

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON LANDMARKS,  
PUBLIC SITING AND MARITIME USES

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HELD AT: 250 Broadway - Committee Room  
16th Floor

B E F O R E:  
PETER A. KOO  
Chairperson

COUNCIL MEMBERS:  
Annabel Palma  
Maria Del Carmen Arroyo  
Rosie Mendez  
Stephen T. Levin  
Inez D. Barron  
Ben Kallos

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

Seth Meyers  
Director of Project Implementation  
New York City Economic Development Corporation

Lydia Downing  
Vice President  
Government and Community Relations Group  
New York City Economic Development Corporation

Andrew Ginn  
Senior Vice President  
Ports and Transportation

Robert Gottheim  
District Director  
Congressman Jerrold Nadler

Carolina Salguero  
Non-Profit Port Side New York

Angel Martinez  
Teamster's Joint Council 6 Teamster

Tom Murphy  
Community Board Member

Ryan Chavez  
Infrastructure Coordinator  
UPROSE

Randy Peers  
Chief Executive Officer  
Opportunities for a Better Tomorrow

Dave Meade  
Executive Director  
Southwest Brooklyn Industrial

Gloria Miloa[sp?]  
Community Board 7

[sound check, pause]

[background comments]

CHAIRPERSON KOO: Good morning. This is Council Member Peter Koo, Chair of this Subcommittee on Landmarks, Public Siting and Maritime Uses.

Joining us today Council Member Annabel Palma, Ben Kallos and Rosie Mendez and also we have Council Member Menchaca and Council Member Lander is here.

On today's items we have Land Use No. 224, Application No. 20155636 PNK, South Brooklyn Maritime Terminal in Council Member Menchaca's district. And today's application is proposed for a 39-year term maritime lease between the City of New York Department of Small Business Services and the New York City EDC for approximately 72 acres of city-owned land known as South Brooklyn Marine Terminal located at 31 39th Street in Brooklyn. And before we start, Council Member Menchaca would like to say a few remarks before we start.

COUNCIL MEMBER MENCHACA: Thank you, Chair, and thank you to the committee, and thank you to everyone that will be testifying. Thank you again Chair Koo for the opportunity to share some remarks about this SBMT Master Lease. This hearing topic may

1  
2 feel a little like deja vu for many of you especially  
3 the committee members. EDC has asked the Council to  
4 approve a Master Lease for SBMT earlier this winter,  
5 but withdrew the application in light of some  
6 procedural and community concerns that we collective  
7 raised. But today we are in a very different place  
8 with the new Master Lease application. EDC came back  
9 to the drawing board to understand the long-standing  
10 needs and concerns of our community. I want to thank  
11 President Kimball and EDC staff and the many Sunset  
12 Park residents, businesses and CBOs who attended the  
13 meetings we facilitated to rethink how we approach  
14 economic development in an area as complex--as  
15 complex and important at the Sunset Park Industrial  
16 Waterfront.

17           This process was built on the shoulders  
18 of the community's self-driven 197-A Plan, which  
19 presented a clear vision for how industrial assets in  
20 Upland residents--residential communities can better  
21 connect. For too long, we have approached planning  
22 and strategy for each of our city-managed industrial  
23 real estate assets in silos. But the framework we  
24 have today sets our community on a new and  
25 collaborative path with EDC. Now, there was always

1  
2 core alignment on the industrial maritime goals for  
3 SBMT. The 72-acre public site poses an unparalleled  
4 opportunity for the maritime activation. With  
5 intermodal connections that make the area uniquely  
6 positioned for a range of uses from barging  
7 operations to ship repair, and other maritime support  
8 services to a large-scale port. But, what has  
9 evolved over the last few months and real commitment  
10 is real commitment to taking a more integrated  
11 approach to the many sites that EDC controls along  
12 the Sunset Park Waterfront. For example, it is  
13 important that we leverage assets that serve regional  
14 economic development goals to also satisfy local  
15 objectives from workforce development to open space  
16 improvements. This new application includes a set of  
17 upfront capital commitments from EDC, including  
18 contributions to a new southern entrance at Bush  
19 Terminal Park; fendering at BAT Pier 4 for docking of  
20 vessels. And amenities at BAT Pier 4 that the  
21 community is long called for.

22           There is also commitment to reinvestment.  
23 EDC will set aside five percent of the revenues  
24 generated out of SBMT into a public purpose fund to  
25 serve the Sunset Park neighborhood. In addition to

1  
2 these investments in public open spaces, we need to  
3 continue to strengthen connections between the Upland  
4 residential communities and the new jobs to be  
5 created on the industrial waterfront. The  
6 administration is already beginning its work to  
7 created a workforce development program that is  
8 targeted at Sunset Park residents to make sure our  
9 community is job ready. And has access to the  
10 training we need to tap into those maritime jobs at  
11 SBMT, as well as the new jobs the Brooklyn Army  
12 Terminal, Bush Terminal, and the private industrial  
13 buildings like Liberty View and Industry City. These  
14 are high-quality industrial jobs.

15           At SBMT, for example, I am very proud to  
16 report that there will be a labor peace agreement in  
17 the RFP for large-scale tenants. These are jobs that  
18 provide meaningful economic pathways. And working  
19 together with agency partners, labor and local CBOs,  
20 we can make sure that those economics--economic  
21 benefits are felt locally. And most significantly--  
22 most significantly, we now have a framework for  
23 community engagement with EDC. EDC has taken a bold  
24 and unprecedented move of restructuring its agency  
25 with the new Executive Vice President and

1  
2 interdisciplinary team to more holistically manage  
3 EDC's assets along the Sunset Park Industrial  
4 Waterfront. This new staff structure will provide  
5 more openness between EDC and the community with on-  
6 the-ground presence in Sunset Park. And alongside  
7 these structural changes at the agency level, there  
8 will be a task force to provide dedicated oversight  
9 from community and local industrial businesses. This  
10 task force will help structure the RFP for SMBT, and  
11 guide short and long-range planning for the area from  
12 parking, transportation to open space.

13 All that said, I believe the framework we  
14 are reviewing today is one to celebrate. I know  
15 there are so many questions about the appropriateness  
16 of a Master Lease for 39 years. We will have the  
17 opportunity to hear from EDC and the value of this  
18 structure. Remember, we have had long-term master  
19 leases at this site before. But time we are talking  
20 about a public operator that is providing a new  
21 manage--a new engagement and reinvestment framework  
22 as opposed to a private operator where we--where we  
23 may not have the same opportunity to develop this  
24 meaningful plan with the community.



1  
2 I look forward to hearing from EDC and  
3 community stakeholders as we move into the final  
4 stages of this Master Lease process. And thank the  
5 Economic Development Committee Chair, Council Member  
6 Garodnick and his staff, the Speaker and her staff,  
7 the Land Use Division and their staff and, of course,  
8 my staff as well, Lee Wellington and Vladimir  
9 Martinez, and remember, we only win through a real  
10 partnership with our agencies. And that is what we  
11 have accomplished through many, many months of hard  
12 work together. So thank you. I'm looking forward to  
13 your testimony today.

14 CHAIRPERSON KOO: Thank you, Council  
15 Member Menchaca. We are also joined by Council  
16 Member Levin and Council Member Arroyo.

17 COUNCIL MEMBER MENCHACA: [laughs] Thank  
18 you, Chair.

19 CHAIRPERSON KOO: The first panel from  
20 EDC we have Mr. Seth Meyers, Lydia Downing, and  
21 Andrew Glenn.

22 SETH MEYERS: Good morning, Chairman Koo  
23 and members of the Subcommittee on Landmarks, Public  
24 Siting and Maritime Uses. Thank you for having us  
25 here today. Thank you Council Member for those

1  
2 remarks. I appreciate them. My name is Seth Meyers.  
3 I'm the Director of Project Implementation at the New  
4 York City Economic Development Corporation. I'm  
5 joined by my colleagues Lydia Downing, Vice President  
6 in EDC's Government and Community Relations Group,  
7 and Andrew Ginn, Senior Vice President for Ports and  
8 Transportation. At EDC, it's our mission to  
9 strengthen the city's economy and generate high  
10 quality jobs for New Yorkers across the five  
11 boroughs. A critical way that we do that is by  
12 repurposing under-utilized city assets to become  
13 vibrant hubs for quality jobs and community  
14 empowerment.

15 I'm here today to update the Council on  
16 the proposed Master Lease agreement between the City  
17 and EDC for 72 acres at the South Brooklyn Marine  
18 Terminal or SBMT, a city-owned maritime industrial  
19 facility in Sunset Park, Brooklyn. After years of  
20 sitting dormant, the city now has a fresh opportunity  
21 on track to bring it to life. A Master Lease to EDC  
22 will allow SBMT to be actively managed and quickly  
23 tenanted. As you know, in December we presented an  
24 outline of a Master Lease arrangement and the goals  
25 we have for SBMT. I'll briefly go through some of

1  
2 the background of vision and goals for a reactivated  
3 SBMT, and why a Master Lease with EDC is the key to  
4 success of the terminal.

5           First, the brief background. SBMT was  
6 built in stages during the 1960s and '70s to handle  
7 marine cargo. Container operations ceased in the  
8 1980s and marine freight operations stopped in the  
9 early 2000s due to severe structural deterioration.  
10 Since then, it has supported several marginal  
11 functions, such as an NYPD tow pound and auto  
12 dealership parking. The site is located in a M3  
13 industrial area. A small portion of the terminal  
14 about 11 acres is already leased to Sims Metal  
15 Management, a contractor that processes much of the  
16 city's metal, glass and plastic recyclables. Over  
17 the last few years, EDC has spent over \$115 million  
18 to improve SBMT and ready it for occupancy by job-  
19 intensive businesses. SBMT is one of only two  
20 general purpose marine terminals in Brooklyn and  
21 Queens. The other is the Red Hook Container  
22 Terminal, which is a Port Authority facility.

23           Effective June 30, 2014, the City's prior  
24 tenant at SBMT, the Access Group, terminated its  
25 lease following two years in court after its parent

1  
2 company declared bankruptcy. Now that EDC has re-  
3 secured control of the facility on behalf of the City  
4 and EDC has worked closely with the Council to create  
5 a development plan that ensures the development here  
6 will proceed in line with community goals. We are  
7 seeking a Master Lease, which will allow us to  
8 quickly activate the site with good jobs in the  
9 maritime industry. Our vision for SBMT is one that  
10 activates the full potential of the site to support  
11 the economic vitality of the Sunset Park community  
12 and provide hundreds of good paying, modern  
13 industrial jobs that are accessible to New Yorkers of  
14 all educational backgrounds and skill levels.

15           In the immediate term, we will bring in  
16 businesses to activate SBMT with short-term permits  
17 to generate interest from the Maritime community and  
18 build a market for SBMT by re-establishing it as a  
19 viable and well functioning port. In the coming  
20 months, we will also RFP the site for one or more  
21 long-term tenants and to invest in the site, and  
22 create good jobs for years to come.

23           Securing the Master Lease is imperative  
24 for three reasons: A flexible well maintained SBMT  
25 will provide good high paying jobs. It will increase

1  
2 the city's environmental sustainability, and it will  
3 facilitate our affordable housing goals. First, good  
4 jobs. For New York City's founding days through the  
5 present the maritime industry has been critical to  
6 our economic stability and growth. Despite its age,  
7 the maritime industry is well situated to combat the  
8 income inequality that challenges modern day New  
9 City, a priority of both the City Council and the  
10 Mayor. Waterfront employment is specialized  
11 requiring all levels of skills from apprentice to  
12 master. Because of its unionized nature, it is also  
13 a reliable source of high-paying blue collar jobs.  
14 Typical starting pay is \$40,000 for a warehouse  
15 worker plus benefits. This grows as the worker gains  
16 skills. Unionized longshoremen salaries start at  
17 \$50,000 per year and average \$80,000 a year with  
18 benefits.

19           We will continue to work with the ILA,  
20 Teamsters and other trade unions to secure good jobs  
21 at SBMT as we do on other waterfront properties. And  
22 make no mistake, we are not alone in trying to  
23 attract these good jobs. The city faces stiff  
24 competition from the rest of the region. 90% of  
25 imported goods reach U.S. borders by ship, and the

1  
2 amount of port commerce has more than doubled since  
3 the early 1990s. This trade is vital to the city's  
4 economy. Yet, this is a huge market that could be  
5 lost to competitive ports in New York--excuse me--New  
6 Jersey, Pennsylvania, and Maryland without the right  
7 management at facilities like SBMT.

8           Second, environmental sustainability.

9 Recently the Mayor, with support from many of you on  
10 the Council, committed the city to an 80% reduction  
11 in carbon emissions by 2050. Shipping by water is  
12 the most efficient method of freight transportation.  
13 One barge can eliminate 60 trucks from local roads.  
14 Shipping by water produces seven times less carbon  
15 emissions per ton than trucking and 20 times less in  
16 nitrogen oxide and sulfur dioxide. By water, a ton  
17 of cargo can travel nearly 500 miles on a gallon of  
18 fuel.

19           When it comes fully online, SBMT will be  
20 a lynchpin to reinvigorating maritime and cross-  
21 harbor freight network between New York City, the  
22 mainland of the United States and the rest of the  
23 world. [cell phone rings] Not only will SBMT be  
24 able to handle a new generation of cargo ships to  
25 import consumer goods and raw materials from global

1 sources, but through an upgraded rail connection SBMT  
2 will be the only marine terminal in Brooklyn, Queens  
3 and Long Island capable of handling ocean going  
4 vessels, barges and rail on the east side of the New  
5 York Harbor. This will take trucks off the roads and  
6 cap a whole new maritime economy to the five  
7 boroughs. At present over 90% of our goods come  
8 through just the George Washington Bridge by truck  
9 clogging up city streets and polluting city air. By  
10 enhancing our maritime freight capacity, SBMT can  
11 provide an alternative to this type of--this way of  
12 moving freight, a major step towards ending truck  
13 dependency. Without this redevelopment and keeping  
14 the status quo, we risk losing out on lucrative jobs  
15 and only gaining more trucks.

17           An act of SBMT also strengthens the  
18 city's resiliency in the face of emergencies and  
19 major disruptions to the city's transportation  
20 infrastructure. In the aftermath of Sandy, we  
21 learned that port terminals would have helped provide  
22 crucial sea-based routes for emergency supplies and  
23 rebuilding materials to reach affected communities in  
24 Brooklyn and Queens. And third, helping the city's  
25 affordable housing goals. Fulfilling the city's

1  
2 affordable housing development goals will require us  
3 to import a large number of raw materials for  
4 construction like lumber, steel and cement. It would  
5 be far more logistically efficient and  
6 environmentally friendly to source these materials at  
7 a marine port facility by water and rail versus  
8 truck. While the efficient movement of freight helps  
9 control prices of building materials generally,  
10 keeping those prices as low as possible is  
11 particularly critical to affordable housing where  
12 there is enormous sensitivity to construction costs.

13           Now, I want to turn to an important  
14 question you may be thinking. Why should we lease  
15 SBMT to EDC rather than to a private company? We  
16 believe that there are three main reasons to proceed  
17 in this fashion. First, our accountability. As an  
18 organization accountable to the City of New York, EDC  
19 has an obligation to manage the site in a way that  
20 reflects the public interest. And to be accountable  
21 to the Mayor and to you in a way that a private party  
22 does not have to be. Second, the maritime industry  
23 is uniquely fast paced and fluid. Maritime companies  
24 need to be able to set up operations quickly, and to  
25 keep up, because these companies do have a lot of



1  
2 options, you need to be nimble. By granting us the  
3 authority to tenant the space quickly like we did at  
4 the Brooklyn Army Terminal and other facilities, we  
5 can match the pace of the industry and ensure their  
6 investments are made in New York and not in a  
7 competitor's court. Third, a long-term future for  
8 SBMT requires the ability to manage the whole site.  
9 Our long-term aim is to find a single ideal  
10 subtenant, but recognize that this may require  
11 constant adjustment working with multiple subtenants  
12 until we find or help make the ideal one.

13           Therefore, EDC needs the flexibility to  
14 lease to multiple subtenants via a Master Lease. It  
15 also ensures that the city will maintain control of  
16 the site even in the event of a tenant's default,  
17 termination or bankruptcy. Over the last few months,  
18 we have worked for the Council, and in particular  
19 with Council Member Menchaca to come up with an  
20 arrangement for the Master Lease that is economically  
21 prudent and responsive to the community. We have  
22 arranged for a 39-year lease term for the Master  
23 Lease with EDC. We have agreed to continue to set  
24 aside a portion of revenues from SBMT. That fund  
25 will be dedicated to economic development and

1  
2 community investments along the waterfront in Sunset  
3 Park. And working with the Council Member Menchaca  
4 to create a community task force to help guide the  
5 use of that dedicated revenue, and other resources  
6 with our investments. As we all can agree, the South  
7 Brooklyn Marine Terminal and the Master Lease to  
8 activate are a great opportunity for the city. It  
9 will secure good paying jobs at a variety of skill  
10 levels. It will improve our freight moving network  
11 offering environmental benefits as well as redundancy  
12 and resiliency. And it will help control the cost of  
13 materials vital to construction and affordable  
14 housing.

15 In conclusion, we ask the Council to  
16 approve a Master Lease agreement for EDC to manage  
17 the South Brooklyn Marine Terminal in Sunset Park.  
18 We want to get to work in bringing this site back to  
19 life, and ensure that Sunset Park's waterfront  
20 continues to thrive. Thank you.

21 CHAIRPERSON KOO: Thank you very much.  
22 We are also joined by Council Member Barron.

23 COUNCIL MEMBER MENCHACA: [off mic] She  
24 has a question.

1  
2                   CHAIRPERSON KOO: Any members have  
3 questions for us. You do?

4                   COUNCIL MEMBER MENCHACA: Yes.

5                   CHAIRPERSON KOO: Council Member Menchaca  
6 has questions.

7                   COUNCIL MEMBER MENCHACA: Yes. And I  
8 want to spend a little bit of time in asking you--  
9 Thank you for your testimony again. Just spend a  
10 little bit of time in as much detail as you can give  
11 us today of the potential tenants of SBMT, and how  
12 EDC would go about evaluating the RFP respondents. I  
13 mean that's an important piece as we think about  
14 moving in the mast lease. You laid out the Master  
15 Lease reasoning, but now let's talk a little bit  
16 about the RFP.

17                   ANDREW GINN: Council Member, I'm Andrew  
18 Ginn, Ports and Transportation at EDC. Last year we  
19 did a market analysis of the potential commodities  
20 that could come to SBMT and the types of businesses  
21 that would be interested. So, initially what we're  
22 looking at is a similar mix of cargoes, roll-on/roll-  
23 off types of cargoes like automobiles and equipment.  
24 Also project cargoes. Project cargoes such as--like  
25 the New York Wheel, like taking large objects off of

1  
2 vessels or barges, and then distributing them to--  
3 around the city. So mostly--

4 COUNCIL MEMBER MENCHACA: Did we count  
5 the wheel project

6 ANDREW GINN: Yes.

7 COUNCIL MEMBER MENCHACA: What is that?

8 ANDREW GINN: Yes.

9 COUNCIL MEMBER MENCHACA: What does that  
10 mean there?

11 ANDREW GINN: So that's the--so that's  
12 jut an example. That's a project on Staten Island  
13 and Saint George, which is a new large attraction  
14 ferris wheel that would be on the Staten Island  
15 waterfront. So because it's a very large component  
16 piece similar to what we saw in Lower Manhattan with  
17 the new Transit Center, which mostly came through the  
18 Red Hook Container Terminal. That type of cargo--so  
19 we call it project cargo--is an excellent near-term  
20 opportunity or long-term opportunity at SBMT. The  
21 types of companies that we're looking at would be  
22 stevedores, naturally and terminal operators. People  
23 who have experience and who are licensed to do--to  
24 offload vessels or to load vessels in New York  
25 Harbor.

1  
2 COUNCIL MEMBER MENCHACA: And just  
3 explain a little bit about in separating the short-  
4 term activation I think we're all aligned to having  
5 as quick as possible. And really understanding what  
6 those short-term plans are--

7 ANDREW GINN: [interposing] Yeah.

8 COUNCIL MEMBER MENCHACA: --for the  
9 activation.

10 ANDREW GINN: So on the short-term side  
11 what we're--what we're interested in is we--we  
12 already have spoken with several companies that have  
13 been chomping at the bit to operate at SBMT. So for  
14 those types of cargoes, like I said project cargoes.  
15 Also cargoes that might be going to construction  
16 projects elsewhere in the city, locally based. And  
17 what we'll do is--is--is look at the types of  
18 proposals that we've received, and negotiate with  
19 those entities for, you know, for a fair deal for EDC  
20 and for the city. Long-term what we'll be doing is  
21 a--issuing a request for proposals quickly. Doing a  
22 competitive bid process. And that would be more for  
23 companies that are willing to invest at SBMT, make  
24 private investments in SBMT and improve the

1  
2 infrastructure beyond which--what EDC has already  
3 done at the terminal.

4 COUNCIL MEMBER MENCHACA: Talk to me  
5 about the relationship between--you mentioned the Red  
6 Hook Terminal and SBMT and what the relationship is  
7 with that site, as you--as the City moves to short-  
8 term activated and in the RFP process long-term  
9 activated.

10 ANDREW GINN: That's a great question. I  
11 love that question because both terminals people  
12 should realize have their strengths and weaknesses.  
13 The Red Hook Terminal's main strength is that it has  
14 deeper water, and it has container cranes. So it  
15 handles containerized cargo chiefly. SBMT has a  
16 little bit shallower water. It doesn't have  
17 container cranes, but it has rail access. So that  
18 intermodal opportunity exists at SBMT that we don't  
19 have at Red Hook. So--but all of those kinds of uses  
20 would have a place on the Brooklyn Waterfront. We  
21 think is very good transportation policy for the  
22 city.

23 COUNCIL MEMBER MENCHACA: And when fully  
24 utilized the 72 acres are kind of on the fifth year  
25 here, and we have respondents that have been

1 identified and they're on site. And we're at full  
2 scale. What--what's the number of jobs that we're  
3 talking about in that--in that scenario as a kind of  
4 maximum opportunity that--that you're all analyzing.  
5

6 ANDREW GINN: And what we--I think we're--  
7 --the number that we have used is in the 300 range,  
8 which is typical for this type of port facility with  
9 all of the different types of functions on all  
10 cylinders. That would be the number that we're  
11 looking at.

12 COUNCIL MEMBER MENCHACA: Okay. I'm--I'm  
13 going to pause here. I'm going to let my colleagues  
14 ask some more questions as well.

15 CHAIRPERSON KOO: Council Member Annabel--  
16 --one second there. Council Member Barron.

17 COUNCIL MEMBER BARRON: Thank you, Mr.  
18 Chair. Thank you for your testimony. You talked  
19 about the rail access. What rail line is that you're  
20 referring to?

21 ANDREW GINN: That is the New York New  
22 Jersey Railroad, which is a wholly-owned subsidiary  
23 of the Port Authority in New York and New Jersey, and  
24 they operate the Car Float operation between New  
25 Jersey and Brooklyn.

2 COUNCIL MEMBER BARRON: Okay, and does it  
3 travel through parts of Brooklyn?

4 ANDREW GINN: It interchanges with the  
5 New York and Atlantic Railroad, which is a short line  
6 that operates all of the rail freight on geographic  
7 Long Island including Brooklyn and Queens and Nassau  
8 and Suffolk Counties.

9 COUNCIL MEMBER BARRON: And can you give  
10 me an idea of what communities it goes through in  
11 Brooklyn?

12 ANDREW GINN: Sure, it runs through--out  
13 of the Brooklyn Waterfront in Sunset Park. Then it  
14 goes through Borough Park, and then it goes up into  
15 Canarsie, a little bit of--it couches East New York  
16 and then in Queens it interchanges at Fresh Pond,  
17 which is Glendale or Maspeth, a little bit of that  
18 area.

19 COUNCIL MEMBER BARRON: Okay. I thought  
20 that we'd be talking about the same area. I do  
21 represent East New York. So I'm very concerned about  
22 what kind of traffic we can begin to see along that  
23 rail line, and what kinds of expectations we have for  
24 communicating with this project and with EDC as it  
25 goes forward. Because now we're going to have trains



2 at some point going through my community. And I want  
3 to know what you would expect to be the number of  
4 trains, the frequency of trains and impact that's  
5 going to have.

6 ANDREW GINN: Okay, and--and I should  
7 point out that that line is currently active.

8 COUNCIL MEMBER BARRON: [interposing]  
9 Yes.

10 ANDREW GINN: It sees about three to four  
11 trains a week. You know--

12 COUNCIL MEMBER BARRON: [interposing]  
13 Yes.

14 ANDREW GINN: --it's relatively modest at  
15 this point.

16 COUNCIL MEMBER BARRON: Right.

17 ANDREW GINN: This--Oh, I'm sorry.

18 [background comment]

19 ANDREW GINN: Oh, okay. No, and we don't  
20 expect that volume to increase greatly because of  
21 this project in the near term. Over time it will fill  
22 in, but there's a lot of capacity on that line that's  
23 currently under-utilized, and we expect to see--

24 COUNCIL MEMBER BARRON: [interposing] So  
25 what is the capacity on that line? We said it's

1  
2 under-utilized. So what could it go up to? We don't  
3 want to be surprised.

4           ANDREW GINN: Oh, from--from--for this  
5 facility, at the current day most of the freight will  
6 be moving west by the Car Float, and you probably  
7 won't see very much of an uptick at all. Because most  
8 of the market for the freight that comes into South  
9 Brooklyn Marine Terminal is going west using that Car  
10 Float. Some--so for instance today the Sims Metal  
11 Recycling facility at SBMT sends its municipal--I'm  
12 sorry, the municipal recyclables in the form of tin  
13 cans go out by rail on a weekly basis. But, they all  
14 float out of the facility. We don't expect traffic  
15 from any of these near-term uses that I discussed to  
16 significantly increase going east from SBMT.

17           LYDIA DOWNING: One thing that I would  
18 add to that Council Member is we'll have a much  
19 better sense of the type of train traffic that we  
20 would be anticipating once we do have some of these  
21 new users on board through the RFP process. So we'll  
22 definitely be happy to reach out to your office once  
23 we have a better sense of exactly what that's going  
24 to look like so we can speak in a little bit more  
25 specificity.

1  
2 COUNCIL MEMBER BARRON: Thank you.

3 LYDIA DOWNING: This is Lydia Downing,  
4 Vice President of Government and Community Relations  
5 Division.

6 COUNCIL MEMBER BARRON: And then in terms  
7 of the jobs, we know that we certainly want to make  
8 sure that we have those workers who are trained and  
9 capable to do the work. So that we can maintain the  
10 safety. And my question is how are we going to do  
11 outreach to communities such as mine, which are--  
12 which have high rates of unemployment so that workers  
13 can get into a very closed system of joining a union,  
14 getting the hours in so that you can be able to be a  
15 part of that union, and then pay your dues and move  
16 forward. So what kind of work is going to be done in  
17 that regard.

18 SETH MEYERS: Well, we do have a  
19 challenge to make sure that jobs are reached out to a  
20 wider array of people, from a wider array of areas in  
21 the City. So we will be looking at both SBMT working  
22 with labor partners for apprentice programs as well  
23 as other facilities in Sunset Park where we are  
24 trying to encourage growth like investments in BAT  
25 and Bush Terminal where there may be different hiring

1  
2 opportunities. And there's a Hire NYC program we  
3 have. We have local workforce development  
4 organizations that we're working with as well as our  
5 sister agency or Partner SBS to create a jobs  
6 pipeline or workforce development program.

7 COUNCIL MEMBER BARRON: Thank you.

8 CHAIRPERSON KOO: Okay, Council Member  
9 Lander.

10 COUNCIL MEMBER LANDER: Thank you very  
11 much, Mr. Chair and I just want to start by saying  
12 congratulations to both Council Member Menchaca and  
13 the New York City Economic Development Corporation.  
14 These are challenging issues, right? This is--it's  
15 not simple to figure out how we secure our city's  
16 long-term infrastructure and economic development  
17 trajectory, the need to invest in infrastructure, to  
18 bring goods in, to think good movement through. It's  
19 not necessarily the thing we always well in political  
20 space. It would be nice if we could have all the  
21 things we want, and all the jobs that we want, and  
22 all just have housing in parks and lovely stores to  
23 shop at. So, they're tough issues, and I appreciate  
24 that that created a dynamic where it wasn't simple  
25 for people to sit down and figure out how to navigate

1  
2 that together. I just want to say having an  
3 administration that really cares about manufacturing,  
4 about infrastructure, about maritime. We've got some  
5 pushing still to do on our zoning around  
6 manufacturing, but that you saw the maritime uses on  
7 the water that the council member shares that.

8           We've got great allies in our members of  
9 Congress, both of whom are represented here today. I  
10 wouldn't take that for granted in political space.  
11 And then to add that we have a council member rightly  
12 with very high expectations for community engagement  
13 around those things. And that even though the issues  
14 are hard, people can talk about them and work on  
15 them, and want more process rather than less in order  
16 to get to some of these exact issues that Council  
17 Member Barron raises and others have raised about  
18 jobs and job quality and access is really important.  
19 And I know it was bumpy to move through it, but I  
20 want to appreciate the style both on the  
21 Administration's side and on the Council's side who  
22 took the time to get us here. We are better off than  
23 if this had been done in a way that people felt  
24 unhappy with several months ago. So I just want to  
25 give a little credit where it's due, and some of this

1  
2 has got to be swept under the table or we pretend it  
3 should have been easy. It was hard because the  
4 issues are hard. It's good to go through it, and get  
5 to a space that people feel good about, and where the  
6 plan is better. So, congrats to both of you.

7           A couple of questions here. One is I  
8 think Mr. Ginn, you spoke rightly to the differences  
9 between SBMT and Red Hook Container Terminal today.  
10 I do just want to clarify that the long-term  
11 possibilities at SBMT are broad, and that the RFP  
12 will contemplate the possibilities of full container  
13 point, which the council member mentioned as one of  
14 the possible uses of that site. And that some people  
15 like the member of Congress have been forthright  
16 advocates for--given the real need. Not for fun, not  
17 even just for the job, but given the needs of the  
18 city to accommodate goods movement. That the  
19 possibility of deep water port and container in the  
20 long term is contemplated in the RFP, and is  
21 something that I support, and that I believe the  
22 Mayor supports. And that in any case will be one of  
23 the things that's, you know, in the RFP and we'll see  
24 what the market thinks, and find operators and what  
25 they think about what should be there. So you might

1  
2 want to make sure those understandings are correct  
3 even though today you're certainly right that you  
4 have to do roll-on/roll-off at the moment.

5           SETH MEYERS: I think that our--our  
6 framework is that there's a long-term planning  
7 process and the RFP is going to try to be broad and  
8 comprehensive and look at range of options that match  
9 what you outline, and I'd like to echo your thanks  
10 also to our Congress Members Velazquez and  
11 Congressman Nadler for his leadership and vision  
12 about this type of waterfront re-use and freight  
13 movement. So, thank you for that. [off mic] I don't  
14 know if you have anything you wanted to add.

15           ANDREW GINN: [off mic] That's fine.

16           COUNCIL MEMBER LANDER: Okay, I'm taking  
17 that as yes on what I said.

18           SETH MEYERS: Yes.

19           COUNCIL MEMBER LANDER: Super and then  
20 one feature that I also feel very good about that you  
21 didn't say as much about, but I feel like it's  
22 wonderful and worth talking about and being  
23 transparent about that Council Member Menchaca spoke  
24 about as the labor peace agreement element here,  
25 which it's my understanding is agreed to as part of

1  
2 the overall framework. I think it's entirely  
3 responsible for the city where--especially where  
4 we're in industries that have typically been  
5 unionized. And that's part of what has confronted  
6 the income inequality in this city, and made those  
7 into good jobs. We obviously have to address Council  
8 Member Barron's issue to make sure there's access to  
9 those good jobs. But it's not a better approach to  
10 let them become bad jobs. [laughs] And we've seen  
11 this, right. We have the--you know, we're looking  
12 at--there was an article this week about the  
13 commercial waste industry. That's what happens when  
14 we let industries become less and less unionized and  
15 protected. What were good jobs can become bad and  
16 dangerous ones, and holding and lifting them up is  
17 part of what we should be doing as public sector  
18 economic development policy. So, will you say a  
19 little more about the labor peace element here as  
20 part of this.

21                 SETH MEYERS: At this point, I don't know  
22 how much more I can expand on it other than to say  
23 again what--again, what you've outlined was correct  
24 that we do anticipate that because it is a maritime  
25 industrial facility that we will anticipate that many



1  
2 of the jobs will be unionize and that we have a labor  
3 peace agreement language that allows some degree of  
4 flexibility. And we will be really discussing  
5 exactly how to phrase that language, and how to  
6 define other aspects like apprenticeship programs or  
7 other key flexible points as we develop this RFP in  
8 collaboration with the task force.

9 COUNCIL MEMBER LANDER: All right. So  
10 just help me understand because I confess I haven't  
11 reviewed all of the papers. So where--what is the  
12 nature of the understanding that we have today?

13 SETH MEYERS: I believe it--it roughly  
14 follows that we are not requiring any workforce to be  
15 unionized. We will push forward living wage as a  
16 minimum requirement. But, we will not preclude union  
17 representatives from having access to the site so  
18 that they can--they can be aware of what's happening  
19 there and see how the site is functioning.

20 COUNCIL MEMBER LANDER: And that's all,  
21 you know, the labor peace agreement and some people,  
22 therefore, prefer to use the term 'neutrality  
23 agreement' doesn't--the city it's no--I'm not going  
24 to--it doesn't commit the city to say we--that the  
25 employer must be unionized.

2  
3 SETH MEYERS: [interposing] Correct.

4 COUNCIL MEMBER LANDER: It says that the  
5 employer many not interfere, must provide access, you  
6 know, to union representatives. And, therefore,  
7 enable the possible--you know, enable a fair  
8 consideration of union operations on the site.  
9 Sadly, in the environment that we find ourselves in  
10 that is often a necessary pre-condition. Because  
11 default is often unfortunately in some industries for  
12 businesses to work hard to deny people their rights  
13 to organize, as we saw in this Council around  
14 Cablevision and around other employers. So providing  
15 that neutrality or labor peace, again, it's, you  
16 know, to me it feels a little sad that we have--  
17 that's a big, you know, just in our public economic  
18 development sites we have to reinforce what should be  
19 the law under the National Labor Relations Act. But  
20 which is too often undermined through bad actors. So  
21 it is--it's not an unfair advantage. It is fairly  
22 leveling the playing field events of what can be the  
23 corrosive influence of unfair attacks. And I  
24 appreciate that you reached an agreement with the--  
25 with the parties who saw that that was an important

1  
2 thing to do. It's not unprecedented. This standard  
3 economic development policy in Los Angeles, for  
4 example, in almost all their economic development  
5 projects. But I appreciate that you found a way to  
6 get it done here, too. Thank you.

7 LYDIA DOWNING: Thank you, Council  
8 Member, and we've been very pleased to work with City  
9 Council and our partners in labor to make sure when  
10 we move forward with an RFP for long-term users on  
11 the site, that significant users would be required to  
12 have labor peace. So thank you.

13 COUNCIL MEMBER LANDER: Thank you very  
14 much. Congrats again to the Council Member to EDC,  
15 to the other who are involved in this work, and thank  
16 you to the Chair.

17 COUNCIL MEMBER KOO: Council Member  
18 Kallos.

19 COUNCIL MEMBER KALLOS: Thank you for  
20 coming before us today. I'd like to just acknowledge  
21 that during the last time this came forward, I  
22 congratulated my colleague Council Member Menchaca on  
23 standing his ground, and he--[cell phone ring]  
24 received a lot of attention for that, which seems odd  
25 to me. But I just want to thank him for having taken

1  
2 a stand for his community, and I think that a lot of  
3 what we're seeing today in terms of a good deal for  
4 his community and investment in the community are a  
5 result of that stand that he took. So I just wanted  
6 to congratulate you and thank you on behalf of the  
7 city and your constituency. Along those lines, I'm  
8 just reviewing the--the last materials that you  
9 brought before us last time. One particular piece  
10 I'm just curious about is the truck traffic. So  
11 before I get into it, is the Brooklyn Terminal, Rail  
12 Terminal connected by--the Brooklyn Army Terminal  
13 connected by the rail to the SBMT?

14 ANDREW GINN: Yes it is.

15 COUNCIL MEMBER KALLOS: Okay. And so,  
16 how--what is the existing capacity of the SBMT?

17 ANDREW GINN: Capacity in terms of rail  
18 car loadings or--

19 COUNCIL MEMBER KALLOS: Just in general,  
20 what is the total capacity? How many--how many tons  
21 can you load onto barges a day with the existing  
22 capacity?

23 ANDREW GINN: Well, that's a great  
24 question. We--we haven't tested those limits in  
25 many, many years, but what we're talking about is

2 being able to handle on average--actually, we had  
3 analyzed that. I want to get the number for you.  
4 We're looking at something about, you know, four  
5 barges per week in general. I think it's an average  
6 of about a little less than one ocean going vessel  
7 per week. And handling say calls by tug boats and  
8 other kinds of vessels, you know, about 280 annually  
9 over a year's time. So, just--

10 COUNCIL MEMBER KALLOS: [interposing]

11 So, according to your materials, one barge is 1,500  
12 tons. So just an extrapolation would be 6,000 tons a  
13 week [ringing phone] is the current capacity.

14 ANDREW GINN: That was just an equivalent  
15 to say that is the payload of a barge. That's right.

16 COUNCIL MEMBER KALLOS: Perfect. And  
17 then, is the planned capacity going to increase or  
18 are you still sticking around that 6,000 tons?

19 ANDREW GINN: Those are the--those are  
20 normal limits for this type of maritime facility, but  
21 we--as Lydia had said before, it really depends on  
22 the types of proposals that we receive.

23 COUNCIL MEMBER KALLOS: Okay. So, is  
24 there going to be any cap in terms of tonnage? Is  
25 it--is the--is the cap really just 6,000 tons? Is it

2 12,000? 24,000? Is it 100,000? Is there--is there  
3 a sky is the limit here or-

4 ANDREW GINN: No, not for a facility like  
5 this. This is a--this is a small maritime facility.  
6 It's big for New York City, but in the scheme of  
7 things when you look at terminals in other places  
8 just, you know, a stone's throw away from New Jersey,  
9 this is a very small regional or local facility. So  
10 we don't see this terminal functioning well at any  
11 higher level than what I just said.

12 COUNCIL MEMBER KALLOS: Okay, so that and  
13 of the traffic--so in order to fill a barge that's  
14 50--58 semi-trucks or 15 jumbo hopper cars, what is  
15 the breakdown that you anticipate of train traffic  
16 versus truck traffic that will be coming into the  
17 SBMT?

18 ANDREW GINN: Truck traffic, which I  
19 think we're most concerned with, we see as being  
20 relatively modest for this type of cargo mix. So no  
21 more than say 60 trucks over a day, over sort of a  
22 12-hour period. Which is a very small level, you  
23 know, given--given background levels of truck  
24 activity. In terms of hopper cars and things of that  
25 nature, it really does depend on the types of

1  
2 commodities they are going to move through. But I  
3 would say, you know, one hopper car is equivalent to  
4 about four truckloads. So, it's one of the things  
5 that we want to foster as more movement of things by-  
6 -by rail and by water, of course.

7           COUNCIL MEMBER KALLOS: Are there any  
8 plans to provide limitations or guidance as part of  
9 your RFP process to limit trucks? At 60 trucks a  
10 day, you're looking at about five trucks an hour,  
11 maybe six trucks an hour. Which means if you're--if  
12 you're living anywhere in proximity, you're looking  
13 at a truck going by every ten minutes and I live in a  
14 district, which has a truck route through it, and we  
15 get much more than that. And we will be getting a  
16 garbage truck every 30 seconds in my district. So  
17 it's something I'm slightly sensitive to, and what  
18 pathway will the trucks take to get here? Are they  
19 going to take the Gowanus Expressway? Are they  
20 allowed on IT 78 or will the be on 4th Avenue, 39th  
21 Street? Which neighborhoods will the be driving  
22 through?

23           ANDREW GINN: Well, first, they're going  
24 to be using the city designated truck route to the  
25 regional highway system. And we're going to say that

1  
2 in the Request for Proposals that they have to stay  
3 on the truck routes. Which are designed to handle  
4 trucks. But more importantly I think we're going to--  
5 --we're going to signal very clearly to respondents  
6 that we are seeking to stay, you know, within this  
7 general level of activity. And it will include the  
8 environmental assessment along with the original deal  
9 for SBMT with the Access Group. Which sort of set  
10 sort of general parameters about what level of  
11 activity passes or doesn't pass a threshold of  
12 significant impact for that type of facility.

13 COUNCIL MEMBER KALLOS: Do you happen to  
14 know where the truck routes will be that will serve  
15 this facility.

16 ANDREW GINN: Sure, I mean off--they're  
17 all mapped by New York City DOT and we will clearly--  
18 clearly put that into the RFP that those are the--  
19 those are the routes that trucks must take.

20 COUNCIL MEMBER KALLOS: Okay. So I guess  
21 I would just reiterate making sure that as much  
22 happens by rail as possible. I would hate to see  
23 that by approving the SBMT what we do is condemn a  
24 neighborhood to a deluge of trucks. Because if we  
25 don't end up with doing most of it by train, what we



1  
2 will end up seeing is 246 trucks to fill each barge,  
3 and--or to fill those barges and that is a large  
4 level of truck traffic for a community that's  
5 already--that we're actually trying to unburden from  
6 truck traffic.

7                   ANDREW GINN: Let me--let me, if I may,  
8 Council Member, just point that central to all of  
9 this is truck reduction. It's using our water going  
10 transportation systems and rail systems to reduce  
11 truck vehicle miles traveled in the city. And that  
12 and to keep in mind that the majority of the cargo  
13 coming into this facility is going to be locally  
14 based. It's for New York City's needs.

15                   COUNCIL MEMBER KALLOS: Thank you very  
16 much.

17                   ANDREW GINN: Thank you.

18                   CHAIRPERSON KOO: Thank you. So I have a  
19 couple of questions for the panel. So how do you  
20 ensure that once the RFP is awarded, how to you  
21 ensure that the jobs are given to local people first?  
22 Or how do you prioritize that? Because you said some  
23 or most of the jobs are union jobs. Does that mean  
24 when members of the union even though they live in  
25

1  
2 New Jersey or Pennsylvania do they have priorities?

3 Because they would this be mostly in the union?

4 LYDIA DOWNING: So, we'll we're going to  
5 be working very closely with our sister agency at the  
6 Department of Small Business Services to ensure that  
7 we have a good jobs pipeline between industrial jobs  
8 that the administration is creating and the local  
9 residents who are seeking them. At EDC we have a  
10 program called Hire NYC where we work with the  
11 respondents to [cell phone rings] our--excuse me.  
12 I'm sorry--respondents to--to our RFPs to put them in  
13 touch with local workforce development organizations.  
14 In terms of union jobs, you know, a lot of these  
15 unions have apprenticeship programs. And one of the  
16 things that we've been talking about is how do we  
17 sort of link up those apprenticeship programs to  
18 local organizations who are working with local job  
19 seeks. And so that's something that is very much on  
20 our mind, and I know we've been speaking quite about  
21 that with the City Council and Council Member  
22 Menchaca on this particular issue. So we'll continue  
23 to work closely with the Department of Small Business  
24 Services to see that pipeline.

25

CHAIRPERSON KOO: Thank you. Council  
Member Menchaca. Do you have questions?

COUNCIL MEMBER MENCHACA: Thank you, and  
again, I just want to reiterate the fact that--okay--  
that we are especially in this subcommittee and  
beyond very interested in this site for a couple of  
reasons. And one of them is the regional impact that  
it has for the city goals. And so, in talking with  
members in the last few months, you've seen  
commitment to the workforce component and ensuring  
that those benefits are felt with the truck issue.  
Because members are feeling these questions, the same  
questions in their neighborhoods. And so, I really  
want to thank the committee and the work that the  
members are doing to really hold you all accountable.  
Which is really now in my last kind of final question  
there's deep, deep suspicion here with the Economic  
Development Corporation. I'm hoping that we, like  
Council Member Lander said, appreciate where we have  
been. And in moving forward, I'm hoping that you can  
assure us, and please to talk to the assurances that  
you will be giving us that the dialogue will continue  
in the way that you understand them. And in the way  
that everyone at home and everyone that's listening

1  
2 in our audience and the Council can understand that  
3 we are assured that these commitments can move  
4 forward in the ways that we've talked about them.  
5 I'd love for you to talk about that as a final piece  
6 before we getting into the testimony from the  
7 community.

8 LYDIA DOWNING: Sure. Well, Council  
9 Member we have been really privileged to work with  
10 you over the past several months to talk about what  
11 this community framework in Sunset Park is going to  
12 look like. I think that your point about  
13 accountability is a good one. We are a large  
14 organization. We have a lot of moving pieces and a  
15 lot of projects, and I think that it's fair to say  
16 that we haven't always been the best about  
17 communicating what we're doing out in the communities  
18 that we are trying serve and help create job  
19 opportunities for. You know, that said I think that  
20 in Sunset Park we have a great opportunity right now.  
21 We obviously have a lot of projects, and we have a  
22 fantastic and engaged community that really wants to  
23 be involved. And talking through how we create those  
24 good jobs, and also ensure that the community that  
25 lives there benefits from those jobs and other

1  
2 projects like the Bush Terminal Piers Park Terminal  
3 that we opened last year.

4           In terms of moving forward, we're really  
5 excited to set up this community task force in  
6 partnership with your office and in partnership with  
7 the Southwest Brooklyn Industrial Development  
8 Corporation to make sure that we have sort of a venue  
9 where EDC is meeting regularly with the community to  
10 talk through the projects that we're working on. You  
11 know, one of the things that we've spoken about is  
12 ensuring that the community has a good understanding  
13 of the goals of the RFP for the South--for the South  
14 Brooklyn Marine Terminal when we do put that out in  
15 the coming months. And I think that there's a lot of  
16 other projects. You know, one of the things that we  
17 love to do is start to have a conversation. You  
18 know, we--we do have a good history of working with  
19 this community. We were very closely involved in the  
20 197-A process. We pulled together our Sunset Park  
21 Vision Plan, which we were, you know, very pleased to  
22 work very closely with the community on.

23           And so, I think we'd love to have the  
24 opportunity to sort of regroup with the Sunset Park  
25 community to talk about what we've achieved since the

1  
2 last time we all got together like this. And then  
3 talk about sort of what other needs are there, what  
4 other opportunities are there, and how can we work  
5 together to achieve them. That's--that's really our  
6 goal, and we're very pleased to be working with your  
7 office to achieve that.

8 COUNCIL MEMBER MENCHACA: Well, thank you  
9 and in this reset moment, let's build that  
10 relationship that I think we all deserve moving  
11 forward and with that, I'll hand it back to the  
12 chair. Thank you.

13 CHAIRPERSON KOO: Okay, Council Member  
14 Barron.

15 COUNCIL MEMBER BARRON: Yes, just one  
16 comment. Really, I echo what my colleague Menchaca  
17 has said about the perception that people have,  
18 members have, residents have of EDC. I want to  
19 commend my colleague for the hard work that he did  
20 for how he stood up under the attacks that came at  
21 him for his efforts to represent his community in a  
22 fair way to make sure that they were not used. But  
23 that they were involved and got the benefits, and I  
24 just want to say congratulations.

CHAIRPERSON KOO: Congratulations,  
Menchaca. Any more questions? So thank you, Mr.  
Meyers and Mr. Ginn and Ms. Downing. Thank you. The  
next panel will be Daniel Riley. Robert--

[background comments]

CHAIRPERSON KOO: Robert Golden--  
Goldstein of Congresswoman Nadler's Office and Angel  
Martinez, and Carolina Sal--Salguero.

[background comments]

CHAIRPERSON KOO: All right, each person  
will have two minutes of the time to speak.

[pause]

CHAIRPERSON KOO: When you're ready,  
please identify--identify yourself and speak. Yeah.

ROBERT GOTTHEIM: Thank you very much.  
My name is Robert Gottheim. I am Congressman  
Nadler's District Director. Unfortunately  
Congressman Nadler couldn't be here today because his  
duties have him in Washington, D.C. I'm going to  
read his statement, which we--which he has prepared.  
Thank you for inviting me here today to join you. As  
you may have known, I've been a passionate advocate  
and a supporter of the Port of New York and New  
Jersey for more than 30 years. I fundamentally

1  
2 believe that an active port is imperative for the  
3 economic vitality of the city and the region. And  
4 that our port must maintain its position of dominance  
5 on the Eastern Seaboard of the United States. And I  
6 strongly believe that Brooklyn must be an integral  
7 part of our port. According to EDC and Port  
8 Authority projections from their 1999 Strategic Port  
9 Plan, port traffic for the region was expected at  
10 that time to increase from 2.5 TEUs, Twenty-Foot  
11 Equivalent Units to more than 10 million TEUs by 2020  
12 and to 17 million TEUs by 2040. In the 15 years  
13 since that port plan, Transatlantic container traffic  
14 has increased much faster than that forecast. In the  
15 last figures we have from 2012, the port did over 5.5  
16 million TEUs that year.

17           We can, therefore, obviously expect  
18 considerable greater business for the port than was  
19 estimated in 1999. If the Port of New York and New  
20 Jersey is going to be able to continue to handle  
21 anything like these volumes, we're going to need  
22 every inch of available land in Newark, Elizabeth,  
23 Howling Hook and Bayonne and Brooklyn. There are a  
24 number of major reasons why revitalizing the Port of  
25 New York and establishing a deep water container port



1  
2 in Sunset Park, Brooklyn is fundamentally  
3 advantageous to New York. First, Brooklyn has key  
4 strategic graph--key geographic advantages over other  
5 regional ports, which is two-thirds of the population  
6 of this region lives on the east side of the Hudson  
7 River. Additionally, unlike Newark Bay and the  
8 Kilvan [sp?]Cove, the waterways needed to reach  
9 Howland Hook, Port Elizabeth and Port Newark [bell]--  
10 Do you want me to--can I finish?

11 CHAIRPERSON KOO: Can you finis up?

12 ROBERT GOTTEHEIM: Yes.

13 CHAIRPERSON KOO: Okay, we have your  
14 testimony so--

15 ROBERT GOTTHEIM: You have my testimony.  
16 Well, I--

17 CHAIRPERSON KOO: You can summarize in  
18 two sentences.

19 ROBERT GOTTHEIM: Well, let me just read  
20 what some of the key parts. You know, one is we want  
21 to very much thank Councilman Menchaca, who we--who  
22 should be congratulated on--today, and that we're  
23 here today in looking at this Master Lease. I also  
24 want to acknowledge the work of EDC--EDC President  
25 Kyle Kimball as well as his team mates and team

1  
2 members James Katz and Andrew Ginn. They negotiated  
3 a very, very good deal for both his council district  
4 and for the city overall. What you see in the Master  
5 Lease Agreement that is before you will assure good  
6 jobs for now, for the future. And also good jobs for  
7 the local community. So I wanted to thank Councilman  
8 Menchaca, the other--his other colleagues who have  
9 worked on this, Councilman--Council Member Dan  
10 Garodnick and Brad Lander who was very much involved.  
11 This is a very good deal, and we're happy to be  
12 supportive of it. So thank you very much.

13 CHAIRPERSON KOO: Thank you. [off mic]  
14 We are running out of time. Can you limit yourself  
15 to two minutes? [sic]

16 DAN RILEY: Yes, some of my skills. Dan  
17 Riley from Congresswoman Nydia Velazquez's office who  
18 also like your colleague Jerrold Nadler is in  
19 Washington. But the Congresswoman is in support of  
20 finding sustainable ways of growing manufacturing in  
21 our industrial zones, and moving freight across New  
22 York Harbor with less reliance on trucks. So the  
23 port industry has been an interwoven part of Greater  
24 New York City's growth historically. And, as we  
25 know, most jobs in this industrial sector play--pay

1 significantly higher wages than those in the service  
2 sector. So these jobs provide an important living  
3 wage base for many communities in the Congresswoman's  
4 district, which spans Woodhaven and Ridgewood,  
5 Queens, Bushwick, Cypress Hills, East New York and  
6 Sunset Park, Red Hook, Brooklyn. So we also need to  
7 find ways of strengthening industrial business zones.  
8 Many of which are connected by rail. And we need the  
9 tools and resources to promote manufacturing, and  
10 this Master Leases is a good step in that direction.  
11 The waterfront industrial areas in the  
12 Congresswoman's district in Sunset Park besides  
13 needing to be protected present the opportunity for  
14 sustainably connecting all of this.

15  
16                   Congresswoman Velazquez's colleague  
17 Jerrold Nadler has helped initiate the Cross-Harbor  
18 Freight Movement Study, which will help us better  
19 understand how these linkages can work. And the  
20 Congresswoman has been happy to work with him and her  
21 colleague, Congressman--Councilman Carlos Menchaca on  
22 the South Brooklyn Marine Terminal, which is the site  
23 of the first industrial park in--in the country  
24 really that integrates rail [bell] freight, piers,  
25 barge. And so, this Bush Terminal is actually part

1  
2 of a bigger complex, which we need to knit back  
3 together. So, in conclusion, we want to recognize  
4 that this is an alignment with the Community Board 7  
5 197-A Plan, the Sunset Park Waterfront Development  
6 principals, which Guy Herman and I were both involved  
7 in 15 years ago, and we're not going anywhere. We're  
8 still here apparently with a few more gray hairs or  
9 less hair.

10 ROBERT GOTTHEIM: Or lack of it.

11 DAN RILEY: Or less hair.

12 ROBERT GOTTHEIM: Less hair. [laughter]

13 DAN RILEY: And then last--last, but not  
14 least, this is not a giveaway, but a transfer from  
15 one agency to another to enable maritime use and  
16 development. Which is outlined well in Appendix C,  
17 and we need to keep growing it. Thanks.

18 CHAIRPERSON KOO: Okay. Thank you very  
19 much. And you're Elizabeth, right?

20 CAROLINA SALGUERO: No, Carolina.

21 CHAIRPERSON KOO: Oh, Carolina, yeah.

22 CAROLINA SALGUERO: Oh, okay. When  
23 you're not using it, is the red light on? Hello,  
24 Carolina Salguero from the Non-Profit Port Side New  
25 York. Port Side is a living lab for better urban

1  
2 waterways, and we combine the working waterfront with  
3 public access and community development, which is  
4 very appropriate for the particular topic. First we  
5 want to commend all the parties who participated in  
6 the creation of the LOI. Carlos Menchaca for his  
7 vision, steadfastness and willingness to bring  
8 multiple parties to the table for future  
9 collaboration, and for listening, for evolving and  
10 for making a strong staff commitment to Sunset Park's  
11 Waterfront in the new restructuring. The Sunset  
12 Waterfront is a regional asset that merits such  
13 focus. We applaud the EDC's commitment to rethink  
14 the way it operates in the communities where it has  
15 assets.

16 I want to speak to the word 'community'  
17 for a second. It's often used to refer to the  
18 residential community and neighborhood. As a  
19 maritime organization, we think at Port Side it's  
20 important to state that there is also a community  
21 afloat, as we call it, the maritime community. And  
22 as a community, it can only be located at the  
23 waterfront. It's a community that often does not  
24 speak up well for itself, and I'm here in part to do  
25 that. We believe that the LOI offers a new template

1  
2 for waterfront management development and community  
3 relations. It speaks well for the future of Sunset  
4 Park and of Brooklyn and a proven example for the  
5 city. It's positive that there's going to be  
6 holistic planning, and that the various EDC sites  
7 will be considered together, and that also there will  
8 be thinking about what goes on inside the fence of  
9 the site and outside the fence.

10           Often, a metric has revenue--rent  
11 generation for the agency, the EDC, but not that kind  
12 of community connection sort of to establish it  
13 structurally. We think it's positive that there are  
14 mechanisms for community input and amenities for the  
15 community. In particular, our understanding is that  
16 the task force for the RFP will also include maritime  
17 experts, and we hope that that then leads to an RFP  
18 that reflects maritime market realities. I want to  
19 stress that the maritime industry, which includes  
20 non-profits like ours with stewardship, has been  
21 straining to grow. I'm going to repeat it. It has  
22 been straining to grow. There's a false notion in  
23 this city often that it's dead [bell] moved to New  
24 Jersey and, you know, doesn't need space. It has  
25 been straining to grow. Since the bell has gone off,

1  
2 and I thought it was three minutes in all honesty  
3 when I wrote my notes. I'm sorry.

4           Resiliency. I want to stress that the  
5 most resilient pier is one that is useful for  
6 multiple users particular boats, vessels and maritime  
7 uses. So activation from a maritime point of view is  
8 important even for a public access pier like Pier 4.

9 And in conclusion, I want to thank Council Member  
10 Carlos Menchaca helping Port Side get a home.

11 Getting a home in Atlantic Basic is one of the  
12 conditions of LOI. We have looked for a home for ten  
13 years. It's our ten-year anniversary this month, and  
14 we are getting a three-year contract in Atlantic Bay.

15 And we hope to program in Sunset Park again on  
16 Brooklyn Army Terminal Pier. And so, we think we  
17 have a lot to contribute, and can now do that thanks  
18 to a very sane LOI. So we thank Councilman Menchaca  
19 and the EDC for working this all out.

20           CHAIRPERSON KOO: Thank you. And Angel  
21 Martinez.

22           CAROLINA SALGUERO: There you go. I  
23 turned it off for you.

24           ANGEL MARTINEZ: You got it? Okay.  
25 First of all, good day to everyone. My name is Angel

1  
2 Martinez, and I'm here today on behalf of the  
3 Teamster's Joint Council 6 Teamsters, which  
4 represents 120,000 working men and women in New York  
5 State, including several hundred members a Field's  
6 [sic] Beverage at Red Hook. We applaud the city for  
7 recognizing the importance of middle-class jobs on  
8 Brooklyn's Waterfront. South Brooklyn Marine  
9 Terminal has long held the promise of good jobs for  
10 the Sunset Park Community. But the lack of a long-  
11 term tenant left that promise unfulfilled. The  
12 Master Lease will place EDC and the City in a much  
13 stronger negotiation position, allowing the EDC the  
14 ability to lease the vacant space quickly while it  
15 prepares for a long-term subtenant. Without the  
16 ability to quickly to respond to market demands, it  
17 will be impossible to compete with terminals across  
18 the bay. The Teamsters Joint Council 16 applauds  
19 Council Members Menchaca, Council Member Garodnick,  
20 Speaker Mark-Viverito, Congressman Nadler and the  
21 Mayor's Office and EDC for working on this complex  
22 issues Building concession and ensuring community  
23 input in a way that both respects and protects the  
24 residents and workers at the maritime port.



1  
2                   Finally, we greatly support the  
3 Administration's commitment of Council Member  
4 Menchaca in promoting labor harmony by requiring a  
5 labor peace agreement for large-scale tenants and  
6 subtenants. Prioritizing the middle-class jobs on  
7 the waterfront would ensure sustainable employment  
8 for New York families. Furthermore, the Teamsters  
9 are committed to hiring locally from the community,  
10 and I myself being from the parts in the Bronx  
11 became a Teamster at Coca-Cola 24 years ago. We urge  
12 the committee to support EDC's and SBMT's Master  
13 Lease Agreement. Thank you for your time and  
14 consideration, and to add a quick word from the  
15 community [bell] [Speaking Spanish] Gracias.

16                   CHAIRPERSON KOO: Thank you. Muchas  
17 Gracias. The next panel--

18                   ROBERT GOTTHEIM: Just one--one if I may  
19 just I wanted to just say one thing that I didn't get  
20 to do in my testimony. This was a very collaborative  
21 effort, and what you see is unique and it's here that  
22 from elected officials, from the state, the federal  
23 government with, you know, Congressman Nadler and  
24 Congresswoman Velazquez to your officer to the city,  
25 the state, the borough president, everybody was

1  
2 involved in this process. So I think it's a win for  
3 everybody. So thank you for your input and thank you  
4 for all the elected officials for your--

5 CHAIRPERSON KOO: [interposing] Thank  
6 you, we're running out of time. Now, please.

7 ROBERT GOTTHEIM: Yeah, no problem.  
8 Thank you.

9 CHAIRPERSON KOO: The next panel will be  
10 Mr. Tom Murphy, Ryan Chavez, Randy Peers, and David--  
11 David Lease--Lis--

12 [pause]

13 CHAIRPERSON KOO: Please identify  
14 yourself and then--and start. Please, we're under a  
15 ruling of two minutes for each person because we're  
16 running out of time here.

17 TOM MURPHY: I put a suit on. My name is  
18 Tom Murphy. I am speaking for myself. I am a member  
19 of the Community Board. I grew up with, in Sunset  
20 Park and remember it when it was a manufacturing  
21 centers. A friend of mine his father was the foreman  
22 for the Canco Factory, American Can, at the foot of  
23 43rd Street and First Avenue. There was a labor  
24 force of 495 on the factory floor. He was the--my  
25 friend Ed Conan was the foreman. Never mind how many

1  
2 else, and there was a fleet of trucks that used to  
3 come past house. That building the last action we  
4 have on the board that building was going for the  
5 warehousing of records from the Police Department and  
6 the Manhattan DA. There may be a score of jobs  
7 there. It's a wonderful building. It's being lost,  
8 but I am for whatever is happening with this South  
9 Brooklyn Marine Terminal because anybody who can get  
10 revenues out of flood plain and jobs should be  
11 congratulated.

12           I am very much concerned that a week or  
13 so ago I listened to Congressman Nadler explain that  
14 there really is a need for a 300-acre container port  
15 in Sunset Park. It's that simple. So, you know,  
16 this is--you know, this is like a better discussion  
17 of what's planned. We also have, as I explained, one  
18 time here tectonic plates moving at each other. We  
19 ED--Industry City and the community expanding in  
20 population, and we have industry along the waterfront  
21 expanding the other way, and they're breaking ground  
22 producing a rise. And they're supposed to be putting  
23 a greenway on top of that. But there is a lot of  
24 questions to be asked. A lot of [bell] trucks are  
25 going to come in. There may be a lessening of trucks

1  
2 on I-95 in the Bronx, but there is two--three  
3 intermodal motorway arterials at the foot of Sunset  
4 Park. They're federally designated routes for trucks  
5 going to ports, going to rail heads, and it's going  
6 to become very, very active. It's got to be  
7 discussed.

8 CHAIRPERSON KOO: Thank you, Mr. Murphy.  
9 Next, please.

10 RYAN CHAVEZ: Good afternoon, Chairman  
11 Koo and members of the Subcommittee. My name is Ryan  
12 Chavez, and I am the Infrastructure Coordinator at  
13 UPROSE. We are an environmental and social justice  
14 organization based in Sunset Park, Brooklyn and  
15 advocate to sustainable and just development,  
16 participatory planning practices and governmental  
17 accountability. Sunset Park contains one of New York  
18 City's last remaining industrial waterfronts, and is  
19 home to a diverse working-class community. The  
20 preservation and expansion of a blue collar  
21 manufacturing base is critical to the economic  
22 viability of the local population. Specifically, it  
23 is crucial that we take advantage of our waterfront M  
24 zones to promote maritime dependent industrial uses.  
25 South Brooklyn Marine Terminal is vital to preserving

1  
2 this employment sector. For this reason, we commend  
3 Council Member Menchaca for spearheading the  
4 framework and negotiations for SBMT Master Lease.

5 The reactivation of this property is central to  
6 fulfilling the local community based vision of  
7 industrial growth and blue collar job creation.

8           Particularly important was the inclusion  
9 by the Administration and with backing from Council  
10 Menchaca of the labor peace agreement for large  
11 tenants and subtenants. We also applaud the EDC for  
12 the recent shift in its approach to engaging and  
13 addressing community concerns. We see this as a  
14 departure from past practices that the Sunset Park  
15 commonly perceived as unresponsive to local needs.  
16 We specifically support the restructuring of EDC  
17 operations in order to manage local assets directly  
18 from the office in Sunset Park staffed with senior  
19 executives. The creation of this new management and  
20 engagement framework indicates that the EDC is open  
21 to working with local community around waterfront  
22 planning and development. Given the history of this  
23 relationship in Sunset Park, this is an unparalleled  
24 and welcomed development. We are also pleased to  
25 learn that the deal included several other community

benefits including the construction of a southern entrance at Bush Terminal Pier Park. Planning for a children's playground at Waterfront Park and the establishment [bell] of a dedicated fund from SBMT leases for reinvestment back into the community.

Thank you.

CHAIRPERSON KOO: Thank you.

RANDY PEERS Randy Peers, CEO of Opportunities for a Better Tomorrow, a 32-year old job training organization that was founded in Sunset Park by Sister Mary Franciscus. I want to thank all of the council members. I want to thank Chairman Koo. I want to thank my Council Member Menchaca for getting us to this conversation. I'll go off script. You have my testimony. Let me just say a few things. I've been in the workforce development business for close to 25 years now. There's a couple of things. Workforce development can complement and economic development strategy if it's done right. So I think what we're trying to say is look, we're going to bring workforce development resources to the table. I've heard the tune "local hiring" so many times in my 24 years in this business that I almost have to sort of be skeptical from the onset about what that

1  
2 really means. It starts with diversification of uses  
3 that appeals to a wide range of constituencies that  
4 actually live in the community today. The belief the  
5 only, you know, sort of maritime jobs or only  
6 industrial jobs are what the community needs is  
7 really not the case for Sunset Park today.

8           Furthermore, technology jobs, creative  
9 economy jobs can easily be accessed by many of the  
10 young adults coming up in our community with the  
11 right amount of investment in human capital  
12 development. So when I--I would urge the city when  
13 they look at the uses to think diversification.  
14 Think diversification in part because we didn't  
15 diversify with access and look what we got. Right?  
16 So let's--let's learn a little bit also from our  
17 history in terms of that respect. The last thing  
18 I'll say is to do local hiring right it requires an  
19 investment. OBT was the job training provider--the  
20 neighborhood job training provider for Ikea when it  
21 came into Red Hook. A perfect example of a company  
22 that made a significant investment in human capital  
23 development before they opened. Micro Center most  
24 recently at Liberty View Plaza used OBT as the  
25 staging facility for its hiring. There's a lot of

1  
2 ways we can got about it. Let's be smart about it,  
3 but let's think about diversifying industries. Let's  
4 think about a wide range of job opportunities, [bell]  
5 and let's bring it home to the people of Sunset Park.  
6 Thank you.

7 CHAIRPERSON KOO: [off mic] Thank you,  
8 Mr. Peers. [on mic] Mr. David Meade.

9 DAVE MEADE: Yes, Dave Meade, Executive  
10 Director of Southwest Brooklyn Industrial. I just  
11 first wanted to thank Council Member Menchaca and EDC  
12 for putting this deal together. I think this is a  
13 great day, and we're particularly excited at  
14 Southwest Brooklyn. We're a local economic  
15 development organization. Our mission is to provide  
16 advocacy and services to help businesses in Southwest  
17 Brooklyn grow and create employment opportunities for  
18 local residents. We've been a driving force in the  
19 economy since 1978 when the organization was formed  
20 by a group of business owners who saw the need for an  
21 agency that could serve as both an advocate and  
22 provider of direct services. We do serve more than  
23 2,000 industrial manufacturing and small businesses  
24 in the neighborhoods of Sunset Park, Red Hook and  
25 Gowanus. These businesses special in technology,



1  
2 design, recycling, machining, wholesale  
3 transportation and maritime uses. Existing  
4 industrial manufacturing businesses are a vital part  
5 of the growing industrial economy and provide good  
6 jobs to local residents.

7           In a broad [sic] opportunity area 2012  
8 study the industrial section of Sunset Park was the  
9 neighborhood's prime employment based and provided  
10 58% of the residents' employment. SBIDC is committed  
11 to continuing this pattern of local employment  
12 industrial jobs and working to strengthen the growth  
13 and work to our population of Southwest Brooklyn.  
14 Also, since Hurricane Sandy has been a dedicated to  
15 the recovery and long-term resiliency for businesses  
16 and residents of Southwest Brooklyn.

17           The Southwest Brooklyn Waterfront is one  
18 of New York City's last remaining working waterfronts  
19 and contains two of New York City's six significant  
20 maritime industrial areas. We believe that the South  
21 Brooklyn Marine Terminal is going to play a key role  
22 as a future job generator, and has the potential for  
23 significant job intensive uses that can serve as a  
24 model for future expansion. We believe with both the  
25 public and private investments that are going on

1  
2 right now are increasing real estate prices. And now  
3 is the time to develop strategies to attract  
4 industrial uses and job intensive businesses to the  
5 Marine Terminal. I also believe the site has been  
6 under-utilized for far too long, and it has the  
7 potential to become a sustainable business district  
8 that's going to improve local employment access to  
9 potentially hundreds if not thousands of well paying  
10 jobs. So we want to ensure that future uses of SBMT  
11 align with and support the strong existing base of  
12 local waterfront businesses. That's a really  
13 important point. Southwest Brooklyn is comprised of  
14 a number of local companies that are uniquely  
15 positioned to serve as a supply chain to the future  
16 waterfront uses. That includes everything from  
17 [bell] window fabricators to food production to  
18 architectural design and metal fabrication. I think  
19 it's absolutely critical that we're--we're sure those  
20 local companies are looped in. Thank you.

21 CHAIRPERSON KOO: [off mic] Thank you.  
22 [on mic] So any members of the public want to  
23 testify? No? No more?

24 GLORIA MILOA: [off mic] I'm Gloria  
25 Miloa. [sic]

1  
2 CHAIRPERSON KOO: Did you sign up with  
3 the Sergeant-At-Arms?

4 [pause, background comments]

5 GLORIA MILOA: Surely. Hi, my name--

6 CHAIRPERSON KOO: [off mic] You're  
7 Gloria, right? Your name Gloria, huh? [sic]

8 GLORIA MILOA: Yes, it.

9 CHAIRPERSON KOO: [off mic] Then identify  
10 yourself.

11 GLORIA MILOA: Hi, my name is Gloria  
12 Miloa [sp]. I'm on Community Board 7. I live on--  
13 right in front of the waterfront and it's--it's a  
14 really difficult thing to imagine that for the next  
15 39 years or two generations this lease that's going  
16 to be written didn't have our input. Tom Murphy and  
17 I bumped into each other, and we were both shocked  
18 that this--this was going on. We would like think  
19 that something as important of our waterfront would  
20 be something that we would be a part of. As a  
21 property owner, as a constituent, as someone who  
22 lives there and works there, I want to be able to  
23 walk to work just like so many other people. We  
24 don't have access to our waterfront for many other  
25 things that other communities do. That's fine. We

1  
2 have a working waterfront. Then let us work there.  
3 Let us work there with a living wage. A living wage  
4 means that me and my husband can work and live in our  
5 own community. We should not need 14 roommates just  
6 to make rent. Then that is not a living wage for our  
7 neighborhood. We need jobs that everyone qualifies  
8 for so that we can go back to anyone who ever lived  
9 in Sunset Park remembers when you would see the  
10 floods of people walking to work, and then walking  
11 home. That--that was the purpose, wasn't it? Wasn't  
12 that the purpose of having a working waterfront that  
13 people can go and come and live in the community that  
14 they work in or serve in? So before you make a vote  
15 on 39 years with two generations, I ask that you  
16 please hold off. Perhaps include more of the  
17 community's input before you make that drastic  
18 decision that will affect us for so long. That's it.  
19 Thank you.

20 CHAIRPERSON KOO: Okay. Thank you.  
21 Seeing no other persons want to make a public  
22 comment, the public hearing is closed.

23 [background comments]

24 CHAIRPERSON KOO: So, we are going to  
25 take on Land Use Item--We're going to take a vote on

1  
2 Land Use--Land Bill 224, Application No. 20155636  
3 PNK, South Bronx--South Brooklyn Marine Terminal.

4 CLERK: Chair Koo.

5 CHAIRPERSON KOO: I vote yes.

6 CLERK: Council Member Palma.

7 COUNCIL MEMBER PALMA: Congratulations to  
8 Council Menchaca on the Community of Sunset Park. I  
9 vote aye.

10 CLERK: Council Member Arroyo.

11 COUNCIL MEMBER ARROYO: [off mic] Yes.

12 CLERK: Council Member Mendez.

13 COUNCIL MEMBER MENDEZ: I vote aye.

14 CLERK: Council Member Kallos.

15 COUNCIL MEMBER KALLOS: I vote aye.

16 CLERK: By a vote of 5 votes in the  
17 affirmative, 0 in the negative and 0 abstentions,  
18 Land Use--Land Use No. 224 is approved.

19 FEMALE SPEAKER: [off mic] And referred  
20 to the full Land Use Committee.

21 CLERK: And referred to the full Land Use  
22 Committee.

23 CHAIRPERSON KOO: I'm going to leave the  
24 vote open for 15 more minutes. And that, yes, this  
25 Committee hearing is finished. It's done.

1 SUBCOMMITTEE ON LANDMARKS,  
PUBLIC SITING AND MARITIME USES

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2 FEMALE SPEAKER: Adjourned.

3 CHAIRPERSON KOO: Adjourned.

4 FEMALE SPEAKER: Yes.

5 [gavel]

6 CLERK: Council Member Barron.

7 COUNCIL MEMBER BARRON: Yes, with  
8 congratulations to Council Member Menchaca, I vote  
9 ayes.

10 [pause, background comments, pause]

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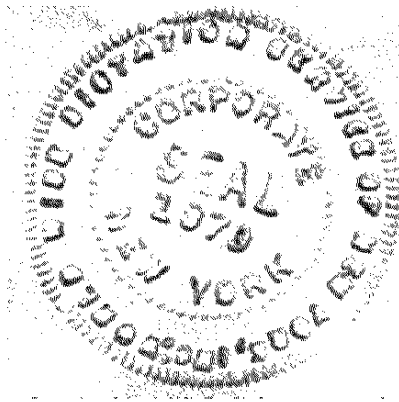
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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date May 26, 2015