

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON SMALL BUSINESS

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City Hall

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DIANA REYNA
Chairperson

COUNCIL MEMBERS:
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Robert Jackson
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2 CHAIRPERSON REYNA: Good morning,
3 my name is Diana Reyna, I'm the Chair of Small
4 Business Committee. Today the Committee will
5 consider Intro #256, which aims to further improve
6 the reporting requirements for development
7 projects administered by the Economic Development
8 Corporation. As is obvious to everyone here,
9 whenever the city seeks to engage in an economic
10 development project, corporate subsidies are
11 typically used to persuade businesses to come to
12 the city and implement the development project,
13 usually with the hope that such a project will
14 expand the city's economic base and/or create more
15 jobs. Some of these subsidies or incentives
16 include sales tax exemptions, tax credits, tax-
17 exempt bonds, to name but a few. Whether such
18 subsidies are successful in insuring that the city
19 as a whole, and not just developers and individual
20 businesses, benefits from the development is often
21 a cause for debate and concern. That's why the
22 city enacted Local Law 69 of 1993, then to follow
23 Local Law 48 of 2005. These laws were created to
24 require that EDC submit annual reports detailing
25 whether jobs were in fact retained or created as a

1
2 result of the subsidies. Local Law 48 was an
3 improvement on Local Law 69, and addressed
4 numerous concerns many people had had about the
5 earlier law by expanding the reporting
6 requirements. Some of the improvements of Local
7 Law 48 included mandating that annual reports be
8 distributed to the controller, borough president
9 and public advocate, requiring that the reports be
10 made available on EDC's website, extending the
11 length of time that the report must be for new
12 projects, expanding the description of the types
13 of jobs that must be counted and accounted for in
14 the reporting of job retention, among numerous
15 other improvements. The bill that I have
16 introduced, Intro #256, will build on those
17 efforts to create increased transparency for
18 Economic Development projects, and improve public
19 accessibility by making a few simple changes.
20 First, it would expand the duration of the
21 reporting period for all projects, regardless of
22 the project's starting date, from the current
23 seven years to the however long the project is in
24 existence, and still receiving subsidies from the
25 city. Secondly, it would expand the reporting

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2 period from seven years to fifteen years, where
3 the benefit received was a sale of city-owned
4 property. Lastly, it would mandate that the
5 reports be placed in a non-proprietary database
6 format on EDC's website. These changes would
7 allow more information regarding the success or
8 failure of Economic Development projects, to be in
9 the public sphere and allow the public to analyze
10 the report with greater ease and effectiveness.
11 I'm very eager to examine this bill in further
12 depth today, and look forward to hearing from both
13 the administration and advocates who have joined
14 us here today to testify. I would like to
15 introduce my colleagues who have joined us,
16 Council Member Letitia James, Council Member
17 Margaret Chin and Council Member Robert Jackson.
18 I'd like to thank counsel to the Committee, Kris
19 Sartori, and Matthew Hickey who's new to the
20 Committee, thank you so much for joining us. I'd
21 like to call up Bettina Damians who is here ...
22 Damiani, I'm sorry, Bettina Damiani from Good Jobs
23 New York and whenever you're ready, please begin.

24 MS. DAMIANI: Good afternoon, thank
25 you very much for inviting me to speak today. I'm

1 Bettina Damiani and I direct Good Jobs New York.
2 We keep track of how the city allocates economic
3 development subsidies and we're particularly
4 excited to talk to you today about the efforts by
5 this Committee and the EDC to bring more
6 transparency and accountability to this process.
7 As you mentioned, local law 48 in 2005 really
8 opened up the door to how New Yorkers keep track
9 of these economic development subsidies. We
10 consider it to be probably the best subsidy-
11 transparency law in the country, so we're setting
12 standards, and I think that's where we need to be,
13 we need to continue being in the forefront of this
14 process. To be, just quickly, more specific, what
15 the new law in '05 did was, it gave us a much
16 better sense of the number of jobs that were
17 created and retained at the time, and how many
18 jobs overall were supposed to be created, what
19 type of jobs are they. Are they part-time,
20 temporary jobs? Are they part-time full-time
21 jobs? Are they consultants? And also gave us a
22 range of what type of wages are being created.
23 What's also very important is it gave us a sense
24 of whether money was being recaptured from
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2 companies that didn't keep the promises to create
3 the jobs they said they would, and let us know how
4 many New York City employees they're hiring, a
5 percentage of that, which is all really key, we
6 want to make sure that our tax dollars are
7 invested wisely and efficiently, and that we
8 create good jobs for New Yorkers. So, the report
9 has brought a wealth of information to a variety
10 of folks, advocates, journalists, elected
11 officials like yourselves, and people on the
12 ground that want to participate in this process.
13 But there are two areas that it fails terribly.
14 One is the deals just disappear after seven years,
15 and this is particularly upsetting, because some
16 of the largest corporate subsidy deals in the
17 country have happened in New York and were under
18 the Giuliani administration and then now almost ...
19 they're going to be disappearing. We're talking
20 about Bear Stearns, Chase Manhattan Bank,
21 Prudential, AIG, NBC twice, and a variety of
22 others. This is just a sample. So if you look at
23 the length of the deal, you'll see all of them are
24 definitely well beyond seven years. We should ...
25 and for 35, the National Broadcasting Company,

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2 NBC, getting a deal for ... two deals, and one of
3 them being for 35 years. The taxpayer and the
4 public really shouldn't be in the dark the
5 majority of these projects' lives, which is very
6 upsetting. But when we do know information, we ...
7 and this is in my testimony that I'll be passing
8 out, so you'll get a much clearer copy of it.

9 This is a snapshot of what the new local law 48
10 looks like, and this is the Bear Stearns second
11 subsidy, the other subsidy deal they got, they
12 have two. And this one is the one that is still
13 in the report. And we learned a lot of things
14 from this. It told us that, as we know, Bear
15 Stearns doesn't exist any more, and what it does,
16 it says, project has multiple locations, and that
17 JP Morgan Chase has acquired the Bear Stearns
18 Corporation in 2008, and that JP Morgan will
19 assume the obligations to Bear Stearns. It will
20 also ... it tells us how many jobs they had, that
21 some of the money was possibly recaptured. So it
22 gives us a really unique insight, and helps us
23 hold companies accountable, which is really
24 essential. We can't expect EDC to do it all, we
25 need to insure that people on the ground have a

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2 better understanding of the companies that are
3 being ... receiving resources too. One of the other
4 things that the proposed legislation would do is
5 obviously keep these deals in for the life of
6 their deal, which is very important. I wanted to
7 sidetrack for a second for land sales, because
8 it's a little bit separate. I understand it
9 doesn't make sense for the EDC or the city to
10 maintain a database that looks like this for a
11 land sale, when none of the other information is
12 applicable. But I do think it's a worthwhile
13 piece of information for us to know when a
14 project, when a piece of land has been sold to the
15 city. So maybe one of the discussions to have
16 with the city is, could there be a separate
17 database running that just lists land sales. And
18 it doesn't have to be really extravagant, I mean,
19 if there was no job promises made for that land
20 sale, the address, the block and lot, the date of
21 the sale, the amount of the sale. And that could
22 just be a running tally, that doesn't have to come
23 on ... I feel like it would be more maintenance for
24 the city to every seven years or every fifteen
25 years go in there and start taking things on or

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2 off. And I think it's important, we ... you know,
3 you look at things that happened ten, fifteen
4 years ago, still have an impact on our
5 neighborhoods, particularly when we're selling
6 land. So going back to what's here, I think one
7 of the challenges is that we have been told by IDA
8 that they do not have a database of subsidy deals.
9 And this is the other concern that we have, is
10 that the data is being kept in sort of the dark
11 ages. There's not one database that includes all
12 this information. And I understand, there's
13 different mayoral administrations, there are
14 different processes that have happened, there's
15 been, you know, different agreements, and the
16 format of how those agreements are created have
17 changed. So I know in the perfect world we would
18 have an apples-to-apples comparison of deals that
19 were done in the early Giuliani administration to
20 ones that were just done recently. But it's also
21 really disconcerting to think that the city
22 doesn't have a database that is doing this
23 already. It doesn't lift the confidence of us to
24 make sure that the compliance for companies are
25 stringent, even if they weren't approved under the

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2 Bloomberg administration. Does that make sense?
3 I wonder if I lost folks. Even, the city is still
4 responsible for holding companies accountable,
5 whether the Bloomberg administration allocated
6 them subsidies or not. So we need to make sure
7 that this process is brought up to date and to
8 speed, because soon we won't have a Mayor
9 Bloomberg administration, we're going to have
10 somebody else, and we need to make sure that
11 there's a common format here, and do the best to
12 bring in the old data from local law 69, which I
13 don't know if anybody will say it was decent data.
14 I understand there's a heavy lift here, but we
15 need to do this now, and we need to do it soon,
16 because we need to make sure we can hold these
17 companies accountable. A real-life example of why
18 it's important to have information up-to-date is
19 for example, this summer the city proposed
20 amending the Reuters deal from 1998, and the
21 Newspaper Guild was concerned about this, because
22 they have members there. So they asked us, so how
23 are they doing on their job promises? And I only
24 could revert back to 2005, so instead of having a
25 real dialogue and discussion about how should we

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2 use subsidies and how well was this company using
3 the subsidy they received, it became sort of like
4 this, well, where are the numbers, can we find
5 them somewhere else, and in the end the IDA did
6 the right thing. They went back, they regrouped,
7 they presented the proposal again with updated job
8 and subsidy figures, and we could have a real
9 discussion dialogue. But in between there was a
10 lot of wasted time and frustration, not just on
11 the public's part, but I'm going to venture to
12 guess the staff at the IDA as well, for having to
13 sort of reinvent this wheel. So it wasn't really
14 fair. So not having it in a database makes it
15 difficult not just to be able to analyze the data
16 thoroughly and be able to get a sense of trends,
17 but also to do new exciting things that help us
18 understand what's happening in your community. So
19 the IDA told us they didn't have the database, so
20 we have spent the past couple of years
21 painstakingly entering the data into Excel, and
22 I'm sorry my graduate student interns aren't here
23 for me to give them kudos, because they are the
24 ones that have worked diligently and very hard to
25 put this data in a format where we can work with

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2 it. So I'm glad we have it, I think, you know,
3 it's a benefit to the city to have it, but we
4 should not be the caretakers of this data. We
5 can't be responsible for the errors in it, we
6 can't be, you know, responsible for maybe the
7 human error we had transcribing the data. So I
8 think it's very important to recognize that we
9 have it, we're happy to share it, but we should
10 not be the point people. And this is not a new
11 case to show this information off. The Department
12 of Finance has a great database on the recipients
13 of the Industrial-Commercial Incentive Program,
14 you can look that up, you can get a sense of what
15 kind of subsidy they're getting and the location.
16 We are in the ... you know, this administration the
17 mayor made his billions of dollars based on
18 taking, you know, arcane financial data and making
19 it accessible to the rest of us, and this is
20 really a unique opportunity to do that. So- -

21 CHAIRPERSON REYNA: (Interposing)

22 If you could go back to the other slide and just
23 explain quickly the ... not that slide, the slide
24 with the information for our district, and just go
25 through the categories, the fields.

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MS. DAMIANI: This one or this one?

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CHAIRPERSON REYNA: That one.

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MS. DAMIANI: That one? So- -

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CHAIRPERSON REYNA: (Interposing)

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We can't ... it's blurry.

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MS. DAMIANI: Yeah, I know, I'm

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sorry, it doesn't look so great on the screen.

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And when you get my ... the testimony, you'll see in

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the back, it breaks it down. So again, local law

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from 2005, local law 48 is really quite thorough.

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So we get a sense of the name of the company,

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which is on the far left, the block and lot for

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those of us that want to map stuff or get a better

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sense of what's happening that is really

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important, the address, the status of the

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application, the Council district, the community

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board, and the type of subsidy that it got, was it

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a small industrial project, was it a land sale.

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We see manufacturing, non-profit, and the start

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and end dates, which are important. We should

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know how long we need to keep an eye on a

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particular company in our neighborhoods, what kind

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of assistance they did get. Was it, you know, an

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MRT, the mortgage recording tax exemption,

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2 business incentives, and then the amount of the
3 project, which is not the amount of the subsidy,
4 but the amount of the total project, and then jobs
5 at the start, it produced, and then it goes on and
6 on. And then we do all the other amount of
7 subsidy for the direct land sales, the building,
8 the pilot savings, the tax ... the sales tax
9 exemptions, the energy tax exemptions, we put all
10 of that into an Excel database for all the
11 companies that currently are in local law 48. And
12 that allowed us to do things like this, which is
13 create maps. And one of the reasons ... we started
14 doing this a couple of years ago, and we were
15 really slow in the uptake, because every time we
16 wanted to update them we had to re-enter all the
17 data. So it was really quite exhausting. We're
18 glad we've done it, but we want to be able to be
19 more efficient, so we can share with community
20 boards and elected officials stuff that's really
21 accurate. I remember the first time we showed
22 this off to some folks in the Manhattan community
23 boards and they said, "Why is the data two years
24 old?" and I told them it took us a long time to
25 get it in, you know, manually entering it and then

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2 creating the maps. So there's certainly lots of
3 wonky stuff you can do once you have it in an
4 Excel database, and there's also some very
5 practical stuff you can do. And this is just
6 another example. So I'll be passing out more
7 information, but here's another one for the upper
8 West Side. And some ... and this isn't to be
9 critical of the type of subsidies that are
10 allocated to particular companies. I mean, this
11 is really about opening the door to transparency
12 for all companies. And if Good Jobs New York
13 wants to pick on Bear Stearns, then that's our
14 ability, but it's also for you guys to understand
15 what's happening in your neighborhood. Is that a
16 company that hires locally, then you really like
17 them? Do they keep their, the front of their
18 business really clean and efficient? Have you had
19 troubles with them by, you know, a variety of
20 noise issues? These are the kinds of leverage
21 points that we need to be aware of, and we're
22 trying our best to relay that information to you
23 efficiently. But not having a database of all of
24 this in one place makes that incredibly difficult,
25 and it raises concerns on our part about the type

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2 of due diligence the city can do to make sure
3 these companies keep the promises that they said
4 they would. So that's the gist of it. I often
5 spend my time commenting on what everybody else
6 says, so if you have any questions, please- -

7 CHAIRPERSON REYNA: (Interposing)

8 I'm going to ask our Committee members to refrain
9 from asking questions right now, so that we can
10 listen to the administration, and then we're going
11 to have a dialogue of questions and answers
12 between the two, the administration as well as
13 Good Jobs New York, and then moving on to the next
14 panel as well. So Bettina, thank you for your
15 presentation, I'm going to have New York City
16 Economic Development Corporation, Jason Wright,
17 accompanied by anyone else? I don't have every ...

18 MR. WRIGHT: No, I ... well maybe
19 save the other members for Q&A.

20 CHAIRPERSON REYNA: You got it.
21 Thank you.

22 MR. WRIGHT: Thank you. I don't
23 have a fancy PowerPoint, but I don't think we need
24 one for it today, at least from the
25 administration's side. But, good afternoon,

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2 Chairman Reyna and other members of the Committee.
3 Again, my name is Jason Wright, I'm the Chief
4 Financial Officer of the New York City Economic
5 Development Corporation, and of course I'll be
6 speaking to you this afternoon about the proposed
7 bill, #256. As Good Jobs New York and of course
8 the City Council, transparency and accountability
9 is among one of the cornerstones of responsible
10 and effective government, and EDC has worked with
11 Mayor Bloomberg- -

12 CHAIRPERSON REYNA: (Interposing)
13 I'm sorry, Jason, I just need to ask you, do you
14 have copies of your testimony for us?

15 MR. WRIGHT: Yes we do.

16 CHAIRPERSON REYNA: Thank you.
17 Sorry for the interruption, Jason.

18 MR. WRIGHT: That's okay. So as I
19 was saying, EDC has worked with Mayor Bloomberg
20 and the City Council over the past eight years to
21 improve the quantity and the quality of the data
22 that we've reported to elected officials,
23 stakeholders and the general public about our
24 projects, and of course their performance. We
25 share the belief that projects receiving city

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2 subsidies or support should be required to
3 demonstrate a clear public benefit, and to that
4 end EDC has set out to make our operations and our
5 projects as transparent and accessible as
6 possible. Most recently we have revamped our
7 website to make it easier for the general public
8 to access detailed information on the projects and
9 their finances. And we've also made both the
10 state and city reports available online. And in
11 this difficult economic time, we have also
12 significantly increased the budgets for our
13 internal compliance department, the size of the
14 staff has more than doubled. So they have
15 additional capacity to try to manage all this
16 data. And we have complied with, and in fact have
17 exceeded local law 48 reporting requirements. We
18 publish the detailed annual local law 48 report on
19 EDC, the New York City Industrial Development
20 Agency, and the New York City Capital Resource
21 Corporation, these projects. We distribute this
22 to elected officials and also make it available to
23 the general public. It has been mentioned, but I
24 think it's important to note, the reports do go
25 back to 2005, and these are available on our

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2 website. EDC does voluntarily report on the full
3 lifetime of IDA projects initiated in fiscal year
4 1999, even though the current local law 48 only
5 requires that we provide seven years of data for
6 projects in existence prior to July 1, 2005. I
7 also do want to note that these IDA projects will
8 not drop off, they will be reported for the
9 lifetime, and we have them reporting to date, even
10 though we're not required to do so, but we
11 obviously see the importance of that, and they
12 will be reported for the lifetime of the benefit.
13 We also make numerous presentations to City
14 Council members, other stakeholders, about our
15 finances and project statuses, and make every
16 effort to keep elected officials, community
17 groups, and community boards regularly up to date
18 on our projects and initiatives. Additionally,
19 IDA and CRC, which is operated by New York City
20 EDC recently adopted a new set of transparency and
21 accountability measures. This would require both
22 IDA and CRC to post more detailed information
23 about projects on our websites, to disseminate
24 information in a more timely fashion, to also
25 begin webcasting meetings and expand and enhance

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2 our meeting notification efforts. But we do
3 realize that despite, you know, the many efforts
4 that we are trying to make to keep this
5 information accessible to the public, we know that
6 others do find this challenging at times to work
7 with the data, and manipulate the data. And I
8 want to at least go through the points of what
9 this new proposed bill will touch upon, and the
10 practicalities we see from our side of instituting
11 them. So Intro 256 would make information
12 required by local law 48 available in a non-
13 proprietary database format, and in order for EDC
14 to comply to this, we would need to determine if
15 an acceptable database exists now, what we would
16 need to do to modify such a database to meet the
17 requirements, and also try to understand the cost
18 implications as well. Additionally, under the
19 Intro 256, we would be required to keep both hard
20 copy and electronic copies of the reports, thereby
21 creating an additional administrative burden and
22 expense. The new bill as currently drafted would
23 become effective immediately upon passage, and
24 this requirement would therefore affect the
25 current reporting cycle. It would be very

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2 difficult for EDC to comply immediately, since it
3 would not have the newly-required database in
4 place now. However, we do recognize the potential
5 usefulness of providing this information that
6 would be contained in the reports in a different
7 manner, and of course would be more than happy to
8 work with City Council to find a practical vehicle
9 for accomplishing that goal. Intro 256 would also
10 expand local law 48 reporting by extending the
11 reporting requirements to fifteen years after land
12 sales close, and for the entire lifetime of ground
13 leases. Currently EDC does comply with local law
14 48 by reporting for the seven year period for
15 projects consisting of leases or land sales by EDC
16 of city-owned land, and in addition, EDC reports
17 on the tax incentive and financing deals, such as
18 those that are approved by the IDA and CRC, going
19 as far back as fiscal year 1999. And in the
20 current local law 48, the reporting requirements
21 do provide for elected officials and stakeholders
22 to receive this information, and we obviously do
23 acknowledge it is voluminous in nature, but it
24 certainly does provide it in one set of documents.
25 The bill would also require private entities that

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2 have already purchased city-owned property from
3 EDC with the expectation of reporting for seven
4 years to now provide information for fifteen
5 years. Private companies that have entered into
6 ground leases with EDC would now be required to
7 report for the entire life of the lease, that
8 could run as long as 99 years in some cases. And
9 some of these leases were entered into years ago,
10 before any of the reporting requirements were put
11 in place. Other sale agreements and leases
12 require seven years of reporting, consistent with
13 local law requirements in effect at the time that
14 the sales were made or the leases executed. It
15 would be difficult to obtain this additional
16 information for these existing purchasers and
17 lessees, because it's not part of their
18 agreements. Another note on the proposed is that
19 there's no grandfathering language. EDC would be
20 required to somehow access this information from
21 the private companies that are not otherwise
22 contractually or legally required to provide that
23 information to EDC. These challenges do make it
24 difficult if not impossible for EDC to comply with
25 these reporting requirements. You know, while the

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2 new requirements could dissuade some private
3 sector companies from choosing to do business with
4 the city in the future, it could be contemplated
5 that the revised version of the legislation
6 affecting only transactions commenced after the
7 effective date would greatly simplify the
8 compliance exercise. Expanding reporting
9 requirements on the bill would also require that
10 certain EDC-managed real estate projects report
11 detailed financial information for an extremely
12 lengthy period of time, as I mentioned, you know,
13 some of these transactions far exceed the benefit
14 period. The city often sells city-owned property
15 in order to encourage economic development, and
16 also to create new jobs in the community. You
17 know, in the case of land sales, these properties
18 are often encumbered by deed restrictions that
19 prevent the purchaser from developing it in a
20 manner inconsistent with the city's public policy
21 goals for that defined period. These projects
22 might also receive some other forms of financial
23 assistance from the city, and while it's clearly
24 reasonable to expect these projects to comply with
25 local law 48 reporting requirements, they are

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2 either under a D-restriction or receiving a direct
3 subsidy or an incentive from the city. It would
4 appear to be overly burdensome to expect these
5 companies to also continue to be reporting on
6 projects that have been completed, the
7 restrictions have lapsed, and there would be no
8 direct subsidies or incentives to continue to be
9 available. That being said, EDC is fully
10 committed to making its operations, projects and
11 finances as transparent and accessible as
12 possible. If requested, we would be happy to
13 assist the City Council, the Mayor's office and
14 other advocates and stakeholders to develop a
15 robust reporting tool that would help make this
16 data more transparent, and certainly
17 administratively feasible. Thank you.

18 CHAIRPERSON REYNA: Thank you, Mr.
19 Wright. As a sponsor of Intro 256, I do want to
20 thank you for your willingness as an agency to be
21 able to want the goals of reaching transparency
22 and accountability, so a lot of the benefits that
23 are issued, and just making sure that our city is
24 healthy as it develops through these different
25 types of projects and making sure that as a city

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2 we're growing and the benefits we're issuing are
3 far exceeding our administration's, whether it's
4 the City Council or the Mayor's side. You know,
5 going back to what Good Jobs New York had
6 mentioned concerning the Giuliani administration,
7 the different examples of NBC, Chase Manhattan,
8 Bear Stearns, AIG, does EDC agree or disagree that
9 it would be great to monitor, to have had a tool
10 that could have allowed you to continue, you know,
11 compliance efforts? And right now, how does your
12 compliance unit, having doubled in size, monitor
13 these pre-dated projects that far exceed this
14 current administration?

15 MR. WRIGHT: Well, I certainly do
16 agree that having one standard database for all
17 this information would be ideal. We would all
18 love that. And it is very complicated to try to
19 keep all programs in one area. And I'm not a
20 programmer by any means, and you know, we've also
21 been working very hard to ... we've been
22 implementing a new database that will help
23 compliance track all of the active deals, which
24 provides ticklers when, you know, insurance has
25 lapsed or if someone has a job requirement. They

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2 know then to check that when they receive the
3 annual reporting. Then that would certainly
4 trigger a site visit. So I don't in any way
5 disagree that it would be wonderful to have
6 everything in one place, and I know that EDC
7 doesn't struggle with this alone. I mean, I'm
8 sure there is other agencies that also would love
9 and prefer to have a database to capture all their
10 information, but I think we're doing the best we
11 can to try to make sure that we can at least be
12 able to extract as much data as possible, even if
13 it's not sitting in one exact database.

14 CHAIRPERSON REYNA: So at this
15 moment, you do agree manipulating the data is
16 important. How far back you have ... you're
17 hesitant in saying that it would be a task that
18 can be accomplished, to enter data that is
19 voluminous, as you had mentioned in your
20 testimony. But not impossible.

21 MR. WRIGHT: Right. Nothing is
22 impossible.

23 CHAIRPERSON REYNA: Right. And- -

24 MR. WRIGHT: (Interposing) To the
25 extent that we're able to, that we have data and

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2 that we're able to enter it, and obviously to be
3 able to validate it, we can do the best we can,
4 and also just to remember that the local law did
5 not require that we report on information prior to
6 the bills- -

7 CHAIRPERSON REYNA: (Interposing)
8 Grandfathered data.

9 MR. WRIGHT: You know, from
10 existence of 2005. So where we have information,
11 where we have active deals, we monitor that.

12 CHAIRPERSON REYNA: And- -

13 MR. WRIGHT: (Interposing) In terms
14 of looking for an exact date of how far back we
15 have data, I don't know if my colleagues have that
16 information off the top of your head, but we can
17 certainly try to find out. I'll have to look into
18 that.

19 CHAIRPERSON REYNA: Okay. Jason,
20 would you be able to give me an example of a deal
21 that is, you know, that you cannot monitor because
22 the subsidies no longer exist?

23 MR. WRIGHT: You probably have one.
24 Howard, do you want to come up? This is Howard
25 Spieler, he's head of our Compliance Department,

1

2 and certainly works with the data every day.

3 CHAIRPERSON REYNA: Fantastic. Hi,
4 Howard.

5 MR. WRIGHT: And I don't think it's
6 a matter of we cannot monitor, but if the subsidy
7 benefit period has lapsed.

8 CHAIRPERSON REYNA: Right, there's
9 nothing to hang onto.

10 MR. WRIGHT: There's nothing to
11 monitor.

12 CHAIRPERSON REYNA: Right.

13 MR. SPIELER: I agree. I don't
14 know if it would be that we would choose not to,
15 if there's no subsidy and the agreement is
16 terminated, and there's no obligation, there would
17 be no reason to. If there's an active agreement
18 and there's a requirement, we would monitor it.
19 And I wouldn't say we would choose not to, if the
20 agreement is terminated or if there's no active
21 benefits, we wouldn't have a reason to monitor it.

22 CHAIRPERSON REYNA: And there could
23 be, for instance, my colleague Letitia James has
24 just mentioned Madison Square Garden perhaps is a
25 project that received subsidy, no longer in

1
2 existence as far as the subsidies are concerned,
3 because it's run out.

4 MR. SPIELER: Honestly that
5 predates my- -

6 MR. WRIGHT: (Interposing) So I
7 guess I'm just wondering, can you clarify what
8 your question is? Are you asking us, do we have
9 the data, or do we continue to monitor something
10 after the benefit period has passed?

11 CHAIRPERSON REYNA: Two separate
12 questions. Do you have the data as to who we ... is
13 there one database under the compliance unit,
14 whether or not they are receiving subsidies or
15 not, that you have?

16 MR. SPIELER: If there's an
17 obligation, we track it. If the obligation no
18 longer exists, for example, if MSG had an
19 obligation years ago that expired, we would not.

20 CHAIRPERSON REYNA: And you have no
21 ability to go back to MSG as a project that had
22 received subsidies to audit, if ever an
23 opportunity arose?

24 MR. SPIELER: I'm not an attorney,
25 but I would assume if they're not required to, we

1

2 wouldn't have the right to.

3

4 CHAIRPERSON REYNA: Okay. I'm
5 trying to understand, as far as the department,
6 you know, the Economic Development Corporation and
7 IDA, in collaboration with SBS, to determine
8 certain subsidies and incentives on how to provide
9 employment opportunities, do those collaborations
10 exist? You know, so that all three are at the
11 table discussing employment opportunities and
12 directing those dollars and subsidies in targeting
13 employment opportunities? Are those discussions
14 that occur?

14

15 MR. WRIGHT: I ... what I can say is,
16 I do know of instances where there is potential
17 development deals, where there may be a job
18 training component, or a need to bring in SBS, we
19 collaborate with SBS. I'm not directly part of
20 the development deals.

20

21 CHAIRPERSON REYNA: Right.

21

22

23 MR. WRIGHT: As the Chief Financial
24 Officer.

23

25 CHAIRPERSON REYNA: Right.

24

25

MR. WRIGHT: But we do make best
efforts to try to collaborate with SBS and other

1
2 agencies that would have benefits to offer, as
3 part of a development deal.

4 CHAIRPERSON REYNA: And so if I
5 asked ... you know, obviously we have the compliance
6 unit here, we have the chief financial officer
7 here, if I were to ask, since 2005, when we had
8 reporting that was very specific due to local law
9 48, how many jobs to date should have been created
10 and/or retained, and what amount of money in
11 subsidies was given for that job creation and
12 retention? Is that possible? Is that a figure
13 you are known to? (sic)

14 MR. SPIELER: Yes, we do collect,
15 so there's a ... you said, so there's a projected
16 employment and then there's current employment,
17 and we require our projects to report that. So
18 yes, we ... this past year, I believe, we had 98% or
19 99% compliance, so we should have that
20 information, yes.

21 CHAIRPERSON REYNA: And it's
22 separated by full-time, part-time jobs?

23 MR. SPIELER: That is the
24 questionnaire we send, yes.

25 CHAIRPERSON REYNA: And the PDF

1
2 file doesn't allow us to be able to manipulate the
3 data, so this is just a standard of what you're
4 reporting and publish. Under Intro 256, we would
5 be able to manipulate the figures that you are
6 auditing as a compliance unit, to making sure
7 that, you know, what is projected is current, and
8 the dollar value of the subsidy is a benefit to
9 the City of New York.

10 MR. SPIELER: If I understand the
11 question correctly, so how we track the projects
12 and the employment is a completely different
13 engine than what creates the report. So it's
14 really two different pieces, currently.

15 CHAIRPERSON REYNA: So the
16 reporting is separate from ...

17 MR. SPIELER: I would say the data-
18 -

19 MR. WRIGHT: (Interposing) Go
20 ahead. I mean, the results of the reports
21 obviously are online, and the PDF, and obviously
22 it's not very helpful to others that need to try
23 to manipulate that. You know, the cost benefit
24 analysis is done in a separate database, which of
25 course then is pulled with the compliance

1 reporting and brought together to create the
2 report. So that's why I mentioned that we really
3 need to think through how exactly would we present
4 that data, that it would be in a fashion to
5 manipulate it. You know, we'd have to obviously
6 make sure that, if you're trying to understand our
7 calculations, how do we provide that on the
8 website. I mean, it's not as easy as just posting
9 a PDF.

11 CHAIRPERSON REYNA: Do you have one
12 comprehensive list in the compliance unit,
13 tracking all these projects? Whether they're, you
14 know, the compliance unit exists, it's part of
15 EDC.

16 MR. WRIGHT: Yes, uh huh.

17 CHAIRPERSON REYNA: And you know,
18 Howard, I just met you, whether you're here or
19 not, previous to you, your predecessor, there
20 should be this database that exists, because
21 that's the role of the compliance unit. And so
22 extrapolating all of that information within the
23 unit, because it exists in the unit is a matter of
24 creating one particular use of a tool that would
25 make it, you know, beneficial to both the City of

1
2 New York and, you know, everyone else who is not a
3 part of your department. So I'm just trying to
4 understand, what are some of the ... what are the
5 obstacles that prohibit, other than cost and
6 voluminous, to monitor these projects?

7 MR. SPIELER: Well, to monitor, we
8 can create a list of our active projects, of
9 course. But the output, the cost-benefit
10 analysis, the PDF, that is not something that I
11 track, that's not something I monitor, we have an
12 engine that converts that. So we can create a
13 list, of course, of every project that has an
14 obligation, which is separate and different from
15 the cost-benefit analysis and the output of the
16 PDF of the screen that Bettina showed, it's two
17 different engines. So we do have a list and we
18 use that list to monitor 100%. The analysis
19 that's required under local law 48 is done
20 essentially with that data in a different
21 database.

22 CHAIRPERSON REYNA: Why in a
23 different database?

24 MR. WRIGHT: Well I ... we have two
25 departments, the research and analysis group, as

1
2 well as the compliance group, that work together
3 to develop and produce that report every year.
4 And just so you can understand some of the
5 difficulties, we're working right now, you know,
6 trying to implement a new project tracking system
7 with a consultant. This year was the first phase
8 of having companies provide that information on
9 the website.

10 CHAIRPERSON REYNA: Only those who
11 have an existing subsidy benefit.

12 MR. WRIGHT: That's right. And
13 which of course saves us a lot of time of
14 receiving the paper form, inputting it into the
15 system. You can imagine there's also human error,
16 and so much more validation that needs to be done.
17 So that was phase one this summer, and now we're
18 working very closely with the consultant to
19 hopefully by next year's reporting make sure that,
20 you know, research is able to work also probably
21 somewhat off of this database and validate,
22 getting the information right from the database,
23 to report and to produce the report much quicker.
24 And of course this one now, we have to think and
25 also we're going to need to have to talk to our

1
2 consultants, what will we need to do differently
3 to be able to also produce the report, one in a
4 PDF form, one in a format where data can also be
5 extracted.

6 CHAIRPERSON REYNA: And this
7 consultant is evaluating because they've been
8 brought on very recently, you said?

9 MR. WRIGHT: They're not evaluating
10 this now, this is just a ... you have just
11 introduced this.

12 CHAIRPERSON REYNA: Right.

13 MR. WRIGHT: So before we spend
14 more money, I think.

15 CHAIRPERSON REYNA: Right.

16 MR. WRIGHT: I mean, we've been
17 obviously talking internally and of course we want
18 to work with you.

19 CHAIRPERSON REYNA: Right.

20 MR. WRIGHT: But we certainly want
21 to understand exactly what scope we're going to
22 ask them to come back and tell us what would need
23 to be done.

24 CHAIRPERSON REYNA: I see, so the
25 scope, you're still developing the scope.

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MR. WRIGHT: No, we're in design.

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CHAIRPERSON REYNA: You're in

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design.

5

MR. WRIGHT: Yes, of course, I

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mean, this report has been in existence for quite

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some years, and it took us this long to at least

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get it to a point where it's going to be much

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easier to put together. And I'm not saying that

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anything is impossible, because it's not.

11

CHAIRPERSON REYNA: And is part of

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the scope to have a tool that's published so that

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you can manipulate?

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MR. WRIGHT: No.

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CHAIRPERSON REYNA: No.

16

MR. WRIGHT: No. That was never

17

asked of us.

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CHAIRPERSON REYNA: Because of the

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local law and- -

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MR. WRIGHT: (Interposing) Sure.

21

Yes, absolutely.

22

CHAIRPERSON REYNA: But nothing

23

would have prevented you from going outside and

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beyond the law. You had mentioned- -

25

MR. WRIGHT: (Interposing) Oh,

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2 nothing does, but what does is money. It's very
3 expensive to try to put these types of things
4 together. And also, you know, we've struggled
5 with other databases, you have to make a decision.
6 You know, EDC also just went to a new accounting
7 system about 18 months ago, we had to make a
8 decision, could we actually migrate all data from
9 inception into the new accounting system, or
10 should we only be taking the amount of data that
11 we're required to, to keep for a seven-year
12 period, and there is a significant cost, obviously
13 the more data you want to migrate, the higher the
14 cost. So we also had to think about how useful is
15 it to have every single piece of data in a new
16 database, you know, storage, migration fee. And
17 that's really kind of the test of trying to
18 analyze, you know, how much depth you have when
19 you introduce new systems.

20 CHAIRPERSON REYNA: Right. Let me
21 just give an opportunity to my colleagues, Letitia
22 James has a question. Margaret Chin.

23 COUNCIL MEMBER JAMES: Thank you.
24 Thank you, Madam Chair.

25 CHAIRPERSON REYNA: Thank you.

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COUNCIL MEMBER JAMES: I want to talk a little bit about the testimony that was provided today by Mr. Wright. First of all, Mr. Wright, do you know whether or not, similar to what was put forward by Good Jobs, does the city have the capability to map where all these development projects are located and the amount of the subsidies? Is that something that you were anticipating, or any vision for that?

MR. WRIGHT: I certainly think we could map them all and I'm not sure how long it would take, but I think we could try to also map and show subsidies.

COUNCIL MEMBER JAMES: Okay, you indicated that your compliance department has increased, how many staff members have joined the compliance department, and when did that happen?

MR. SPIELER: I don't have the exact numbers, I could tell you what we're staffed out now is approximately ... maybe a little more, twelve full-time staff, and some administrative help. When I was hired in 2003, the compliance department was maybe three or four people, in that neighborhood.

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2 COUNCIL MEMBER JAMES: And so three
3 or four, and so the eight, when did the eight
4 additional staff members join the administration?

5 MR. SPIELER: I don't ... I hate to
6 speculate, but I'd say it's grown slow, one or two
7 per year. It wasn't six- -

8 MR. WRIGHT: (Interposing) All at
9 once.

10 MR. SPIELER: Six years ago.
11 (crosstalk) Or six last week. I'd say it's
12 gradually grown.

13 COUNCIL MEMBER JAMES: Gradually.
14 And the purpose of the compliance department is
15 basically to monitor the compliance with the
16 agreements?

17 MR. SPIELER: Yes.

18 MR. WRIGHT: That's correct.

19 MR. SPIELER: And to verify and
20 analyze data as it's required for us to report to
21 either the state or the City Council for local law
22 48.

23 COUNCIL MEMBER JAMES: Okay. And
24 has there been a situation where you have
25 identified a developer, a contractor or whatever,

1

2 that has not complied with the agreement?

3 MR. SPIELER: Yes.

4 COUNCIL MEMBER JAMES: And what has
5 happened?

6 MR. SPIELER: Well, there are
7 remedies prescribed in the agreement, typically
8 termination of any future benefits. If, depending
9 on what the violation was, there could be a
10 recapture of benefits received.

11 COUNCIL MEMBER JAMES: Has that
12 ever happened?

13 MR. SPIELER: Yes.

14 COUNCIL MEMBER JAMES: Okay.
15 What's the company that we recaptured revenues?

16 MR. SPIELER: There was a company
17 called Gelmart, I don't have these numbers.

18 COUNCIL MEMBER JAMES: Okay.

19 MR. SPIELER: In front of me, and
20 obviously I'd be happy to provide them.

21 COUNCIL MEMBER JAMES: Sure. But
22 what you're ... your testimony is that it has
23 happened.

24 MR. SPIELER: We have terminated
25 projects and recaptured benefits in the past year

1

and in previous years, every year.

2

3

COUNCIL MEMBER JAMES: Okay.

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MR. SPIELER: Since I've been

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employed there.

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COUNCIL MEMBER JAMES: I'd like to

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see that information if at all possible, and if

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you could share that with the Chair, as well as my

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office, I would greatly appreciate that. And the

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objection by the administration with respect to

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extending the number of years for analyzing

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projects to ... or expanding it to fifteen years,

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what is the nature of the objection?

14

MR. WRIGHT: Well, I just want to

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clarify that we're not objecting to it.

16

COUNCIL MEMBER JAMES: Okay.

17

MR. WRIGHT: I just want the

18

Committee to understand that it won't be as ... and

19

I'm speculating, that it's not going to be as easy

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to collect this information.

21

COUNCIL MEMBER JAMES: I see.

22

MR. WRIGHT: When it has not been

23

in their agreement. We'll do the best we can, but

24

we also don't want to be criticized for very low

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numbers because we have a low response rate.

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COUNCIL MEMBER JAMES: Got it.

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MR. WRIGHT: And we also, I think,

I'm going to be careful of saying I've objected,

but I think it's just very important for the

Committee to understand, it would be burdensome to

ask a company, let's say for example, that has a

99 year lease to have to report these numbers,

especially in the event where they don't have,

they're not receiving a benefit.

COUNCIL MEMBER JAMES: And

particularly I guess the, not the objection, and I

guess the word that you used was burdensome, the

concerns that you have expressed has to do with

the fact that the data was ... you're concerned

about those that are being grandfathered in.

MR. WRIGHT: There's no- -

COUNCIL MEMBER JAMES:

(Interposing) There's no language for

grandfathering.

MR. WRIGHT: ... language for

grandfathering.

COUNCIL MEMBER JAMES: Okay, that's

something the Chair indicates can be fixed. But

your concern is primarily as a result of being

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2

burdensome and too much regulation.

3

MR. WRIGHT: And the immediacy.

4

COUNCIL MEMBER JAMES: Okay.

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MR. WRIGHT: You know, we have, the next report is January 31st and we're already

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reviewing drafts of that report. We've already

8

collected the information. I'm not ... I do not

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believe we would be able to meet these new changes

10

in such a short time period.

11

COUNCIL MEMBER JAMES: I'm

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confident that's something that the Committee can

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look at as well. One of my concerns is that these

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agreements are not uniform, in fact they're

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disparate and varied all over the place. Is there

16

any discussion in the administration with respect

17

to making these agreements uniform?

18

MR. SPIELER: Yes.

19

MR. WRIGHT: Yes there is.

20

COUNCIL MEMBER JAMES: Okay.

21

MR. WRIGHT: We have them working

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on trying to make sure that the agreements are as

23

boilerplate as possible, and you know, of course

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we're looking at benefits in the usefulness of

25

them as well.

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2 COUNCIL MEMBER JAMES: Okay. The,
3 there was in your testimony, on page two, it
4 indicates that there were some measures that
5 required IDA and CRC to post more detailed
6 information. And they were recently adopted by
7 IDA, CRC, and I just wanted to know what
8 additional information was adopted?

9 MR. SPIELER: We have a ... I'm
10 sorry, I didn't print a copy of the press release.

11 COUNCIL MEMBER JAMES: Okay.

12 MR. SPIELER: I don't know it
13 offhand, maybe ... I'd be happy to follow ... there
14 was a detailed press release, and I don't want to
15 speculate and say the wrong thing, but I can
16 certainly get it to you.

17 COUNCIL MEMBER JAMES: I'd
18 appreciate that.

19 MR. SPIELER: I apologize, I don't
20 know it offhand.

21 COUNCIL MEMBER JAMES: I'd
22 appreciate that, thank you.

23 MR. SPIELER: Bettina probably
24 knows it better than me.

25 COUNCIL MEMBER JAMES: I'm sure she

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2 does.

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MR. SPIELER: I'm sure she knows it offhand.

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COUNCIL MEMBER JAMES: And again on page three of the testimony it says there's a limit of available data, and that the tax incentive and financing deals, the only information that's available dates back to 1999. Why is that? Why did we not ... why isn't data going back further than that available? Early '90's, like late '80's? This wasn't required?

MR. WRIGHT: I'm just telling you what we're reporting.

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COUNCIL MEMBER JAMES: Yeah, okay.

MR. WRIGHT: And we weren't required to report that, but we do report it for at least those projects that go back to 1999, we are reporting a lifetime of those benefits, and will continue to.

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COUNCIL MEMBER JAMES: Okay. And I want to talk a little bit about these real estate projects. "The city often sells city-owned property in order to encourage economic development and create new jobs in a community.

1
2 And the land sales are often encumbered by deed
3 restrictions." Are the deed restrictions related
4 to all that we are required to monitor and for the
5 purposes of compliance? Is it related ... is the
6 deed restriction related to compliance?

7 MR. SPIELER: Yes.

8 MR. WRIGHT: Yes.

9 COUNCIL MEMBER JAMES: Yes. So the
10 deed restrictions basically say you're restricted
11 to doing X, you're restricted to creating X amount
12 of jobs, you're restricted all of that?

13 MR. SPIELER: It's generally around
14 the use of the property and the ownership of the
15 property, on a typical deed.

16 COUNCIL MEMBER JAMES: So it's
17 related to use, it's not related to all these
18 benefits that we're speaking of?

19 MR. SPIELER: A typical land sale
20 would not receive benefits.

21 COUNCIL MEMBER JAMES: Okay.

22 MR. SPIELER: It's just the sale of
23 the land.

24 COUNCIL MEMBER JAMES: So- -

25 MR. SPIELER: (Interposing) And the

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restriction that comes with it.

COUNCIL MEMBER JAMES: So the restriction is primarily related to use and use alone? For the most part.

MR. SPIELER: Use and ownership.

COUNCIL MEMBER JAMES: Use and ownership.

MR. SPIELER: Typically. Again, I don't draft those, but typically it's my understanding, it's typically the restriction and the ownership. So they cannot sell it and they cannot use it for a purpose that it wasn't intended for, generally.

COUNCIL MEMBER JAMES: Any thoughts about restricting, including in the deed restriction the benefits?

MR. SPIELER: A typical land sale doesn't get any benefit.

COUNCIL MEMBER JAMES: Okay.

MR. WRIGHT: And- -

MR. SPIELER: (Interposing) A tax incentive usually comes with an IDA project.

MR. WRIGHT: That's right.

COUNCIL MEMBER JAMES: It goes ...

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help me, walk me through that again.

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MR. SPIELER: So a typical benefit.

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COUNCIL MEMBER JAMES: Yes.

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MR. SPIELER: So maybe it would be

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a waiver of sales tax on construction materials.

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COUNCIL MEMBER JAMES: Yes.

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MR. SPIELER: Or reduced real

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estate taxes, those are typically incentives that

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go with an IDA project. Land sale, which is just

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a sale of city-owned land to a developer, there

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are typically no benefits that go along with it.

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COUNCIL MEMBER JAMES: I see.

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MR. SPIELER: So it's either

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benefits or a sale of land, there occasionally

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could be both, but that's the exception and not

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the rule.

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COUNCIL MEMBER JAMES: But because

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it is, this development project is all related to

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an economic development job and the use, a certain

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use of a development project, why is it ... why are

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they mutually exclusive? Why is it not combined,

23

or included therein?

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MR. WRIGHT: Well, there ... and I

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can't speak to all of them, but we try to

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2 obviously collaborate, and I don't think the IDA
3 or the CRC has the ability to convey land. The
4 EDC does that.

5 COUNCIL MEMBER JAMES: Oh, I see.

6 MR. WRIGHT: So I think for legal
7 purposes they're talking with EDC about the
8 conveyance of land, and they're talking to the IDA
9 about a benefit if they're seeking a benefit. But
10 they're usually happening simultaneously, so when
11 a project will close, and it's at the post-closing
12 phase and now compliance is starting to monitor,
13 they are looking at the use on the property if
14 there's a use restriction, they're also looking at
15 the IDA piece.

16 COUNCIL MEMBER JAMES: I see.

17 MR. WRIGHT: That's common to it.

18 COUNCIL MEMBER JAMES: And where is
19 it reported, if at all, the number of deals that
20 have gone to businesses of color and/or women? Is
21 that reported in there?

22 MR. WRIGHT: I do know that the law
23 does not ... the local law 48.

24 COUNCIL MEMBER JAMES: Right.

25 MR. WRIGHT: Does not require us to

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2 report that.

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COUNCIL MEMBER JAMES: But on your own are you doing anything?

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MR. WRIGHT: But we do ... we certainly can do that.

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COUNCIL MEMBER JAMES: Could you ... okay, and is that a bill that you would ... no, I guess we would have to do a study, so let me take that back. So MWBE's obviously is important, what about hiring people who have been historically unemployed or people who are on public assistance? Or in communities where there are high rates of unemployment?

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MR. WRIGHT: I ... that's a good question, and I think we'd have to look at that.

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COUNCIL MEMBER JAMES: Yes, just hiring people who are currently receiving public benefits, whether or not they're tied to any of the deals that the city is engaged in.

MR. WRIGHT: That's a good question, we do try to use them ... I'm not saying try, we do. We have a program with the Graffiti-Free NYC program, and where we're, you know, we're working with an organization that, you know, helps

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2 disadvantaged- -

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COUNCIL MEMBER JAMES:

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(Interposing) Right.

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MR. WRIGHT: ... New York City.

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COUNCIL MEMBER JAMES: Right.

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Thank you, I'd love to see the map, I would

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suspect that most of the deals, again, in the

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great borough of Brooklyn are in downtown Brooklyn

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in my district, which has its challenges, and has

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its benefits and its disadvantages. All of the

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focus on downtown Brooklyn is good, but it is

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ignoring the rest of the borough, and which is

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bad. So I would love to see a map, and I bet you

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my suspicions would prove to be correct. Thank

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you.

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CHAIRPERSON REYNA: Thank you,

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Council Member James. I do want to just emphasize

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the discussion, my first question when we were

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opening up the Committee questions, we addressed

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the issue of any collaboration between EDC, IDA

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and SBS, and you know, the reference of asking

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that question was specifically to tie in a lot of

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the comments of Council Member James concerning

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the chronically unemployed, you know, residents on

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2 public assistance, what efforts are there to match
3 all of this up, because it's not happening in that
4 manner. It's almost like we're misaligned, and
5 we're not really creating benefits for those who
6 most could benefit. And so if we can take a look
7 at that, and obviously having a database that can
8 be manipulated, with all this information, could
9 make it easier for us to try to have a better
10 dialogue, so that we could align everything as
11 we're discussing them here today. You know, as
12 voluminous as it may be, perhaps it's a one-time
13 cost and a one-time effort. If Good Jobs New York
14 obviously took two years to do it with interns,
15 perhaps we could shift those interns to, now that
16 they've become experts, to help the EDC department
17 who would be responsible for the research and
18 analysis and databasing of all of this
19 information, to take on the task. I think it's a
20 worthy cause, that can help and transform the city
21 and how we do business. Having said that,
22 Margaret Chin has a question.

23 COUNCIL MEMBER CHIN: Thank you,
24 Madam Chair. On doing your compliance, even
25 though local law 48 only requires seven years, but

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I assume you still continue to get annual reports from this company if their deal is 20 years or 30 years?

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MR. SPIELER: For as long as an IDA project is active ... I assume you're talking about an IDA project. So as long as an IDA project is active, and active means they have an obligation to the city, and/or an active agreement, whether or not they receive a subsidy or a benefit, we do track it, we do monitor it. And we do monitor their employment.

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COUNCIL MEMBER CHIN: But what about the one that was presented in the testimony earlier, from Good Jobs New York? Some of these big companies that promise to create and retain a certain amount of jobs, and the deal is like the one from NBC, it's like 35 years?

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MR. SPIELER: My understanding it wasn't on the report because it wasn't required to be as per local law 48.

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COUNCIL MEMBER CHIN: But they still would have to give you annual reporting?

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MR. SPIELER: Yes.

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COUNCIL MEMBER CHIN: Right?

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MR. SPIELER: Yes.

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COUNCIL MEMBER CHIN: So you would still have the information and data from them, right? Because they're obligated to continue reporting to you, because the program that they signed up for- -

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MR. SPIELER: (Interposing) Yes.

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COUNCIL MEMBER CHIN: ... was like for 35 years.

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MR. SPIELER: However ... yes we would, however their contract may require they report information to us that's not in the same format as required in local law 48. So to monitor agreement, we ... it's prescribed specifically the type of employment or other information that they report, and that we do collect, and we do monitor their employment annually. In that case, yes.

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COUNCIL MEMBER CHIN: Okay. So with this kind of reporting, so the information is there, so it's a matter of just trying to compile them or put them together, and if we want to do some analysis of these companies as still complying. I mean, that they're still doing what they're supposed to be doing.

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2 MR. SPIELER: Correct. It is my
3 job to monitor that project as long as they have
4 an active agreement, and we do. In that example
5 that was on the screen, it wasn't required to be
6 reported in local law 48, so it wasn't. That
7 doesn't mean that I'm not monitoring it.

8 COUNCIL MEMBER CHIN: Okay.

9 MR. SPIELER: But the information
10 that's collected and reviewed may be different,
11 because to monitor their agreement, there's a
12 specific form, and I monitor that.

13 COUNCIL MEMBER CHIN: Okay, so like
14 some of these, do you have an idea in terms of
15 like what are some of the major companies that you
16 are continuing to monitor that are still in the
17 city, that are still supposedly providing jobs or
18 creating jobs, that, you know, got huge tax
19 abatement or tax subsidies?

20 MR. SPIELER: I hate to speculate,
21 and I wouldn't want to misspeak. I could follow
22 up with whatever information that you need. I
23 don't have- -

24 COUNCIL MEMBER CHIN: (Interposing)
25 Yes, could you ... like Pfizer or somebody else. I

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2 guess could you get the Committee a list of some
3 of the major corporations that are still doing
4 reporting because they have gotten tax subsidies
5 and they're still required to report to you?

6 MR. WRIGHT: Yes, yes of course.

7 MR. SPIELER: I ... yeah.

8 COUNCIL MEMBER CHIN: One other
9 question is, when you go, when EDC enters into a
10 contract with a corporation, does it list out
11 clearly what they are required to do in terms of
12 numbers of jobs created, number of new jobs,
13 number of jobs retention? Are those information
14 all written out clearly on the contract that they
15 sign with you?

16 MR. SPIELER: It's a pretty thick
17 contract, but it's clear what their responsibility
18 is. If all- -

19 COUNCIL MEMBER CHIN: (Interposing)
20 That would be what they're reporting with you,
21 right? Based on- -

22 MR. SPIELER: (Interposing) Yeah, I
23 mean, it's, every IDA project was at one time
24 approved by our board of directors and generally
25 the executive summary is just that, a summary, one

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2 or two pages. So there should be this ... at some
3 point, this concise summary that outlined it was
4 available.

5 COUNCIL MEMBER CHIN: I guess it
6 goes back to what Council Member James was talking
7 about, something simple that has all the category
8 information, data that we want to collect, and
9 they should have that as part of the contract,
10 where it makes it easier for regular folks to look
11 at the information and- -

12 MR. WRIGHT: (Interposing) I will
13 say historically all that information is in the
14 contract. Has it been put in one clear portion of
15 the contract? No. Sometimes it's in different
16 sections, but I can say in the new contracts, we
17 have pushed very hard to make sure that, you know,
18 in one section of the contract we have all the
19 compliance information. We've also pushed very
20 hard to create a closing information statement,
21 where compliance is working, pre-closing with the
22 new project, so there's a relationship early.
23 Howard knows exactly who his contact is, they
24 understand what their requirements are to abide by
25 the contract. So over the years it has evolved

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2 and certainly gotten easier. But all of these
3 contracts do state their requirements, it's just
4 the very old ones, they were not in one neat
5 place.

6 COUNCIL MEMBER CHIN: So there is a
7 commitment to sort of like simplify and get- -

8 MR. WRIGHT: (Interposing)
9 Absolutely. It makes Howard's job 100% easier.

10 COUNCIL MEMBER CHIN: Okay, thank
11 you.

12 CHAIRPERSON REYNA: Thank you very
13 much, Council Member Chin and James. When EDC
14 and/or IDA enters into a contract with a
15 corporation, are job retention and creation goals
16 and other specific goals related to jobs
17 specifically provided for in the contract? And if
18 not, in what manner are jobs-creation goals stated
19 or made clear at the outset of a project? So, you
20 know, when a project enters an agreement to create
21 jobs, what specific goals are met, or are expected
22 to be met? Or is it just a blanket, how many jobs
23 are you going to create?

24 MR. SPIELER: If I ... I might have
25 lost you somewhere in between, I apologize. If

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2 there is a specific job requirement, it's clearly
3 listed and defined in the agreement. I'm not sure
4 if that's- -

5 CHAIRPERSON REYNA: (Interposing)

6 So it's not a standard uniform job creation,
7 retention request, where they would agree to
8 create X number of full-time jobs, with health
9 benefits, X number of part-time jobs, with health
10 benefits, in- -

11 MR. SPIELER: (Interposing) I would
12 say typically the requirement isn't to grow, it's
13 more to not fall below. If they fall below, there
14 are penalties. There may be an increase in
15 benefits if they grow, but a typical contract
16 would not say, "You must create X amount of jobs",
17 in your example it would be, "You must not fall
18 below X amount of jobs". For those deals that
19 have that requirement.

20 CHAIRPERSON REYNA: And if they
21 didn't mention that they were going to grow and
22 they do, then they're doing beyond what their
23 scope in the contract would be.

24 MR. SPIELER: If- -

25 MR. WRIGHT: (Interposing) At

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2 application we are given a projection of job
3 growth, and as Howard has mentioned, there's a
4 subset of deals where there has been a job
5 retention and certain ... there are certain cases,
6 there's an increase in benefit if there's growth.
7 But that has not been standard across the board,
8 because there are certain companies that it's
9 important that they're making an investment, you
10 know, such as non-profits or manufacturers, where
11 they could not make that commitment to job growth.
12 It was important enough just to get the benefit to
13 exist, and to thrive.

14 MR. SPIELER: And there are other
15 requirements detailed in a typical IDA project,
16 such as not moving their headquarters, not sub-
17 leasing the property without permission, not
18 selling the property. And there are restrictions
19 if there are not a specific job retention number.

20 CHAIRPERSON REYNA: So in the sense
21 of, in the example of Pfizer, do you know off the
22 top of your head what is the benefit they received
23 and for how long?

24 MR. SPIELER: I hate to speculate.
25 I'd prefer to follow up with an exact number, if

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2 that's okay. I can take a guess, but I prefer ...

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CHAIRPERSON REYNA: And I mentioned

Pfizer because their particular plant is in the Williamsburg, Bedford-Stuyvesant area, and so you know, having seen and known that they've received benefits in the past, and I believe it's almost like a 99-year benefit, and they downsized. What type of punitive, how were they penalized for downsizing? Since you just mentioned that when there is a downsize that there's a penalization.

MR. WRIGHT: So, as Howard had

mentioned without specifics, you know, there's several remedies, and I think in the case of Pfizer there is a recapture provision, you know, should they not maintain a certain level of employment. And that of course is enforceable. What I can also tell you, if you look at the 2009 report, we had, you know, companies at application, we've had an increase in almost every category of benefit. You know, for example, on the manufacturing facilities bond projects, full-time employment was 4,300, which was about a 2.8% higher increase than the jobs that were reported at application. Some certainly had a higher

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2 number. Non-profits are at combined about almost
3 33,000 jobs, and that represents a 28% higher
4 increase in jobs than the application.

5 CHAIRPERSON REYNA: And how many
6 were ... you mentioned non-profits, but what were
7 the- -

8 MR. WRIGHT: (Interposing) Well, I
9 think they're kind of mixed in here, I have them
10 by category of incentive. Well, for commercial
11 growth combined, full-time employment as of the
12 '09 report was at just above 46,000, which is
13 about a 28% increase over the jobs reported at the
14 project application stage. And there's others,
15 and we're happy to share all of this, and it's
16 also in the report. So even though not every
17 single one of these programs had an express
18 requirement on jobs, there is still growth.

19 CHAIRPERSON REYNA: The land sales,
20 there's ... the only example I can share is one in
21 my district, I believe it was in 2003, city-owned
22 land through EDC acquired through, I believe, what
23 would be the land sale unit in your corporation to
24 be able to expand their business. But the fear of
25 that this land would later on be rezoned, because

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2 across the street the conformity at that time
3 would be majority manufacturing/industrial, but
4 knowing that around the corner in a few years it
5 would be rezoned to residential, and that the
6 conformity would increase and incentivize this
7 property owner to do the same as well. You said
8 there's restrictions, but the restriction is only
9 for a certain amount of years. Once that expires,
10 that property owner has city-owned land that was
11 acquired and it's his right to rezone if he so
12 chooses. Correct?

13 MR. WRIGHT: That's correct.

14 CHAIRPERSON REYNA: And the average
15 amount of time for the use to exist, or to be
16 restricted, is how long?

17 MR. WRIGHT: I could be wrong but I
18 feel like it can range from ten to 20 years. And
19 I'd have to look and Francesco from our real
20 estate group is kind of shaking his head, so I may
21 be wrong about that. Do you have a better
22 speculation on that? Okay.

23 CHAIRPERSON REYNA: Okay, I know
24 that in our particular example, I increased it
25 because it was a restriction of like five years.

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2 And we wanted to see a ten-year restriction, and
3 we were able to agree to a ten year, luckily, but
4 beyond the tenth year, I can't guarantee that
5 there's going to be a business there that's going
6 to employ and that there's going to be
7 manufacturing use or industry use.

8 MR. WRIGHT: Do you ... and obviously
9 I'm not really certain which project you're
10 talking about, do you know that that property was
11 sold below market value? Because there's a lot of
12 instances where we're only making deducts because
13 there is environmental remediation that needs to
14 be done, and we don't want to take on that cost.
15 So we do the appraisal and a lot of times it is
16 sold at full market, and it is difficult sometimes
17 with adjacent landowners, or we can make a case
18 for a sole source to a non-profit group that's
19 going to, you know, continue with a public benefit
20 to sell it below market. But that really has,
21 would drive how long the restriction is.

22 CHAIRPERSON REYNA: And, you know,
23 going through this particular deal, how do I
24 monitor it? There's no way to monitor, there
25 isn't a database under the City of New York.

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2 MR. WRIGHT: As long as there's a
3 restriction on the property, we are monitoring it,
4 and of course you could talk to us about it, but
5 of course this is also what you're looking to
6 change.

7 CHAIRPERSON REYNA: Correct.

8 MR. WRIGHT: About how you could.

9 CHAIRPERSON REYNA: You said it.

10 MR. WRIGHT: But I'm not sure why
11 you couldn't continue to look, as long as there's
12 an active benefit, aren't we reporting this?

13 MR. SPIELER: Yes, I mean, we ... if
14 the land sale still has a restriction, we do
15 monitor it.

16 CHAIRPERSON REYNA: And aside from
17 restricting and monitoring, it's a matter of
18 having information available and accessible? And
19 being able to hold accountable to what those
20 restrictions were, and having the opportunity to
21 see what could we do to incentivize for that
22 particular sale of land, to continue to be
23 manufacturing and industry and not convert it into
24 residential, which would perhaps make three, four
25 times the amount of money than the city would have

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2 made. I want to just ask if there's any further
3 from our Committee members? I want to thank the
4 Economic Development Corporation, Jason Wright and
5 Howard, your last name again?

6 MR. SPIELER: Spieler.

7 CHAIRPERSON REYNA: Spieler. Thank
8 you so much for joining us. I know that we're
9 going to continue to have further discussions
10 regarding what is the best approach. You said you
11 are in design phase for- -

12 MR. WRIGHT: (Interposing) Our
13 existing database of just obviously consolidation
14 of data and also making it much more easy- -

15 CHAIRPERSON REYNA: (Interposing)
16 Uniform?

17 MR. WRIGHT: Well, uniform, easier
18 to produce the local reports, the state and
19 Council reports.

20 CHAIRPERSON REYNA: And perhaps,
21 aside from offline conversations we could revisit
22 this in a hearing where we can have further
23 dialogue concerning where we're going to continue
24 to achieve and a timeline when we could see this
25 actually come to fruition.

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MR. WRIGHT: Absolutely.

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CHAIRPERSON REYNA: Thank you. I'd like to call up the next panel, Michael Jacobs from the IBO office, Josh Kellerman, Arturo Fernandez, and if there's anyone else who would like to sign up, now is the time to do so, to testify. We have been joined by Council Member Robert Jackson, Council Member Margaret Chin and Council Member Letitia James.

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MR. JACOBS: Maybe yeah, that's a good idea.

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CHAIRPERSON REYNA: Thank you so much. How are you?

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MR. JACOBS: Good.

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see you.

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MR. JACOBS: It's good to see you again.

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CHAIRPERSON REYNA: Thank you.

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MR. JACOBS: Good afternoon, Chairwoman Reyna and members of the Small Business Committee, my name is Michael Jacobs, I'm the Supervising Analyst of the Economic and Taxes unit of IBO, the Independent Budget Office, and we'd

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2 like to thank you for the opportunity to speak at
3 today's hearing on Intro 256, a local law which
4 would address a few major, we see as two major
5 deficiencies in the New York City Economic
6 Development Corporation's annual reports on
7 projects that provide discretionary benefits to
8 employers in exchange for agreements to preserve,
9 expand or relocate jobs to the city. Now, as you
10 know, IBO's mission is to provide information and
11 increase public participation with respect to
12 budgetary decisions facing the city. And while
13 IBO typically does not make specific policy
14 recommendations, and if you remember from last
15 week, I sort of ducked a question on that basis.
16 We typically don't make policy recommendations,
17 but we do make an exception on proposals which
18 affect the budget process or access to
19 information. And with this, keeping this in mind,
20 we support Intro 256, it would greatly increase
21 the usefulness and quantity of information
22 available to elected officials, their staff,
23 researchers, and the public, regarding an
24 important use of city resources, and that is the
25 provision of discretionary benefits as part of

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2 business incentive packages. The city commits a
3 significant amount of money to these discretionary
4 benefits. The total projected cost for the city,
5 to the city, in present-value terms of the
6 benefits provided to the 644 projects covered in
7 the EDC local law 48 report for fiscal year 2009,
8 that's the most recent report, the total value
9 projected cost is \$852 million, and that figure
10 excludes the cost of benefits provided to a number
11 of ongoing projects that EDC is not currently
12 required to include in the report, or not
13 currently including in the report. And Intro
14 would end the exclusion of these projects just
15 mentioned, as well as make the annual reports
16 easier to use. And the reports would, as others
17 have testified today, and as I think you know from
18 your own experience, the staff's experience,
19 reports would become a lot easier to work with, if
20 Intro 256 were passed, because the amendment to
21 the city charter would explicitly require EDC to
22 issue its reports in an accessible database
23 format, such as Excel or some other spreadsheet or
24 database program. This would greatly enhance the
25 ability of researchers and others to work with and

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2 analyze the data, or as Bettina elegantly put it,
3 "do the wonky stuff". Currently the reports are
4 available only in PDF format, and to analyze the
5 data researchers must convert it to some sort of
6 database format, either by typing it in, or going
7 through a lengthy process of transferring it
8 electronically, and this is not a simple cut and
9 paste operation. And not to compete with Bettina
10 and her staff, but we know from personal
11 experience just how many hours one can spend
12 typing in data. Over the years IBO's staff and
13 various interns have spent countless hours typing
14 in data from all the EDC annual reports, starting
15 with the first one in 1994, and yeah, we've cut
16 corners, we haven't inputted all the data. We've
17 had to select which data ahead of time we were
18 going to enter in. there are times when I, gee, I
19 wish we had entered this information all along.
20 And one thing I want to, you know, just add to the
21 remarks, it's not just the cost-benefit
22 information that is in the little boxes to the
23 right of the pages of the EDC report, I mean, it's
24 not just manipulating those numbers, even the non-
25 numerical information like borough, block and lot

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2 number, whether or not a project has been
3 terminated due to non-compliance, that sort of
4 information is stuff you can work with
5 empirically, you can sort out, you know, separate
6 certain projects out of the set of projects you
7 want to analyze. So it's, so the database format
8 needs to cover not just the numbers, but the non-
9 numerical information as well. Just to summarize,
10 if the annual reports were made available in
11 database format, other, IBO and other researchers
12 would be able to make more extensive use of the
13 data and spend less time merely inputting it. The
14 other important change to Intro 256 would require
15 EDC to report on all projects from the time when
16 they begin to receive tax benefits, tax or other
17 benefits, to when those benefits end. Under
18 current law, only projects begun as of July 1,
19 2005, the start of fiscal year 2006, must be
20 included in the annual reports, although EDC has
21 testified they included some others. But only all
22 those projects begun in 2006 and on are required
23 to be included in the reports for the life of the
24 projects, life being defined as all the years in
25 which they're receiving some sort of benefits.

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2 For projects begun prior to fiscal year 2006, and
3 those involving land sales, current rules require
4 that they be included in the annual reports for
5 only seven years. And under Intro 256, projects
6 involving land sales would have to be included for
7 a minimum of fifteen years. I'd also, I guess,
8 stray from the remarks a little bit to echo
9 Bettina's comments that sort of the land ... the
10 projects that solely involve a land sale and no
11 specific employment requirements or specific
12 recapture provisions, I think those are maybe a
13 separate case, and some sort of arrangement can be
14 made for simpler but more complete tracking of all
15 those projects. So I ... that's something worth
16 exploring, in my opinion. In any case, by
17 requiring the data to be provided for the duration
18 of the projects, for the duration of when benefits
19 are provided, Intro 256 would increase the number
20 of projects included in future EDC annual reports,
21 and thus provide a more complete picture of the
22 fiscal cost and benefits of all the ongoing
23 projects involving discretionary benefits. And
24 this change is warranted, because there are many
25 projects begun prior to 2006 that are scheduled to

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2 receive benefits for well more than seven years,
3 some for 30, 40, and even 50 years. From the EDC
4 annual reports themselves, it's not possible ... one
5 thing I wanted to do before coming here was like
6 count how many projects are still receiving
7 benefits but they've dropped out of the picture
8 from the reports because of the ... they've gone
9 beyond seven years and they no longer need to be
10 reported. And it sort of, that ... I sort of
11 stopped trying to do that when I realized that up
12 until 2005, the end date for all projects wasn't
13 even reported in the local law 48 reports. And I
14 had forgotten about that. So, but what I did do
15 is go through the 2005 volume and do a cursory
16 scan of all the 465 projects in that volume, and I
17 found that as many as 310 projects, or 2/3, may
18 not, are not required to be included in the
19 upcoming 2010 report, the one that EDC is working
20 on for January release, even though they may still
21 ... these are projects that still may be receiving
22 benefits. Some other projects in this 310 maybe
23 have dropped out because of non-compliance. But
24 the point is that there is a large number of
25 projects that are still receiving benefits, even

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2 projects included in the 2005 volume that EDC is
3 not obligated to report on. And in brief, any
4 analysis of ongoing projects should include all
5 projects still receiving benefits, regardless of
6 when they were begun. I guess that's it for my
7 remarks. Again, thank you for the opportunity to
8 speak on behalf, or in favor of, Intro 256, and
9 I'll take any questions you may have after the
10 next speaker, I guess. Thanks.

11 MR. KELLERMAN: Good afternoon,
12 thank you for allowing me to speak today, my name
13 is Josh Kellerman, I'm with New York Jobs With
14 Justice and Urban Agenda, and those two
15 organizations are merging right now. New York
16 Jobs With Justice has worked for about the last
17 five years on statewide accountable economic
18 development, and we have followed New York City's
19 IDA very closely through that time, although we
20 leave most of that work up to the good work of
21 Good Jobs New York, and we focus more at the state
22 level. I'm just going to summarize what I've
23 written here and then try to respond to some of
24 the questions that have been raised already during
25 this meeting. We've released a report recently,

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2 New York Jobs With Justice and Urban Agenda,
3 called "No Return on our Investment: the Failure
4 of New York's Industrial Development Agencies",
5 and I highly recommend that you take a look at
6 that. It crunches a lot of the numbers that are
7 provided by the state comptroller on industrial
8 development agencies, which actually are quite
9 comprehensive. And that's something that I would
10 like to speak on that could be used as a model for
11 the New York City EDC's data provision, because
12 the state comptroller provides an Excel
13 spreadsheet with very comprehensive raw data
14 provided by the businesses that receive IDA
15 subsidies, and it then makes it very accessible,
16 very easy to crunch, it's provided publicly on
17 their website, although it's exceedingly difficult
18 to find. And it could potentially reduce some of
19 the costs that the city would incur in compiling
20 that data, because they would be able to
21 essentially work with the state comptroller to use
22 the data that's already being compiled by them,
23 and then just add extra columns that essentially
24 cover the increased areas of transparency in local
25 law 48. That's one area and I don't, I'm not an

1 expert on that, so I'm sure that there's a lot of
2 details to be worked out, but there already is an
3 example of this data being documented and reported
4 on, and so that would be probably the first place
5 that should be looked at. So Jobs With Justice
6 and Urban Agenda come at economic development
7 typically from a three-pronged approach. One is
8 we hope for high business standards, wage
9 standards, local hiring, that members of
10 communities who have traditionally been
11 disenfranchised from the economy have access to
12 these jobs. We look at it through the lens, the
13 second prong is accountability, that there are
14 strong clawback measures, anti-pirating measures,
15 so that cities aren't drawing businesses away from
16 each other in competition, by offering greater
17 subsidies and undermining our tax base, and then
18 transparency, which is largely what we're here to
19 talk about today. We are in support of the law,
20 the amendment to local law 48, as proposed. Let's
21 see, so the first part that I'd like to speak
22 about is the report provided in PDF format, again
23 I'll refer to the state comptroller. The state
24 comptroller does provide a PDF report that is sort
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2 of the ... they've done all the number crunching,
3 they've made their analyses, they've developed
4 their cost benefits and they include the narrative
5 and some of the compiled data in this PDF report,
6 but they also alongside it provide the raw data.
7 So the community groups and others who are
8 interested in looking at that data can do their
9 own numbers and come up with potentially some
10 different conclusions, look at some different
11 areas that maybe the comptroller may not have
12 looked at. So this data is really important, and
13 it's exceptionally important because of the impact
14 that economic development has on our communities.
15 It has the potential to do a great deal of good to
16 our neighborhoods, from smart growth development,
17 bringing in strong manufacturing, really helping
18 to rebuild the middle class in our communities,
19 and it also has the potential to undermine our
20 communities through creating poverty-wage jobs, so
21 the government has to pay twice, once to subsidize
22 the business, and another time to subsidize the
23 employees that can't make enough to get by. And
24 so, because of this impact that economic
25 development has on our communities, communities

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2 need to be involved in this process, and the only
3 way that they can begin to be involved is through
4 adequate information. And so local law 48 really
5 gets at that. Providing the raw data is very
6 important through something like an Excel
7 spreadsheet, and then the, let's see, the other
8 component of providing data throughout the life of
9 the subsidy is extremely important. At the state
10 level, the only data that we can actually access
11 at the state level that's useful goes back to
12 2003, and that's because the reporting
13 requirements were so lax up until that point, that
14 any data provided before then is unreliable. And
15 so we really only can go back that far to do
16 comparisons of data and see the trends of economic
17 development in the state. And so I assume there
18 will be a similar problem at the city level when
19 you start looking back to 1999 and before that,
20 there may be data. I mean, sure there's data, but
21 it's just the reporting is so disparate, the
22 requirements were very limited and so it might,
23 even though we could get data, it might be just
24 not very worthwhile. That's not to say that we
25 shouldn't look into it and see what can be useful

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2 and to really push that, but it's also very
3 important to focus on, you know, where, when did
4 they really start reporting data that is
5 verifiable and useful and go back to that date and
6 compile that and put it into one database that's
7 useful. Again, the state comptroller has done it,
8 it's available, we use it every year, and it
9 should be a ... and so therefore the city should be
10 able to do it as well. We have a suggestion at
11 the state level for mapping subsidies, similar to
12 how they did the stimulus tracker, where you can
13 essentially go onto that government web page and
14 you click on locations and it brings up all the
15 different stimulus projects that have been done in
16 the area, and I think that that's a very, it's an
17 exceptional website, and I think a website could
18 be modeled after that, if we are talking about
19 actually doing a map. I think that the PARIS
20 system is a reporting system that has recently
21 been implemented, it's called ... it's the Public
22 Authority's Reporting Information System,
23 something along those lines. Yes, the PARIS
24 system, and all businesses who receive IDA
25 subsidies are required to report through that

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2 system, and so the data is being streamlined into
3 this one uniform system that therefore is much
4 easier for IDA's and the EDC to access, and it's
5 also compiled in one place. So that would, I
6 think that limits some of the ... it reduces, I
7 think, the strength of the argument that this is
8 going to be really costly and expensive to compile
9 this information. It's really already being done.
10 And yeah, I guess that I will leave it at that. I
11 think that it's very important that we begin
12 tracking information on access to economic
13 development for minority and women business
14 owners. That's a really important recommendation
15 that we're making at the state level as well. And
16 also getting more specific into the local hiring
17 in communities and who's being hired and who
18 actually has access to these jobs, is all data
19 that's very relevant. So thank you for your time.

20 CHAIRPERSON REYNA: Thank you very
21 much. I just want to ask, concerning the MWBE
22 portion, I'm not too sure the reason that was
23 explained as to MWBE's not being part of the
24 reporting through EDC, but is that a failure of
25 legislation or just an oversight?

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2 MR. JACOBS: It's certainly not
3 required by, under current law, so if ... so if it
4 was thought about in the past, and for whatever
5 reason it was decided not to include that in local
6 law 48, which had revised local law 69, then you
7 know, that would be the reason. Whether or not
8 it's something that can be done easily or what the
9 cost would be, and I'm not sure.

10 CHAIRPERSON REYNA: Michael, as far
11 as the MWBE and the reporting aspect in relation
12 to the projects that EDC is required to monitor,
13 the MWBE, is it your recommendation it should be
14 added to Intro 256, to fill that hole? Or it's
15 not even necessary?

16 MR. JACOBS: I don't think, I don't
17 think we even considered it, so we don't really
18 have a recommendation on that. I think that's
19 something obviously- -

20 CHAIRPERSON REYNA: (Interposing)
21 Ongoing dialogue.

22 MR. JACOBS: Yes, when you have
23 your discussions with EDC and it's something to
24 consider, and you consider what's possible and
25 what, from when and yeah, I think it's obviously

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something to consider.

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CHAIRPERSON REYNA: Josh, I don't know if you wanted to say something.

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MR. KELLERMAN: Yeah, do you mind?

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CHAIRPERSON REYNA: No, not at all.

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MR. KELLERMAN: I think that it's exceptionally important that we have the ability to determine whether our economic development dollars are being spent in a way that actually builds our communities in a way that we want. IDA's are public authorities, which means that they are not a state agency, so they're like a step or two removed from public accountability as a result. And so we need to have certain limitations on that, certain sort of accountability measures that allow community groups outside of the traditional sort of state agency method of governance to actually impact the decisions that are being made. And if we can't actually see that the money is being spent, we can't ... if there's no data to tell whether the money is being spent in one way or another, then it's hard to make an argument on that, it's hard to be involved in that decision making, as to

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2 whether we should be actually spending more money
3 on MWBE's or not. So the information is
4 necessary, and I think almost every community
5 group would say the same.

6 CHAIRPERSON REYNA: I agree, I
7 don't think we disagree with the information, what
8 I find very difficult is to understand that, you
9 know, we have an MWBE law that was passed, but
10 it's not applicable to, or it's forgotten, or it's
11 not complied with, and so you know, do I include
12 it in Intro 256, as part of the reporting
13 accountability aspect, or is this going to be
14 done, because they're following the law from the
15 MWBE that we had passed?

16 MR. KELLERMAN: Yeah, I would see
17 it as simple as in the reporting that each
18 business has to do through the PARIS system. You
19 have another little toggle box that says, "I am an
20 MWBE or not", and then that would give us the data
21 that we would need to see how many of the actual
22 businesses that are being funded are part of that.

23 CHAIRPERSON REYNA: And that check-
24 off box should be part of which document?

25 MR. KELLERMAN: It should be part ...

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2 it should be legislated, and it should be a part
3 of the actual reporting requirements through the
4 PARIS system. Or, I don't know if New York City
5 has like a sort of stiffer or a stronger PARIS
6 system, because there are some ... New York City
7 requires more reporting than at the state level,
8 but I'm sure it could be legislated to simply be
9 included in there.

10 CHAIRPERSON REYNA: I know that
11 we're joined by Howard from EDC, the compliance
12 unit, I don't know if that's something that is
13 asked right now, and if you're going to answer
14 that, can you go to the microphone? Thank you.
15 You could stay there, Josh.

16 MR. SPIELER: Okay, just repeat the
17 question, so I'm sure- -

18 CHAIRPERSON REYNA: (Interposing) I
19 just wanted to understand, the MWBE component
20 because, you know, it's almost like a failure of
21 understanding that the law is applied no matter
22 what, so we have an MWBE law, but we're not asking
23 the question in the paperwork, and therefore we
24 can't comply with the law if we're not asking, and
25 so is MWBE part of your reporting compliance

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efforts?

MR. SPIELER: I'm, just to clarify, I'm not an expert. So I can tell you it's not required as per local law 48, and it's not required in the PARIS system, so I don't personally track it. To what I understand, there is a department or person at EDC, someone who does- -

CHAIRPERSON REYNA: (Interposing)
The procurement officer.

MR. SPIELER: Yes, who does monitor it.

CHAIRPERSON REYNA: Uh huh.

MR. SPIELER: And you know, the questions would be best answered by them, I just don't want to speculate. Speaking for myself, I do not track it, it is not a requirement to local law 48, it's not a requirement to the state, it's not a requirement in the IDA agreements that I monitor. So I don't personally monitor it, but that's not to say someone else for a different purpose at EDC doesn't monitor it, I believe they do, but I do not. It is not part of our state-required reports, it's not required of our report

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2 to the City Council in the form of local law 48.

3 CHAIRPERSON REYNA: Okay. and as
4 far as the examples of what you had referred to,
5 Michael, in your testimony, regarding the ongoing
6 projects that EDC is not currently required to
7 include in the report, if you could just give us
8 an example of that.

9 MR. JACOBS: I believe, actually I
10 was going to pull out some examples, but the few
11 that I went to at first were projects that had
12 been discontinued for non-compliance. So I think
13 Bear Stearns would be one, the most obvious. I
14 can get, you know, give you other examples in
15 writing. I mean, what I did was go through the
16 2005 volume, or annual report, and which
17 technically, correct me if I'm wrong, Howard, was
18 not produced under local law 48. Local law 48
19 started, applied to 2006?

20 MR. SPIELER: I think it was passed
21 in 2005, and it started in 2006.

22 MR. JACOBS: Right.

23 MR. SPIELER: But my understanding
24 is that we report back to 1999, and we haven't
25 dropped off since. So I believe what was seven

1
2 years old at the time the law was passed, was, and
3 still is, included. I believe, I don't have my
4 notes in front of me.

5 MR. JACOBS: Okay.

6 MR. SPIELER: I do not believe that
7 our reporting starts with 2005. I believe,
8 because I think Bettina showed me an example of
9 the Bear Stearns in 1999, so we don't ... so I
10 believe the oldest deals in local law 48 are
11 currently 1999. Nothing older?

12 CHAIRPERSON REYNA: Bettina, can
13 you come to the microphone? And everybody can
14 stay there, it's just that we're adding people.

15 MR. SPIELER: I'm thinking I should
16 have left when my boss left.

17 CHAIRPERSON REYNA: Pull up a
18 chair.

19 MS. DAMIANI: Sorry. This has
20 actually been a good problem that we've had at
21 Good Jobs, because they do put in deals longer
22 than local law 48 requires. We're just not quite
23 sure if it was ... we're under some impression that
24 it might be fiscal year 1998, but then everybody
25 here is saying '99, I know this is kind of

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2 splitting hairs, but for those of us that actually
3 really pay attention to this sort of thing, it's
4 important, so.

5 CHAIRPERSON REYNA: So it is 1999,
6 as far back as 1999?

7 MS. DAMIANI: At least. And
8 possibly a fiscal year earlier.

9 CHAIRPERSON REYNA: Okay, and- -

10 MR. SPIELER: (Interposing) But not
11 2005. I thought I heard that it started, that the
12 reporting started in 2005, and it's not, I believe
13 it's seven years prior to 2005, and we have not
14 dropped off, is what I believe.

15 CHAIRPERSON REYNA: Right.

16 MR. SPIELER: So I just wanted to
17 clarify it's older than 2005.

18 CHAIRPERSON REYNA: Right. It's
19 1999, and we've got ... we want to go beyond 1999,
20 because there are deals that far exceed the seven
21 year from the 2005 local law 48.

22 MR. SPIELER: Understood, yes.

23 CHAIRPERSON REYNA: And the, in the
24 same testimony, Michael, you had referred to 310
25 projects that may not be included in the upcoming

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2 2010 report, though they may still be receiving
3 benefits. And what I'm trying to understand is,
4 why wouldn't they be included if they're still
5 receiving benefits? Because it only goes back to
6 1999?

7 MR. JACOBS: I need to look, well
8 certainly in the recent volumes of the local law
9 48 reports, I've noticed that projects going back
10 as far as, I don't know when exactly, but 1999
11 sounds correct, from my general memory. I
12 certainly noticed that there are projects that are
13 still on the books. I've also noticed projects
14 that are no longer reported on, that started
15 around that time.

16 CHAIRPERSON REYNA: That time as
17 in?

18 MR. JACOBS: The late '90's, early
19 2000's. So what I went through the 2005 volume
20 and looked for projects that had begun, had begun
21 earlier ... what was the cutoff date? I looked for
22 projects that were going beyond 2010, whose
23 benefits were, you know, to lapse beyond 2010, but
24 had been, you know, already reported on for ... but
25 whose seven years would have been up before 2010.

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2 CHAIRPERSON REYNA: Right. And I
3 just wanted to ask Howard, is, you know, Jason had
4 mentioned there's no grandfathering. Would the
5 language 'grandfathering' capture the 310 projects
6 that Michael is mentioning?

7 MR. SPIELER: First of all, I don't
8 know if the number is 310, actually it's a
9 question, could I ask Michael a question?

10 CHAIRPERSON REYNA: Yes.

11 MR. SPIELER: Is the 310 supposed
12 to signify the number of projects that are still
13 active, meaning they still have an agreement with
14 the city, yet fall outside of the scope of the
15 current local law 48, even with our what we call
16 the extra reporting, you're saying they're still
17 there are another 310? I don't- -

18 MR. JACOBS: (Interposing) I- -

19 MR. SPIELER: (Interposing) I just
20 want to understand what this scope of 310 is.

21 MR. JACOBS: The 310 does not
22 include those that may be what you call the extra
23 reporting. I was trying to get at the potential
24 number of projects that EDC would not be required
25 to report on, and I know, with the full awareness

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2 that you do report on some that technically are
3 not, or legally are not, required to report on.
4 It includes those projects that would not, they
5 would not be required to report on, either because
6 the seven years are up, the seven years of ...
7 because they started before the ... they started
8 before July 1, 2005, and thus are not, under the
9 current law, they don't have to be reported on for
10 more than seven years, or because they may not ...
11 they may have dropped out, because of non-
12 compliance. And that is a significant number.

13 MR. SPIELER: I don't know if the
14 number is 310, but I think clearly your point is,
15 how many projects have an obligation or are
16 receiving benefits that aren't on the report. And
17 I believe Councilwoman James asked us for that
18 list, and if she didn't, would you like me to
19 provide you that list?

20 CHAIRPERSON REYNA: That is exactly
21 what I'm asking you to provide us. And I would
22 really appreciate you answering that question.

23 MR. SPIELER: We will get you that
24 list.

25 CHAIRPERSON REYNA: Fantastic. And

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2 in local law, proposed local law 256, we would be
3 capturing- -

4 MR. SPIELER: (Interposing) Right,
5 I guess one of the- -

6 CHAIRPERSON REYNA: (Interposing) ...
7 whatever number that is.

8 MR. SPIELER: Yes. That's my
9 understanding.

10 CHAIRPERSON REYNA: Okay. And for
11 Josh, I just wanted to understand the ... how far in
12 time, you had mentioned I think you answered the
13 question already, does the state comptroller
14 compile data? I think you said 2003, but is that
15 correct?

16 MR. KELLERMAN: There's data there
17 that goes farther back than that.

18 CHAIRPERSON REYNA: Okay.

19 MR. KELLERMAN: But in doing the
20 review of that data, we found that it's
21 unreliable.

22 CHAIRPERSON REYNA: So they went
23 back as far as?

24 MR. KELLERMAN: I think that you
25 can actually find raw data back to 2000 or so, but

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2 they've been releasing reports since probably the
3 '80's, or definitely the '90's, on IDA's. It's
4 just the reports are the PDF's that only provide
5 you their snapshots of what the numbers mean.

6 CHAIRPERSON REYNA: Correct.

7 MR. KELLERMAN: Rather than
8 actually- -

9 CHAIRPERSON REYNA: (Interposing)
10 Manipulative data.

11 MR. KELLERMAN: Yes. Yes, and
12 verification is one of our key issues as well. I
13 think New York City didn't release data on
14 something like 17,000 jobs in the city in 2008,
15 because they couldn't actually verify that those
16 businesses had reported properly on their data.
17 And so there could have been 17,000 more jobs
18 created in the city, but we just ... but it couldn't
19 actually be proved, and so the New York City IDA
20 actually made the step to say, instead of
21 reporting these 17,000 jobs to the comptroller,
22 we're just going to take the hit, say we didn't
23 actually create them, because we couldn't verify
24 them. So there's some verification issues that
25 are very relevant to the business reports in the

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2 PARIS system and then IDA has to, or the EDC has
3 to have the capacity to go back to that business
4 and actually, potentially do an audit, you know,
5 it is ... I mean, this data is quite complicated.

6 MR. SPIELER: Can I make a comment?

7 CHAIRPERSON REYNA: Yes, Howard.

8 MR. SPIELER: I really should have
9 left when my boss left. I know that- -

10 CHAIRPERSON REYNA: (Interposing) I
11 love the fact that you stayed. That's what I
12 like.

13 MR. SPIELER: So what he's
14 referring to was a paragraph on page one or two of
15 a report put out either by the office of the state
16 comptroller or the authority budget office, and
17 the example was one project that was on the 2007
18 report, and not from the 2008 report, but what ...
19 but what that report left out is, this particular
20 company was no longer contractually obligated to
21 report employment to us, they didn't have an
22 active bond or agreement. That is why we didn't
23 collect it. So the way it is worded in the
24 report, it said, "Company X was on the 2007
25 report, and not 2008". What was not mentioned

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2 was, they were not obligated, they didn't have an
3 agreement, and we wouldn't ... we've established
4 earlier, we don't collect employment information
5 if there's no agreement. And that's why in this
6 particular case it wasn't listed. And that was
7 not part of the report that was put out by I
8 forget which state entity it was. But it was a
9 large of projects, it was specifically cited in
10 this report, but I can tell you that company was
11 not reported the next year, because they didn't
12 have a contractual obligation to report it to us.
13 Their bond was no longer ... their bond was paid
14 off, and the obligation wasn't there. So of
15 course we don't report on any company that we
16 don't collect from, and we don't collect if
17 there's no obligation. So it shouldn't have been
18 on the report the next year. There was no
19 obligation to report it to us.

20 MR. KELLERMAN: That's good
21 information. And so it still doesn't deny the
22 fact that there is verification issues with
23 businesses sort of ... businesses that are the foxes
24 protecting the henhouse, when this, in the
25 reporting process. And a lot of the numbers,

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2 particularly as you go farther back, but even
3 today there are verification issues with the data,
4 so.

5 CHAIRPERSON REYNA: Right. I'm
6 going to have Margaret Chin ask a question.

7 COUNCIL MEMBER CHIN: Yeah, I just
8 have a brief question. Since you were mentioning
9 that Joshua mentioned that the state comptroller's
10 office has some of this information online,
11 whether the city controller, would they also
12 capture some of this information, since the city
13 controller signs contracts and do they have this
14 information?

15 MR. SPIELER: I can actually answer
16 it, probably. So the authority budget office and
17 the office of the state comptroller collaborated
18 on the database called PARIS, Public Authority
19 Reporting Information System, and the New York
20 City IDA is required to enter the information into
21 that. It is completely separate from the city's
22 controller's office, there is no connection that
23 I'm aware of at all. This is state-legislated,
24 and I believe state-funded.

25 COUNCIL MEMBER CHIN: Okay, so

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2 whatever reporting is only to EDC, because you are
3 responsible for compliance?

4 MR. SPIELER: Speaking generally,
5 there are two reporting requirements. There's a
6 reporting requirement to the state, and then
7 there's local law 48, which is the reporting
8 requirement to the city. And they are different.
9 There's some overlap, but there's a lot that's
10 different.

11 COUNCIL MEMBER CHIN: What about
12 the part that was mentioned earlier, in terms of
13 collecting the different data? In terms of the
14 types of jobs being created, whether it's
15 communities, whether it's living-wage jobs, or
16 whatever, are those information required right
17 now?

18 MR. SPIELER: That is not a
19 requirement for the state.

20 MR. KELLERMAN: There's a column in
21 the state data on salary, so the PARIS did
22 implement in the last reporting year that we have
23 access to, which is 2008, where there is a salary
24 requirement, however the data was totally
25 incomprehensible, people were reporting on average

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2 salaries or max salaries, or total salaries for
3 the entire business, so it was uncomparable and so
4 it will, supposedly the reporting will improve
5 next year and as we go on for salaries. However,
6 there is no living wage requirement, there are no
7 wage mandates within the legislation creating
8 IDA's. so therefore, they do not have to actually
9 meet a certain wage in their reporting, or in the
10 job creation. It's simply job creation or job
11 retention, not quality of job.

12 COUNCIL MEMBER CHIN: So if we want
13 those specific data, then we would have to mandate
14 it or require it from the different contracts that
15 are being signed?

16 MS. DAMIANI: I do want to
17 emphasize that the current local law 48, the EDC
18 and the IDA have been complying with this, they do
19 list wage ... ranges of wages on projects, if they
20 have ... and this is if we had all we really wanted
21 was we would also include the smaller firms too,
22 but the legislation, local law 48, mostly focuses
23 on the large corporations, so ... and I think the
24 Bear Stearns slide that I had up there does
25 mention that basic information of, it's under

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2 \$25,000 and then it ranges all the way up to
3 \$50,000. So we get a sense of the wages, maybe
4 whether they're not living wage, I mean, there's
5 lots of other information that would make it hard
6 for us to say whether the company is creating
7 living wage jobs or not. But that's just not, I
8 mean actually that's not a priority for the EDC.
9 Their priority is to keep companies here so that
10 we can collect taxes based on their employees and
11 other standards, I mean, this is a philosophical
12 difference we've had with them for a long time.
13 It's not a priority for them, so they're not going
14 to keep track of those.

15 MR. JACOBS: Also, in the local law
16 48 reports now there's information on the
17 percentage of the work force, the jobs that are
18 being created or retained, the percentage that are
19 full-time versus part-time percentage that are
20 receiving benefits, and not ... and I don't know
21 exactly how the benefits are defined, but and also
22 the percentage that are city residents or not.
23 And the percentage that are city residents has a
24 great ... has a ... is very important for doing any
25 sort of analysis of the fiscal cost, because if

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2 you're paying wages to city residents, that
3 provides income tax revenue for the city, and, you
4 know, and not only that, presumably ... well, not
5 presumably, residents will spend a greater portion
6 of their money locally, thus stimulating the
7 economy, so that, you know, while there isn't
8 information on average wages or living wages,
9 however you want to define it, there is
10 information about, you know, the work force and
11 some of their characteristics. And I think that's
12 important stuff, at least for fiscal analysis,
13 which we do.

14 COUNCIL MEMBER CHIN: Are there any
15 - last question - are there any additional
16 information that we might be able to collect that
17 will be helpful? More specifically?

18 MR. SPIELER: Are you asking me?

19 COUNCIL MEMBER CHIN: Any one of
20 you?

21 MR. JACOBS: Did you ask, is there
22 any information?

23 COUNCIL MEMBER CHIN: Well, other
24 information. Like whether like by zip code, where
25 the workers live? So are we creating jobs in our

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2 local community, right? When we talk about jobs,
3 right now we have full-time jobs, part-time jobs,
4 jobs with benefits, not talking about salary
5 range.

6 MR. SPIELER: This is my personal
7 opinion, but if it's not required in their
8 agreement, and we start asking very detailed
9 information, I don't know how successful we'd be
10 in getting it. If the legislation was passed,
11 we'd do our best to comply. But if we asked every
12 project company for the zip code of every one of
13 their employees, we're talking about 135,000 zip
14 codes, and I don't know ... certainly if it's the
15 law we would try to comply, but if it's not
16 required in their agreement, I'm not sure how
17 successful I would be in collecting it. It's my
18 job to collect data, so I, typically when it's a
19 requirement, it's much easier for me. So maybe
20 this is something that would be ... again, my
21 opinion, if it's specifically written into law and
22 into our agreements, sure, we would have more
23 success in collecting it, in my opinion. But it's
24 nothing we collect now or are we required to
25 collect it.

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2 MS. DAMIANI: I agree, it would be
3 difficult for them to start asking that. And
4 Michael, tell me if I'm wrong, the state already
5 knows this, right? I mean, the state has the
6 sense of what kind of employees, you know, the
7 wages of certain employees and zip codes and
8 things along those lines. So if there is a way to
9 try and figure this out more broadly, it might not
10 be as company-specific as some of us would like,
11 but I think to try and figure out the broad
12 implications of the employees at a particular
13 company would just, would take, I admit, probably
14 some heavy lifting with state officials. But that
15 information is out there, I'm not saying we need
16 to know it name-by-name, because I understand
17 there's, you know, privacy issues. But if you
18 want to get a better sense of the- -

19 MR. JACOBS: (Interposing) Bettina,
20 are you referring to tax return information, or
21 what? When you said the state has this
22 information.

23 MS. DAMIANI: Sure.

24 MR. JACOBS: The unemployment
25 insurance- -

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2 MS. DAMIANI: (Interposing) The
3 people that pay ... exactly, the unemployment
4 insurance, yes.

5 COUNCIL MEMBER CHIN: But I think,
6 you know, this is something to really consider, in
7 terms of giving away, you know, tax subsidies to
8 companies that in their reporting we should be
9 able to collect the useful data for us to really
10 do the analysis of are we creating jobs in our
11 local community, are we creating good jobs with
12 benefits. So we'll have to work on that. Thank
13 you, Madam Chair.

14 MR. JACOBS: Just unfortunately, I
15 don't think the unemployment insurance information
16 would give you that form. Employers are required
17 to report on a quarterly basis the total number of
18 employees they had and the total salary, total
19 wages paid. So you can get a good idea of the
20 average wage per ... or average earnings per worker,
21 that doesn't tell you whether they're full or part
22 time, and it doesn't give you the idea of the
23 distribution. You could have a few people at the
24 top making a lot of money, and everyone else not
25 making much money, or it could be evenly

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2 distributed. We can't get that information I
3 think that you'd be interested in from the
4 unemployment insurance forms, let alone zip codes.

5 MR. KELLERMAN: And we've been
6 working on a list to improve the reporting
7 requirements at the state level, and I'd be happy
8 to provide you with that over the next few days.

9 CHAIRPERSON REYNA: Josh, I missed
10 that part. You're going to provide- -

11 MR. KELLERMAN: (Interposing) Yeah,
12 I will provide you all with a list of actually
13 those reporting requirements that we think should
14 be additional to what's already being provided.

15 CHAIRPERSON REYNA: Thank you. I
16 just wanted to share, you know, the Vornado
17 project, 15 Penn Plaza, really opened eyes on the
18 Land Use Committee concerning dialogue with
19 developers who are claiming economic development
20 in their land use developments and opportunities.
21 And, you know, engaging with them in understanding
22 what are some of job hirings, as far as, you know,
23 MWBE procurement opportunities and local
24 workforce, what zip codes do people come from.
25 And they were more than happy to give us that

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2 information, and to their surprise, I don't think
3 they ever had the opportunity to analyze their
4 company to that gritty detail, but it was helpful
5 to see and appreciate the workforce, the local
6 workforce in the City of New York, and the amount
7 of procurement that they do have with MWBE's and
8 how opportunity is there to expand that venue. So
9 changing the culture is necessary, but if it's not
10 part of what you're asking, it will never, the
11 culture will never change and become what it is
12 you're trying to achieve, which is a healthy
13 economy, a diverse economy. And so I hope that,
14 you know, the exchange of this information will
15 allow us to transition Intro 256, considering a
16 lot of these aspects. You know, the zip codes are
17 to me one of the basic tools that we can use to
18 monitor and map out our workforce to see where
19 people are being hired, where there's unemployment
20 rates, and how these opportunities are affecting
21 these unemployment rates. You also have
22 structurally unemployed, chronically unemployed,
23 who are not reporting to the unemployment division
24 as far as benefits are concerned, so we lose that
25 population. but reconnecting them back into the

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2 workforce is just as important, and if we don't
3 know where to reconnect with, then we're going to
4 operate in a vacuum, and you know, the goal of 256
5 is to provide another opportunity for us to use a
6 tool that will allow us to behave in such a
7 fashion that can provide a culture that's
8 beneficial, not just to companies, but also to a
9 workforce that exists, and one that can
10 potentially become. Having said that, I want to
11 thank everyone, I look forward to Howard getting
12 back to us on multiple agreed information that
13 you're going to get back to us on, but we will
14 help you by making sure that our legal counsel
15 puts everything in a format that you can track and
16 are able to answer and not fail to answer any one
17 of those particular asks.

18 MR. SPIELER: It will be my
19 pleasure.

20 CHAIRPERSON REYNA: Thank you,
21 Howard. Thank you to the rest of the panel for
22 your attendance and testimony. To my colleagues
23 who generously stayed, Council Member Chin, thank
24 you. And to counsel, Matthew Hickey and Kris
25 Sartori, I appreciate all the work you put into

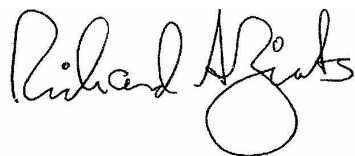
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this, and we look forward to continued dialogue.

This meeting is adjourned.

C E R T I F I C A T E

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



Signature _____

Date _____ November 29, 2010 _____