

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON ECONOMIC DEVELOPMENT

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May 1, 2013
Start: 10:17am
Recess: 1:20pm

HELD AT: 250 Broadway
Committee Rm, 14th Fl.

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KAREN KOSLOWITZ
Chairperson

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Council Member Mathieu Eugene
Council Member Julissa Ferreras
Council Member Letitia James
Council Member Brad Lander
Council Member Stephen T. Levin
Council Member Diana Reyna
Council Member Donovan Richards
Council Member Albert Vann
Council Member Mark S. Weprin
Council Member Ruben Wills

A P P E A R A N C E S

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CHAIRPERSON KOSLOWITZ: This meeting is called to order. Good morning, I'm Karen Koslowitz, Chair of the Committee on Economic Development. Today's hearing seeks to consider the merits and feasibility of enactment of two legislative items. Proposed Intro 438-A and Resolution 1257. Both of these pieces of legislation seek enhanced consideration and disclosure of impacts to communities where economic development projects are planned. The City's uniformed land use review procedure, ULURP, and the City Environment Quality Review, CEQR, currently provide a way for communities to have an opportunity to understand development. In addition, the New York City Industrial Development Agency, IDA, has regular public meetings where applications for economic development benefits are considered and voted on by the IDA board. However, proposed Intro 438-A is different than these existing public disclosure processes because it seeks to effectively capture anticipated social and economic impacts of development projects receiving economic benefits. The awareness and use of health impact assessments have become more

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2 popular as an emergency practice aimed at bringing
3 greater understanding of health consequences to
4 public policy. In light of this Resolution 1257,
5 cause for further improvement in the consideration
6 of health impacts and the administrations decision
7 making relating to real estate development
8 projects. Plans and policies, specially by
9 utilizing health impact assessments and by
10 increased collaboration between the Department of
11 City Planning, the Economic Development
12 Corporation and the Department of Health and
13 Mental Hygiene. Unlike proposed Intro 438-A it
14 does not require a specific method for doing this.
15 Thank you to all that have come to participate.
16 Before we begin Committee Counsel has informed me
17 that Proposition Intro 438-A contains what is
18 called a scrivener's error, an inadvertent
19 typographical mistake in the bill which may cause
20 some confusion. In the first sentence of section
21 22-8012 of the proposed intro towards the end of
22 the sentence the following four words, a city
23 agency or one of the periods should have, and one
24 of the periods should have been removed from the
25 bill at final printing. I would now like to call

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2 upon my colleague, Council Member Al Vann for his
3 remarks on Proposed Intro 438-A, since he is the
4 primary sponsor of the bill. Council Member Vann?

5 COUNCIL MEMBER VANN: Good morning,
6 and thank you, Chair. Mayday, mayday. Thank you,
7 Chair. As she indicated, I am Councilman Vann and
8 I am very pleased to be here with you, Chair, and
9 the members of the Committee on Economic
10 Development as we review intro 438-A, a bill that
11 I sponsored back in 2008 and reintroduced it for
12 this legislative session. And we will hear
13 testimony on that revised version of that
14 legislation today. This bill provides a tool for
15 community stakeholders to have effective input in
16 economic development decision making at an early
17 phase. The Committee Impact Report will provide
18 information about how communities are directly
19 affected by development in a concise and timely
20 format. This bill will increase transparency
21 about the use of City owned land and City funded
22 financial assistance for economic development
23 purposes and reveals how such projects impact
24 communities. And it also provides a simple public
25 process to allow for developers, policy holders,

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2 policy makers, community members, to consider the
3 social impacts of taxpayer supported development
4 on the City. It really provides, I think, a
5 simple and successful and timely report that
6 outlines the projects anticipated economic and
7 social impacts on the surrounding communities, 30
8 days, and this is critical, 30 days prior to the
9 approval of City subsidized economic development
10 benefits. Now, what are the benefits? Well, they
11 include financial assistance such as monetary
12 payments, loans, grants, bond financing, tax
13 abatements and other incentives as well as the
14 sale or lease of city owned land for the purpose
15 of job creation, retention, growth or for the
16 improvement and development of real property.
17 Community impact data would be captured by this
18 bill, to include the description of the project,
19 reporting on distressed areas, housing cost impact
20 estimates, resident displacement estimates,
21 business replacement estimates, estimated number
22 of jobs to be created by cycle, wage, salary
23 compensation estimates, local employment program
24 usage and estimated number of employees by job
25 category with health benefits. In addition, where

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2 a project is located in a highly distressed area
3 of stress, highly distressed area. The Community
4 Impact Report goes into greater detail in terms of
5 how or do we alleviate unemployment? Does it spur
6 public or private employment, private investment
7 in employment, housing and educational
8 opportunities for residents. Is there an increase
9 in wages or other employment compensation such as
10 health benefits or other business or the
11 businesses in distressed areas. Very detailed but
12 very, very, very critical. With that said, I
13 would, first of all looking forward to the
14 thoughts and suggestions that will be coming
15 forward. It is not perfect and we're looking to
16 improve it. And I want to thank Chairperson
17 Koslowitz and, of course, the Speaker for bringing
18 this very important legislation to the Committee
19 for today's hearing. Thank you, Madam Chair.

20 CHAIRPERSON KOSLOWITZ: And with
21 that we'll start our - - .

22 MR. TIM SULLIVAN: Good morning,
23 Chairwoman Koslowitz, Councilman Vann and members
24 of the Economic Development Committee. My name is
25 Tim Sullivan. I'm the Chief of Staff to Deputy

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2 Mayor for Economic Development, Robert K. Steele
3 [phonetic]. Joining me this morning are a number
4 of colleagues in the administration, Chris
5 Gonzalez [phonetic], Assistant Commissioner at the
6 Department of Housing Preservation and
7 Development, Joseph Calleti [phonetic], Senior
8 Vice President of the Economic Development
9 Corporation, Hardy Adasco [phonetic], Senior Vice
10 President at EDC, Jonathan Guvaya [phonetic],
11 Senior Vice President at EDC, and Jeff Lee
12 [phonetic], Vice President at EDC and Executive
13 Director of the IDA. On behalf of the Bloomberg
14 Administration and Deputy Mayor Steele, thank you
15 for the opportunity to testify this morning
16 regarding Intro 438-A, which would require the
17 preparation and submission of a new report, a
18 community impact report. Prior to the approval of
19 a wide variety of job creating economic development
20 projects. The administration opposes this bill
21 because it will make it more difficult for
22 businesses to invest and grow in New York. The
23 bill is also likely to have unintended
24 consequences, impractical with regard to several
25 reporting requirements, redundant with existing

1 reporting, vague and raises legal concerns. While
2 the administration opposes this bill we share the
3 Council's goal of ensuring that all stakeholders,
4 including elected officials, neighborhoods and
5 communities have the information they need to
6 evaluate the impacts of proposed economic
7 development projects. We are proud of our record
8 of collaborating closely with community boards,
9 borough presidents and the Council to advance a
10 range of projects in the last 11 years that have
11 transformed our city. Together projects advanced
12 by this administration have rezoned nearly 40
13 percent of the city to create room for the housing
14 and businesses the city needs to grow, added a
15 record number of landmarked buildings and historic
16 districts and added more than 700 acres of new
17 parkland across the five boroughs. And we have
18 done so while providing unprecedented and
19 increasing amounts of information to impacted
20 communities and all other stakeholders. Mayor
21 Bloomberg's five borough economic development
22 strategy has had a lasting impact on communities
23 throughout the city. As a result of his
24 commitment to improving quality of life, creating
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2 a pro growth, pro business environment, investing
3 in infrastructure and major redevelopment projects
4 and fostering economic diversification. New York
5 City has outperformed the rest of the country
6 since the onset of the national recession. In
7 fact, since the recession New York City has gained
8 back more than 250 percent of the jobs lost. The
9 country, as a whole, has only regained 70 percent.
10 The number of private sector jobs in the city's
11 economy recently set a record of 3.3 million,
12 eclipsing the previous record set in the late
13 '60's prior to the city's fiscal crisis. The
14 population of the city is at a record high and
15 continuing to grow and in 2012 New York City set
16 its third consecutive annual record for the number
17 of visitors with 52.2 million. Today tourism
18 employs more than 350,000 people in New York City
19 making it out fifth largest sector from an
20 employment perspective. The impact of the Mayor's
21 strategy is being felt in all five boroughs. In
22 fact, throughout the 11 years of the Bloomberg
23 administration more jobs have been created outside
24 Manhattan than inside Manhattan and the rate of
25 job creation has been faster in each of the Bronx,

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2 Brooklyn, Queens and Staten Island than it has
3 been in Manhattan over that same period. But for
4 as much progress has been made in the last 11
5 years much work remains to be done. Unemployment
6 in New York is still unacceptably high and too
7 many New Yorkers are still looking for work. Data
8 recently published by the City Center for Economic
9 Opportunity shows that while growth in the poverty
10 rate has slowed since the economic recession, too
11 many New Yorkers are still struggling to make ends
12 meet. That is why Mayor Bloomberg is continuing
13 to advance major job creating projects in each of
14 the five boroughs. Projects like the
15 redevelopment of the Kings Bridge Armory through
16 mediation and transformation of Willits Point
17 [phonetic], the rezoning of East Midtown, the
18 expansion of the downtown Brooklyn Cultural
19 District and the construction of the worlds
20 largest Ferris wheel and new destination retail in
21 St. George. Together these projects and others
22 being pursued by the administration will create
23 tens of thousands of new construction and
24 permanent jobs in all five boroughs. Simply
25 stated, the administration opposed Intro 438-A

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2 because it would make doing job creating projects
3 like these more challenging when we should be
4 focused on making it easier to invest and expand
5 in New York City. Intro 438-A would introduce yet
6 another burden and cost for businesses seeking to
7 make investments and create jobs in New York City.
8 Despite the efforts of this administration to
9 create a pro growth, pro business environment by
10 pursuing balanced regulation making it easier for
11 businesses and homeowners to comply with
12 regulations, the City still ranks poorly in nearly
13 all assessments of business friendliness compared
14 to other cities. Developers and businesses have a
15 choice about where to invest and the more onerous
16 and expensive and timely we make it, time
17 sensitive we make it to invest in New York the
18 more likely they are to take their business
19 elsewhere. Intro 438-A would add yet another step
20 to an already lengthy development process and
21 introduce yet another cost on top of the living
22 wage mandates, prevailing wage mandates, paid sick
23 leave mandates and other recently enacted
24 regulations. While none of these measures alone
25 is likely burdensome enough to drive away a

1 particular investment or a company these burdens
2 add up to create an environment that will
3 discourage jobs creation. Indeed, this
4 legislation implicitly recognizes that this bill
5 would create new burdens by exempting certain
6 kinds of development projects. Development of new
7 housing with 100 percent affordable units and the
8 direct provision of social services from preparing
9 a community impact report. Second, this bill
10 would also have a range of unintended
11 consequences. For example, while the bill exempts
12 contracts for the provision of social services,
13 projects that include city funding for
14 infrastructure, tax incentives for developments
15 that would host social services, which are
16 entirely separate from the contract to provide the
17 social service would be subject to this bill. The
18 City often provides funds or tax incentives to non
19 profits for capital projects to improve properties
20 or acquire properties that are entirely separate
21 from contracts to provide social services.
22 Similarly, supermarkets that would bring badly
23 needed fresh fruit and vegetables to food deserts
24 under the fresh program supported by Mayor
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2 Bloomberg, Speaker Quinn and the Council would be
3 subject to this bill. Non profits and cultural
4 institutions that receive economic development
5 incentives would be subject to this new
6 requirement. And if a developer building a new
7 housing development that included only affordable
8 units wanted to include a grocery store, community
9 facility or medical facility on its ground floor,
10 facilities which are often lacking in communities
11 where affordable housing is needed most. The
12 entire project would become subject to this law.
13 There are several practical issues with the
14 requirements of the bill as well. For example,
15 the bill requires reporting of how much rents will
16 increase in the community district due to the
17 project. This is not only difficult to forecast,
18 it is impossible to isolate the impact of any one
19 project on rent levels. Similarly, developers or
20 agencies would be required to report the number of
21 residents and businesses displaced and the
22 demographic profile of the residents and employees
23 of these businesses. This is simply impossible to
24 forecast at the level of detail required by the
25 bill, particularly at the individual building

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2 level. The bill requires a report of the salary
3 and wage levels for new jobs for community
4 district residents. Not only is this difficult to
5 forecast with any degree of confidence at the
6 stage of the process when reports would be
7 required to be filed it also ignores the reality
8 that many projects have a city wide impact. A new
9 housing development in the Bronx may create jobs
10 for a building service worker who lives in
11 Manhattan, for a construction worker who lives in
12 Queens or for a lumbar distributor based in
13 Brooklyn. Any Community Impact Report should
14 recognize the broader impact of projects across
15 the City. The bill would also give the Department
16 of Small Business Services the responsibility for
17 producing these reports on behalf of the City.
18 And while SBS plays a critical role in economic
19 development they are not involved in many of the
20 projects, particularly affordable housing
21 construction and the sale or lease of City owned
22 land that this bill covers. Reports should be
23 prepared by the agency most closely involved with
24 the given project or the project developer. The
25 final practical consideration is the required

1 timing of Community Impact Reports, which are
2 required to be submitted to the Council 30 days
3 prior to approval of the economic development
4 benefit. For many projects this is simply too
5 early in the process to be able to provide the
6 kind of information required in these reports.
7 Many important economic development projects are
8 supported directly by individual City Council
9 members through funding allocations in the city
10 budget. This bill would require Community Impact
11 Reports presumably compiled by members of the
12 Council and their staff directly to be filed 30
13 days prior to the adoption of the annual budget
14 because the city budget must be adopted by June
15 30th, as you all know, projects funded by capital
16 spending, directed by individual Council Members
17 would need to file Community Impact Reports by May
18 30th to be considered for adoption in the budget.
19 Given the significant number of applications
20 received every year for these funds this
21 additional step would be proved particularly
22 burdensome for Council staff. This bill also
23 would require the collection of information that
24 is already provided in other formats, thus
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2 creating further redundancy and inefficiency in
3 the development process. For example, any
4 disposition of city owned property, including all
5 land use actions is required to undergo an
6 environmental analysis. This review requires the
7 projects analyze potential displacement of both
8 residential and business tenants and is routinely
9 shared with the public and with the Council as
10 projects are under review. Projects under IDA
11 review are similarly subject to environmental
12 requirements that include analysis of potential
13 displacement. The bill also contains several
14 problematically vague definitions that would
15 create confusion and legal uncertainty. As
16 written, the definitions of economic development
17 benefit and financial assistance appear to include
18 as of right tax expenditure programs. Even if the
19 bill adequately defined the meaning of the word
20 approval it is still inappropriate for the bill to
21 require a community impact report with respect to
22 as a right tax expenditure programs such as the
23 energy costs saving program or the relocation
24 employment and assistance program, which promote
25 relocating jobs from outside the city to the outer

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 2 boroughs or above 96th Street in Manhattan.
 3 Benefits under an as a right tax expenditure
 4 program are not discretionary and therefore there
 5 is no date of approval which would trigger a
 6 report 30 days earlier. At a minimum as a right
 7 program should be removed from the scope of the
 8 bill. Finally, this bill raises legal issues.
 9 The requirement that the reports must include
 10 information on local job recruitment efforts and
 11 expectations for the number of jobs that might be
 12 filled by these efforts raises concerns under the
 13 Federal Constitution. It is impermissible for the
 14 City to set aside jobs for local or city residents
 15 over anyone else and it would be wrong for the
 16 City to suggest by requiring information about the
 17 number of jobs be filled by local residents that
 18 the City expects anyone receiving City funds to
 19 favor local residents over anyone else. While we
 20 can require these sorts of projects put a special
 21 emphasis on recruiting for open jobs among the
 22 local community. The privileges and immunities
 23 clause of the Federal Constitution and New York
 24 State law prohibit us from requiring recipients of
 25 City funds to prioritize local residents over

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2 anyone else in their hiring. In conclusion, while
3 the administration supports the intent of this
4 bill, giving communities the information they need
5 to consider the impacts of proposed economic
6 projects, we oppose this bill because it would
7 make it harder to bring job creating investments
8 to the neighborhoods that need them most. Thank
9 you for allowing us to testify today. We'd be
10 glad to answer any questions from the Committee.

11 CHAIRPERSON KOSLOWITZ: Thank you.
12 Before I ask some questions I'd like to recognize
13 my colleagues. We've been joined by Council
14 Member Vann, who we've heard from, Council Member
15 Eugene, Council Member Ferreras, Council Member
16 Weprin, Council Member Richards, Council Member
17 Reyna and Council Member Wills. We have a big
18 group of Council Members. Does EDC evaluate the
19 socioeconomic needs of a neighborhood when
20 contemplating an economic development project?

21 MR. JONATHAN GUVAYA: And Hardy,
22 you might be able to - - . There are elements of,
23 I guess, what you would consider a socioeconomic
24 analysis that might get factored into parts of a
25 secret review but generally speaking, we do not.

2 CHAIRPERSON KOSLOWITZ: You do not?

3 MR. GUVAYA: Not in, no, we do not.

4 MR. SULLIVAN: I think that's with
5 regard to impact reporting. In terms of how we
6 plan and strategically think about where to
7 encourage investment and development activities,
8 that surely reflects where the needs are the
9 greatest.

10 MR. GUVAYA: Exactly.

11 MR. SULLIVAN: Since there,
12 Jonathan, my colleague was answering the component
13 of is the report prepared and an analysis compiled
14 prior.

15 MR. GUVAYA: That's right.

16 MR. SULLIVAN: Prior to a program
17 being developed. The answer is no, but how we
18 think about, well, this is an interesting place or
19 a place that needs focus or attention that surely
20 has a socioeconomic lens to it.

21 CHAIRPERSON KOSLOWITZ: So, well,
22 so when you go into a community you basically do
23 what you want to do?

24 MR. SULLIVAN: I'm not sure I'd put
25 it that way. [laughter]

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2 MR. JOSEPH CALLETI: No, yeah, so I
3 don't think it's as simple as that. I mean, you
4 know, to take a step back for a second on EDC's
5 approach, you know, best example is, you know, if
6 there's a City owned parcel of land that maybe
7 EDC's been tasked to RFP, you know, for future
8 development, you know? I mean, one thing we do at
9 EDC is, obviously, we try to take a look at the
10 neighborhood and some of the needs of the
11 neighborhood and factor that in to what we're
12 doing. Obviously, you know, creating jobs in any
13 part of the city is a good thing and that's always
14 a baseline from where we start from. But, you
15 know, but I think that, you know, part of the
16 element of doing things like this for the City is,
17 number one, you know, when we're considering any
18 type of RFP for any piece of land or for future
19 land slate or development, you know, one of the
20 things that we do, specifically my group at EDC is
21 we reach out to the Council Member, we reach out
22 to the community and we try to let them know that
23 we're looking at this piece of property and these
24 are the type of things that it's currently zoned
25 for or that you can do there. And we hear, very

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2 typically, you know, maybe there's a need for a
3 community space. Maybe there's a need for other
4 amenities and we try to factor those in as much as
5 we can. Obviously, you can't always be 100
6 percent successful on every case but we try to
7 factor that in to the process. And so as we go
8 through the process where we get responses we
9 continue to engage within the community on what
10 some of those responses generally look like.

11 Obviously, omitting anything that's confidential
12 or giving away any of the respondents because the
13 City has to maintain their position, you know, to
14 give the City the best leverage we have to make
15 sure we're negotiating with multiple parties at
16 the same time. And we can't have the information
17 of every respondent out there publically,
18 otherwise, you know, the City is put in a worse
19 position from, you know, where we lose leverage,
20 essentially in that way. So, our outreach
21 continues throughout the entire process and then
22 on top of that, as you know, in many cases with
23 public approvals that are in place, such as ULURP,
24 38404, which is another thing that we have to go
25 through before we dispose of property, there's

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2 many built in, sort of, triggers to ensure that
3 the community has, both the Community Board,
4 elected officials, City Council specifically have
5 many opportunities to weigh in on the project
6 throughout the entire process.

7 CHAIRPERSON KOSLOWITZ: Okay.

8 MR. SULLIVAN: One other, just one
9 other, if I could add one comment, Chairwoman,
10 another important piece of the process, it's often
11 led and organized by the Department of City
12 Planning. But prior to even having a vision for
13 what kind of projects we might pursue or propose
14 or seek development partners for is quite often a
15 planning study and a visioning exercise which
16 engages community boards, the local residents,
17 local community groups as well as elected and
18 other stakeholders and businesses in the
19 neighborhood. So, if they can, if I sat here long
20 enough if I could name ten or 15 different
21 planning and divisioning studies that are the
22 basis by which we then think about how to
23 strategically develop and encourage projects in
24 these neighborhoods.

25 CHAIRPERSON KOSLOWITZ: Well, I'm

1
2 going to bring up a subject that you know, you've
3 heard me speak about many times and that's
4 Willet's Point, Council Member Ferreras's baby.
5 And she has two babies now.

6 COUNCIL MEMBER FERRERAS: They were
7 born at the same time.

8 CHAIRPERSON KOSLOWITZ: Right. Was
9 Willet's Point. What was presented to us at the
10 beginning was fabulous and then all of a sudden
11 that project changed. What changed in that
12 project was the affordable housing, which was very
13 prominent at the beginning and came at the end all
14 the way in the back, in the, in 2025 is when it's
15 going to happen. Maybe it will and maybe it
16 won't. It's almost like it's being pushed back
17 and then in 2025 it may be pushed back a little
18 more. And that's very important, I mean,
19 everybody will agree that Willet's Point certainly
20 needs to be developed. It's disgusting, it has
21 been disgusting for many, many, many, many years.
22 But what's good for the community all of a sudden
23 now, what's prevalent in this whole thing is a
24 hotel and a shopping center which is not as
25 important as the affordable housing, a school,

1 things that community could be a part of.

2
3 MR. GUVAYA: I would say that we
4 are still very much focused on the original vision
5 of Willet's Point. But as you probably know, when
6 we began the process, at least the ULURP part of
7 the process in 2008, this was following as Tim and
8 Joe had said, extensive visioning process with the
9 community. You know, it was a very different
10 economy. The world is a different place and then
11 a lot of things happened in 2008 and 2009 and so
12 what we have done is, you know, restaged the
13 program, essentially, to get something done now.
14 And these are the, sort of the uses that you have
15 highlighted right now are the things that can be
16 built today that will allow the ongoing
17 development to happen over time. But if you did
18 not take on these pieces now that are actually
19 feasible today then it would take even longer to
20 get the project done.

21 CHAIRPERSON KOSLOWITZ: In 2008 I
22 was not here. Willet's Point became very
23 prevalent in 2009 and I would say mostly in 2010.
24 So, that's when we started really discussing
25 Willet's Point and we saw plans for Willet's

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2 Point. And at that point, in 2010, affordable
3 housing was presented to us. When the economy was
4 not good at all, in 2010 the economy was horrible.

5 MR. GUVAYA: The ULURP, the
6 original ULURP approval occurred in 2008. We
7 certified in April of 2008 and it was approved in
8 November of 2008. So, coming out of that approval
9 process is when Lehman Brothers failed and all the
10 other pieces of the story had started to fall into
11 place as it relates to the economy. And then in
12 2009, 2010 that's when we, working with the
13 development community and community stakeholders
14 tried to figure out a new strategy for making sure
15 the project as a whole stayed on track over time.

16 MR. CALLETI: Just to add a little
17 bit to this, I mean, everyone's very familiar with
18 the RFP process and how we got to the selection of
19 relaying everything now. But just taking a step
20 back, you know, to build on a little bit of what
21 Jonathan said, you know, when we put out this RFP
22 with the plan for Willet's Point, you know, we got
23 back a bunch of responses and many of them
24 originally weren't necessarily true to that
25 vision. And so we worked with respondents over

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2 extended period of time and at the end of the day,
3 while the Willet's West which is, you know, a new
4 concept for many people, that wasn't maybe
5 originally part of the vision. What it did was it
6 helped allow the current proposal to, you know,
7 bring the original vision to life. And, you know,
8 a thing that we've heard, and again, this is
9 something we've heard from, you know, developers
10 and in the private sector. It's not something
11 that, you know, we necessarily just came up with
12 on our own. But what they're saying, one of the
13 big hesitations is it's hard to build a new
14 community in a place like Willet's Point,
15 especially a place that needs all this
16 remediation. You need to create a sense of a
17 destination. People have to get used to going
18 there before you're going to be able to have a
19 successful, affordable housing, residential
20 complex. And that's a big part of it as well.
21 It's not the only thing but it is a big part of,
22 you know, how it's structured. The other reason
23 why, you know, the affordable housing is where it
24 is currently is the need to build the ramps, the
25 highway ramps. Is we, that needs to be done

1 before we can put that housing.

2
3 CHAIRPERSON KOSLOWITZ: And I
4 understand that. I'm just, I don't want to
5 belabor Willet's Point. But I, it's just another
6 observation that I made when you come into a
7 community and you say, this is going to happen and
8 that's going to happen and then it doesn't happen,
9 it doesn't matter if it's in Queen's or in
10 Brooklyn or anyplace. I'm certainly for economic
11 development, I think it's wonderful. And it's
12 very, very important but I'm also concerned about
13 the communities that it will have an impact on.

14 MR. SULLIVAN: And I think the
15 process is working, to a certain extent, hearing
16 that we'll have to come back for further public
17 approval because the plans changed a bit. The
18 plan was approved when Jonathan referenced in 2008
19 was different and that's why there's an ongoing
20 public process that is in the community board
21 stage right now and all those discussions are
22 happening, again, because the process is working.
23 Because the changes you described and the
24 questions you've asked are fair and we're
25 answering them again.

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2 CHAIRPERSON KOSLOWITZ: Well, you
3 know, I look ahead, you know, and wonder what
4 you're saying, I certainly understand what you
5 said in your testimony but I'm also concerned with
6 the community that you, you know, you just don't
7 come into a community and take over and that's it
8 and everybody else in the community just, you
9 know, gets pushed in the back. People invest in
10 their communities and, you know, you don't want
11 them to be left behind. Do you have any programs
12 for the unemployment, the EDC or the
13 administration to, you know, address the city's
14 unemployment with all these, you know, plans?

15 MR. SULLIVAN: Sure, I mean, I,
16 from the Mayor to the Deputy Mayor to all of us on
17 the various staffs of the agencies and at City
18 Hall, we spend a hundred percent of our working
19 hours thinking about addressing unemployment and
20 fostering job creation in the City, that's all we
21 do. When, and that's, and that job will never be
22 done just because job creation is, and
23 unemployment is a persistent challenge. And so
24 whether it's major redevelopment projects like I
25 talked about in my testimony of Kingsbury - - or

1
2 St. George or at Willet's Point to programs, the
3 very important programs that SBS and some of the
4 other partner agencies run for workforce
5 development to give, to help connect New Yorkers
6 to the jobs that are available, to help cultivate
7 the skills in workers who are currently out of
8 jobs to help them get new jobs with workforce
9 training grants that SBS provides to businesses to
10 help them develop their own training curricula,
11 just, those are a few I could list initially.

12 But, you know, the entire ambition, whether it'
13 the applied sciences campus at Cornell or whether
14 it's the Academy for Software Engineering that
15 opened this fall and is helping teach high school
16 kids how to code. They can get jobs either with
17 big, they may not need to go to college to get a
18 job in the tech industry or to prepare them for
19 advanced studies in technology. We have, you
20 know, a multitude of strategies to address
21 unemployment and we're open minded and happy to,
22 if you have any new programs that you think we
23 should be focusing on we're, we'd be eager--

24 CHAIRPERSON KOSLOWITZ:

25 [interposing] No, I think, no, with these tech

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2 programs, it's wonderful. I mean, I'm certainly
3 for all of that and, you know, I see what, you
4 know, the outcome of it produces in communities.
5 So, certainly I'm for that and I've always been
6 for that.

7 MR. CALLETI: Yeah, I just wanted
8 to add one thing to it, you know, especially on
9 the applied sciences side and sort of, you know,
10 the tech growth in the city. You know, I know
11 that sometimes when you think about applied
12 sciences you picture people in lab coats, you
13 know, PhD's only. But these campuses also create
14 a litany other, middle income jobs, you know,
15 anywhere from \$32,000 a year and up, we're talking
16 about building workers, administrative workers, to
17 accountants. These are just as important, you
18 know? For example, Cornell is going to create a
19 significant amount of them once that campus is
20 built out. And, you know, we've recognized, you
21 know, there are challenges and sort of connecting
22 lower income, lower skilled people to the
23 knowledge economy, which is why EDC is enlisted in
24 what we're calling the Lincoln Initiatives. Some
25 of you, you know, we've had conversations over

1
2 previous months trying to introduce this to set up
3 pilot programs and what we're trying to do is
4 figure out what, ways to connect these people to
5 the knowledge economy through, you know, many
6 different efforts and, you know, obviously we're
7 always willing to entertain. As Tim said, other
8 ideas, you know, and other initiatives that might
9 be worth pursuing as the administration continues.

10 MR. GUVAYA: And I would add, if I
11 may, the IDA and Build NYC are important
12 components to this as well, just in fiscal '12,
13 the IDA created and/or supported projects that
14 will either retain or create roughly, you know,
15 7,100 jobs and this year, this fiscal year we are
16 on track to do about the same. And if you look at
17 what the IDA has done over the course of this
18 administration we've leveraged over \$11 billion in
19 private investments retaining over 40,000 jobs and
20 creating an additional 20,000. And so, it's the
21 development projects, it's the technology
22 initiatives but it's also, you know, the companies
23 that we manage, IDA and Build NYC that provide
24 incentives. Some of the incentives that Tim spoke
25 about earlier that allow for this investment to

1
2 happen on the private side and create additional
3 jobs.

4 MR. SULLIVAN: Another really
5 important component of the job creation and
6 unemployment strategies about the diversification
7 of the economy and applied sciences is a big piece
8 of that and encouraging the tech sector. But, I
9 spoke about this a bit in my testimony. If you
10 look at what's gone on in the tourism sector, you
11 know, it's great that we're number one because we
12 like to be number one in everything, but more
13 importantly, it's created, you know, I think it's
14 up 100,000 jobs in the hospitality sector in the
15 last 11 years, which is an incredible growth. The
16 film and television industry is booming as a
17 record level of film and TV production, which,
18 similar to the, sort of, analogy that Joe just
19 made about lab coats coming to mind. And TV
20 stars, it's great that TV stars are working in New
21 York but more importantly there's food service
22 workers, there's construction jobs, there's
23 materials that are brought to the sets that just
24 create a real ripple effect in the economy. So,
25 those are things that we're focused on to address

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2 unemployment. Those are just some of them.

3 CHAIRPERSON KOSLOWITZ: I agree and
4 what I'd like to work on, when you talk about
5 tourism, is, Manhattan's not the only borough. We
6 have four other boroughs that are very interesting
7 and have very, you know, good things in them. I
8 mean, for instance Queens is a very, the most
9 diverse borough in the entire country and has a
10 lot to offer. I'd like to see those tour buses
11 that come around bring people into Queens. Let
12 them go into the different neighborhoods, they can
13 decide if they want to go what, they want to eat.
14 They certainly can find it in Queens, all over and
15 see the different neighborhoods. Introduce them,
16 this is what New York is all about, the diversity
17 of New York. You know, it's not just Manhattan,
18 it's not just Times Square or, you know, anyplace
19 else.

20 MR. SULLIVAN: Couldn't agree more
21 Chairwoman. In fact, our colleagues at NYC and
22 Company in, I think it was either February or
23 early March launched a new campaign to encourage
24 people to visit new neighborhoods that they might
25 not think of, not just Times Square, not just

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lower Manhattan.

CHAIRPERSON KOSLOWITZ: But we have to help them.

MR. SULLIVAN: We sure do. And NYC and--

CHAIRPERSON KOSLOWITZ:
[interposing] 'Cause a tour bus that goes to Queens or Brooklyn, well, there are tour buses now that go to Brooklyn but Queens or even Staten Island is a great borough. And, you know--

MR. SULLIVAN: [interposing] I think that one of the first neighborhoods that NYC and Company highlighted was St. George. And I think there's also a program, if, Council Member Ferreras knows better than I will but there's a Corona program that either is recently launched or about to launch, I forget, but Corona was one of the first neighborhoods that NYC and Company targeted for exactly that, I think what you're describing. There's so many wonderful things to see that someone getting on a plane here from Chicago might not know to think about and that's our job to point them in the right direction and set them up with programming and make sure the

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2 busses go the right places and people know where
3 to eat. I mean, NYC and Company [crosstalk]

4 COUNCIL MEMBER KOSLOWITZ:

5 [interposing] No, you know, the Bronx has a lot to
6 offer, you know, you can go to City Island, you
7 can, you know, all over the Bronx.

8 MR. SULLIVAN: Yeah, we're very
9 excited and, you know, it'll be a handful of years
10 before it opens but the new Kings Bridge Armory
11 project that will attract, you know, visitors from
12 around the world and around the country, it's, to
13 - - sports in the Bronx. It's going to attract
14 lots of visitors which means lots of restaurant
15 jobs, there could be hotels, there could be all
16 kinds of spill over effects. We're very excited.
17 You're entirely right. The tourism agenda is
18 really a five borough strategy.

19 CHAIRPERSON KOSLOWITZ: Right, I
20 mean, if you go to London they take you to all
21 parts of London, you know? You get to see
22 different places. We should have that in New York
23 City.

24 MR. SULLIVAN: We're working hard
25 on that.

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2 CHAIRPERSON KOSLOWITZ: Okay. I'd
3 like to work with you on that because I've, you
4 know, promoted that idea for a very long time. I
5 spoke to NYC and Company. I'd really like to see
6 this happen.

7 MR. GUVAYA: This is one of the
8 reasons why Willet's Point is actually pretty
9 important because right now folks go to the
10 baseball games but there's not a lot to do around
11 there. Once we, you know, develop the types of
12 entertainment and other facilities, you know,
13 people will stick around a bit longer.

14 CHAIRPERSON KOSLOWITZ: Right. And
15 we just have to bring more people to the ballgame
16 in Queens.

17 MR. CALLETI: We're not commenting
18 on the Mets record. As a Met's fan that's a
19 sensitive subject for me.

20 CHAIRPERSON KOSLOWITZ: I want to
21 call on some of my colleges, Council Member Vann?

22 COUNCIL MEMBER VANN: Yeah, thank
23 you, Madam Chair. I just, a few questions to sort
24 of clarify some of your testimony. Could you sort
25 of explain in some detail of how do we, reporting

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2 requirements that goes in for a 30 day, how could
3 they harmfully increase to cost of the project.

4 You seemed to suggest that in your testimony.

5 MR. SULLIVAN: The most direct way
6 is time. It's, you add another report which
7 requires, you know, consultants, lawyers,
8 engineers, accountants, you know, professional
9 advisors to projects. That just takes more time
10 and those guys bill by the hour. And so that just
11 adds cost to a project and many of these projects,
12 particularly in the neighborhoods that really need
13 the investment the most, these are projects that
14 are not, that struggle to get done as is and just
15 adding one more cost just puts another rock on the
16 other side of the scale for how, whether someone's
17 going to choose to make an investment. So it's
18 really, the main one is time. the effort and the
19 difficulty of preparing this was also, I think had
20 a negative effect but I think the biggest one is
21 time, more time.

22 COUNCIL MEMBER VANN: So that, what
23 is required in this legislation is not information
24 that otherwise you would have or known? Is it
25 requiring you to get something that you do not get

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2 through your other processes?

3 MR. SULLIVAN: So, it depends on
4 the piece of information you're referring to.
5 Some are, some pieces of information are compiled
6 for other reports, like the environmental review
7 or the review the IDA does of their projects. And
8 that, for those ones that, the biggest issue is
9 tightening, which is to say, this bill is
10 required, would require publication or compiling
11 that information 30 days prior to approval when
12 the way these transactions and projects often
13 work, that's just not practical. There are other
14 pieces of information like the impact on rents in
15 the neighborhood which are, you know, I'm not an
16 economist, I'm not going to say impossible but my
17 economist and colleagues tell me it's pretty close
18 to impossible to forecast that with any degree of
19 specificity because if you build a new housing
20 project on the corner of one block and also
21 something else happens across the street, a new
22 restaurant opens or a new restaurant, popular
23 restaurant goes out of business, it's hard to
24 isolate the effect of any one given building on
25 how rents work in a complex market like housing in

2 New York.

3 COUNCIL MEMBER VANN: So, your
4 environmental impact statement does not cover
5 these issues and don't you do that for any project
6 that you get with?

7 MR. SULLIVAN: I'll let my
8 colleague from EDC, Hardy, comment on it
9 specifically. But a number of these just, it's
10 provided at different points in the process. So,
11 if it's not 30 days prior to approval it's much
12 later and along in the process. Or it's not part
13 or it's not--

14 COUNCIL MEMBER VANN: [interposing]
15 Which is the point, that's the major point, this
16 legislation, get it early on. As he come forward
17 he can tell us what information is being required
18 beyond the EIS statement that, which you normally
19 have to do anyway.

20 MR. HARDY ADASCO: Okay. I'm Hardy
21 Adasco. I run the Planning Department at the
22 Econmic Development Corporation. Both IDA type of
23 projects under state SAQR and ULURP type of
24 projects, disposition type projects under city
25 CEQR go through a very similar review. Guiding it

1 is about a three inch thick SEQR technical manual.
2 It's available on the website to the public to the
3 office of environmental coordination. And the
4 results of the environmental impact assessment and
5 the conclusions are available at the beginning of
6 ULURP, they're available beginning before the
7 384B4 vote and before the IDA vote. And one of
8 the topics is socioeconomic effects of the
9 project. But the environmental, the CEQU
10 technical manual lays out a variety of diminimus
11 criteria where a project presumptively does not
12 have a significant impact and very limited
13 analysis is necessary. Obviously, direct
14 displacement is addressed and is quantified but
15 single displacement of one business, one housing
16 unit, does not trigger a more extensive review.
17 There, the assessment is both direct displacement
18 and it is secondary displacement. In other words,
19 changes beyond the site that are created by the
20 site. But there again, the systems are complex
21 and the analysis does not go as far as is
22 specifically requested by this intro. And in
23 terms of projecting rents, in terms of projecting
24 exact categories of business, exact salaries of
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1 workers, whether they have health benefits, a
2 variety of the specific items that are asked for.
3 The look in, even in residential displacement is
4 whether there are significant parts of the
5 neighborhood population that are in protected
6 environments, either under rent control, rent
7 stabilization, public housing, other publically
8 assisted programs. And if there are those then
9 that is pretty much presumptively a documentation
10 that although there may be some people affected
11 there's a large percentage that are, that cannot
12 be affected and so the analysis ends there. It
13 really just asks for much greater level of detail
14 than is customary in the environmental review
15 process and in the SEQU technical manual, which is
16 regularly updated and thereby it becomes both a
17 burden and highly speculative in terms of what the
18 analysis could do, would do, how it would reach
19 conclusions and the way that Tim mentioned. I'd
20 also like to mention, even in the, even in an
21 environmental impact statement and, frankly,
22 Willet's Point covered what you're asking for, an
23 Intro, closer than probably any project I've ever
24 worked on. The legislative, the statutory

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2 requirement is that that information be available
3 ten days before the vote, not 30 days before the
4 vote. And that's at the highest level of
5 complexity of a document. For negative decks the
6 requirement is that it be available before the
7 vote, not with a cooling off period.

8 COUNCIL MEMBER VANN: So, the
9 summary is that what we requiring in 438-A is not
10 duplicative, it's just more detail than you
11 currently provide in existing requirements there?

12 MR. SULLIVAN: Yeah, some is more
13 detailed [crosstalk] it's a different format.
14 Copy and paste, but some is duplicative, some is
15 impossible or really difficult to get and some is
16 impossible and really difficult to get at the time
17 the bill requires it.

18 COUNCIL MEMBER VANN: Well, you
19 tell me what's impossible to get and that's
20 required, that's asked for in the bill?

21 MR. SULLIVAN: I think the, one I
22 pointed to first is impact on rents for community.
23 I did, first of all I'm not sure we can reject
24 that even if I knew how much rents were going to
25 go up I'd be in the real estate business. But,

1
2 also to be able to isolate a single project. If
3 you build a new affordable housing development on
4 the corner of one street and somebody builds a
5 market rate housing across the street. I'm not
6 sure which one is driving rents, it's hard to say
7 for sure. And this report requires a great deal
8 of specificity to attribute the impact to the
9 project that the City is involved with. There may
10 be projects that the City has nothing to do with
11 that are also driving that. If the subway, if
12 someone built a new subway station nearby that's
13 not related to this project that may drive rents
14 up. It may cause impacts to the construction that
15 has nothing to do with the City project. This is
16 just impossible to attribute. The other one
17 that's very challenging from a practical
18 perspective is the demographic information about
19 displacement.

20 COUNCIL MEMBER VANN: Yes.

21 MR. SULLIVAN: It's very tricky
22 with any degree of specificity.

23 COUNCIL MEMBER VANN: It's very
24 difficult for developers to plan to all these
25 variables that come in to play. They probably,

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2 it's like a crapshoot. They have no idea what the
3 rents and so forth.

4 MR. SULLIVAN: They have no idea
5 about a hundred percent accuracy. It's a big--

6 COUNCIL MEMBER VANN: [interposing]
7 We're not asking for [crosstalk] your estimates,
8 your best estimates is throughout the requirement.
9 You guys protest a lot. Yeah, one more question.
10 Could you explain what provisions of 438-A would
11 be difficult to obtain prior to a project
12 receiving final approval? [off mic] So, the answer
13 might be that you can get all this before final
14 approval. It's possible, I mean, yeah. It's not
15 a game--

16 MR. SULLIVAN: 30 days prior the
17 approval is different than immediately prior to
18 the approval. A lot of this information is, as
19 Hardy just mentioned, is available either ten days
20 or immediately prior to the approval for public
21 consideration. 30 days prior makes it more
22 difficult, 45 would make it even more difficult.
23 20 would make it less difficult.

24 COUNCIL MEMBER VANN: Oh, let me
25 ask you. Have you, does EDC have an established

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2 protocol to notify Council Members, community
3 boards and other stakeholders of the projects
4 under consideration for the particular purpose of
5 securing community input and support. What are
6 those protocols?

7 MR. CALLETI: Yeah, I spoke a
8 little bit to them a little bit earlier but, well,
9 first of all, I'll take one step back. And I know
10 that, you know, historically going back to
11 previous administrations I know that, you know,
12 EDC had had more of a reputation of being a little
13 bit more closed in. And I think under President
14 Pinsky [phonetic] we've done much more in terms of
15 trying to be proactive if, you know, when we're
16 developing any project. And, you know, we've also
17 proactively, in working with some external
18 stakeholders on the IDA side, have also instituted
19 reforms. A few years ago instituted some reforms
20 where now we've been, the IDA has been heralded
21 as, you know, one of the most transparent and the,
22 in the entire state of New York. So, I think
23 we've shown a major willingness in terms of
24 protocol I can speak to how outreach generally
25 works. You know, if there's a particular site in

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2 your district and, you know, the City wants to put
3 it out to bid, you know, develop it, there's two
4 ways that can happen. You know, one is, you know,
5 the City actually, you know, may want to rezone an
6 area where we would take it through ULURP and then
7 eventually, you know, in the case of Willet's
8 Point you would RFP a particular program. You
9 know, in that case both our development and
10 planning divisions would work with, you know, City
11 Hall as well as our government and community
12 relations outreach, which I run. We reach out to
13 the Council Member and the district first. We
14 reached out to most of the elected officials in
15 the district. We engage with the community board
16 and many, in many aspects there's been visioning
17 sessions. Sometimes there's planning sessions, it
18 very much depends on the project. The second part
19 of this is, you know, if we're putting out to bid
20 a particular project, that's just, that's for a
21 private developer to develop where it's, there's
22 no, we're not doing necessarily any overplanting
23 outside of outlining some of the needs, possibly,
24 that we'd like to see in a project. And again,
25 it's a similar process, you know, we reach out to

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2 the Council Member, we listen to the feedback and
3 a lot of times Council Member and other elected
4 officials tell us which groups or which community
5 boards that we should communicate with. We sit
6 down with them, we take this feedback and we try
7 to work it into RFP's the things that are needed.
8 You know, obviously it's not rocket science but
9 this is something the ECD, I think has done a lot
10 more during this administration under the Mayor
11 and under President Pinsky.

12 COUNCIL MEMBER VANN: Yeah, I yield
13 Madam Chair. When I came I thought this was a
14 good bill. After listening to the administration
15 this is an excellent bill that's needed badly.
16 Thank you.

17 CHAIRPERSON KOSLOWITZ: Council
18 Member Reyna.

19 COUNCIL MEMBER REYNA: Thank you so
20 much, Chair, if you can hear me. I don't think my
21 mic over here works. [off mic] This one is. This
22 one doesn't work. I wanted to just take a moment
23 to go back to a few times that were mentioned.
24 The issue of the recession in 2008 in relationship
25 to Willet's Point. And in contract to that the

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2 2005 rezoning in Green Point, Williamsburg, which
3 was not during a recession, it was at the highest
4 peak. It took two years for HPD to draft an RFP
5 for City owned land, of which only one decision
6 was made two years later. Of which all of the
7 City owned land except the Herbert Street City
8 owned property, which was issued to a non for
9 profit was built out for 14 affordable
10 condominiums in Green Point, Williamsburg, 14
11 units of all the proposed housing in the hundreds
12 that were supposed to be built on City owned
13 property. It distresses me to hear this
14 conversation of information and when we talk about
15 socioeconomic impact we've lost 10,000 and
16 counting families, black and Latinos from Green
17 Point and Williamsburg. And there is nothing
18 anyone is doing to promote the issuing of City
19 owned land fast enough and are holding onto the
20 land, god only knows why. From being developed to
21 at the very least deal with the massive
22 displacement that is occurring each and every day.
23 In addition to that we had proposed matters such
24 as recognizing the fact that we need families to
25 be targeted so that they're followed so that we

1 know where to find them because there were certain
2 provisions that were agreed upon to be able to
3 track these families to understand that we could
4 have them if they were living and could prove that
5 they were living in the neighborhood they could be
6 counted as part of the 50 percent of the
7 preferencing in all the affordable housing
8 applications. That has not been done by the
9 agency as far as I'm concerned. As a matter of
10 fact, it doesn't even appear on the applications
11 where the private developers are building their 20
12 percent as mandated by the 421-A legislation. So,
13 it doesn't matter what occurs on paper or the
14 spirit of having a dialogue that we negotiate
15 because none of it works because there is no
16 accountability on behalf of anyone in the
17 administration. And it is a travesty because you
18 could have built all the affordable housing first
19 on City owned land and you chose not too. So, I
20 take great offences to what has been mentioned
21 here today and I just wanted to share with you
22 that it is important that a bill like this gets
23 quickly voted on because I am tired of listening
24 to the dialogue that clearly is just based on what
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2 is the presumption that we may not know what we're
3 doing as City Council Members. And yet, we have
4 an ability to track all these families, meanwhile,
5 we have only five staff members in our offices,
6 averaging, right? If you're not on leadership and
7 making sure that we have an ability to respond to
8 our constituency with very little resources. So,
9 I hope that my comments will put some fire
10 underneath the administration to understand that
11 there are some decisions you have to make beyond
12 today to prove to us that this bill is not merited
13 and is impossible. Because according to what I
14 know it doesn't matter if it's a recession, it
15 doesn't matter if it's in writing, it just doesn't
16 get done, to deliver what it is you set forth.
17 Having said that, I want to understand the status
18 of where is the administration in relationship to
19 what is city owned land in all the rezoning that
20 have taken place. I read here in your testimony
21 40 percent of it has been rezoned as far as in the
22 City of New York within the five boroughs, of
23 which much has been manufacturing land converted
24 to residential, which is not economic development,
25 promoting what would be more retail sector jobs

1 and allowing for there to be less of a middle
2 class being built out in the City of New York.
3 So, that we're actually shifting what would be the
4 growth of middle class and pushing more and more
5 families into what would be lower wage jobs. So,
6 what analysis has been made regarding your figures
7 when you mention 250 percent of jobs lost have
8 been gained? Well, what is the representation of
9 250 percent growth in what would be identified as
10 retail versus manufacturing? Where the minimum
11 wage in contrast to what would be living wage or
12 prevailing wage or otherwise. If you can just
13 share with us what reporting mechanism amongst
14 these percentages has been laid out so that I
15 better understand the issues that have been raised
16 as to why you couldn't be able to do the bill that
17 has been introduced here today?

18
19 MR. SULLIVAN: With respect to the
20 job growth since the recession or the job, gaining
21 back the jobs that were lost during the recession
22 the 250 percent number. That date is based on the
23 State Department of Labor. We can surely get you
24 a breakdown of how that breaks down by sector.
25 You're, having looked at it relatively recently

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2 you're correct that the retail growth is stronger
3 than manufacturing and that has a complex set of
4 reasons why that's true. We can surely, we can
5 get you that breakdown.

6 COUNCIL MEMBER REYNA: So it has
7 been done?

8 MR. SULLIVAN: The State Department
9 of Labor publishes that, we just--

10 COUNCIL MEMBER REYNA:
11 [interposing] No, but I'm referring to the five
12 boroughs. As far as the administration looking at
13 what would be this 250 percent growth and
14 understanding where that growth is occurring.

15 MR. SULLIVAN: Sure, we have that
16 analysis, I can share it with.

17 COUNCIL MEMBER REYNA: Fantastic.
18 And as far as the Link Program, which I have been
19 a part of the announcement, you know, I think
20 there's a lot of potential. But I want to just
21 clarify, it's not based on any reports regarding
22 the connection between high impact zones where
23 there's a high unemployment rate and a chronically
24 underemployment areas. So that the connection
25 between what is Link and where it's most needed is

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not occurring. Or am I wrong?

MR. SULLIVAN: Joe, you want to comment?

COUNCIL MEMBER REYNA: Is it based on high impact zip codes, for instance?

MR. CALLETI: So, there's no formal analysis of any kind. You know, as we've discussed with you, you know, what we undertook was trying to come up with new ways to link, you know, certain members of the population with the knowledge of the economy that's growing tremendously in the city. And so, you know, these projects, all these initiatives are obviously not large scale initiatives because we're not sure what works. We're not exactly sure what, which one is going to work. These are pilots and we're trying to test certain concepts. And obviously, you know, we're trying to do it as much as we can in areas of most need but that never works out, you know, a hundred percent perfectly. But that's, I mean, that's ultimately the underlying goal of this. I would say we don't have the magic bullet of what works and what doesn't work yet, that's entirely why we're doing these pilot

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initiatives.

COUNCIL MEMBER REYNA: But they're not connected to high impact zones.

MR. CALLETTI: When you say high impact zones?

COUNCIL MEMBER REYNA: Concentration of high unemployment rates.

MR. CALLETTI: Well yes, some of them will be, ultimately, I mean, a lot of it is obviously, we, you know, through procurement we work with different partners for different, you know, each program has as different goal. But the idea is to try to work with as many as possible in these type of areas that you're describing.

COUNCIL MEMBER REYNA: But how do you know which areas to go to?

MR. CALLETTI: I mean, some of it--

COUNCIL MEMBER REYNA: [interposing] Based on what?

MR. CALLETTI: Yeah, I mean, some of it is obviously high unemployment's an easy indicator. It doesn't mean that each program will touch each one of those areas specifically but that's what we're trying to do. That's the

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purpose behind it.

COUNCIL MEMBER REYNA: So, has there been a report that has been conducted through an assessment of high unemployment?

MR. SULLIVAN: Sure, so the Link program specifically are.

COUNCIL MEMBER REYNA: And let's not talk about Link, right?

MR. SULLIVAN: Okay.

COUNCIL MEMBER REYNA: So just ignore Link. Let's just talk about understanding in the five boroughs. Where are the highest concentrations of unemployment and chronically under employed individuals?

MR. SULLIVAN: Sure, again, the--

COUNCIL MEMBER REYNA:
[interposing] Because it has been done Mr. Sullivan or how, it has not been done?

MR. SULLIVAN: The location of concentration of unemployment?

COUNCIL MEMBER REYNA: Mm-hmm.

MR. SULLIVAN: We have that, yes. I, certainly at the borough level at the, sort of, census track level that we need to check and see.

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2 That data's not, the City doesn't generate that
3 data so we don't control it. It's, the
4 combination of census data from Federal Government
5 and the State Department of Labor. We certainly
6 have it at the borough level. We don't update it
7 as often as the monthly job numbers. So, it's not
8 perfect. We certainly have it at the borough
9 level and that, I don't know how finely we can
10 slice that, to community districts or Council or
11 Congressional Districts. But we have good data on
12 that, on where unemployment--

13 COUNCIL MEMBER REYNA:

14 [interposing] I've never seen the administration
15 publish such a document and I don't think that,
16 you know, continuing to create programs that are
17 not linked to areas of concentrated issues that we
18 will ever have an impact. And so, you know, we
19 continue to trickle in with solutions but the
20 impact of what we're looking to achieve is not
21 optimized. And so we should be able to publish a
22 report so that everyone has access to the report
23 so that we are able to layer services that would
24 drive at the goal of achieving optimal milestones.
25 Whether that's more trainings for better career

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2 ladder pathways or employment opportunities or
3 connecting them to rezoned areas wehre there are
4 job creations that are supposed to be projected.
5 I personally have not seen the link between the
6 rezoning of 2005 and my community. On the
7 contrary, I've yet to see a single job created
8 because of it.

9 MR. SULLIVAN: With regard to, we'd
10 be happy to share the data we have. Again, we
11 don't generate the data so that's why we don't
12 publish it.

13 CHAIRPERSON KOSLOWITZ: Doesn't the
14 Center for Economic Opportunity have that?

15 MR. SULLIVAN: I was just going to
16 mention CEO. So, CEO, the Center for Economic
17 Opportunity who we work closely with but it's not
18 part of the Econmic Development portfolio. That's
19 part of Deputy Mayor Gibb's area. Publishes a
20 robust amount of and creates a lot of information
21 that they just published a report two weeks ago or
22 so that I mentioned in my testimony on poverty
23 levels which was striking. And it was not
24 comfortable to hear. But I think to the
25 administrations credit, asked a question and

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2 answered it honestly. And even though it did not
3 produce the result anyone would hope for.

4 CHAIRPERSON KOSLOWITZ: Mm-hmm.

5 MR. SULLIVAN: And that, I think
6 the Mayor's commitment, Deputy Mayor Gibb's
7 commitment to really understanding and drilling
8 down on where and who was experiencing the chronic
9 unemployment and underemployment, joblessness and
10 lack of access to opportunities. This is a high
11 priority for our administration, for sure. And
12 could we do a better job? Of course. That's a
13 science that can never be perfected.

14 COUNCIL MEMBER REYNA: Well, I hope
15 that that's the tool that we're using to link a
16 lot of the services and programs that you are
17 creating because that's where it's most needed,
18 correct? Because if we publish the report it's to
19 use it, it's not to shelve it?

20 MR. SULLIVAN: Absolutely. The
21 Link programs design, I mean, you asked me to
22 ignore Link but I want to go back to it anyway.
23 Link is actually a program that's a partnership
24 between ECD and President Pinsky and HRA and so
25 it's really Deputy Mayor Steele and Deputy Mayor

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2 Gibbs together. So, it is really an attempt to
3 bring together lots of different efforts within
4 the administrating. In terms of geographic
5 targeting, the other program that should get
6 mentioned for sure is the affordable housing
7 construction. Chris can comment on this in more
8 detail but I think one of the most important
9 factors in, for example, South Bronx, in the
10 comeback from, you know, the mid '70's, has been
11 the construction of affordable housing and, of
12 course, started with Mayor Koch who rightly gets
13 credit for so much of affordable housing in the
14 Bronx and really beginning the turn around.
15 That's targeting economic development where it's
16 needed most. I don't know what report Mayor Koch
17 was looking at when he made that decision but it
18 was surely a good one. And that's the kind--

19 COUNCIL MEMBER REYNA:

20 [interposing] It was the swath of empty land.

21 MR. SULLIVAN: It, that one
22 probably wasn't that hard to identify. But those
23 are the, that's the kind of geographic targeting,
24 the affordable housing construction program which
25 is going to build enough affordable housing for

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2 the city owned land by the time the administration
3 is over, has had a tremendous geographic targeting
4 process that, and has been optimized the city
5 owned land and partnering with the private sector
6 to create hundreds of thousands of jobs.

7 COUNCIL MEMBER REYNA: And the non
8 for profit world?

9 MR. SULLIVAN: And, of course, the
10 non for--

11 COUNCIL MEMER REYNA: [interposing]
12 Who are the original developers of all that
13 affordable housing from the '80's. I want to
14 share with you, Mr. Sullivan, my last comment.
15 There is a lot of homework for you guys to do,
16 especially in Green Point, Williamsburg from the
17 2005 rezoning. And when you sit here and talk
18 about affordable housing, try to look at where you
19 haven't done it where you promised it. Thank you.

20 CHAIRPERSON KOSLOWITZ: Council
21 Member Wills? I, just before you start I just
22 want to say we were joined by Council Member
23 Levin, Council Member Lander is with us and
24 Council Member James. Council Member Wills?

25 COUNCIL MEMBER WILLS: Thank you.

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2 Good afternoon, everybody. I just have a few,
3 more like comments than questions and I'm sure
4 they'll go into the questions. One of the things
5 that, a couple of the things that Council Member
6 Reyna already spoke about were the things that I
7 was going to target. The analysis that we were
8 just discussing, I, I mean, we're can almost
9 guarantee that 70 percent of the communities that
10 are the highest unemployment are going to be
11 minority communities. And with that being said
12 that, you know, you said that, you asked the
13 question and you got it answered, it was honest as
14 far as the poverty rates and different things like
15 that. I don't see how honest that truly is when
16 you asking these questions and trying to put
17 programs in place on your way out the door. I
18 mean, you've had 11 plus years to do things and we
19 haven't seen any move in the unemployment rates
20 and I'm not putting this on EDC shoulders, I'm
21 just saying the administration period. But EDC
22 has a portion to play in it also. We haven't seen
23 any move in the unemployment rate in these
24 communities in that time. And when you talk about
25 Link and these initiatives, I may be a new Council

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2 Member and Mr. Richards [phonetic] I the newest
3 but, I mean, he was the Chief of Staff for 11
4 years and we haven't had any conversations about
5 these Link initiatives. And any idea that we seem
6 to come up with is greeted with open arms but
7 never, ever moved to actually impact our
8 communities. So, we have a real problem with some
9 of the things that were said here today.

10 MR. SULLIVAN: May I respond?

11 COUNCIL MEMBER WILLIS: Yes, you
12 are, thank you. - -

13 MR. SULLIVAN: With respect to the
14 Link initiative, that is a new program and we'd be
15 happy to give you a more, have a more detailed
16 discussion with your or your staff, Council Member
17 Richards, if you would like as well. That program
18 has come up and has become actionable relatively
19 recently because the growth of the city's tech
20 industry. That really is an attempt to connect
21 low income communities and the unemployed
22 population to new jobs in the tech sector, which
23 simply weren't there several years ago. In terms
24 of job creation, while there is always more to do
25 and you're 100 percent right that unemployment is,

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2 remains unacceptably high, there has never been
3 more people working in New York City than there
4 are right now. It's a record number of jobs.

5 Record number--

6 COUNCIL MEMBER WILLS: [crosstalk]

7 Yeah, but see, our issue is that there's more
8 people working but the people that are working are
9 not coming from the communities that traditionally
10 are hit the hardest that are mostly impacted by
11 high unemployment. And if that's the case I would
12 challenge you to produce a report that would show
13 us that all of these great job growth has impacted
14 positively any, pick South East Queens, pick my
15 district, district 31, pick district 27. Show me
16 that it is positively impacted the jobs in those
17 communities and I guarantee you that you won't be
18 able to show that correlation. And again, this is
19 not a, this is not me just going and saying you,
20 you know, and Mr. Calleti, I'm about to ask you
21 something there's not a direct attack on you. You
22 made a comment that you said that it's hard when
23 you build a new communities. And I don't know
24 exactly what you meant by that because I didn't
25 believe that we was supposed to be building new

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2 communities. I thought we were supposed to be
3 putting projects in place that enhance the
4 communities that were there and help with the
5 growth of those communities. So, I need you to
6 explain that because I don't know if you really
7 believe the essence of this building a new
8 community, dropping a community there and ignoring
9 the community that has been there or if it was jut
10 a misphrasing of the words?

11 MR. CALLETI: Yeah, I don't mean to
12 imply that we're creating an entirely new
13 community. I mean, for instance, at Hunter's
14 Point South, you know, we're building an
15 incredible amount, HPD, obviously, we're building
16 an incredible amount of affordable housing and new
17 housing in one area so essentially you're
18 creating, you know, a new neighborhood there. It
19 doesn't, it has nothing to do with who actually is
20 living there. I just mean in terms of the
21 development itself. You're creating a bunch of
22 affordable housing that doesn't already exist
23 there and it's massive development. So, I don't
24 mean to say that that means the people in the
25 neighborhood wouldn't be a part of that, you're

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2 just, you're creating a new element to the
3 neighborhood, I guess is probably a better way to
4 say it.

5 COUNCIL MEMBER WILLS: Okay, now I
6 just wanted to make sure it's clear that we, I
7 appreciate this whole new knowledge economy
8 because it's something that is moving the
9 community, city forward and the diversification of
10 the economy is a great thing. But when it's not
11 tied into the communities that need it the most,
12 again, there's a problem with that. New York City
13 and company, we spoke a little bit about that and
14 how they claim to want to push the other four
15 boroughs, because everything seems to be Manhattan
16 since - - and we've been there for the last two
17 years thinking about the same issues. My district
18 and Mr., Council Member Richards district, we have
19 the airport, we have all of the hotels surrounding
20 JFK airport and there's been no movement from New
21 York City and Company to try to make sure those
22 airports receive any business. And by not doing
23 that the residual effect is that all of the
24 restaurants, I have a lot of table top restaurants
25 in my district, none of those restaurants are

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2 receiving business. None of the businesses there
3 directly outside of this airport that people have
4 to come into are receiving any business because of
5 a lack of, you could say a lack of about ten
6 different things that NYC and company is not
7 doing. How do we fix that because this is about
8 the third hearing that I've come to and actually
9 spoken about that. I think they spend more money
10 on international advertising and having, you know,
11 for people to come into the city than they do with
12 getting them here and actually going to the outer
13 boroughs to do these things.

14 MR. SULLIVAN: So, a couple
15 reactions to that or comments. One, I think we're
16 very proud of the investments we've made in
17 international tourism. New York City has the
18 number one market share of international tourism.

19 COUNCIL MEMBER WILLS: No, I'm--

20 MR. SULLIVAN: [interposing] One
21 out of every three people who come to America come
22 to New York City. And international tourists are
23 valuable because, they're particularly valuable,
24 they come here, they stay longer and they spend
25 more, which is good for - - .

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2 COUNCIL MEMBER WILLS: But they
3 come here and they're staying in Manhattan.

4 MR. SULLIVAN: Increasingly they're
5 staying in other places too but by and large it's
6 the Manhattan, staying in Manhattan hotels. But
7 they're visiting places all throughout the city.
8 With respect to the airports and the economic
9 impact. First of all, NYC and company works
10 closely with the airlines to make sure that we
11 have as many people coming through the airports as
12 possible. And that's a real challenge for the
13 city long term is the growth of the airports
14 'cause we have, you know, capacity constraints at
15 the airports how many planes can take off if, and
16 land every single day. But I would agree with
17 you, it's a real challenge to attract people to
18 either get off the Air Train at Jamaica, for
19 example, or to stop along the way, you know, on
20 the way to JFK or La Guardia. That's a real
21 challenge and I think we'd be, we think about that
22 a lot. I'm not sure we've got, as Joe said, a
23 silver bullet to figure that one out but we'd be
24 eager to work with you if you have ideas about how
25 we can encourage people to stop along the way or

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2 to get off of mass transit in southeast Queens or
3 near JFK. I think we'd be all for it.

4 COUNCIL MEMBER WILLS: I think that
5 if we just looked at it just on the micro point of
6 it and looked at the roads that have to lead into
7 the airport. Those are the same roads, except for
8 the A train, that you have to leave to go out of
9 the airport. So, I don't see why we don't have an
10 investment in Suptin Boulevard [phonetic] and
11 Farmer's Boulevard, which would go through your
12 district. Suptin Boulevard that goes through my
13 district, those are the main thoroughfares leading
14 into the airport but we haven't seen any interest
15 in developing any of that. We can go from 97th
16 Avenue and 95th Avenue and my district is right in
17 the downtown area where the hotels are supposed to
18 go, and go to Liberty or two blocks over. And
19 I've expressed interest in a lot of the
20 constituents into making that a restaurant row,
21 where that would attract a lot of business and
22 people, tourists that are coming in, that would
23 actually help anchor the airport hotels that are
24 supposed to go in that area. We've had no
25 feedback from that. Rockaway Boulevard where we

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2 had the Luther Development Corporation where the
3 airport was supposed to build some things at that
4 could have been - - units for staff at the
5 airport. We have had no interest in that. We've
6 had no capital going into the roads that actually
7 lead into the airport which we all know makes that
8 attractive. We've had no feedback on those types
9 of things in either. So, this may be the first
10 time that you're getting it at your level but if
11 that could, you know, we could get some feedback
12 on some of those things as - - that would be
13 helpful.

14 MR. COLETTI: Happy to follow up
15 with you on that one.

16 MR. SULLIVAN: This is just one
17 thing I want to add, it might be a little bit of a
18 minor point but, you know, we talked about some
19 issues that, for example, Link coming up sort of
20 in the, towards the end of the administration, I
21 mean, the one thing I think that is important to
22 focus on here. I don't think it's as important as
23 to when we're trying to do these things. I think
24 the outcome is the most important because we
25 didn't start Link with the goal of doing it from

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2 after December, our hope is that we will find
3 success in some of these programs and there will
4 be opportunities to expand in the next
5 administration and I think we hope that the next
6 administration will take that up as well as, you
7 know, the next City Council.

8 COUNCIL MEMBER WILLIS: I appreciate
9 that. Madam Chair, you have my time. Thank you.
10 Thank you, gentlemen.

11 CHAIRPERSON KOSLOWITZ: I would
12 like to change a phrase, and this is one of my
13 goals. Instead of referring to the other four
14 boroughs as the outer boroughs we are the other
15 boroughs, like if I'm in Queens, Manhattan is the
16 other borough. It makes us seem like step
17 children.

18 MR. SULLIVAN: You're a hundred
19 percent right and actually, as I was reading my
20 testimony I almost stopped and changed it 'cause I
21 usually say the other boroughs, I usually say the
22 other four boroughs as well, you're right.

23 CHAIRPERSON KOSLOWITZ: I mean, a
24 lot of people say it, I say it sometimes. But
25 it's not true. [crosstalk] It's the, we have five

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2 boroughs. We are the other boroughs if you're in
3 Manhattan and if you're in Queens it's the other
4 boroughs including Manhattan.

5 MR. SULLIVAN: Hundred percent
6 agree.

7 CHAIRPERSON KOSLOWITZ: 'Cause
8 that's how we've been treated as an outer borough,
9 you know, like a step child.

10 MR. SULLIVAN: That I don't agree
11 with but...

12 CHAIRPERSON KOSLOWITZ: Okay.
13 Council Member Richards?

14 COUNCIL MEMBER RICHARDS: Good
15 morning. I guess it's five boroughs, I represent
16 the sixth one and that is the Rockaway's, which is
17 often a place that if overlooked. [laughter] I
18 just had a few points and a few questions. Can
19 someone speak on the job creation? I heard that
20 there's more job creation going on outside of
21 Manhattan than in Manhattan. Can you speak on the
22 numbers on that and where are these jobs mainly
23 concentrated at because we're not seeing them in
24 my community.

25 MR. SULLIVAN: Sure, so I can get

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2 you the detailed numbers. I don't have them at my
3 fingertips but there's two interesting facts.

4 One, more total jobs outside Manhattan than inside
5 Manhattan in the last 11 years. we can get you a
6 breakdown of how that breaks down by borough.

7 Again, I don't know how finely we can slice it in
8 terms of the Rockaway's versus other parts of
9 Queens. And the rate of job growth has been
10 faster in each of the four boroughs that are not
11 Manhattan. And we can get you more details on
12 that if you wish.

13 COUNCIL MEMBER RICHARDS: Great,
14 and then I just wanted to touch on some things.
15 In the Rockaway's, 30 percent of the people are on
16 some sort of income subsidy, my constituents are
17 on some sort of income subsidy, whether it's TANIF
18 [phonetic] or welfare. Unemployment rate is
19 somewhere around 50 percent and we've just gone
20 through hurricane Sandy which was something that
21 has left many of my families homeless. I'm
22 talking around 200 families who now will have no
23 place to go because of no fault of your, the DHS
24 Commissioner and the administration's position on
25 affordable housing. And I just want to make a

1 point, we're going to have it, and this is for HPD
2 as well, who's here, we're going to have a project
3 - - for east coming. And I'm very happy for new
4 development. I'm very happy to see the
5 Rockaway's, you know, continue to grow but one of
6 the things we need to do is to ensure that the
7 people who are there have the opportunity to work
8 on these jobs. We need to make sure they have the
9 opportunity to raise the flag at the construction
10 sites and I think this is why we are pushing and
11 I'm certainly in support of this bill because we
12 haven't seen this. We had Arven by the Sea
13 [phonetic] come and, you know, many of the people
14 in my community, although we like the new
15 development, we like the Checkers coming up and
16 all the commercial things coming. My community
17 can't work in these places. And we need to make
18 sure that we are doing the better job when it
19 comes to a term that is very loose,
20 gentrification. And I don't take it lightly
21 because many of these people in our housing
22 projects or who are now homeless, they don't have
23 a job to go to. You know, they don't have any
24 affordable, viable, affordable housing options now
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2 and we need to do better as a city. With that
3 being said, in terms of the displaced workers, I
4 wanted to know with the EDC, please describe the
5 measures the administration takes to mitigate the
6 displacement of residents and businesses in our
7 communities.

8 MR. SULLIVAN: Before we answer
9 that last question can I just respond to your
10 introductory, your initial comments?

11 COUNCIL MEMBER RICHARDS: Yes.

12 MR. SULLIVAN: There's nothing in
13 this bill that would require local hiring. In
14 fact, the reason that you can't require local
15 hiring is because it's unconstitutional. It
16 violates the US Constitution. So, while a report
17 like this would highlight, perhaps, issues with,
18 that there's not enough local hiring this bill
19 wouldn't require local hiring.

20 COUNCIL MEMBER RICHARDS: No, I'm
21 aware of that. I just wanted to point that out,
22 though.

23 MR. SULLIVAN: Second, with regards
24 to the Rockaway's in general, my boss, Deputy
25 Mayor Steele, is on Beach 116th Street, let's see,

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2 right now, they're probably done by now but they
3 were out there earlier this morning with the SBS
4 commissioner, Rob Walsh and one of your
5 colleagues, Councilman Ulrich was out there with
6 them announcing a new program for storefront
7 improvements on Beach 116th. And the--

8 COUNCIL MEMBER RICHARDS:

9 [interposing] Let me stop you there. There's a
10 tale of two cities in the Rockaway's.

11 MR. SULLIVAN: I'm aware.

12 COUNCIL MEMBER RICHARDS: And I
13 love Beach 116th Street but I also love the east
14 end of the Rockaway's and I want the entire
15 peninsula to do very well. And I've tried to have
16 conversation with Rob Walsh and let him know that,
17 you know, there were storefronts that were
18 adversely affected in my part of the Rockaway's as
19 well and I chose to come here because I feel that
20 strongly that I shouldn't show up to support
21 something that won't benefit the people, all of
22 the people, of the Rockaway's, and we need to do a
23 better job, EDC has to do a better job of this,
24 SBS has to do a better job of this. No offense to
25 you. I'm very happy that the program has come to

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2 the Rockaway's but I, we need programs that are
3 going to be beneficial for the entire peninsula.

4 MR. SULLIVAN: Undoubtedly and
5 that, I only mentioned the Beach 116th program
6 because it's happening right now. It's only one
7 component of our commitment, you know,
8 particularly post Sandy to do as you just
9 described and do a better job and to invest more
10 in the Rockaway's and the entire peninsula. The
11 good news, it's not good news per se, the
12 encouraging news is that we're hopeful we're going
13 to get Federal approval for our community
14 development block grant programs that we just
15 applied for. Hopefully that comes soon. The
16 State and New Jersey both got theirs approved
17 party quickly and we're hopeful ours gets approved
18 quickly as well. That's good news for rebuilding
19 homes, that's good news for getting people out of
20 hotels. That's good news for businesses that need
21 to rebuild. It's \$1.77 billion of investment
22 that's going to be really focused on communities
23 that were hardest hit by the storm in the
24 Rockaway's and Staten Island. Lot's of other
25 communities are at the top of that list and so the

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2 point about the need for continued and rigorous
3 investment, well taken.

4 COUNCIL MEMBER RICHARDS:

5 Affordable housing. Those 200 families need
6 somewhere to go to.

7 MR. SULLIVAN: And part of the CDG
8 money and a bunch of FEMA money as well is going
9 to be going to make more resilient and restore the
10 existing, both the affordable and the public
11 housing in the Rockaway's. So, HPD and - - are
12 working in developing the specifics of the plans
13 to ensure that the prolonged power outages that
14 happened wouldn't happen in a future storm, that
15 there's back up generators that, boilers are not
16 in the basement and so that the issues and all
17 that because your district, you know, has--

18 COUNCIL MEMBER RICHARDS:

19 [interposing] I'm very happy about that.

20 MR. SULLIVAN: --tremendous
21 concentration of public housing that really was
22 vulnerable in the storm and we just make sure that
23 never happens again and we're working hard on it.

24 MR. JEFF LEE: If I could add one
25 thing, so we certainly think you, we certainly

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2 have, the administration certainly has focused
3 more on the outer boroughs if you look at our
4 track record [laughter].

5 MR. SULLIVAN: The other boroughs,
6 it has to be the other boroughs.

7 MR. LEE: I'm sorry, the, pardon
8 me, the other boroughs.

9 COUNCIL MEMBER RICHARDS: I'm in
10 the sixth borough.

11 MR. LEE: I should know this as a
12 native of Queens. But nonetheless, the non
13 Manhattan boroughs are certainly a priority. But
14 I want to speak specifically, among the tools that
15 the administration has for effecting economic
16 development and change are, one of them is the
17 IDA. And you're talking about housing and you're
18 also talking about jobs for local residents out
19 there. Madeline Chocolates, which you may have
20 seen about in the news, biggest employer in the
21 Rockaway's, employed about 450 people, they're one
22 of the companies that used the IDA assistance to
23 expand their facilities and keep their jobs and
24 grow their jobs. As you're aware, they're badly
25 hit and we were able to get out there from day one

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2 and help them to keep those jobs on the books and
3 make sure that they're able and hit at the worst
4 time in their business cycle. So, you know, we,
5 that's just one example of how we are serious
6 about finding ways strategically to help
7 communities in the Rockaway's and we're talking
8 about the east side and the west side. On top of
9 that we have through out Fresh program worked on,
10 you know, supermarket initiatives through the
11 Fresh program. But, you know, we are certainly
12 looking for ways to keep helping, as Council
13 Member Koslowitz mentioned, the other boroughs, so
14 that's a big priority of ours.

15 COUNCIL MEMBER RICHARDS: If I
16 could just touch on a fresh initiative too with
17 the, under my predecessor that actually was my
18 baby to work on the Fresh initiative of trying to
19 do something with the - - aid and the 50's, in an
20 area that was, you know, hit hard. And that
21 process is totally frozen now. And I'm looking
22 forward to hearing more on how we're going to
23 ensure we can get a supermarket or whatever we're
24 going to do there, at least he RFP off the ground
25 on it because in that particular area, once again,

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2 you're talking high unemployment, 50, upwards to
3 50, 60 percent unemployment rate. You're talking
4 of around 30 to 40 percent of my constituents of
5 some sort of subsidy and they're ready to get to
6 work. They want to get to work and it's sad that
7 the city is sitting on a vacant site that has been
8 vacant before I was born, probably, and it's a
9 shame. And we should do more and I'm, I just
10 turned 30 two weeks ago.

11 MR. SULLIVAN: Councilman, which
12 development, which community is that in?

13 COUNCIL MEMBER RICHARDS: That is
14 in Arvern [phonetic].

15 MR. SULLIVAN: I'll follow up with
16 you on that as soon as we break today.

17 CHAIRPERSON KOSLOWITZ: I just want
18 to mention something. See, my age has good
19 effects. Mott Avenue, Mott Avenue, I remember
20 when Mott Avenue was the place to go and now it's
21 like a forgotten area. So, for a long time. so,
22 it's something that was a big shopping area of
23 everybody and I think that should be looked at
24 also.

25 MR. SULLIVAN: Okay, that's

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helpful, thank you.

CHAIRPERSON KOSLOWITZ: Council Member Ferreras?

COUNCIL MEMBER FERRERAS: Thank you, Madam Chair. Good morning. I think, well, this point has been highlighted by my colleagues well. And we're in constant communication about this project and it's obstacles and things that we have to overcome as well as other projects but I do believe that the spirit of this legislation comes from the fact that oftentimes Council Members and communities don't feel like they are a part of the process of which you tell us, this is the best thing that can come for your community. Oftentimes we either hear it in the press and everybody, I think on your end has heard my frustration because some of you, a lot of you have gotten my calls, most of them pretty loud. But the reality is that it's very frustrating as a legislator, you know, as an elected official to open the newspaper and that's when you find out that you're getting a new project in your district. And--

MR. SULLIVAN: [interposing] I

1
2 think we can agree, we're opposed to leaks. We're
3 with you on that one.

4 COUNCIL MEMBER FERRERAS: Right,
5 but it's more than just the leak because the leak
6 says that the conversations are happening. The
7 leak says that the plans are there. The leaks is
8 how we find out that something is a dollar or
9 whatever the case is. So, in your spirit of, I
10 understand that there's a sense of you have to
11 negotiate and things have to be, remain
12 confidential it makes a very, it just makes it for
13 a very uncomfortable conversation that can be
14 avoided. So, we're trying to find ways, how do we
15 avoid this? Because obviously it's happened
16 several times and several occasions so if there's
17 some type of reporting that we, 'cause then, you
18 know, when you speak of, well, the EIS says this.
19 The EIS's are this big. So, now I have to dig
20 through the EIS and the terminal, the language
21 and, you know, and all the other things to figure
22 out, okay, this is tied to this and if this
23 happens, if the ramps aren't built than the
24 affordable housing doesn't have to come and then
25 the \$335 million doesn't really mean that it's a

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2 penalty. And I have to have that read by 15 of my
3 staffers that I don't have and then other people
4 in every interest groups grabs a piece where, if
5 you're EDC and we're a partner in this, I would
6 want there to be a document that says, this is,
7 you know what Julissa, we're going to build a
8 mall, and yes, there's going to be an impact to
9 your small businesses and this is what we're going
10 to do to mitigate that. Yes, you know what?
11 Affordable housing isn't going to come online
12 right now but this is what we're going to do to
13 mitigate that. But then what's happening now is
14 that I have to figure out and present programs to
15 you and meet with every agency separately and do
16 all these thing when you're supposed to be my
17 partner in this conversation. And that's not
18 what's happening and I think, and I believe that
19 that is the spirit of this legislation wehre we at
20 least can get a tool to clearly say, this is the
21 project that's coming. This is how it's going to
22 impact your community, so let's sit down and have
23 this conversation. So, whether it's ten days
24 before and approval, 30 days or 20 days, which,
25 you know, it might be in the EIS, it might not be

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2 in the EIS, saying you have to be a partner with
3 us. And we need to get this information a lot
4 earlier and it's not great to get it in the New
5 York Times. And then even in the New York Times
6 half of that stuff isn't true.

7 MR. SULLIVAN: So, you asked a
8 serious question, I offered a glib response
9 before. I'm sorry. It deserves a serious answer.
10 I think as I said in my testimony, we share the
11 intent of this bill which is for communities and
12 for stakeholders, including elected officials to
13 have the information that you and they need to
14 evaluate these projects and to be partners in
15 these projects. We have specific problems, issues
16 or concerns with the way this bill is drafted
17 which we think raised legal concerns, practical
18 concerns, and some timing concerns that, which is
19 why we're opposed to the bill. But I think we
20 share the intents and I, the spirit of what you
21 just described we agree with.

22 COUNCIL MEMBER FERRERAS: So, I
23 just want to know, it, and I'm hoping that this
24 spirit also takes you back to your offices and
25 you're able to figure out how you're going to

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2 improve this, because we cannot continue. And you
3 know, and even if it's your, the administration
4 now or the next group of EDC people that we see,
5 there is no sense of community planning. There is
6 no sense of, we looked at your district and these
7 are the things that we think we can develop here,
8 we can develop there. Let's work to see how we
9 can build here. This is the impacts it is going
10 to make. It doesn't seem that, it's almost like
11 it's little projects everywhere and there's no
12 connection. And then the affordable housing thing
13 it's, like, well, you don't have any space. Well,
14 I just feel that it is your role to work with us,
15 to work with the community, not to be on the, we
16 almost feel like you're on the other side of the
17 fence when we're supposed to all be on one team
18 together, at least I believe that that's the
19 spirit of your agency or corporation or whatever
20 you are, I don't, presidents and... So, and you
21 know, and I think as we're talking about changing
22 the terms of outer borough and other boroughs and
23 all this stuff, really it's about working class
24 people when we talk about affordable housing
25 'cause I think also affordable housing means

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2 different things for different people. These are
3 working people. You might be working at the
4 corner bodega or working at the gas station but
5 you have a job. And I think everyone deserves to
6 be able to live in New York City. And when we
7 plan for our future it's almost as if we've gotten
8 to the point where if you're working at a certain
9 job you might not be able to live here anymore.
10 And that is the frustration that we have. And
11 that is what we're trying to see that we need to
12 preserve the very things that make our community
13 so enticing to developers and make our community
14 so vibrant is the very thing that sometimes gets
15 killed if we don't develop properly. And I'm
16 sorry that, I'm very passionate about this because
17 of what we're going through over in our area and
18 the reality is that I am working with the
19 launching of the Corona project but it was only
20 after a hearing where for so long the Louis
21 Armstrong House was said that it was in Flushing
22 Queens, and it's in Corona. So, you know, those
23 are the little things that we really need to be
24 able to get ahead of and that shouldn't come up
25 only, and I can only imagine for communities that

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2 don't have ULURPS, that don't have big projects
3 coming their way. So, I know that it's going to
4 be challenging but I must tell you that you have a
5 bigger challenge convincing Council Members that
6 this legislation is not going to help. I think
7 that's going to be a bigger challenge on your end.
8 Thank you, Madam Chair. Thank you.

9 COUNCIL MEMBER LANER: Thank you,
10 Madam Chair. And I think in many ways Council
11 Member Ferreras speaks for what a lot of us are
12 feeling. But I want to start with a couple of
13 questions. It wasn't in your testimony so I'm
14 curious, are any of you familiar with Hire NYC?
15 [crosstalk]

16 MR. SULLIVAN: Yes, we are.

17 COUNCIL MEMBER LANDER: Could you
18 tell us what that is supposed to be and what it
19 is?

20
21 MR. SULLIVAN: So, the intent if
22 Hire NYC is, obviously, you know, obviously
23 we've had discussions where people are interested
24 in making sure that local jobs are provided to
25 local people. And obviously, there's a legal

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2 issue, you know, you can't mandate that someone
3 hires people within certain zip codes. So, the
4 idea behind hire NYC was to create the opportunity
5 for, let's say, to use an example, there's a
6 developer who's, you know, building a particular
7 project, if they want to participate in NYC what
8 it would allow somebody to do is come up with a
9 plan where they can work directly with, partner
10 with several community groups in that community to
11 help create a pool of applicants for future jobs.
12 And then subsequently you do, you know, what's
13 essentially a job fair and we've seen a lot of
14 success through local, through this mechanism,
15 especially in Coney Island. You know, in the past
16 we've, you know, there's been over 400 jobs that
17 have been available at times, we've seen
18 almost over half of them hire locally. So, it's
19 more creating a pool of candidates to try to
20 maximize the opportunity for local folks to be
21 hired on jobs that are available.

22 COUNCIL MEMBER LANDER: And how is
23 it decided, how many projects has Hire NYC been
24 used on, I think the number in this is 600
25 projects that EDC is, I don't know where I got

1
2 that number from, several hundred projects EDC has
3 done in the Bloomberg administration.

4 MR. SULLIVAN: I don't know off the
5 top of my head, I mean, I'm happy to go back and
6 look. More or fewer than a dozen?

7 MR. SULLIVAN: Well, it's still on
8 the newer side.

9 COUNCIL MEMBER LANDER: It's not on
10 the newer side, actually, Link is on the newer
11 side. Hire NYC is years old. And I'll tell you
12 how I know and in a minute, but it's less than a
13 dozen. And how is it decided which projects it
14 will be used on?

15 MR. SULLIVAN: I think it's case by
16 case at this point. You know, we try to use it as
17 often as we can in recent years, especially on
18 larger developments. You know, it's becoming more
19 common as you're familiar with MWBE goals being
20 something that's more common and, you know, thanks
21 to the Council obviously pushing this issue over
22 the years it's been something that has to be...

23 COUNCIL MEMBER LANDER: But there
24 are actually totally different. MWBE goals are in
25 legislation.

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2 MR. SULLIVAN: Yeah, I'm not saying
3 it's, yes, understood.

4 COUNCIL MEMBER LANDER: And Hire
5 NYC is nowhere in legislation. It could actually
6 be, there's a separate bill that would look at
7 making that because actually, and I, so, let me
8 take one step back, you know, I helped advocate
9 and create Hire NYC when I was in my previous job
10 at - - we commissioned a report of what works
11 around the country to link economic development
12 jobs with getting those jobs to the people who
13 need them. What doesn't work to get them is to
14 say, it's unconstitutional and so we can't talk
15 about it. What does work, it turns out, it's not
16 surprisingly exactly what you're talking about,
17 some advanced planning, we're you think, gee,
18 we're investing millions, maybe hundred of
19 millions of public dollars in a project, let's
20 think ahead of time about what the preparation
21 needs to be for people to get those jobs, do the
22 outreach, if there's more advanced skills
23 training, if there's work readiness, we're going
24 to plan for it. We're going to make sure that the
25 developer and business operation that we're giving

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2 that money to is onboard with us helping think
3 through what those jobs are and that they commit
4 to what is appropriate and legal which is the
5 project you describe. So, that's not rocket
6 science, it actually works all around the country,
7 it's perfectly legal, it's why you guys are doing
8 it. But you've done it on fewer than a dozen, I
9 think it's fewer than ten of the hundreds of
10 projects that EDC has done. It's totally
11 arbitrary where and when you do it and it is an
12 example to me of just a real deep disconnect
13 within the Bloomberg administration. I'll give
14 you one more example, earlier this week we had a
15 hearing that was a joint hearing that was small
16 business services and environmental protection on
17 leveraging the green economy for economic benefit
18 for New York City. There were 18 pages of
19 testimony and there wasn't one word about
20 workforce development to help New Yorkers in some
21 coordinated way get ready for those jobs. And I
22 think a lot of us feel the frustration that what
23 EDC is doing is totally disconnected from what SBS
24 is doing in workforce from the Office of Human
25 Capital Development and honestly, a much as I

1 think the eight new Link initiatives with 14
2 different acronyms and \$10 million, it's flavor of
3 the month effort to connect economic development to
4 workforce development and jobs in the areas around
5 the projects for the people who need them.
6

7 MR. SULLIVAN: Yeah, I think one of
8 the recent successes I'd point to and if the
9 suggestion is we could do a better job, you'll
10 find an argument here.

11 COUNCIL MEMBER LANDER: No, it's
12 not a suggestion you could do a better job. It's
13 that it needs to be done systematically and you
14 have persistently resisted doing it
15 systematically. You come up with a new acronym
16 and a glitzy new program name and the legislation,
17 the idea here. I think people would love to do
18 first source hiring legislation, the idea here
19 was, if we can't get the administration to have a
20 systematic approach for thoughtfully linking
21 workforce and economic development let's, what can
22 we, at least we could mandate how many jobs there
23 are going to be, what are the impacts going to be
24 in the neighborhood? So that we could try to get
25 ready because we haven't been able to get you to

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2 think systematically about how to get ready. And
3 it may be if this administration and maybe it'd be
4 the next administration had its own plan for how
5 to systematically link workforce and economic
6 development then I'd be really glad to hear it and
7 you might be able to persuade me that community
8 impact reports aren't the best way. But in the
9 absence of a systemic approach to that linkage I'm
10 not really sure, and I think you heard this in a
11 somewhat different way and so passionately from
12 Council Member Ferreras is what you expect us to
13 do?

14 MR. SULLIVAN: I wish my colleagues
15 from SBS were here 'cause they could comment on
16 this and add some important perspective.

17 COUNCIL MEMBER LANDER: You, I
18 mean, but that's not, you could have brought them.

19 MR. SULLIVAN: Yeah, I know.

20 COUNCIL MEMBER LANDER: We didn't
21 say, don't bring SBS to this hearing.

22 MR. SULLIVAN: No, I'm just saying
23 I wish they were here 'cause they could help me
24 answer this question. The Barclay Center, for
25 example, in Atlantic Yards has been actually a

1
2 pretty strong success story of connecting local
3 jobs, local residents to jobs. I'm not sure I'll
4 get the exact number right but there were
5 thousands of new jobs and hundreds of them went
6 to, I know, in specific instance went to - -
7 residents from nearby housing communities, public
8 housing communities. That's a good example but it
9 is only one example, though. [crosstalk]

10 COUNCIL MEMBER LANDER: And I want
11 to say it's the kind of example that proves the
12 rule. They had to, so, you know, your former
13 colleague, Ashley Cotton, went over there and knew
14 she better make sure that a lot of local residents
15 and - - residents were in those jobs because there
16 was a target painted on that project and it was as
17 a result of its history and she did a good job.
18 So, I agree, I don't think it's credit to the
19 administration. It's credit to Ashley. But I jus
20 think we could be doing that systematically, why
21 do we have to have a five year campaign and
22 threaten to kill the project and yell and scream
23 and lay down in front of bulldozers when what
24 people want is planning for how the benefits
25 systematically will be shared with people in the

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communities we're talking about.

MR. SULLIVAN: Yeah, and if the assertion is we could do a better job with that, then you'd find no argument here. I think mandating it via report is not necessarily the best way to accomplish it.

COUNCIL MEMBER LANDER: And okay, and I think that it's not about doing a better job, it's that there have, we've been saying this a lot of years and maybe it's resistance or maybe it's just neglect but there has been no systematic approach to linking the very active and robust economic development efforts of the administration, primarily through EDC but also through other agencies with thoughtful workforce development and investments that make those linkages work and other communities amenities and community benefits and mitigation and infrastructure and investments that make those projects succeed. And what you wind up, and I just think what it feels like to all of us is you believe people will oppose the projects. So, rather than engage us up front and say, you know what, they say they want growth as long as the

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2 benefits are shared with the community, let's see
3 if they're for real. Let's talk about it and
4 think about how we set that up. You don't think
5 that will happen so you plan the projects in
6 secret, you hope they don't leak, I mean, I think
7 your answer was flip but telling. You plan them
8 in secret, you hope they won't leak, you, and
9 look, the last time President Pinsky was here was
10 to talk about the fact that you hired, you know,
11 phony third party grass tops community groups to
12 lobby for the project. You do force us into a
13 position where we wind up saying, no, no, no, and
14 communities as well, and I'm just telling you, I
15 think most of the people here would identify
16 themselves in some way as sort of pro growth
17 progressives. We want economic development. We
18 want a growing city. We want economic
19 development. We want job creation but we also
20 can't possibly sell that as positive in our
21 neighborhoods if it's, there's not a systematic
22 approach to making sure the jobs go local, making
23 sure the dollars are being spent in ways that - -
24 and then we have not seen that and so maybe this
25 isn't the perfect tool for achieving it but it's

1 what we can do by local law in the absence of
2 systematic linkages with the new administration.

3 So, I've gone on the soapbox more than I meant to,
4 but I do, I guess I had one more question which
5 is--
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7 MR. SULLIVAN: [interposing] Can I
8 respond to that one?

9 COUNCIL MEMBER LANDER: Of course.

10 MR. SULLIVAN: You know, you
11 referenced the Offices of Human Capital
12 Development and I'm glad you did, thank you for
13 bringing that up. That's an effort that's in the
14 very early stages. It's been in probably eight
15 places since, less than a year. To really do, to
16 make significant progress on what you're
17 describing which is to knit together what are
18 effective in their own rights but not really
19 stitched together into one system is a system of
20 workforce development. Workforce development is,
21 and connecting workers to new jobs in new projects
22 and in new industries is a national economic
23 development challenge, you know this better than I
24 do, that's been, you know, the subject of national
25 policy debates for 34 years now. How do you

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2 connect workers who used to work in X industry to
3 a new industry? That's a real challenge and the
4 Office of Human Capital Development is our latest
5 effort to really stitch all that together and to
6 develop a systematic approach. We're not done yet
7 by any, and you can never be done being better
8 coordinated.

9 COUNCIL MEMBER LANDER: And I hope
10 this is one where we can move forward together
11 because of at the end of the 12 years, even if
12 it's finally and at too long last there's
13 recognition of it's important to do this and it's
14 a lot of what was in the partnerships blueprint
15 about how to think about linking these systems
16 together and the Council wants to do it and
17 hopefully the next administration will want to do
18 it. So, I want to be happy about that but there
19 have been 12 very robust years of economic
20 development. So, as 12th year effort to put the
21 pieces together with workforce development,
22 anyway, I--

23 MR. SULLIVAN: [interposing] Well,
24 the office was created last year but that was part
25 of a planning effort that started many, several

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2 years ago, I don't remember the exact date.

3 COUNCIL MEMBER LANDER: My last
4 question is just, I mean, one other thing that's
5 sort of new now is the states REGI [phonetic]
6 process which is different and in its own ways
7 imperfect and if they were here I'm sure I'd ask
8 them a lot of tough questions too. But it is an
9 interesting effort to have up front planning to
10 strategize across the different kinds of economic
11 development incentives and subsidies so that they
12 could be used in a coordinated and strategic way.
13 And I wonder if you guys have taken a look at
14 that, learned anything from it, given any thoughts
15 to how it might, 'cause then part of the
16 challenge, again, in the community impact reports
17 is we don't feel that much ability to, access the
18 different things the, IDA benefits, the tax
19 benefits, to have a really good sense of whether
20 they're being smartly used and how they're, you
21 know, coming into a project. That stuff is not in
22 the EIS because that just gets to environmental
23 impacts and not to these questions of subsidy and
24 so I wonder if you've looked at that at all if you
25 have any thoughts on what we might learn from it

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if anything?

MR. SULLIVAN: Were you referring to the regional council process?

COUNCIL MEMBER LANDER: Yeah, yes.

MR. SULLIVAN: Ah, okay. I was wondering if I missed a--

COUNCIL MEMBER LANDER: [interposing] REGI and the nickname. Oh, I apologize, all right.

MR. SULLIVAN: 'Cause I think it was REGC when I--

COUNCIL MEMBER LANDER: [interposing] - - regional council process.

MR. SULLIVAN: Yes.

COUNCIL MEMBER LANDER: So, thank you. Yes, I apologize, REDC, all right, I, that, I apologize, sorry, so, yeah.

MR. SULLIVAN: That one I can answer. [crosstalk] So, we've been, Deputy Mayor Steele has been an active participation in the regional council process and I think there's a lot to learn from that process. It brings together a lot of different voice and a lot of different stakeholders. Similarly though, too, that's

1 relatively advanced in the stage of planning.
2 Projects that are discussed by the regional
3 council are reasonably well formulated, they are
4 plans that are seeking funding. So, I'm not sure-
5 -
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7 COUNCIL MEMBER LANDER:

8 [interposing] But didn't stakeholders come
9 together at the beginning to try to set shared
10 goals?

11 MR. SULLIVAN: Absolutely.

12 COUNCIL MEMBER LANDER: But then
13 the debate, for example, about wage standards,
14 like, that took place in a really interesting way
15 between Mr. Applebaum and Mr. Wilde [phonetic] and
16 there was a possibility and a transparent space
17 with community involvement up front to think about
18 shared goals before we start arguing about which
19 project and how much subsidy. And again, I just
20 think that's the kind of thing but I agree with
21 you, the bill is, I would rather have a more
22 transparent and inclusive up front planning
23 process than a community impact report. But in
24 the absence of that when what we feel like is the
25 administration is going to come up with a project

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2 and we're going to find out about it when we find
3 out about it and then, yeah, some people are going
4 to be opposed and organize and opposition and we
5 are going to come begging for some scraps for our
6 community. That's how we feel that economic
7 development goes. We prefer a more inclusive, up
8 front planning process to put all the resources on
9 the table, let communities and elected officials
10 and labor and others have a voice in shaping
11 goals. But in the absence of that the idea that
12 we would say, you know what, when you bring those
13 projects give us a little bit of information about
14 what the resources going in and what the community
15 impacts are. That seems pretty reasonable to me.

16 MR. SULLIVAN: So, definitely a lot
17 of learn from the regional council planning
18 process, particularly the up front process of
19 developing the strategic plan, a lot to learn from
20 that. I was a part of it on the staff level but,
21 and I think we did, well, did learn a lot from it.
22 And in terms of, again, providing information that
23 communities and elected and stakeholders really
24 need to evaluate projects, we grew with that. We
25 grew with the intent of this bill. It's the way

2 it's being proposed to be implemented we think is
3 problematic.

4 COUNCIL MEMBER LANDER: Thank you
5 very much. Thank you, Madam Chair.

6 CHAIRPERSON KOSLOWITZ: And thank
7 you to the administration for your testimony.

8 MR. SULLIVAN: Thank you,
9 Chairwoman.

10 CHAIRPERSON KOSLOWITZ: You can,
11 are people going to stay, somebody going to stay
12 to hear?

13 MR. SULLIVAN: Some of our
14 colleagues are. [background noise]

15 CHAIRPERSON KOSLOWITZ: I mean,
16 well, I'm going to call the next panel, Katherine
17 Wilde, Moses Gates, Alexandra Hanson, and Robert
18 Altman. How are you? [background noise] [off mic]
19 Okay, who's going to start?

20 Thank you, Madam Chairman. I'm
21 Kathy Wilde, the President of the Partnership for
22 New York City. Pleased to testify before you
23 again today. I think that, again, as we said
24 earlier, the intent of resolution 438-A is clearly
25 one of looking for transparency, planning,

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2 community consultation and linking the big issues
3 of employment and economic opportunity across the
4 city to the City's overall economic development
5 plans and projects. And as Council Member Lander
6 indicated, this is something that we've been
7 working very hard on for the last eight months,
8 the partnership and with the whole series of
9 consultations to try and bring people together
10 around this issue. Our objection in terms of this
11 particular legislation is basically, well, two
12 fold and then I had a tried listening to the
13 conversations that you had. I'll start with that,
14 which is not in my testimony but in hearing the
15 conversations it reminded me of the last 40 years
16 of my life. This is not a new issue with this
17 administration. Nor do I think that a piece of
18 legislation is going to fix it. It's got to be a
19 commitment and we're hopeful that the next mayor,
20 whomever that is, will be able to be convinced
21 that this is the most compelling set of issues
22 that the City faces. The one quarrel I would have
23 after many years and having started as a community
24 advocate myself is at this point in the history of
25 the life of the city our role in the global

1
2 economy, the issues we're facing in every
3 community in all 51 council manic [phonetic]
4 districts are really global and universal in
5 nature. And to take it from a community impact,
6 which defines the issues in a very parochial way
7 for a given Council manic district, I think is the
8 wrong approach. I think we've got to think more
9 universally and I think the challenges that we're
10 facing are more global and involve every part of
11 this city and that we've got to think that way.
12 So, I would just say that that's not in my
13 testimony but in listening to the conversation
14 here today that I resonated with many of the
15 comments and issues you were raising. That was my
16 concern and ended up being that these
17 conversations end up happening in a local
18 community setting and I don't think that's where
19 they should be happening. I think it's a, got to
20 be a much broader city conversation. The other two
21 issues, obviously we think that with a new mayor
22 being elected in a couple months that teeing up
23 this conversation for discussion with that mayor
24 and really thinking about the issues in that
25 context is important and to, you know, pack it

1
2 away with a piece of legislation now that doesn't
3 create that opportunity just seems, why? Why not
4 keep focusing on this issue and then bring it to
5 the fore with a new mayor? And I think certainly
6 from the standpoint of the partnership that's
7 something that we would be delighted to
8 participate in and it's something that we tried to
9 tee up with the blueprint work that we did.

10 Number two, I think there's a danger in the
11 Council really sending a message to the
12 development and business community that it's
13 obstructionist and for those who are going in, and
14 particularly businesses that are not, that are
15 coming in to create jobs from wherever. They are
16 not going to understand this as anything but
17 another way that they can get sued, another cost,
18 another delay, another set of processes. And I
19 don't think that's the message the Council wants
20 to send to the development and business community.
21 So, that's my comments, thank you.

22 MR. MOSES GATES: All right, thank
23 you Council Member Koslowitz and other members. I
24 am going to take a quick self indulgent moment to
25 tell a quick story I was reminded of when you

1 talked about sending tour buses to Queens. I
2 spent two years as a double decker tour bus guide
3 when I was in graduate school and we sent buses to
4 Brooklyn in that time. We never sent them to
5 Queens, except one time when we did the night tour
6 we went over the Manhattan bridge to Fulton Ferry
7 Landing. There was a humungous accident on the
8 Manhattan Bridge and we were forced to detour all
9 the way up through Williamsburg into Long Island
10 City and back over the Queens Borough Bridge and I
11 am fairly sure I remain the only person ever to do
12 a double decker tour bus guide of Queens. So, I
13 wanted to share that story with you, quickly. Al
14 right. I find myself contemplating if I'm sitting
15 at the wrong table. My name's Moses Gates. I'm
16 from the Association for Neighborhood and Housing
17 Development. Extraordinary supportive of the
18 concept behind this bill, I mean, I want to make
19 that extremely clear. We would even go a step
20 further and say that for these economic
21 development projects I think the ultimate thing to
22 do is to disclose an actual monetary value or a
23 potential monetary value up front and allow the
24 community to engage in a process that allows them
25

1
2 to capture the most value for the community on a
3 case by case basis. And I'd also like to point
4 out as a representative of 98 locally based
5 members that there is a very good way of making
6 sure that economic development is created, is tied
7 to job creation, that way is to make sure that a
8 local community development corporation is part of
9 that development process, who knows the community,
10 who knows the people in the community, who all
11 have very good records of hiring locally, if
12 possibilities ensure. And I would take a bit of
13 the opposite tact of Ms. Wilde and say that, yes,
14 this is a national issue but this also is an
15 extremely local issue and local organizations need
16 to be involved, not just in a consultation process
17 but as in integral part of the development process
18 whenever possible. That being said, we and
19 despite, again, having extremely strong support
20 for the concept of this bill, we have a lot of
21 concerns about the language and how this is
22 written and it would have unintentional effects.
23 It is our understanding, and this has been
24 clarified by the last couple of hours, that this
25 is meant to apply to the Economic Development

1 Corporation as an entity. A careful reading of
2 the bill, I, it is easy to see how this can be
3 interpreted. An economic development entity is
4 not sufficiently defined and if you read paragraph
5 three, when you look at the definition of economic
6 development entity it reads as a definition of
7 local development corporations, are small,
8 neighborhood based, not for profits. And that
9 combined with a couple of other, I would, I don't
10 know quite what the term to use but I would say
11 definitions in the bill leads us to have a lot of
12 concerns, simply about the technical language.
13 And we would not be comfortable supporting the
14 bill as currently written, even with the technical
15 provision of striking out the, and the city
16 agencies, which we had talked about before. So,
17 we would say that we are fully on board with the
18 issue of transparency in the economic development
19 process. But we do feel like we need to revisit
20 some of the technical language and especially the
21 definitions of economic development entity and
22 also the definitions of economic development
23 benefits and a few other things before we would
24 feel comfortable supporting the bill. Thank you.
25

MS. ALEXANDRA HANSON: Good

morning. My name is Alexandra Hanson and I am here representing the New York State Association for Affordable Housing or NYSAAH. We are a trade association with over 300 members state wide who are involved in the production, preservation and management of affordable housing. And I just want to take the opportunity to thank Chair Koslowitz and the members of the Committee for the opportunity to testify today. So, NYSAAH recognizes the Council's efforts and appreciates the efforts. In terms of community development and the intent behind the bill, however we're very concerned about the impact it's going to have on affordable housing and in particular adding an additional, pretty cumbersome court reporting requirement to an already complex process of developing affordable housing that's going to actually inhibit affordable housing development I New York City. So, obviously the intro requires that the New York City Department of Small Business prepare or cause to be prepared, this community impact report on economic and social data related to a proposed project. One of the big

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2 concerns with this is that the costs and the
3 responsibility of creating this report is going to
4 be passed on to developers, particularly in
5 instances where there's no guarantee that you're
6 actually going to be receiving that funding. So,
7 because it's prior to approval of the funding. So
8 that if you're seeking funding and you don't get
9 it approved this is just an added development cost
10 in addition to those who are actually approved for
11 the project. And that this would adversely affect
12 any project that doesn't have the hundred percent
13 affordability exception noted in the bill.

14 Obviously safe, stable, affordable housing is
15 hugely important for a variety of different
16 things, child development, school performance,
17 health outcomes, and also has a significant impact
18 on job creation, economic development, community
19 development. And in addition the affordable
20 housing community does have a strong track record
21 of hiring from the local community and supporting
22 small businesses and small subcontractors and
23 contractors in the neighborhoods that this housing
24 is being built. So, instead really helping to
25 support this this just really adds another road

1
2 block to being able to provide this much needed
3 resource. And in particular, there's a few
4 impacts that we see as very problematic, the first
5 being on small business and emerging developers.
6 So again, the current language allows these costs
7 to be passed along for creating their, be past
8 along to the developers themselves and that, you
9 know, the reality is that the developer would need
10 to hire a consultant for this, you know, we're
11 looking at tens of thousands of dollars per
12 project or per report. And predevelopment costs
13 are already a very significant barrier and
14 challenge for emerging and smaller developers.
15 And this is just going to add another additional
16 obstacle that is really going to
17 disproportionately harm those smaller developers,
18 newer developers who are looking to develop
19 affordable housing and grow their businesses. In
20 addition, there's also the concern that it's going
21 to be very harmful to mixed income affordable
22 housing developments. So, pretty much any
23 affordable housing development that has a
24 commercial is going to be adversely impacted and
25 would be required to submit one of these reports.

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2 And, you know, these commercial corridors help,
3 and the commercial space and affordable housing
4 developments really helps contribute to commercial
5 corridors in the neighborhoods and enables
6 opportunities for local jobs and that that will
7 be, again, adversely impacted. It will
8 disincentives the inclusion of affordable, of
9 commercial space and affordable housing. And in
10 addition, there's already challenges to develop
11 affordable housing particularly in economically
12 distressed neighborhoods where market rents don't
13 really support the development of new commercial
14 spaces. So, there's already existing challenges
15 to creating those spaces and, you know, many
16 developers are very committed to making sure that
17 that doesn't preclude the spaces from being
18 developed. But this just adds an additional cost
19 and an additional challenge to making sure that
20 these areas have this commercial space and the
21 opportunity that they present to create jobs. And
22 finally, this also adversely impacts mixed income
23 developments. So, any development that has a
24 market rate component. And so we feel that mixed
25 income developments can contribute to economic

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2 diversity and also one of the things about mixed
3 income developments is that you can, you diversify
4 your income stream within the affordable housing
5 development overall so that it actually some of
6 the market rate units can go to help supporting
7 the building and making sure that it's more self
8 sustaining so that other public resources are
9 available to preserve and create new affordable
10 housing instead of having to be reinvested in the
11 building. So, we see that as a positive thing.
12 And again, it just adds and additional cost and
13 barrier to the production of this affordable
14 housing. You know, we see affordable housing as,
15 obviously, you know, critically important to
16 communities but also a very important economic
17 driver. We're also very concerned about the broad
18 nature of the language in the bill. And again, we
19 really appreciate the Council's commitment to
20 communities and building thriving communities.
21 And I think that's something that we share and we
22 would love to work the Council to identify ways to
23 address these concerns 'cause we do think, as it
24 stands currently this language will adversely
25 impact affordable housing production in New York

1
2 City. So, again, I just want to thank you very
3 much for the opportunity to testify here today.

4 MR. ROBERT ALTMAN: Good morning.
5 My name is Robert Altman. I represent the Queens
6 and Bronx Building Association and the Building
7 Industry Association for New York City. I also
8 represent a number of small manufactures. So I,
9 in some respects this is taken from both
10 perspectives. And I apologize, I did not hear
11 early, I was, although I was trying to watch it
12 webcam at the office, I missed part of the early
13 testimony, early comments. And if there was some
14 change to the bill that was discussed but is not
15 in the last version I saw my comments sort of are
16 then irrelevant, I apologize for that. Generally
17 speaking I have a long piece of testimony and I
18 don't want to go through the whole thing. You can
19 read it at your leisure. But let me just go
20 through some of the highlights I have on the bill.
21 First, it is, it does cast a wide expanse of the
22 different programs that it does. It catches all
23 the as a right programs and the logistics of
24 actually doing such a report on these would be
25 quite lengthy. If you had to put in an economic

1 benefit received on the - - if you read 421-A and
2 all those other programs. That would be quite
3 problematic because there are a number of
4 applications made each year. And I'd estimate the
5 ICAPS [phonetic] are 500 and not only that, you
6 cannot measure the on ICAP, you cannot measure the
7 economic development benefit if, until the year
8 after construction is complete, especially in a
9 renovation project that's going to be next to
10 impossible to provide. And each program has a
11 different process, so the concept of getting
12 approval before it's given and this and that is
13 sometimes difficult to, in fact, implement under
14 this legislation, logistics just don't work. And
15 one other thing, again, with respect to things
16 that are, deal with discretionary versus non
17 discretionary, one of the reasons why the SFI
18 programs exist, well not, it's okay, that's, I
19 remember, going on, based on early versions 'cause
20 the way I read it, I feel that it would. Let's
21 then move on to IDA, which I know is one of the
22 issues that gets impact under this bill. Each
23 month IDA has a hearing when any project that's
24 come before it. And a lot of the IDA projects, I

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2 know you like to focus in on some of the larger
3 ones but I'm, most of those projects that you
4 would see that go before IDA every month are, in
5 fact, small businesses who are making decisions on
6 where am I going to relocate my business? And
7 they, it's not such a long, drawn out process. I
8 have one entity I'm representing right now where
9 they're trying to make a decision whether to
10 relocate to New Jersey, stay in Manhattan or move
11 to the boroughs. Once it makes this decision it's
12 already talked to IDA, it says, well, we don't
13 know. But it's going to sit there and make it's
14 decision and it's going to need its approval fast
15 because it has to get out of its lease in
16 Manhattan. A long reporting requirement will just
17 guarantee that they probably move to New Jersey.
18 And so, I could tell you that this happens time
19 and time again because probably 90 percent of your
20 IDA projects are these small businesses. So, you
21 look at this, and then the next thing then, is
22 when you go to have that hearing every month,
23 there is, generally it's four to eight pages of a
24 report done on each project. It contains much of
25 the information that's already in here or

1 requested by the bill. However, there's a number
2 of different things here that are, in a sense,
3 speculative. And if you force that cost, IDA
4 already charges the business \$5,000 just to apply.
5 Most of your as a right programs, by the way, are,
6 I think the most expensive one I, that's not based
7 upon square foot, which is just 500 and then you
8 have 2,500 which is a very large - - cost savings
9 program project. So, you have an expensive fee
10 used by IDA to go do its own report. Now you're
11 going to have a whole bunch of speculative things
12 which maybe require me to hire a real estate
13 consultant, this and that, which are going to take
14 a lot more to a longer time and exponentially
15 increase the cost to the agency. So, all of a
16 sudden that small business, which is maybe 30, 50,
17 70, 80, 90, that's the typical IDA project, but
18 whether the Barclay Center or anything else like
19 that. You've got that project, all of a sudden
20 IDA becomes a process which they're looking at and
21 saying, what? I don't know if I want to be part
22 of this. I don't know why, if I want to stay in
23 New York City and it becomes a problem. I would
24 advise that the Council send a representative to
25

1
2 these IDA hearings. For the most part I only
3 attend when I have a client who's participating
4 and it's usually a small manufacturer. Every
5 month, usually early in the month and I usually
6 don't see anybody from the Council. And so I
7 would advise you to send a representative, at
8 least pick up the reports. So, I mean, okay [off
9 mic] really, I didn't see you there but I'll look
10 for you next time. So, pick up the reports,
11 you'll see it, distribute it to the impacted
12 Council Members. But I, you know, frankly at the
13 hearings where they actually have the hearing and
14 they have the board meeting. When they have the
15 board meeting, frankly, if something pop up at
16 that hearing which there's an issue, you know, the
17 borough presidents have a representative on the
18 board. Trust me, being behind the scenes, if the
19 borough president has a question or anything else
20 like that or a Council Member has a question we
21 are scrambling to get an answer as a business for
22 them. So, it is something where we are sensitive
23 to those respects. I understand it, when you're
24 looking at it, as I said, a large project, a
25 Willet's Point, a Barclay Center, Kings Bridge

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2 Armory, but when you get to the standard
3 businesses that are moving and taking part of IDA,
4 what you're doing will be basically saying, don't
5 be in New York. I can tell you that right now, I
6 mean, in a lot of respects when I look at some of
7 these bills that have been introduced in the past
8 year and I tell them, what are you going to do if
9 they do this? 'Cause I help businesses get some
10 of these breaks. I sit there and tell them, I
11 guess I'll go learn New Jersey, Connecticut and
12 Pennsylvania because I know that that'll be
13 attractive elsewhere, 'cause New York's a tough
14 place and an expensive place to do business. New
15 York even, even the boroughs. Even the boroughs
16 can be very expensive. I mean, If you're
17 delivering into Manhattan you've got the cost, the
18 trucking cost and things like that. You know, New
19 York's one of those rare cities where intra city
20 you have to pay bridge tolls on various things and
21 that's a giant impediment to economic development.
22 I know we talk about putting tolls in so that but
23 it's very rare in most cities to have into the
24 city, going from, you know, Camden to
25 Philadelphia, yeah, you're going to pay the toll

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2 but New York's one of those cities where you
3 actually have bridges within the city and bridges,
4 you know, it's a cost, it's a cost. I mean, it's
5 much cheaper to go outside and still put, it can
6 be cheaper to go outside and if you're coming in
7 from Jersey, pay the bridge toll in New Jersey,
8 over the George Washington and such. So, there
9 are, you know, factors that make New York City an
10 expensive place to do business, transportation and
11 things like that. So, these tax breaks are very
12 useful for businesses.

13 CHAIRPERSON KOSLOWITZ: I want to
14 call on Council Member Lander.

15 COUNCIL MEMBER LANDER: Thank you,
16 Madam Chair. One question on these economic
17 development benefits and one on affordable
18 housing. So, I think one question that, you know,
19 I think you know is a lot of the literature and
20 kind of nationally raises questions about the,
21 sort of, race to the bottom approach of tax
22 breaks. That it's pretty easy and I recognize
23 you're absolutely right and New York is a high
24 cost business environment to do business. And we
25 want more businesses. So, those things are

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2 certainly true. But, it also seems to be true
3 that, you know, if every municipality just, you
4 know, competes to offer a tax breaks then no one
5 collects any taxes and the businesses gain the
6 system. And so I wonder, one challenge for us is,
7 and this again, this report is trying to get added
8 although I appreciate that it, that they're, it's
9 imperfect. What really is the value? How do we
10 know when to do it? What are we really measuring?
11 How do we know if this is the best use? I mean,
12 maybe we should say, it's not even any of those
13 tax breaks of the site, the kind of ICAP and these
14 giveaways and instead, invest in infrastructure to
15 make sure that the, you know, our bridges aren't
16 crumbling and a range of other things that
17 businesses need and I feel like today we don't
18 have really good ability to evaluate the smart
19 return on economic developments and subsidies and
20 that's one of the reasons why, I think, at least
21 community impact report would give us something.
22 But if you don't think that's the way to do it
23 could you help us think about, and I appreciate
24 you have clients and your job is to get them the
25 breaks. So, I mean, you should but how should we

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2 think from a policy point of view about what's the
3 smart use of a dollar of either forgone tax
4 revenue or it's direct subsidy has the smartest
5 way in investing in economic development and
6 growth that will achieve the outcomes that we
7 want.

8 MR. ALTMAN: From my, looking at my
9 clients who I deal with and looking at them
10 afterwards for, particularly when you're looking
11 at relocation from Manhattan, where about the only
12 thing you really get in terms of break if you
13 would not have any benefits would be probably in
14 the rent because electricity remains the same.
15 Lot's of things were made the same, is the fact
16 that they, when they have that cost of relocation
17 it's a tremendous burden on them. And a lot of
18 them try to actually, and I try to advise them
19 against this but I understand why, 'case it's not
20 so easy to get financing for a move. So, the tax
21 break, for example, - - commercial expansion
22 program and then later, because those are - - that
23 show as cash. And then the energy cost savings
24 starts, really does make the relocation of a
25 business much easier. Additionally, when somebody

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2 is looking at how to make their plan more
3 efficient it is very useful to be able to say
4 that, okay, I'm going to do a renovation and now
5 with the new ICAP program the first 15 percent o
6 the increase is not a tax break, it's actually the
7 City gets 15 percent of it. You're looking at
8 something wehre basically you're saying, I'm
9 looking to invest in the city to improve my plant
10 but often when you do that there's the risk of
11 getting reassessed and watching your tax break
12 off. You're still paying on the base but you're
13 not, and you're paying about 15 percent on the
14 increase but above that it's useful to know you're
15 not going to get totally hammered. And that's the
16 usefulness for a person that's - - . I mean, you
17 could argue a little bit on the new construction
18 but the fact of the matter is it is an entity
19 looking to say, do I want to invest in this city?
20 And it's a major investment to do a new
21 construction in the city. So, you have those
22 components of it for the business but literally
23 I've had, and recently it's a large business that
24 moved out to Long Island City in terms of 75
25 manufacturing jobs wehre the owner literally said

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2 to me, she goes, thank god, I'd be out of
3 business. I didn't realize how much the move
4 cost. Because also when you do the move, usually
5 what I tell people is that whatever you estimate
6 the cost of your move, add 50 percent. 'Cause the
7 construction cost is going to be more, the moving
8 costs are going to be more than you think. I'll
9 give an example, if you need a lot of electricity
10 chances are that the plant doesn't have - -
11 pulling in new electricity is extremely expensive.
12 So, these breaks really do help these businesses.
13 I deal with it on a daily basis for them and there
14 are people who come on the out years and want,
15 this was a very tough stretch of years, this was,
16 especially in manufacturing. There was an apparel
17 manufacturer who literally said, I'm in business
18 still 'cause my business is beginning to pick back
19 up again. But I would not have survived the
20 recession without the breaks. Literally not
21 survived, you're looking at 50 employees out of
22 work. And the flipside this on this idea, because
23 that's another area that you want to focus on,
24 they do a very comprehensive look at your payroll.
25 They want to see it. They want to see how much

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2 you're paying every one of your employees. You
3 know, in some respects living wage debate was a
4 semi false debate. They weren't giving, maybe
5 Fresh Direct was in some respects the outlier but
6 almost everything else, they're looking at, they
7 want to make sure you don't have people really
8 making, you know, \$8.50 an hour and such like
9 that. They're looking for it to make sure they
10 generally pay well. Now, maybe two or three jobs
11 out of your 70 jobs that are below the living wage
12 rate, yeah, that may be. You know, the only thing
13 that a business gets concerned about is, okay, I
14 have to raise them up. Do I have to go then raise
15 everybody else up 'cause people grumble from a
16 office politics standpoint. But for the most part
17 IDA does really look at that. That really is part
18 of its analysis, so the respect that you're
19 worried about the jobs. You know, and are you
20 getting value? That's there, plus the other thing
21 is, IDA, technically it's analysis is a but for
22 analysis which means but for this benefit you will
23 not relocate it to New York City or keep your jobs
24 in New York City. You need this job to do your
25 development. So, as a result, and you have to

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2 provide proof of that, so as a result, if you're
3 wondering is it there, now, if the but for
4 analysis right, we can argue on it.

5 COUNCIL MEMBER LANDER: And I just,
6 you know, I'm a lot of my shape of thinking on
7 this was shaped by, you know, the Planet Money did
8 their most recent This American Life podcast, how
9 to create a job and honestly what it mostly
10 persuaded me is, and I just maybe would like to
11 ask the same question of Ms. Wilde. You know, I'm
12 sure if I looked at each individual one of these I
13 would want the company to get the break because I
14 want them to stay and yet some days I think, you
15 know what, we should do away with all of them and
16 invest the money in the city's infrastructure and
17 the other things that we need. And we are making
18 decisions dollar for dollar. And the, one of the
19 goals of this bill was to give us better, I mean,
20 you know, I think what you're saying it does it's
21 job, is a lot of what this report wants. So...

22 MR. ALTMAN: But what you'll wind
23 up is the following. If you all of a sudden
24 create the, you want to incentivize certain areas,
25 certain fields and IDA does, look, it doesn't do

1 every project, not every manufacturer will it
2 grant benefits to because the idea is what is it
3 for the mix of jobs in this city, okay? So, in a
4 lot of respects you're goal, we often talk about
5 the immigrant population but in these
6 manufacturing jobs, a lot of it is the immigrant
7 population. So, if you make it so less
8 competitive so they want to move to New Jersey you
9 don't, you're basically saying well, in this
10 respect we're not going to have the
11 diversification of the jobs that we want to be
12 able to take care of the larger--

14 COUNCIL MEMBER LANDER:

15 [interposing] Although I do want to flag that if
16 they're doing it for the IDA anyway and they're
17 looking at what kinds of jobs are being created
18 and having a report where you tell us about it
19 doesn't seem like a giant additional burden
20 that'll chase someone to New Jersey. [crosstalk]
21 Let me, I, with respect to my colleges and the
22 Chair I just want to ask one last question about
23 economic development, I mean, about affordable
24 housing and I recognized that what, I mean, what
25 you guys would like is either the bill not to pass

1 or for affordable housing to be cut out of it.

2 But, you spoke to the issue of local hiring and

3 Ms. Hanson, you said something that I guess I just

4 really want to ask about where the data is. It's

5 not my experience, at least in any way that we've

6 been able to see, quantify or have any evidence of

7 that the affordable housing investments do hire

8 locally and create jobs and career paths for

9 people and that's true, honestly, in both the non

10 profit and the for profit affordable housing

11 sector. It is something that's on the one hand

12 gets quite contentious here because as you know,

13 the unions come in and they would like us to make

14 every affordable housing prevailing wage and

15 they'll promise us then they can tell us who gets

16 everyone and that there are constituents and

17 you'll tell us that'll mean there's no affordable

18 housing. But it is reasonable to want that

19 actually these big investments in affordable

20 housing that the city is making do create local

21 jobs with good career safe, decent jobs with

22 career pathways and there's a lot of reason to be

23 worried that, in fact, folks get picked up on the

24 street corner, that they don't have health

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1 insurance and they're dropped off at emergency
2 rooms. Now, maybe that means they're at least
3 local but we don't really know and I have not seen
4 honestly a meaningful concerted effort from the
5 industry to do something about that. And, of
6 course, if there's nothing done about it, then, of
7 course, we're going to hear more about prevailing
8 wage or making a normal sector union. That seems
9 to be if there was a meaningful effort to make
10 sure that there was real local hiring and career
11 path building, out of the hundreds of millions
12 we're spending on affordable housing we could make
13 some real progress somewhere in the middle but I
14 haven't seen it. So, I wonder if that's something
15 you guys are thinking about and, if not, would
16 start thinking about in advance of more strong
17 legislation.

18
19 MS. HANSON: Sure, so, for example
20 in terms of where they sort of aggregated data is
21 that I would have to follow up with you on 'cause
22 I'm not--

23 COUNCIL MEMBER LEVIN:

24 [interposing] I mean, you said it was happening in
25 your testimony.

2 MS. HANSON: Yeah.

3 COUNCIL MEMBER LEVIN: And I've
4 never seen any evidence that it's happening
5 presented either by NYSAAH or by NHD and I have
6 seen lots of evidence presented, in fact, workers
7 are - - and they're dropped off at the emergency
8 rooms and that they're cheated of their wages and
9 I haven't seen anything presented on the other
10 side. Here is how many are local, here's what
11 they're being paid, here is how many are being
12 able to move up a career path, at all.

13 MS. HANSON: So, I don't know where
14 it, where I, aggregated data is coming from. I
15 would have to follow up with you on that. In
16 terms of the local hiring and the commitment to
17 local subs, that's based on, you know, my
18 understanding and the experience of the work done
19 with our members and the membership that we have.
20 I mean, in terms of, sort of, like, a quantitative
21 analysis of that I would need to follow up and
22 look at where that would be. [off mic]

23 MR. ALTMAN: - - that's now wear my
24 Queens and Bronx building hat. We help fund in a
25 number of different organizations of our members

1
2 help fund, La Guardia Community College has a
3 program designed to take people and to give them
4 training for jobs so they can work in construction
5 sites and such and be, not just really entry level
6 in a sense when they are in the college program we
7 try and get them summer jobs and things like that
8 where they can actually work and get experience so
9 by the time they can graduate they're a fairly
10 skilled worker. And we've literally spent, it's
11 hundreds of thousands of years, so I guess at this
12 point in time the program is, what, about six
13 years old? Probably in the millions of setting up
14 this program and funding it at LaGuardia Community
15 College. So, we do that in order to create a
16 worker base that is a skilled worker base. In
17 addition, we also work with HPD and a number of
18 different entities to make sure that minority
19 contractors are being used and things such as
20 that. So, we could work on that - -

21 COUNCIL MEMBER LANDER: We
22 definitely get some reporting on minority and
23 women business contracting. I've never seen a
24 stitch on the workforce. And I guess I'm just, we
25 don't need, I'm going to go back where, you know,

1
2 we'll see what happens with this bill but this is
3 an invitation to the industry to get proactive
4 about workforce linkages if you'd rather not have
5 us put together and affordable housing linkages
6 requirement bill. So, we can just leave that, I
7 mean, we can follow up offline and talk in a more
8 detailed way about it but this is an issue that
9 isn't going to go away and there's a lot of
10 progress that could probably be made, you know, I
11 thought--

12 MS. HANSON: [interposition] Yeah.
13 And so there are some studies on the - - versus no
14 union policy and [crosstalk] Yeah. And we can get
15 you that. But in terms of the, but the other
16 thing that I did want to follow up on that isn't
17 actually--

18 COUNCIL MEMBER LANDER:
19 [interposing] I'm just telling you if you, I mean,
20 you can think about it strategically as an effort
21 to prevent us from passing a prevailing wage bill.
22 But if that's what you do is come lobby us not to
23 pass a prevailing wage bill instead of showing how
24 you put serious effort into building job pathways
25 we're not going to be as - - .

1
2 MS. HANSON: [crosstalk] Can I
3 just, of note actually, I think, is that the
4 program that you're talking about, there's, you
5 know, the Buildings Skills New York program that
6 is a partnership amongst a variety of different
7 partners that provides opportunities for both
8 NYCAAH and non NYCAAH residents to train in a
9 variety of skills in terms of affordable housing
10 and then be placed on jobsites in affordable
11 housing with pathways to careers. And actually
12 there was a recent event that we had surrounding
13 this where one of the people who had done this,
14 you know, had gone through the program, you know,
15 was now trained and basically an electrical
16 apprentice and is in training to be a master
17 electrician. And so it does really provide
18 pathways and there are those opportunities.

19 MR. ALTMAN: I would also point out
20 that in terms of what you're discussing some of
21 the activities is, in a sense, criminal activity.
22 And I remember during the debate on Intro 630
23 people, unions coming in and discussing certain
24 parts of it where it was a union job. So, they
25 were paying the union wage and they were worried

1
2 about kickbacks and things not, people not
3 receiving, even though it was union, supposedly
4 union labor. So, I mean that, this was made as
5 document for all - - 'cause remember the
6 affordable housing projects over the past few
7 years of the stimulus bill had to be Davis Bacon
8 [phonetic]. So, because they were, in a sense,
9 there was a gap in financing and they came on.
10 So, a lot of those examples that keep coming out
11 were actually coming out on union jobs.

12 COUNCIL MEMBER LANDER: And I'm
13 done with my questions. I didn't want to make
14 this a debate about prevailing wage or union, I
15 guess what I wanted to say is the spirit of this
16 bill is to help us do more to leverage the
17 economic investment we're putting into affordable
18 housing for low - - job creation and we are far
19 from doing as much as we could. So, if you don't
20 like this bill or other approaches I think if we
21 could work together to do substantially more to
22 make that happen, we'd all be better off. So,
23 thank you, Madam Chair and I apologize. [off mic]

24 COUNCIL MEMBER REYNA: I just, I
25 understand completely, Madam Chair. I just wanted

1
2 to reference that last example you just mentioned
3 was the very developer who the City of New York,
4 despite that particular wage fraud issue, issued
5 the land for city owned land to the same developer
6 to continue developing housing in my district.

7 And that had to be pulled out and that's the delay
8 on affordable housing as well. So, that he city
9 has to do a better job holding accountable a lot
10 of the benefits connected to, or the wage issues
11 that are presented in order to clean house because
12 they're not doing so and what they're doing is
13 rewarding the bad apples.

14 MR. ALTMAN: And I agree with you
15 and I have to think that we have to make sure that
16 we make sure that anything that's not as - -
17 history, we have to make sure that anything done
18 is a surgical strike rather than throwing out the
19 baby with the bathwater.

20 COUNCIL MEMBER REYNA:
21 [interposing] We still don't have affordable
22 housing on that site.

23 MR. ALTMAN: And that's a shame.

24 CHAIRPERSON KOSLOWITZ: Thank you,
25 very, very much for your testimony. I'd like to

1
2 call on Bettina Damiani [phonetic] Ted De Barberi
3 [phonetic] and Maya Pinto. [background noise] And
4 if you can please summarize your testimony. If
5 you could summarize your testimony I would
6 appreciate it.

7 MS. BETTINA DAMIANI: Hi, I'm
8 Bettina Damiani and I'm Director of Good Job New
9 York. This lively discussion today, Good Jobs New
10 York keeps track of how the City allocates
11 economic development subsidies and since our launch
12 in 2000 we have worked to provide more information
13 and transparency around how many of these
14 substitute programs you were talking about today
15 could be more transparent and include community in
16 their decision making. I just want to bring up,
17 instead of responding or quoting my testimony I
18 want to make some points responding to the EDC
19 testimonies today. First of all, congratulations,
20 you are not here at the moment but it turns, seems
21 like there was quite a few city folk that turned
22 out in response to this. But one of the
23 overarching points I want to make is there was
24 some discussion about whether the EDC partners
25 with the communities. And I can tell you in some,

1
2 in many of the experiences that we've worked with
3 that's not the case. In fact, if you go to a
4 court room you will see EDC is at the table with
5 developers and the community is on the other side.
6 So, much of the movement around CDC isn't around
7 engaging communities and providing good jobs for
8 them, often it's about real estate development and
9 working very closely with that very dynamic
10 industry that includes the financial industry and
11 the real estate world. There is one area that I
12 will agree with EDC on but maybe for different
13 reasons is the 30 day notice, not exactly sure how
14 this would play out in real life but the 30 day
15 notice seems like it's not enough. Because I
16 think what we're all hoping these reports would do
17 is try and change the dynamics of how big projects
18 happen. And 30 days before money is going to hit
19 the ground for a project, in theory, is not enough
20 time. and I can tell you that will only become a
21 hurdle that developers in the real estate industry
22 will figure I had to jump through. If you don't
23 have enough community on the front end. And it
24 was a little bodacious for the City to start
25 talking about how Kings Bridge Armory was such a

1 success on their recent announcement. I would
2 argue that one of the reasons why the second round
3 of Kings Bridge Armory went through so well
4 compared to the first round is because the
5 community engaged the developer. The community
6 had been working around that project for 20,
7 almost 20 years. So, to think that this was
8 somehow a great Bloomberg administration feat I
9 think is something that we really should question.
10 We should focus instead on how the community had
11 - - worked with community members and elected
12 officials for a very long time to figure out how
13 that project could benefit their constituencies,
14 not just land values. The fact they say this is a
15 burden on Council staff and other agency staff,
16 the amount of time and effort that the Council and
17 all of us and community groups and lawyers spend
18 trying to fight a project I think is, I would love
19 one day to be able to try and pare these down.
20 When this come through hopefully we can say, this
21 is actually a more efficient way to do development
22 instead of this fighting. People want projects
23 happening in their neighborhoods. We want to make
24 sure that there are good quality jobs coming
25

1 through. And what happens is then we just get
2 this reputation in New York that nobody wants
3 anything, it's exactly what Council Member Lander
4 was saying before, that it comes out with just
5 fighting for scraps. If everybody's at the table
6 together we have a more efficient development
7 policy and that will reward many other folks. The
8 conversation around prioritizing local hiring. We
9 have a tremendous workforce development system.
10 And, you know, we can talk about whether it's
11 constitutionally acceptable or not but I don't
12 think it's brain surgery to think that if you're
13 getting a subsidy over a certain amount of money
14 that you should at least be required to post your
15 jobs at the Workforce One Centers. And if that's
16 happening I'd love to know how well it's working
17 and if it's not figuring out whether it's Link or
18 Hire or whichever of these other programs could be
19 more efficient way to do that? Speaking of Sandy,
20 I'm sorry, Council Member Richards isn't here.
21 This is a really opportune time to talk about and
22 engage in communities. With Sandy we have to
23 realize that the dynamics are going to change. I
24 mean, the administration in one of their proposals
25

1
2 for CDGB funds is called a neighborhood game
3 changer that is bringing, I, trust me, bringing
4 heartache to many communities where we've seen the
5 neighborhoods totally changed. EDC IDA took away
6 Albie Square Mall and now put in City Point.
7 There are Willet's Point. There are many, many
8 examples of where the heavy handedness of EDC has
9 truly changed neighborhoods. But the jobs that
10 have gone in the place of what was there before
11 primarily are low income jobs. My testimony goes
12 into long about what's happening in the Bronx
13 around Fresh Direct and Yankee Stadium. Yankee
14 Stadium, we had ULURP, we had the IDA hearings
15 that we're talking about. Those were totally
16 taken advantage of because it was already set in
17 stone. So, existing public hearing processes are
18 not working. Maybe there was a way we can try and
19 get them to work better but right now this is a
20 conversation we need to be having. If everything
21 the EDC said they were doing to engage
22 communities, and I know I'm not allowed to ask you
23 questions but I'm going to make a random guess
24 that none of you know that Fresh Direct was
25 thinking about up and leaving 2,000 jobs out of

1
2 Queens and bringing them to the Bronx. But they
3 didn't, but people didn't know that beforehand. A
4 press release went out, people on the ground in
5 the Bronx and in Long Island City weren't told
6 that this project was going to come through. They
7 were not at the decision making table. If this
8 project does get the subsidies, which I'm hoping
9 they don't because the community has hired
10 attorneys and they are doing exactly what I was
11 talking about before, EDC is on the same side as
12 the developers and the company that we should know
13 about this. They should have known this was going
14 to come through. Is this an appropriate site?
15 Maybe there's a better location for them. So the
16 conversation needs to happen much earlier and one
17 other point about Sandy I want to bring up. Yes,
18 the EDC and the IDA have really gone leaps and
19 bounds on transparency, there is no question about
20 that. We now can have a conversation about what
21 are the kinds of jobs at Yankee Stadium? What are
22 the kinds of jobs at Fresh Direct? Where we're
23 lacking is having a conversation about who puts
24 those projects together and who really benefits
25 from them? So, with the, all this money coming in

1
2 for Hurricane Sandy I was feeling optimistic,
3 maybe naively so, that some of the program that
4 the IDA and the EDC started very shortly after the
5 hurricane was the sales tax exemption break and
6 the grants and loan program, that we would have a
7 sense of who's getting those funds. The IDA and
8 the EDC, I don't know if anybody's still here have
9 literally gone on lockdown. They will not tell
10 anybody who's received sales tax breaks and who
11 has received the grants and the loans. Now, I
12 think this for two reasons, one, they don't think
13 there are as many people or companies
14 participating as they would have liked. And then
15 the other reason they're saying is because some of
16 the grants and loans, which they get the loan
17 program, is attached to private money, Goldman
18 Sachs and other foundations, financial
19 institutions, have supplemented that program. So,
20 they don't need to tell us because it's private
21 money. The future of economic development, many
22 people believe, is in the public/private
23 partnership world of things. If we don't set on
24 this standard now that anything that has public
25 money in it is open to good transparency and

1
2 accountability then all the had work that groups
3 like Good Jobs New York and the Urban Justice
4 Center and folks on the ground in the Bronx have
5 done for years to try and make accountable
6 economic development happen is going and it's
7 going to be because of Hurricane Sandy. It's
8 going to be a totally different change. And I
9 recognize that there's a new bill hopefully coming
10 through that will go through but it needs to be
11 clear that even if there's private money in a pot
12 of public money that, public - - should be able to
13 see that as well. So, thank you very much.

14 MR. TED DE BARBIERI: My name's Ted
15 De Barbieri, the Staff Attorney at the Community
16 Development Project of Urban Justice. Thank you
17 very much for the opportunity to speak today. We
18 agree that this is very important legislation. I
19 work with community groups in Kings Bridge and in
20 Willet's Point. This legislation will get the
21 type of information that they need in order to
22 engage the developers on behalf of the community.
23 So, this is very important. We're in strong
24 support of the bill. We have two suggestions to
25 make the, that we think make the bill stronger.

1
2 The first is to broaden the definition of
3 financial assistance. We think that it should
4 include any time that the City either through the
5 BSA or through City Planning is making a project
6 approval or granting a permit. I'm going to say
7 that the two suggestions, and I'm going to talk
8 about some examples for why we think that's
9 important and then I'm going to finish. So, the
10 first is changing financial assistance to be able
11 to a little bit broader, to include some types of
12 approvals that we think are very important. The
13 second is that we think it's important to add a
14 provision to include the estimated value or the
15 increased value to private land that the city
16 approvals will yield. The examples that I think
17 illustrate these two suggestions, the first is the
18 Madison Square Garden permit that's going through
19 City Planning right now. In a recent hearing one
20 of the City Planning Commissioners asked the
21 Madison Square Garden company representatives what
22 the increase in value of the permit, if granted,
23 will yield? And they said that, and the response
24 was, not only do we not know what is it but even
25 if we did know, we wouldn't tell you. Frankly,

1
2 that's unacceptable for an organization that's
3 seeking a permit from the City, that's, the City
4 being the public, the representative of the
5 public, not, for the company not to even provide
6 that type of information, this legislation, if you
7 broaden the financial assistance definition would
8 include something like that, which we think is
9 very important. Willet's Point is another
10 example, we talked about it earlier with the
11 Council Member Ferreras. The, in this instance
12 there's, related is asking to build a 1.5 million
13 square foot mall on parkland. And there is no
14 estimate provided by the developer about what that
15 value of that ULURP, if approved, allowing them to
16 build the mall will yield. We need to know this
17 information. And the arguments that this is, that
18 it's not available or they don't have it I think
19 are false, clearly. Kings Bridge Armory is
20 another example. We were able to get the
21 information that this bill would require from the
22 developer. We had a partner on the other side in
23 the developer. And the community and the
24 developer were able to come together on a local
25 hire and when there's a private agreement between

1
2 the developer and the community through a CPA this
3 works. This type of information would help that
4 happen in other communities around the City. Just
5 two points to address from the previous panel.
6 I'll speed it up. The square, I think other
7 pieces of legislation have a minimum square
8 footage to address some of the smaller developer
9 concerns and so I think that's something that the
10 Committee might consider. Thanks. [off mic]

11 CHAIRPERSON KOSLOWITZ: All right.
12 This concludes this part of the testimony. Now
13 we're going to go to resolution number 1257,
14 introduced by Bronx Borough President Ruben Diaz,
15 Jr. [phonetic] which resolved that the Council of
16 the City of New York calls for further improvement
17 in the consideration of health impacts in the
18 administrations decision-making relating to real
19 estate development projects, plans and policies
20 specifically by utilizing health impact
21 assessments and by increased collaboration between
22 the Department of City Planning, the Economic
23 Development Corporation and the Department of
24 Health and Mental Hygiene. I'd like to call
25 Thomas Lukiani [phonetic] up. You'll, Michael

2 Johnson, Monica Cherucci [phonetic] you'll help me
3 out when you mention your names, and Karen Armits
4 [phonetic] [off mic] Okay, if you?

5 MR. RUBEN DIAZ: Good afternoon.

6 Good afternoon Chairperson Koslowitz and the
7 Members of the Economic Development Committee.

8 Thank you for the opportunity to testify this
9 afternoon. I'd also like to thank Council Member
10 Foster for introduction Reso 1257 on my behalf.

11 The resolution calls for an improvement in the
12 consideration of health impacts in the City of New
13 York's decision making process related to the
14 development and infrastructure projects. A health
15 impact assessment requirement will facilitate an
16 atmosphere where economic development provides and
17 maintains the stature of our world class city
18 while considering the potential health
19 implications of those projects for New Yorker's.

20 I put forward this resolution because I believe
21 that health implications must be explicitly
22 measured when promoting economic development so as
23 to promote long term health. Utilizing health
24 impact assessments and increasing city wide
25 collaboration would do that. Significant

1
2 improvements to public health can only occur if we
3 consider health impacts as we modernize our
4 policies, programs and projects, particularly in
5 the sectors that have traditionally seen as
6 unrelated to health, such as agriculture, housing,
7 transportation and then economic development. As
8 Borough President I've shown that economic
9 development projects can thrive while also making
10 quality of health and sustainability as part of
11 the equation. They are inherently linked, not
12 mutually exclusive. You can see that commitment
13 to economic development by walking through the
14 streets of the borough, the Bronx. We are a
15 burgeoning county with cranes on every corner. I
16 led the fight to keep the Hunt's Point Cooperative
17 Market from moving to New Jersey and as a result
18 we have secured commitments of \$137 million of an
19 anticipated \$350 in renovation costs from the City
20 and State, not including the \$25 million dedicated
21 from the Federal Government. We will modernize
22 and create a greener, more sustainable Hunt's
23 Point. My office is working hard to ensure the
24 future of Hunt's Point is greener and healthier.
25 As part of my capital budget I have contributed \$1

1 million towards the creation of an alternative
2 fueling station in Hunt's Point and another \$1
3 million towards site remediation at the Harlem
4 River Yards. Moreover, we recruited Smith
5 Electric Vehicles to move to the Bronx so we can
6 convert more of the commercial fleets of the Bronx
7 to either low or zero admission trucks. In fact,
8 Fresh Direct is also committed to transition into
9 a one hundred percent green transportation fleet
10 over the next five years. To start, they have
11 already ordered ten electric delivery trucks from
12 Smith Electric. My office has a proven track
13 record funding sustainable housing projects.
14 Since I became the Borough President over one
15 third of all capital and investments are dedicated
16 to housing initiatives. We have dedicated
17 \$52,374,000 in funding and they have led the way
18 in building lead, certified projects whether
19 residential, commercial or institutional. Our
20 strict environmental guidelines have not deterred
21 private/pubic capital investment in our borough,
22 and in fact, have facilitated growth in the Bronx.
23 My office is committed to strengthening and
24 growing economic development in a smarter and
25

1
2 healthier way. I am not the only one calling for
3 the implementations. Similar work is already
4 underway across the United States. Government
5 agencies such as the San Francisco Department of
6 Public Health, Wisconsin Department of Health
7 Services and the Philadelphia Department of Public
8 Health and outside groups such as Health Impact
9 Partners have pioneered the use of health impact
10 assessments and planning decisions. As the
11 largest metropolis in the nation and with one of
12 the lowest carbon footprints per capita is our
13 responsibility to continue to champion the health
14 and wellbeing of our great city as we develop
15 economically. Moreover, Philadelphia has included
16 health language statistics recommendations written
17 into the City's comprehensive plan, Philadelphia
18 2035. They have developed health promoting
19 developmental incentives, requirements and adopted
20 HIA guidelines into the zoning code. I am
21 committed to ensuring that our economic
22 development takes health outcomes into account. I
23 believe the HRA's can be used as a risk management
24 tool for businesses. This additional measure will
25 create healthier workplaces, healthier families

1
2 and ultimately a healthier and more sustainable
3 New York City. Reso 257 is a step towards
4 building and more tools that allow us to curb
5 disease, prevent long term health problems and
6 increase economic vitality of our city. Thank
7 you, Madam Chairwoman for the opportunity to
8 testify. If you have any questions I'll be able
9 to answer those.

10 MR. ARTHUS JOHNSON: Madam Chair.

11 I would like, my name is Arthur Johnson. I'm a
12 member of Mott Haven, section of the south Bronx.
13 I believe there was a little bit of an
14 understanding as to, 'cause I also support the, or
15 my organization, South Bronx United, supports the
16 bill, 438-A. And I also, the resolution that's on
17 the table at this point and I want to discuss it,
18 my testimony which I have given but I do want to
19 elaborate on why we support and what we think also
20 should be incorporated in the bill and the reason
21 why we support this resolution. First of all, you
22 know, the community impact report reporting
23 structure is so important because the community of
24 South Bronx and Mott Haven was not given the type
25 of respect to projects EDC and IDA tried to force

1
2 upon our community without real community based
3 input. I am currently a member of the community
4 board and a land use subcommittee which had never
5 received any formal or advanced notice of this
6 project. We heard about this project, like,
7 mentioned earlier by Councilman or Council Members
8 of how it was first administered or mentioned in
9 the newspaper as being a done deal two days before
10 the very first public hearing did IDA and EDC
11 actually gave. And it was as cursory, at most,
12 public hearing when most of the communities that
13 had opportunity did come to that hearing it was,
14 you know, it was an hour hearing. It, we already
15 had an idea that it was a done deal but we weren't
16 given the respect to say, well, can this be held
17 'til some more people in the community can come
18 out and speak against this project. And what's
19 wrong with this project is a couple things. When
20 you talk about health impacts are you talking
21 about the impacts on the communities that have not
22 been addressed. And while we feel not only is it
23 important to look at economic improvements but
24 also look at how will it affect the current
25 businesses that are there when you try to give one

1
2 entity, like, Fresh Direct \$127 million to move to
3 a location where it could potentially hurt
4 economic opportunities that's already there or
5 economic or brick and mortar grocery stores that
6 are already in that location. Can it, does it
7 have a risk of shutting down some of the small
8 stuff. Does it have a risk or what is the risk
9 being evaluated to the health of the community
10 when we, it's well known that the South Bronx has
11 an asthma epidemic. And we have eight times the
12 average of asthma health related illnesses. So,
13 what's the health impact looked at in terms of the
14 cost to Medicare or taking care of the community
15 that is in really, an epidemic state. And when
16 you're trying to bring in a thousand more diesel
17 truck trips to a community that already has 15,000
18 diesel truck trips going through it per day. When
19 you're looking at Hunt's Point Market and also the
20 Industrial Corridor around the Harlem River Yard.
21 So, not bringing in the community from the start
22 when these projects are initially, are being
23 investigated when looking at the potential. If
24 you don't get involved in from the start then you
25 have situations where you have right now more than

1
2 40 non profit NGO's have signed in opposition to
3 this project. We have over 1,000 signatures on a
4 boycotting Fresh Direct because the community was
5 not involved in the initial planning process of
6 this project. And how it will affect our health
7 and that's one good reason for his resolution.
8 How economic development projects affect the
9 health of the community. And if the community
10 there has an epidemic of asthma, high levels of
11 obesity, high levels of diabetes, and not look at
12 it how, how any types of, how this project could
13 play a part in that is something that needs to be
14 looked at and I commend Council Member Vann for
15 coming up with the Legislation to make sure that
16 community impacts are looked at more carefully and
17 not just, and I think it should be, added to that,
18 the health impact of that and also the impact of
19 the cost for health related illnesses that this
20 can potentially hurt, how it can potentially hurt
21 the community and also how it will effect the
22 businesses that are already there, similar to the
23 one that you're trying to bring into the
24 community. And how, will it adversely affect the,
25 you know, their ability to sustain their

1
2 businesses. Or will they put people out of jobs?

3 So, thank you.

4 CHAIRPERSON KOSLOWITZ: I just want
5 to tell you. I have a special place in my heart
6 for the Bronx. I was born in the Sound View
7 section of the Bronx and went to school in the
8 Bronx. So, I have a special place in my heart for
9 the Bronx. I lived on Boynton Avenue.

10 MR. JOHNSON: Thank you. I mean,
11 it's really heartening to see, you know, how many
12 children are really suffering with asthma related
13 illnesses. And things need to happen. I think
14 the City needs to recognize it as an epidemic
15 because it has been well documented. We all know
16 there's serious problem. And to bring in
17 projects that are only going to exacerbate that
18 problem should be carefully looked at and that's
19 why I, we really support this bill because we
20 think bringing the community to begin as maximum
21 possibility as possible. It's only going to
22 strengthen our communities, strengthen their, the
23 oversight of the Council and helping our local
24 communities. Thank you.

25 MS. MONICA CERUCCI: Hello, my name

1 is Monica Cerucci and I work, I am a policy
2 associate at the New York Academy of Medicine.
3 So, I'll kind of go through my testimony very
4 quickly because some of it has been iterated
5 before. So, the New York Academy of Medicine,
6 NYAM, is an independent, non profit organization
7 that addresses health challenges facing the
8 world's urban populations through
9 interdisciplinary approaches to research,
10 education, community engagement and policy
11 leadership. Our current priorities include
12 creating environments that support healthy aging,
13 strengthening systems that prevent disease and
14 promoting the public's health and working to
15 eliminate health disparities. It should be noted
16 that NYAM never supports any piece of policy
17 unless there is an extremely strong evidence base.
18 So, we are here in support of Resolution 1257
19 because of the large place based disparities in
20 quality of health and behaviors that contribute to
21 health outcomes in New York City. And so we
22 believe that this resolution will help improve
23 collaboration and, throughout, among city agencies
24 to ensure that real estate development project
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1 plans and policies contributed to the advancement
2 of positive health outcomes. And so, if you live
3 in Harlem, Washington Heights, parts of Queens,
4 South Bronx or Central Brooklyn you're surrounded
5 by some of the highest rates of obesity, diabetes,
6 asthma and cancers in the country. You also have
7 poor access to healthy foods, to nutritious foods
8 and are less likely to be physically active.

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10 However, if you lived just a few miles away below
11 97th Street in Manhattan you're among the
12 healthiest people in the country and you are more
13 likely to walk. And so why is that? So, public
14 health research tells us that these disparities
15 exist in part because of the built environment, so
16 this is the physical surroundings that we interact
17 with on a daily basis. This physical environment
18 strongly influences our behaviors and even our
19 ability to lead healthy lives. Infrastructure
20 development can affect air quality, water quality,
21 nutrition, access to parks and transportation
22 among many other health related impacts. The HIA
23 is an important tool to assess the effect of
24 proposed projects on neighborhood health and ways
25 that will help prevent and manage high rates of

1 preventable chronic disease and promote health.

2 It has been found that thoughtful community design
3 can encourage social inclusion in neighborhood
4 safety which also helps address violence and
5 injury prevention. So, integrating public health
6 considerations early into the real estate and land
7 use planning processes is a critical step to
8 achieving sustainable development that promotes
9 healthy people with lower healthcare expenditures.

10 And this, in turn, contributes to a stronger local
11 economy. Sorry, I'm sick. The United States
12 Department of Health and Human Services Health
13 Improvement Agenda, Healthy People 2020 recommends
14 that HIA's be implemented to address social
15 determinants of health. So, like, the quality of
16 our neighborhoods and access to healthcare and to
17 advance healthy public policy. The United States
18 National Prevention Strategy also tells us that
19 HIA's can be used to help decision makers evaluate
20 project or policy choices to increase positive
21 health outcomes and minimize adverse health
22 outcomes and health inequities. So, the use of
23 health, of HIA's has already been standardized by
24 many countries because it allows for public health
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2 experts to present information and evidence on how
3 plans, projects or policies may reduce or
4 exacerbate health disparities. In the United
5 States the HIA is growing in recognition as an
6 effective way to plan infrastructure investments
7 that will yield the best possible health outcomes
8 for all residents. Implementation of HIA's by
9 American cities has increased by 800 percent in
10 just the past five years. In Philadelphia, as we
11 heard, is one of the first cities in the nation to
12 integrate HIA's into their comprehensive plan and
13 its Department of Planning and Public Health have
14 collaborated to create a healthy plan toolbox.
15 And so an example, in Oakland, California and HIA
16 was utilized for proposed greenway project in an
17 underserved neighborhood that was heavily impacted
18 by health disparities. The resulting award
19 winning green way plan aims to reduce traffic and
20 improve air quality, increase opportunities for
21 physical activities, strengthen social networks
22 and also to reduce stress and violent crime. In
23 addition to engaging experts the HIA process also
24 engages diverse stakeholders in assessing the
25 health impacts of proposed development by using

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2 quantitative, qualitative and participatory
3 techniques to identify potential risks or benefits
4 to community health. Providing opportunities for
5 community input into the planning process helps to
6 align plans with the needs of the community and
7 engenders greater buy in upon implementation.

8 Employing HIA's does not mean resisting
9 development. In fact, HIA's presents the
10 opportunity to identify innovative development and
11 strategies that will have positive effects on
12 community health and can be replicated in future
13 plans. Because of the strong evidence that
14 improving health through changes to our
15 traditional built environment will support
16 healthier people and economies. The interest in
17 creating healthy communities through design is
18 growing across sectors. Developers in cities that
19 utilize HIA's will be on the cutting edge which
20 makes participating in this process a wise
21 investment for both business and government.

22 Thank you.

23 MS. KAREN IMUS: Good afternoon,
24 Madam Chair and members of the Economic
25 Development Committee. Thank you for the

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2 opportunity to testify today. My name is Karen
3 Imus [phonetic] and I'm a consultant to Doctor's
4 Council SCIU. I'm here to read testimony today on
5 behalf of Dr. Barry Leibowitz, President of
6 Doctor's Council, SCIU, in support of resolution
7 1257. Doctor's Council, SCIU, represents more
8 than 3,500 attending physicians and dentists at
9 most HHC facilities and mayoral agencies,
10 including the Department of Health and Mental
11 Hygiene. A confluence of factors I New York City
12 today highlights the need for closer examination
13 of how economic and real estate development effect
14 a communities healthcare capacity. First, as you
15 know, the city's population has reached record
16 levels. According to recent census results for
17 the first time in more than 60 years more people
18 have moved into the city than out last year and
19 the city's population has reached a record high of
20 more than 8.3 million people. Second, much of the
21 recent growth is the result of immigrant influx.
22 Since 2010 the city has added approximately
23 161,500 people, two thirds of whom are immigrants.
24 Third, as Baby Boomers in New York City age and
25 increasingly receive Medicare benefits this places

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2 greater demands on our healthcare facilities. As
3 neighborhoods change and develop to meet these
4 population needs and shifting demographics the
5 demand for services at New York City's hospitals
6 balloons. This is made all the more challenging
7 in a climate of accelerated hospital closures and
8 consolidations, especially of safety net hospitals
9 across New York. Members of Doctor's Council,
10 SCIU have been working tirelessly across all five
11 boroughs responding to the needs of patients in
12 these rapidly changing circumstances. But much
13 more needs to be done in order to be prepared,
14 especially in low income, medically underserved
15 communities. Doctor's Council, SCIU strongly
16 urges the passage of Resolution 1257. We believe
17 that assessing the impacts on development on
18 community health, health inequities, access, and
19 wait times, among other factors is critical to the
20 vitality of our neighborhoods. And in the long
21 run the measures suggested in the resolution will
22 ensure that positive health benefits are maximized
23 while negative health impacts of development are
24 addressed by the decision making process. Thank
25 you for your time today. [off mic]

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2 Maya Pinto Hi, thank you for the
3 opportunity to provide testimony today. I'm going
4 to speak about the proposed community impact
5 report bill and also the resolution 1257. My name
6 is Maya Pinto and I'm a Senior Policy and Research
7 Analyst and Align, the Alliance for a Greater New
8 York. And Align is a community labor coalition
9 dedicated to creating good jobs to vibrant
10 communities and accountable democracy for all New
11 Yorkers. We're co anchor of the statewide Getting
12 our Money's Worth Coalition which works to create
13 a sustainable, accountable and transparent
14 economic development system across New York State.
15 And we're also one of the conveners of the
16 Alliance for Just Rebuilding which addresses short
17 term and long term rebuilding issues in the wake
18 of Super Storm Sandy. So, all of us here want a
19 New York where people live in vibrant communities
20 and have good jobs, assisting their families. Our
21 government has a responsibility to build a better
22 future for all New Yorkers and that means making
23 smart investments that revitalize the economy and
24 meet the needs of communities as a whole. And
25 while some positive steps have been taken in the

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2 last couple of years our city's track record on
3 economic development still falls far short on this
4 standard. New York City spends a tremendous amount
5 of money each year on corporate subsidies in the
6 name of job creation but too often the jobs don't
7 materialize. Local residents don't benefit from
8 training or quality job opportunities. And local
9 small businesses and residents become priced out
10 of their newly developed communities. And so, New
11 York taxpayer dollars fund over a billion dollars
12 in corporate subsidies each year. In 2010 the New
13 York City Economic Development Corporation spent
14 \$808 million on corporate subsidies. And several
15 other programs also allow tax exemptions and tax
16 credits diverting city revenues that could
17 otherwise be spent on schools, transit and other
18 essential services. And so given that New
19 Yorker's tax dollars fund economic development
20 programs one would think that we would be informed
21 about the companies being subsidized, the number
22 and quality of jobs those subsidies create. And
23 the local workforce and local business impacts of
24 our investment. However, it's difficult to
25 determine if our public investments are working

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2 for us because the City's economic development
3 programs are not asking the right questions. For
4 example, neither the New York City Entrepreneurial
5 Fund nor the sales tax exemption for a
6 manufacturers require subsidy applicants to
7 estimate the number of jobs or salaries, or jobs
8 to be generated. And with the exception of the
9 RIT program the City's as a right programs don't
10 require any job creation goals. So, New Yorkers
11 need to see a return on their very substantial
12 investment in economic development. The City took
13 a step in the right direction by amending local
14 laws 48 and 62 to expand the reporting required by
15 the New York City Industrial Development Agency.
16 And with improved questions and annual reporting
17 the public can see the successes and failures of
18 project in their communities and hold decision
19 makers accountable. And we know that in 2010
20 alone 253 New York City IDA projects receiving
21 nearly \$30 million in tax breaks either failed to
22 create jobs or lost jobs. And so while the City
23 has improved transparency to recapture money from
24 subsidy recipients that have failed to deliver job
25 promises if we were to put into practice, a

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2 process where earlier on in the process there was
3 as complete assessment of the impacts. Perhaps,
4 choices could be made and investments could be
5 made that would actually create jobs. So, New
6 Yorkers deserve to get their money's worth from
7 corporate subsidies, community impact reports
8 would give communities the greater voice in the
9 economic development process. These reports would
10 be a valuable community tool for assessing the
11 anticipated economic and social impacts of their
12 tax dollars. And by asking the right questions
13 from the outset better informed decisions can be
14 made about how, when and where to spend public
15 dollars. Although broader subsidy reforms that
16 improve the performance, transparency and
17 accountability of corporate subsidies at the state
18 level are needed. The City has an opportunity now
19 to lead the way in making local economic
20 development more equitable and more broadly
21 beneficial. And so, you know, new Federal Sandy
22 Relief funds will likely be channeled through New
23 York City's Economic Development programs in the
24 near future, creating greater urgency, really, for
25 improving transparency and community impact tools.

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2 And so now is the time to establish a community
3 impact reporting system. And very quickly, I'll
4 just weigh in on the health impact assessments
5 called for in resolution 1257. The success of
6 subsidized projects should be judged on more than
7 just a narrow set of economic measures. The
8 social and environmental impacts of projects
9 should factor into decisions about where public
10 money goes and Align believes that greater
11 consideration should be given to the health
12 impacts of economic development, particularly in
13 the context of rebuilding after Super Storm Sandy.
14 With climate change and extreme weather part of
15 the new normal we need to carefully assess the
16 health and environmental impacts of our public
17 investments and minimize their carbon emissions.
18 We look forward to expanded use of the health
19 impact assessments and greater collaboration
20 between the Department of State planning, the
21 Economic Development Corporation, The Department
22 of Health and Mental Hygiene, to protect New
23 Yorker's health. Thank you.

24 CHAIRPERSON KOSLOWITZ: Thank you,
25 all very much. And say hello to the Borough

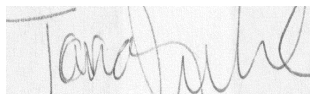
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President. [off mic] The Meeting on Economic
Development is adjourned.[background noise]

C E R T I F I C A T E

I, Tara Juhl certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

A rectangular box containing a handwritten signature in cursive script that reads "Tara Juhl".

Date 5/14/13