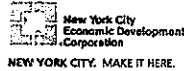




**NEW YORK CITY COUNCIL OVERSIGHT HEARING:
FISCAL YEAR 2008 EXECUTIVE BUDGET**

Testimony by Robert C. Lieber, President, NYCEDC
MAY 8, 2007



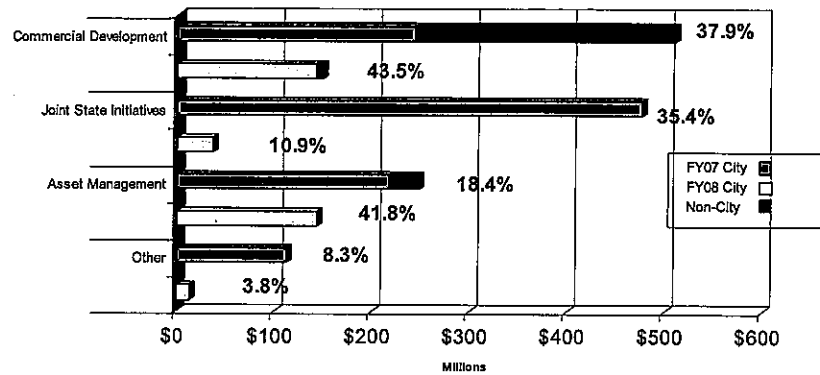
- Good morning Chairman White and members of the Economic Development Committee.
- I am Robert Lieber, President of the New York City Economic Development Corporation.
- I am joined this morning by Jason Wright, our Chief Financial Officer.
- The last time we were before you in March of this year, we presented the New York City Economic Development Corporation's preliminary budget for fiscal year 2008.
- This morning, we are pleased to present final details of NYCEDC's capital budget.
- We will also provide a brief update on significant progress we've made on major initiatives since the last time we met.
- After the presentation, we will be happy to take questions.

Agenda

- Capital Budget
- Major Initiatives Update
- Q & A

Capital Budget Summary

NYCEDC's Capital Budget – FY'07 & FY'08 Budget Total \$1.7 billion

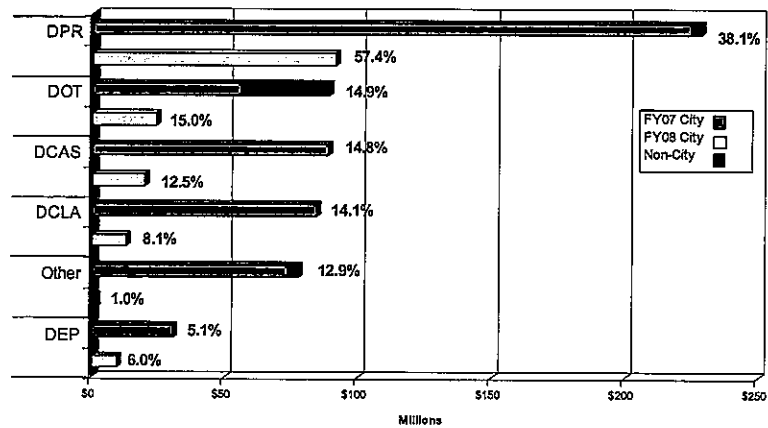


Note: Percentages reflect portion of total FY07 or FY08 budget respectively.

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Capital Budget Summary

Other City Agency Budgets Managed by NYCEDC –
FY'07 & FY'08 Budget Total \$758 million



Note: Percentages reflect portion of total FY07 or FY08 budget respectively.

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The first graph captures elements of NYCEDC's capital budget, which totals \$1.7 billion and consists of the following components:

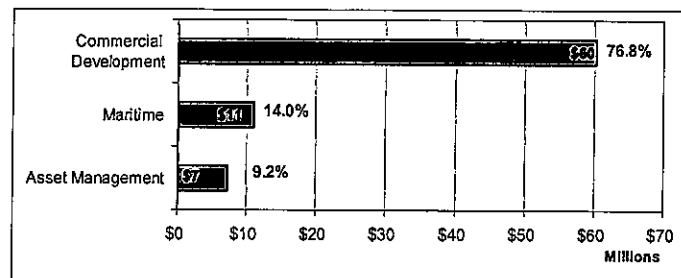
- A representative sample of projects within the 'Commercial Development' line includes Downtown Brooklyn (\$82 million), BAM Cultural District (\$65 million), Homeport Redevelopment (\$55 million), Coney Island (\$33 million), and Long Island City Streetscapes (\$11 million). For FY '07, NYCEDC's commercial development budget is \$244 million; for FY '08, the commercial development budget totals \$142 million. The FY '07 and '08 commercial development budget also includes \$275 million of 'non-city' funds. This amount represents allocations for such projects as the East River Waterfront in Lower Manhattan (\$137 million), Bush Terminal Open Space (\$34 million), East River Science Park (\$27 million), and Jamaica Station and Airport Access (\$25 million).
- The 'Joint State Initiatives' component includes projects such as Javits Center (\$350 million), Atlantic Yards (\$100 million), and GIPEC (\$65 million) and totals \$515 million. It is important to note that the City's contributions leverage equal or greater contributions from State and federal sources to create a whole greater than individual contributions.
- The 'Asset Management' portion of the budget includes major industrial and waterfront properties that NYCEDC manages on behalf of the City as well as the overall City property portfolio (markets, etc.) for which NYCEDC has responsibility. This line totals \$362 million across both fiscal years. Examples of these projects include Manhattan Cruise Terminal (\$163 million), strategic improvements for the Brooklyn Army Terminal (\$25 million) and Bush Terminal (\$18 million), improvements to properties at Hunts Point (\$21 million), and \$20 million for the reconstruction of the bulkhead at Sheepshead Bay.
- Finally, the 'Other' line item references Funding Agreement projects mostly sponsored by City Council and Borough Presidents. A representative sampling of projects in this component of NYCEDC's capital budget, which totals \$125 million, include: The Alianza Dominicana (\$9.8 million), Bedford Stuyvesant Restoration Corporation Plaza renovation (\$5.3 million), Jamaica Parking Lot (\$2 million), and the Apollo Theater renovation (\$1.7 million).

The second graph captures capital budget projects that NYCEDC manages on behalf of other City agencies.

- These expenditures include capital projects such as: the Ferry Terminals (DOT), Yankee Stadium & the High Line (DPR), Lincoln Center & the New York Aquarium (DCLA), as well as various funding agreements (DCAS & Other). For FY '07 – '08 this budget totals \$758 million.

New Capital Budget Funding FY'07 – FY'12

The Executive Budget Included an Additional \$78 million for NYCEDC Projects



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Finally, the Executive Budget, announced by the Mayor includes \$78 million, which will be allocated in FY '07 through FY '12 for the following NYCEDC projects:

- Commercial Development:
 - Queens Plaza Garage (\$30.3M)
 - Downtown Brooklyn – Willoughby Square Acquisition (\$10M)
 - Comprehensive Neighborhood Economic Development (CNED) – Bedford Stuyvesant Gateway (\$7.8M)
 - Battery Maritime Building – Renovation of Interior (\$6.5M)
 - BAM Cultural District – Acquisition of Salvation Army Building (\$3M)
 - 168th Street Armory (\$2M)
 - Brooklyn Bridge Walkway (\$600K)
- Maritime Initiatives:
 - Brooklyn Cruise Terminal – Pile Rehabilitation (\$4M)
 - Emergency Waterfront Reserve – (\$4M)
 - Manhattan Cruise Terminal – Canopies (\$3M)
- Asset Management:
 - 600 and 200 Food Center Drive in Hunts Point – Building Rehabilitation (\$4M)
 - Brooklyn Army Terminal Elevator Replacement – Phase 1 (\$3.2M)

Agenda

■ Capital Budget

■ Major Initiatives Update

■ Q & A

Major Initiatives Update

- **Green Building Initiatives:**
 - Green Building Consultant
 - Green Industry Desk
 - RFPs require that all projects over \$1M seek LEED Certification

- **M/WBE Program:**
 - Full Time Officer
 - LL129 Goal:
 - 20% of construction subcontracts under \$1 million
 - 22% of professional services subcontracts under \$1 million
 - 120 M/WBEs have received assistance and information from EDC since July 2006

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Our environment is probably the single greatest asset that we all share. NYCEDC has begun to implement ways in which we can share in the responsibility of sustainable development by conforming to Local Law 86.

Just to recap, Local Law 86:

- Went into effect January 1, 2007.
- Impacts over \$12 billion in construction over the next ten years.
- Creates demand for green products and services including:
 - Architects, engineers, contractors, manufacturers, and maintenance workers.

Local Law 86 has helped NYCEDC focus efforts in this area by establishing a Green Industry Desk that will nurture relationships with all types of 'green' businesses and foster 'green' job creation in New York City. The Green Industry Desk will:

- Support private green building development.
- Attract 'green' firms located outside the City to move to New York.
- Institute connections between the venture capital community and local 'green' firms in order to develop new technologies and products.

NYCEDC has also competitively procured a Green building consultant who will:

- Review and evaluate green building strategies and techniques included in RFP submissions.
- Assist development of green goals and guidelines for projects.
- Help projects achieve LEED certification.

All of NYCEDC's RFPs now include a Green requirement:

- All buildings with development costs of over \$1 million must achieve LEED certification.
- All buildings with development costs below \$1 million must work with NYCEDC to incorporate low-cost and cost-effective components into the building design.

Another component of making sure all New Yorkers participate in the opportunities of the City's economy is the Minority/Women Business Enterprise Program (M/WBE).

Program Overview

- The M/WBE program identifies and encourages M/WBE participation on NYCEDC projects through the following activities:
 - Provide support and information to contractors and consultants about procurement and contracting procedures.
 - Assist contractors/consultants expand their lists of certified M/WBE subcontractors/sub-consultants.
 - Build name recognition and capacity of M/WBE firms by hosting networking and training workshops.
 - Increase availability of comprehensive databases of M/WBE firms to encourage vendors and NYCEDC staff to utilize a diverse talent base.

NYCEDC M/WBE Target Goals

- NYCEDC has set M/WBE participation goals on all projects:
 - Funded with City dollars, including Mayoral Capital, City Council Capital, Borough President Capital and City Tax Levy monies.
- Other projects deemed M/WBE target worthy.
- Subcontracts that have an award value of less than \$1 million.

For Fiscal Year '07 projects for subcontract under \$1 million have participation targets of:

- Construction: 20%
- Professional Services: 22%

Major Initiatives Update

- **Willoughby Square Development/Duffield Street:**
 - Completion of 2 ½ year study.
 - Study results indicate Underground Railroad activity in greater downtown Brooklyn area.
 - City will work with City Council, Brooklyn cultural institutions, and community stakeholders on an Underground Railroad commemoration project.
 - City will provide appropriate funding.
- **Piers 7 – 12:**
 - Preservation of working maritime industrial waterfront is top priority.
 - Identifying space to accommodate tenants interested in locating on the piers for and creation of add'l jobs.
 - Siting projects that will retain existing industries and create add'l opportunities for future growth.

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Willoughby Square (Underground Railroad)

Last Tuesday, NYCEDC testified on the results of a 2 ½ comprehensive study of the Duffield Street houses, seven properties that are in the proximity of the proposed Willoughby Square development in downtown Brooklyn.

Although no conclusive evidence was found linking these properties to the historic Underground Railroad (UGRR), the scope and depth of the research indicated a significant amount of UGRR activity in the greater downtown Brooklyn area.

As we stated last week, it is critically important that this history is documented and retained for the education of New Yorkers and all Americans. Forums to provide this type of education do not currently exist in downtown Brooklyn and the City sees this as a prime opportunity to establish appropriate commemoration of the UGRR and all of the freedom fighters who were associated with it.

Piers 7 – 12

As we move forward with plans to acquire piers 7 – 12 from the PANYNJ, the preservation of maritime industrial jobs on this part of Brooklyn's waterfront continues to be a top priority.

Presently, we are identifying space that will accommodate tenants who've expressed interest in locating on the piers and creating additional jobs.

We are also pursuing implementing projects that will retain the area's existing industries while accommodating future opportunities for additional growth.

Major Initiatives Update

- **Willets Point:**
 - **Held public scoping session 5/1.**
 - **Mayoral announcement of master plan for area 5/1.**
 - **Anticipate comprehensive relocation strategy in collaboration with area stakeholders and businesses.**
 - **Ongoing outreach with area electeds and community stakeholders.**

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Finally, in Queens, the Mayor announced a master plan for the Willets Point area and the public scoping for the project was held on May 1.

We anticipate implementing a comprehensive relocation strategy in collaboration with area stakeholders and businesses and we will continue ongoing outreach efforts to the area's electeds and community stakeholders.

Agenda

- **Capital Budget**
- **Major Initiatives Update**
- **Q & A**

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This concludes this part of our presentation; I'll be happy to answer your questions.

Brooklyn Economic Development Corporation



NYC Council Budget Hearings May 8, 2007

Thank you for this opportunity to appear before you today. BEDC thanks you for your ongoing support of our programs and services.

We are here today to ask you for expense funding for our program that helps your districts improve their commercial corridors. As you know, strong retail corridors are the backbone to vibrant neighborhoods. Residents rely on them for convenience goods and services, and want them for leisure activities and dining, so they aren't forced to leave their neighborhoods for these activities. Commercial corridors also provide space for local entrepreneurs to locate and thrive, keeping dollars circulating in the community. Local retail also creates job opportunities for local residents. The city benefits too, in terms of sales and wage tax income.

Yet in many of our commercial corridors, we see high vacancy rates, and a lack of retail diversity, even though Brooklyn, with its high density, provides strong consumer purchasing power for retail goods and services. We know for a fact that Brooklyn is under-retailed. A national retail study underway by the Initiative for a Competitive Inner City, out of Harvard Business School (which we worked with for the ICB study), found on a national basis, that inner cities, as compared to metropolitan areas, had a gap between retail sales and consumer demand of over 35%. Brooklyn, compared to 50 other inner city areas, ranked last in retail penetration, using retail employment as a proxy for retail services.

We need to have a focused effort to help local, New York City Businesses expand into new neighborhoods and improve and organize our commercial corridors. While Brooklyn is doing well in attracting big box stores like Target, Ikea, Kohl's, Lowes, etc., and we have room in Brooklyn for all kinds of retail, we need to make sure that entrepreneurs on our local shopping corridors are given the technical assistance and support to grow and adapt to the changing marketplace created by the influx of new housing and big box competition. Vibrant neighborhoods are not only about their housing, but about their retail streets.

BEDC has been working with several neighborhoods around retail strategies. This fiscal year, we formalized our work into the *Re-NEW Brooklyn* Program, with seed funding from SBS. *Re-NEW Brooklyn* works with local organizations by providing a range of assistance related to program planning, market analysis, business attraction, non-profit incorporation, fundraising, and board development. We have 93 organizations on our target list—from BIDs, to merchant associations, to local development corporations, and are actively working with over 30 groups in one capacity

or another. We are also actively seeking out new groups to work with. A map attached to this testimony locates all the organizations we have identified. But we are looking to work with you and other local leaders to identify other areas of need and the community stakeholders to work with.

We are asking the Council for \$100,000 for **Re-NEW Brooklyn** program. While SBS funded us at \$150,000 this year (including your add-on), we had originally budgeted this program at \$350,000. The SBS RFP for this program, which was issued last week, again caps this program at \$150,000. We count on the City Council to recognize that the SBS funds we receive, while greatly appreciated, are never sufficient for the scope of services our communities demand. There is no need to remind you that there are 60 neighborhoods, 37,000 businesses, and 2.5 million people in Brooklyn. City Council funding will be used for program staff, as well as for the resources needed to serve this program: mapping services, subscriptions to online demographic and business data, and creating an online guide for community development specific to New York City's regulations.

I thank you for your continued support and I look forward to working with you on this program.

Attachments: FY'08 Budget Form
Re-NEW Brooklyn Description

**NEW YORK CITY COUNCIL Expense Request
FISCAL YEAR 2008 APPLICATION FOR EXPENSE FUNDING**

Office Use Only



This application is required for all Expense requests made to the City Council

Deadline for Fiscal 2008 Expense Applications is Friday, May 4, 2007

Mail Form and Supporting Materials to: New York City Council
Finance Division
250 Broadway, 15th Floor
New York, NY 10007
Attention: Grants

Section A: Organization Information

Legal Name of Organization Brooklyn Economic Development Corporation
Acronym (If Applicable) BEDC Federal Identification #(FEIN) 11-2510289
Is the organization a 501(C) corporation? Yes X No

If Answer is No, Section D is Required

Section B: Organization Contact Information

Address 175 Remsen Street, Suite 350 City Brooklyn Zip 11201
Head of Organization Joan Bartolomeo Title President
Phone (718) 522-4600 ext. 13 Fax (718) 797-9286
Email jgb@bedc.org
Budget Contact Person Margaret Nelson Title Director, Real Estate Services
Phone (718) 522-4600 ext. 12 Fax (718) 797-9286
Email mnelson@bedc.org

Section C: Funding Request

Total Expense Amount Request: \$100,000 Contracting Agency: NYC SBS
(Specific Sum Required)

Brief Description of Purpose of Funds (i.e. "peer mentoring," or "senior picnics.") Attach details or background info. Funding will be used to support staffing and general operating expenses related to the *Re-NEW Brooklyn* program (summary attached).

Section D: Fiscal Conduit (Required if you are NOT a 501(C) corporation) **Not Applicable**

For Office Use Only	
Received Date:	Received By:
Award Amount:	Award Signature & Date:
Notes:	



What is *Re-New Brooklyn*?

Re-New Brooklyn is a new initiative of the Brooklyn Economic Development Corporation (BEDC) which seeks to empower local stakeholders to bring about change in their communities. In Brooklyn alone there are over 90 different community organizations working to revitalize their commercial corridors by attracting new businesses, renovating storefronts, and improving quality of life. In partnership with the City's Department of Small Business Services (SBS), the New York City Council, and the US Economic Development Administration (EDA), *Re-New Brooklyn* works to strengthen these organizations by providing them with technical assistance through workshops, consultations, supplementary services, and a resource center.

Workshops

As part of *Re-New Brooklyn*, BEDC had designed a variety of workshops to address the needs of Brooklyn nonprofits performing commercial revitalization. Some of these workshops include:

- *The Executive Director and Senior Staff Peer Advisory Program*, facilitated by Linda Hurwitz
- *Strategic Board Development*, led by the Volunteer Consulting Group
- *Business Ventures for Nonprofit Organizations*, led by the Lawyers Alliance for New York
- *Taking your Merchant Association to the "Next Level"*
- *Fundraising Strategies for your Nonprofit*
- *Nonprofit Website Development*
- *Strategic Planning for Nonprofits*
- *The Best "Main Street": A Best-Practices Workshop on commercial corridor improvement*

Consultation and Outreach

Re-New Brooklyn provides in-depth consulting and outreach services to local nonprofits on a variety of issues, from community organizing to commercial real estate. Through our sub-contracts with the Lawyers Alliance for New York and the Volunteer Consulting Group, we are also able to assist organizations with technical legal issues (including incorporation as a nonprofit) and with board development and diversification.

As a borough-wide services provider, BEDC provides one-to-one support for five SBS core-funded groups and as-needed support for many others.

Supplementary Services

As part of *Re-New Brooklyn*, BEDC is able to offer the following supplementary services free of charge.

- GIS mapping
- Updated demographic information
- Property ownership data

Resource Center

Re-New Brooklyn also acts as a conduit to the wealth of nonprofit resources that exist in New York City, advising Brooklyn nonprofits on how and where to access other resources.

Community Economic Development Council (CEDC)

In addition to *Re-New Brooklyn*, the BEDC continues to host the Community Economic Development Council, a network of more than 150 Brooklyn organizations engaged in all forms of community development. The CEDC consists of quarterly meetings which feature free workshops and presentations, as well as an e-mail listserv to which all members can post information about trainings, events, job openings, and questions. Links to the websites of all CEDC members are also posted at www.bedc.org/cedc.

If you would like to know more or are interested in participating in *Re-New Brooklyn* or the CEDC, please contact Matthew Rao at (718) 522-4600 x25 or mr Rao@bedc.org.

Re-New Brooklyn Target Organizations Receiving City Funding in FY 2007

