of the city's tourism and hospitality industry and our efforts along with our

government and private sector partners to revitalize the industry as we work for a full recovery. I would like to take a moment to provide a quick background of who we are and what we do as an organization. New York City Tourism is the official destination marketing organization and convention and visitors bureau for the five boroughs to New York City. Our mission is threefold, maximizing inbound travel, building economic prosperity, and spreading the dynamic image of five boroughs around the world. We're a 501(c)6 not-for-profit member organization and represent the interest of 1,400 member businesses and organizations across the five boroughs. We are governed by an 81-member board, and I am going to skip ahead. Prior to the pandemic, 2019 was the 10th consecutive year of growth in the number of visitors, importantly, in visitor spend. The first year of the pandemic hit our industry very hard. The good news is, as we sit here in 2025, five years later, things are looking much more positive. What I really want to highlight today is that in 2019, we forecasted to be at 76 million visitors in 2024. And while we are grateful and excited about the 64.5 million visitors that we had last year, as you can see, it is well

below what we originally forecasted. And for those reasons, we are extremely concerned and want to just highlight that we need dedicated funding for this upcoming Fiscal Year so that we can remain competitive. (TIMER CHIME)

CHAIRPERSON FARÍAS: Please continue.

JULIE COKER: Okay. What I'd say is, as we plan for the next eight months of this year and into 2026, New York City is facing increased competition. Domestic visitors are traveling internationally again, and businesses are traveling. Travelers are becoming more cautious as concerns about a recession swirl. And more importantly, first-tier meeting cities such as Dallas and Los Angeles and Vegas have bid funds that are making them also much more competitive for the meetings market. What we really need to double down is that we need to take a look at the fact that we just recently adjusted our forecast for international travelers down 3 percent. And as we are all watching the conversations around tariffs unfold, there is a concern about our forecast that we just recently did, and we're hoping that we can hold those numbers. What's really important about the funding that we offer is that it supports community

programs like New York Restaurant Week, New York Outings, I should say, which is a part of Restaurant Week, Hotel Week, and Must Attractions Week. In Fiscal Year 2026, without increased funding, we will need to cut back on our global presence further and further, and this will reduce community programs and may have other lasting cuts that will essentially make New York City not competitive.

CHAIRPERSON FARÍAS: Thank you for your testimony. You can continue.

MACHIKO GRASSO: Good afternoon, Chair Farías and Members of the Committee. I am Machiko Grasso, Vice President of External Affairs at Non-Traditional Employment for Women, or NEW. Thank you to the City Council for your support of our work over the years. Most recently, we received funds from the Speakers Initiative, the Young Women's Leadership Development, and Pride at Work. Our mission is to prepare, train, and place women in careers in the skilled construction, utility, and maintenance trades, helping them achieve economic independence and a secure future for themselves and their families. NEW also helps create a skilled workforce vital to economic development in the city. We provide

a pathway to jobs that provide good pay, benefits, and safety protections. Through its core pre-apprenticeship training program, along with job placement and wraparound services, NEW lowers barriers to a male-dominated industry and supports women throughout their trade journey. Every year, we train approximately 350 individuals. According to a 2023 report from the U.S. Department of Labor's Women's Bureau, women are vastly underrepresented in critical infrastructure fields. Despite being 50 percent of the total workforce, only 4.2 percent make up the skilled construction trades occupations. There are also pay disparities for women in these fields, and further, the barriers for women entering the trades are many.

So many more investments are needed in the workforce development sector. With the shift in federal funding, the City Council funding is more important than ever. Investments in key programs, such as the job readiness and training initiative, are crucial for non-profits such as ours. We recently submitted a request to this initiative to boost our new partnership with NYCHA through its REES program. We plan to reach out and serve NYCHA residents in

districts of elected officials whom we work with, and your funding will maximize the impact of this partnership. We also need more flexible dollars (TIMER CHIME) for our emergency fund, which helps tradeswomen who encounter unplanned expenses that may prohibit the continuation of their work or force their resignation. Support includes housing, transportation, union initiation dues, and utilities assistance. There are many opportunities available to women in the trades, and we thank the Committee for considering investing in this sector. Your investment will return hundredfold. Thank you for your partnership, and we look forward to building a brighter future for our tradeswomen with you.

GREGORY J. MORRIS: Good afternoon, Majority Leader. Thank you for making this time. It's much appreciated. I always appreciate the presentations from EDC because I learn about where all the jobs are anticipated, and all I can think to myself as the CEO of the New York City Employment and Training Coalition is how it's possible to ensure that the workforce development strategies are in place to ensure that those particular jobs in every particular region are actually accessible to local

1 jobseekers. True, by the way, that New York City is
2 experiencing record high employment levels, but what
3 we don't talk about, as you know, is wages. We don't
4 talk about quality jobs, and we don't talk about
5 career advancement, and we certainly aren't spending
6 the time that we should addressing the outrageously
7 high unemployment rates for Black men and young
8 adults in New York City.

10 Economic development cannot thrive
11 without a skilled, diverse workforce to support
12 business growth and innovation, and workforce
13 development cannot be effective without clear
14 pathways to high-quality jobs and expanding
15 industries. Workforce funding, economic development
16 investments, and philanthropic efforts must all be
17 intertwined to ensure that our most effective
18 programs and initiatives exist to create on-ramps for
19 new workers, re-skilling, up-skilling options, like
20 those provided by folks on the panel, and second-act
21 careers for those in need of those opportunities. As
22 identified by NYC ETC, the organization of 220
23 members I'm proud to represent as part of its
24 workforce development agenda released just last week,
25 we are hoping that this Council, led by this

Committee, ensures that making workforce development a core requirement of publicly funded economic development initiatives is at the fore of our focus to ensure that those programs are resourced and that we continue to focus on tracking and evaluating private sector investment and workforce solutions, so we don't just have a presentation about the number of jobs. We can actually talk about who receives them, how well they're doing over time, and how it is that they continue to grow in those opportunities.

Workforce development is not an isolated social service, but an economic imperative. Economic growth is meaningless if (TIMER CHIME) it does not translate into opportunities for those facing the highest barriers to employment. I know you know that, and I'm grateful for this time.

CHAIRPERSON FARÍAS: Thank you all for testifying. Just from the perspectives of NEW and NYC ETC, how frequently are you hearing from the Economic Development Corporation or any one of the community projects that we're seeing that they're managing or working on in terms of either getting more folks into the workforce or asking for your collaboration on a varying degree of different groups that are on the

ground that can help with the pipeline and/or other deficiencies that the EDC might not be able to have but need community partnership?

GREGORY J. MORRIS: I was very grateful to have been called upon to support what was referenced during the earlier presentation, the economic mobility or economic network development RFP that EDC put forward. In other words, allowing me the opportunity to talk about what it would take to create economic mobility networks in New York City based on the history of the New York City employment training providers. We did that in partnership with EDC and talking about that, how to make that possible. And we're grateful that that RFP went forward and is identified in two different pockets of New York City. There's more that needs to be done.

That said, and certainly as someone who has championed the SPARC Campus project and has been active in supporting and championing that project, as someone who has talked about the cruise ships and the plans on the west side, as someone who has championed and focused on what is happening at the Kingsbridge Armory and the plan for that for the future, I do feel like I've had the opportunity to say, workforce

development counts. As you know, unless it's invested in, unless the actual scaffolding is in place to ensure that opportunity is available, it's not going to hold true. So, from my perspective, I feel like I'm being called into conversations and what it is that I'm putting forward about what our coalition believes workforce development should and could look like has been received by EDC. I think the complexity is about what is the investment that that means over time, so we can actually see and manage the results of that particular focus and that interest, and that's the part where I would say there's still much work to be done.

MACHIKO GRASSO: Definitely, we can connect more with the EDC. Just out of transparency, COVID did badly to our organization and we were one of those non-profits that did not do well because who can teach carpentry virtually, and we went through a lot of staff transitions during the period and we actually welcome our first tradeswoman and first person of color, Leah Rambo, to become our President last year so we are definitely eager to continue our partnership and really dig deep into this partnership with the EDC.

CHAIRPERSON FARIÁS: Yeah, I'd love to just keep in touch on that as I'm sure we still have EDC folks here that are logging and taking this information. I think it's important, especially for folks like NEW or for your organization that has hundreds of partners that can be on the ground, be infiltrated into a lot of these projects and were directly impacted by being hired on some of the development projects that we have that can both assist you folks and the City be able to track its actual outcomes and metrics so appreciate that.

And then I just have a question around the last statement that you read, Ms. Coker, on the resources that will be needed without increased funds, what our global impact is going to look like and what that means for the city of New York. Can you give us an idea of, prospectively, what could be new needs that NYC ETC has and what that means in terms of percentages or negative outcomes for the city of New York if those aren't met?

JULIE COKER: Sure. So, currently we have had the same contract with the City since 2006 and that has been the 21.1. We are currently PEG'd and so that contracted amount right now for Fiscal Year 2026

is looking to be at 17.45 million. And so that will definitely, unfortunately, cause us to look at first, I shouldn't say first, we'll look at international presence. New York City has 17 international offices as we should because part of our roles and responsibility is to promote New York City internationally, and so currently we only have 14. Prior to COVID, we had 17, so we'll definitely have to look at that and we wouldn't be able to maintain the 14 that we have. The reason why international visitation is extremely important to New York City is because they stay longer and they spend more, and it's also an opportunity to get those visitors into the five boroughs so they're not just Manhattan. They'll go all over. The other thing that we will definitely have to look at is actual staff, and we may have to do layoffs, if not job eliminations, depending on the overall budget. The concern for all of us with that is obviously, as we know, visitors, they're an export. They come to the destination, they leave money and they leave. And so not having the proper funding to have appropriate strategic marketing and sales programs to do the job so that we can promote New York City. We've never questioned. We

don't have an awareness problem in New York City. We do have an opportunity where if we're not marketing at the level that we should to our competitors, you're not able to get to actually buy. So it's one thing to say, if you're in UK, I know where New York City is. It's another actually to push the button and actually make a visit and schedule a trip. And so the concern that we have is, as we're looking at the landscape today and the potential of the tariffs and the impact that they could have, as well as increased competition from other domestic cities, we could lose our competitive advantage on both the domestic side as well as the international side, and that will lead to potential jobs obviously that we create. We have 388,000 jobs in the city that are tourism related so those could be impacted and certainly the tax dollars that we generate to the City.

CHAIRPERSON FARÍAS: And to the PEG that we took last year, I'll include myself in the general, we as the Chair, those three offices were closed because of the PEG?

JULIE COKER: They were a part of the reductions that we had to make because of a decreased budget.

CHAIRPERSON FARÍAS: Okay. And so are part of our new needs for your organization going to be to go back up to the 21.4? Or are we asking for additional to ensure that we have expansive?

JULIE COKER: We are asking for an additional. So we're asking for an additional. Our new needs ask is 7 million for Fiscal Year 2026 to go beyond the contracted amount of 21. And that's for a number of reasons, as we all know, and I heard when we walked in, you were talking about FIFA. So, we've got international events. And again, similar to what EDC was saying is that the game may be played in New Jersey, but we certainly want visitors here. But we also want to be able to bring journalists as well to experience and feel the city so that they can then promote out. And the other that we want to do is make sure that we are competitive when we're talking about the meetings and convention market. And then lastly, all of the work that we do around the five boroughs and getting folks into the city and then into the five boroughs and supporting those community vibrancy programs that we do, all of that will be covered if we're able to have that 7 million ask.

CHAIRPERSON FARÍAS: And then just my last question for you in terms of the conversations you're having with the Administration on your new needs ask of 7 million, have they began? Have we received any feedback? What are my efforts going to look like towards June?

JULIE COKER: We have submitted our new needs ask and we have received some questions back. What I would say of some of the questions that we are facing are it isn't an a la carte menu, if you will so if we do this or that. It really is a comprehensive. So, in order to keep the staff that we have and also do the work that we need to do from a marketing and sales perspective, that entire 7 million is needed, especially as we're going into 2025, the balance of this year and, of course, Fiscal Year 2026, we are going to be on a world stage with having FIFA here, so all of the efforts that we have, I believe that they understand and we are certainly not tone deaf and know that there is a lot of ask on the budget, but really because we are revenue generating and there's a return on investment for the dollars that are invested into travel and tourism, we do think that the ask is reasonable.

CHAIRPERSON FARÍAS: I appreciate that response. That's what I was going to end with. I think each of you up here are worth investments as all of you provide revenue generation, whether that's with jobs and outcomes in our small economies or impacting our larger tourism budget that increases both small and large economies in the city.

So, those are the only questions I have. Thank you all for coming and being on the panel. This panel is now dismissed.

JULIE COKER: Thank you.

CHAIRPERSON FARÍAS: Thank you. Seeing no one else signed up to testify in person, I'm going to now turn over to virtual panelists.

If you are in person and are not signed up to testify, please go to the Sergeant-at-Arms to request an in-person testimony.

For virtual panelists, once your name is called, a Member of our Staff will unmute you and the Sergeant-at-Arms will set the timer at two minutes and give you the go ahead to begin. Please wait for the Sergeant to announce that you may begin before delivering your testimony.

I will now call our first virtual panelist, Malat Seyoum.

SERGEANT-AT-ARMS: You may begin.

MALAT SEYOUM: Thank you. Good afternoon, honorable Chairperson, audience, and distinguished Members of the New York City Council on Economic Development. My name is Malat Seyoum, and I'm the Director of Local Affairs and Strategic Partnerships at the New York City Network of Worker Cooperatives, also known as NYC NOWC. We are the member-led local trade association representing local cooperative businesses and democratic workplaces in New York City metropolitan area. And here alongside my colleagues from the Democracy at Work Institute and the Center for Family Life and our advocacy Council Members representing 11 other organizations that make up the Worker Cooperative Business Development Initiative, asking the New York City Council to continue supporting the expansion of worker ownership in next year's budget and firmly into the future.

Since the inception of the initiative, we've created over 200 new cooperative businesses and over 1,200 new jobs that are not only providing higher hourly wages, but also building wealth and

assets for individuals who are overwhelmingly BIPOC women and immigrants. We have seen firsthand how the initiative has helped to bolster our sector, strengthening existing cooperative businesses, and creating new ones. The initiative partners have collectively worked to create a comprehensive ecosystem of support for cooperative businesses that are not only ensuring the creation of new cooperatives in low-income areas, but also the technical assistance needed to sustain businesses and create jobs, as well as the education outreach needed for communities, interested entrepreneurs and allied organization. We did a lot of work during the pandemic. We brought in over 20 million in grants and loans for cooperatives to keep them afloat. And we did this with a 3.7 million budget. We are asking the City Council to enhance our funding to 5,097,082 dollars in order for our initiative to really double down and do the essential work that's necessary for the long-term economic recovery of cooperative businesses that's really necessary and needed to claw ourselves out of this crisis. We thank City Council for the opportunity to testify and hope (TIMER CHIME) that you will consider our budget priorities...

2 SERGEANT-AT-ARMS: Your time has expired.

3 MALAT SEYOUM: During this year's budget
4 negotiation process. Thank you.

5 CHAIRPERSON FARÍAS: Thank you so much.
6 I'd now like to call Catherine Murcek.

7 SERGEANT-AT-ARMS: You may begin.

8 CATHERINE MURCEK: Thank you for the
9 opportunity to testify online today. My name is
10 Catherine Murcek. I'm a worker owner at Samamkaya
11 Yoga Back Care and Scoliosis Collective. We're a
12 member of the New York City Network of Worker Co-ops,
13 or NYC NOWC, which is, as you heard, the main line of
14 partner organization in the WCBDI initiative. Your
15 support of our community of democratically run
16 businesses helps to protect and create jobs for
17 women, immigrant workers, and communities of color
18 across the five boroughs and a wide array of
19 industries. I am testifying today to urge you to
20 continue to support the great work of WCBDI,
21 enhancing their funding to their ask, which the
22 specific number is in my written testimony, 5.1
23 million approximately, and to support also commercial
24 rent stabilization to protect New York City's workers
25 and small businesses from displacement.

My co-op, Samamkaya, is a very special little studio in Chelsea specializing in therapeutic yoga for back care with classes online and in studio. I'm proud to say that my 19 other worker owners and I just celebrated 10 years of democratically running the studio together in the same space the whole time. To make yoga accessible to all ages and abilities, we use specialized rope walls and equipment, which incurred a hefty startup cost that we are still paying back. Our co-op business structure makes us unique among yoga studios in New York, and I believe it's one of the reasons we were more resilient throughout the pandemic than many of the other yoga studios, which we sadly lost. Even though the pandemic forced us to close our physical space, we were able to band together and decide as a team on how we would pivot, divide the labor. We worked together to keep the studio afloat while we made sure our teachers who most needed to be working could keep teaching online and make ends meet. We were really grateful to have access to technical support from WCBDI partners and a couple of small grants that are specific to work at co-ops. One example is NYC NOWK's Cooperative Sustainability Fund that allowed us to

pay for consulting sessions (TIMER CHIME) with another co-op, which helped us...

SERGEANT-AT-ARMS: Your time is expired.

CATHERINE MURCEK: Okay, there's more of my written testimony. Just to wrap things up, please enhance WCBDI's funding and please support commercial rent stabilization to ensure a just recovery in New York City for our wonderful community of small businesses. Thank you.

CHAIRPERSON FARÍAS: Thank you, folks. And just a friendly reminder with the two minutes to speak, the hearing topic today is the Budget for the New York City Economic Development Corporation. For the organizations that are asking for expansions, please email those requests on the funding or the Speaker's budget requests to my office so I can have those handy.

I'd now like to call on Ofelia Salgado.

SERGEANT-AT-ARMS: You may begin.

OFELIA SALGADO: Hi. Good afternoon, and thank you for your time today, Chair Amanda Farías and distinguished Members of the New York City Council on Economic Development. My name is Ofelia Salgado. I am a corporate business developer at

Sunset Park Center for Family Life. We are a 47-year-old social service organization committed to helping low-income Brooklyn families to build sustainable futures. I'm here today to respectfully request that the City Council continue its support for worker-cooperative business development initiative, as again, my colleague, Malat, already mentioned, by allocating 5.1 million dollars to the Fiscal Year 2026. Since joining WCBDI in 2014, CFL has incubated 27 co-operative businesses and domestic work, empowering over 600 women to control their economic futures. Each year, we train over 400 participants in business management and cooperative leadership and provide over 250 business consultations, ensuring the stability and the growth of the existing cooperatives. With your support, we've expanded our impact and now reach every corner of New York City, so we're not limited to Brooklyn and, notably, we launched Up and Go, an online platform where clients book services from worker-owned cooperatives. Since 2017, Up and Go has generated over 3 million dollars directly benefiting more than 100 families. So cooperative members now earn 33 dollars an hour. That's more than double the typical 16 dollars an

hour for domestic work in New York City. And importantly, very important, it has completely eliminated any wage theft, ensuring safe and equitable working conditions. These achievements are possible only with the continued support of the New York City Council. Your investment in worker-owned cooperatives is crucial in combating economic inequality and building resilient communities. On behalf of Center for Family Life, thank you for your commitment to economic (TIMER CHIME) equity and...

SERGEANT-AT-ARMS: Your time has expired.

OFELIA SALGADO: We look forward to your continued support. Thank you.

CHAIRPERSON FARÍAS: Thank you. I'd now like to call on Ahn Thu Nguyen.

SERGEANT-AT-ARMS: You may begin.

AHN THU NGUYEN: Hi. Good afternoon, Chair Farías and distinguished Members of the New York City Council Committee on Economic Development. My name is Ahn Thu Nguyen, and I am the Director of Strategic Partnerships at Democracy at Work Institute, a member of the Worker Cooperative Business Development Initiative, or WCBDI for short. Thanks to City Council's investment over the last 10 fiscal cycles,

we've provided significant benefits, inspiring business owners, and become a model of innovative and inclusive economic development that has been modeled across the country now. Our initiative has created and supports resilient employment and business ownership opportunities, unlike any other in New York, where we provide critical support to small businesses, workers, and recent migrants, connecting them to business ownership and employment opportunities, especially when alternative routes to employment and business ownership are unavailable. Some key achievements in the past few years have included the successful launch of AfriLingual, an interpretation and translation cooperative that provides language support in over 10 African languages. This language access has been key to offering on-ramps to economic and social mobility for African migrants, and is currently being used as a model for other interpretation cooperatives across the country. In addition, the establishment of Radiate Consulting, which is a professional services consulting cooperative made up of CUNY graduates which builds capacity for immigrant services organizations and small businesses, including

administration, bookkeeping, curriculum development, and trainings. The worker owners have deep experience in these spaces and have come from these communities themselves, so they know it best. In the past few years, Radiate Consulting has doubled in size and reached profitability within the first two years of its launch. It's also become a model for workforce development for young immigrant professionals that is currently being replicated by the city of San Francisco, amongst other cities that are looking to see how they can bring young people into the workforce. Since its inception in Fiscal Year 2015, WCBDI has created more than 1,000 jobs and pathways to business ownership, created more than 200 new worker cooperative businesses to offer higher hourly wages, better working conditions, and importantly, build wealth (TIMER CHIME) and equity for workers. It has reached more than 10,000...

SERGEANT-AT-ARMS: Your time has expired.

AHN THU NGUYEN: With education and technical assistance services. I have more to share in my written testimony, but I urge City Council to continue investing in worker cooperatives in New York City in Fiscal Year '26 to the tune of 5.09 million

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2 dollars, which will provide for the startup of 31 new
3 worker cooperative small businesses and over 100 new
4 jobs, as well as technical assistance and education,
5 reaching over 2,000 existing startup and aspiring
6 cooperative entrepreneurs. Thank you again, and I
7 appreciate the time that you've given me for
8 testimony.

9 CHAIRPERSON FARÍAS: Thank you so much.
10 Please make sure to email over your testimony so we
11 have everything on record.

12 I'd like to call up next, Christopher
13 Leon Johnson.

14 CHRISTOPHER LEON JOHNSON: Can you hear
15 me? Can you hear me?

16 CHAIRPERSON FARÍAS: We can hear you.

17 CHRISTOPHER LEON JOHNSON: Can you hear
18 me?

19 CHAIRPERSON FARÍAS: Yes.

20 CHRISTOPHER LEON JOHNSON: Hello, Chair
21 Farías. My name is Christopher Leon Johnson. I'm
22 going to show my support to the (INAUDIBLE) Alliance
23 when it comes to the OMNY Card situation. I think the
24 (INAUDIBLE) Alliance need to start calling out...

25

2 CHAIRPERSON FARÍAS: Mr. Johnson, Mr. Leon
3 Johnson, you have to remain on topic. This is solely
4 on the Budget of the New York City Economic
5 Development Corporation.

6 CHRISTOPHER LEON JOHNSON: I know, but I'm
7 trying to show my support while saying that the City
8 Council needs to start telling the NYPD to stop
9 policing poverty at the busiest stations in the City
10 of New York. You guys have the money to fund the
11 NYPD. (CROSS-TALK)

12 CHAIRPERSON FARÍAS: So, this... this
13 (CROSS-TALK) your testimony currently doesn't have
14 anything to do with the hearing topic. If you'd like...

15 CHRISTOPHER LEON JOHNSON: (INAUDIBLE)

16 CHAIRPERSON FARÍAS: Okay. Here we go.
17 Let's talk about the economic development component.

18 CHRISTOPHER LEON JOHNSON: (INAUDIBLE) do
19 Economic Development. You're cutting my time, okay?
20 Because if this works in those impoverished
21 communities, these people are able to save money and
22 they're able to go and support, like NYCFC, go to the
23 NBA games. At the same time, they're able to start
24 buying, be able to use that money and buy Citi Bike
25 memberships, and that will help the City out a lot

because everybody in New York supports the Bronx Democratic Party. Everybody knows that. Now, I want to make this clear about the bike lanes that we need to fund the DOT, but they should not obligate the DOT for only bike lanes. What about the deliveristas?

CHAIRPERSON FARÍAS: As I've already mentioned, DOT is not being heard at this budget hearing. This is for the Economic Development Corporation.

CHRISTOPHER LEON JOHNSON: (INAUDIBLE) do economic development because this is about infrastructure. It's about infrastructure. Deliverista hubs, put deliverista hubs outside of City Hall. Why hasn't the City Council implemented a plan to really put it outside City Hall? It's been approved by the Department of Planning. (TIMER CHIME) It's been approved by...

SERGEANT-AT-ARMS: The time has expired.

CHRISTOPHER LEON JOHNSON: Yeah, you cut into my time, but I mean, that's what I've got to say. But thank you, you cut into my time.

CHAIRPERSON FARÍAS: Thank you so much.

We have now heard from everyone who has signed up to testify. If we have inadvertently missed

anyone who would like to testify in person, please visit the Sergeant's table and complete a witness slip.

If we've inadvertently missed anyone who would like to testify virtually, please use the raise hand function in Zoom, and a Member of our Staff will call on you in the order of your hands raised.

Seeing none, I will now like to note again that written testimony will be received and reviewed in full by Committee Staff, and it may be submitted to the record up to 72 hours after the close of this hearing by emailing it to testimony@council.nyc.gov.

And with that, this Committee hearing is now adjourned. [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 11, 2025