

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON ECONOMIC
DEVELOPMENT

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March 19, 2021
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HELD AT: Remote Hearing, Virtual Room 1

B E F O R E: Paul Vallone
Chairperson

COUNCIL MEMBERS: Paul Vallone
Inez D. Barron
Robert E. Cornegy, Jr.
Mark Gjonaj
Peter A. Koo
Brad S. Lander
Farah N. Louis
Keith Powers
Helen K. Rosenthal

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

James Katz
Executive Vice President and Chief of
Staff
New York City Economic Development
Corporation

Elizabeth Verostek
Deputy Chief Financial Officer
New York City Economic Development
Corporation

Jennifer Montalvo
Vice President of Government and
Community Relations
New York City Economic Development
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Annie Garneva

Will Spisak

Memo Salazar

Jacky Wong

Saduf Syal

Anh-Thu Nguyen

Catherine Murcek

Scott Trumbull

Angel Hernandez

1
2 SERGEANT AT ARMS MARTINEZ: Computer
3 recording is underway.

4 SERGEANT AT ARMS: Cloud is up.

5 CHAIRPERSON VALLONE: Kris, are you
6 gonna, are you gonna start with some...

7 SERGEANT AT ARMS PEREZ: Backup is
8 rolling.

9 SERGEANT AT ARMS BRADLEY: Sergeant, will
10 you...

11 COMMITTEE COUNSEL: Ah, Chair, if you
12 want to offer your statement first. I, I can do it
13 after your statement, or you can begin with your, or
14 I can start and then you can go on with your
15 statement, um, whatever you, whatever you prefer.

16 CHAIRPERSON VALLONE: I'll, I'll turn it
17 to you, Matthew.

18 SERGEANT AT ARMS PEREZ: Folks, just a
19 reminder, we are now live.

20 CHAIRPERSON VALLONE: Perfect. Thank
21 you, Sergeant.

22 SERGEANT AT ARMS LEONARDO: Yup. Good
23 morning and welcome to today's New York City remote
24 council hearing on the Committee on Economic
25 Development. At this time we ask that all council

1
2 members and council staff please turn on their video
3 for verification purposes. We also ask to please
4 silence any and all electronic devices to minimize
5 disruptions throughout the hearing. If you have
6 testimony you'd like to submit for the record you may
7 do so via email at testimony@council.nyc.gov. Once
8 again, that's testimony@council.nyc.gov. We thank
9 you for your cooperation. Mr. Chair, we are ready to
10 begin.

11 CHAIRPERSON VALLONE: Wonderful. Good
12 morning, everyone. Let's bring this to an opening.
13 [gavel] Ah, today we start and so we say good morning
14 and welcome to today's budget hearing. My name is
15 Paul Vallone and I am chair of the council's
16 Committee on Economic Development. We are joined
17 today by Council Members Louis, Gjonaj, Rosenthal,
18 and Koo. I'm aware that council members will be
19 coming and going, a lot of hearings going on today,
20 so you will see them as they ask their questions and
21 then move on to other hearings. The COVID-19
22 pandemic has ravaged our healthcare system, as our
23 economy. As a result, this hearing will take a new
24 meaning and a new look at the survival and revival of
25 our city. I am honored to work in partnership with

1
2 EDC as we chart a way forward for our city and eager
3 to use this hearing as an opportunity to evaluate how
4 far we've come and the work that still needs to be
5 done. EDC has been supporting the citywide response
6 to COVID-19 in numerous ways, coordinating closely
7 with New York City Emergency Management, Department
8 of Health and Mental Hygiene, Department of Citywide
9 Administrative Services, the Mayor's Office of
10 Contract Services and City Hall on responsive
11 efforts. And on a personal note, they have been
12 working unbelievably with our council and our
13 committee and the city from day one and we have held
14 almost 10 hearings from a year ago today when this
15 whole pandemic started. The continuation of this
16 critical work is now an integral part of the EDC's
17 framework and overall mission. The expansion of
18 testing sites, the increasing demand to provide safe
19 vaccinations to every New York, while planning for
20 the city's recovery is no easy challenge, but it is
21 one that we hope to discuss today. In particular we
22 want to review EDC's budget and spending breakdown in
23 the COVID-19-related procurement contracts and how
24 that budget will be adjusted in the coming years.
25 These new realities must be addressed in EDC's

1 current fiscal plan, as well as its outlook for the
2 next decade of growth here in our city. Today we
3 will be hearing from EDC on their fiscal 2022
4 preliminary commitment plan, capital budget, 10-year
5 strategy, and the fiscal 2020 Investment Projects
6 Report. This has been an unprecedented year and
7 during the pandemic there has been a halt on capital
8 projects, which have impacted the year's commitment
9 rate. Now that the mayor has restarted capital
10 projects, what challenges is the agency facing to
11 committing funds? Was EDC allowed to continue
12 working on these projects as the state deemed
13 essential to health and safety during the pause, and
14 does EDC have any stated plans on how they are going
15 to address last year's ongoing projects and balance
16 them with the current fiscal projects. EDC is the
17 city's primary agent for economic development and
18 their principle mandate is to encourage investment
19 and to retract, retain, and create jobs here in New
20 York City. As such, this committee is interested in
21 having a robust conversation about how EDC's budget,
22 as laid out in this preliminary plan, connects to the
23 larger job creation and economic development
24 strategies of the city, particularly now as the city
25

1 recovers from the dire impacts of the pandemic. What
2 indicators does EDC use internally to measure its
3 impact on the city's [inaudible] economy? How might
4 that look different in periods of strong versus weak
5 growth. In this budget hearing we will review EDC's
6 2.8 billion capital plan for fiscal 2021 through
7 2025. In addition to the 484 EDC projects, they are
8 also managing 525 capital projects for other
9 agencies. The preliminary capital plan for fiscal
10 2021 to 2025 includes 133 council projects with a
11 total value of close to 70 million dollars. The
12 council would like to learn more about how EDC
13 decides which agencies and which projects to work on.
14 EDC's preliminary 10-year capital strategy also
15 provides 4.5 billion from fiscal years 2022 through
16 2031. The 10-year strategy is the city's long-term
17 capital planning document which provides a framework
18 for capital spending by agency. We all want to know
19 the alterations the agency has made to the strategy
20 incorporating the lessons learned from the pandemic
21 and its overall impact on our capital spending. To
22 support economic growth and private investment EDC
23 provides assistance to projects throughout the city
24 on a discretionary basis. On the 17 new projects
25

1 beginning in fiscal 2020 seven were administered by
2 Build NYC and the rest by New York City. Most
3 financial benefits were in the form of mortgage
4 recording tax exemptions and for the seven Build NYC
5 projects tax-exempt [inaudible]. The council would
6 like to know from EDC how these projects were
7 selected and how they fit into the city's larger
8 economic development plan and COVID recovery efforts.
9 It is essential that the budget that we adopt this
10 year is transparent, accountable, and reflective of
11 the priorities and interests of every [inaudible] New
12 Yorker and is prepared to represent the entire city
13 during this pandemic. This hearing is a vital part
14 of this process and I hope and expect that the EDC
15 will be responsive to our questions and concerns of
16 the council members. I look forward to an active
17 engagement with the administration over the next few
18 months to ensure the fiscal 2022 adopted budget meets
19 the goals the council has set out here today and
20 going forward. I'd like to personally thank James
21 Katz, Elizabeth Furstec, and Jennifer Montalvo for
22 coming here today and testifying. I would also like
23 to thank EDC staff, who have consistently been
24 responsive to our many requests. Um, honestly, over
25

1 the four years together as chair, um, Kyle has said
2 that this is our last preliminary budget to go over
3 together, but it has been an amazing four years and I
4 know that we've shaped this committee to work much
5 better in the future with, with future negotiations.
6 I'd also like to, um, in, in thanking and analyzing
7 the city's budget at such a detailed level without
8 your cooperation so, again, thank you. In
9 particular, I also want to thank Assistant Vice
10 President, ah, Jervonne Singletary, for her hard
11 work, and she is also departing NYC EDC to move to
12 Pittsburgh. Come on, now, we don't [inaudible] to
13 begin a new chapter and a career. Hopefully she's
14 not a hockey player. Finally, I'd like to thank both
15 my staff and the staff of the finance division for
16 their help in preparing this hearing. Ah, I see
17 we've also been joined by Council Members Lander and
18 Cornegy. So we have Council Members Louis, Gjonaj,
19 Rosenthal, Koo, Lander, and Cornegy. And with that
20 I'd like to turn it over to the committee counsel for
21 some further details on today's hearing.

23 COMMITTEE COUNSEL: Thank you, Chair
24 Vallone. I'm Kris Sartori, senior legislative
25 counsel, and I'll be moderating this hearing. Before

1 we begin I'd like to remind everyone that you will be
2 on mute until you are called on to testify, at which
3 point you will be unmuted by the host. During the
4 hearing I will be calling on panelists to testify, so
5 please listen for your name to be called, as I will
6 periodically be announcing who the next panelists
7 will be. We will first be hearing testimony from the
8 administration, followed by testimony from members of
9 the public. During the hearing if council members
10 would like to ask a question of the administration or
11 of a specific panelist please use the Zoom raise hand
12 function and I will call on you in order. We will be
13 limiting council member questions to five minutes,
14 which includes the time it takes to answer those
15 questions. For members of the public we will be
16 limiting the speaking time to three minutes in order
17 to accommodate all who wish to speak today. Once you
18 are called on to testify please begin by stating your
19 name and the organization you represent, if any. We
20 will now call on representatives of the
21 administration to testify. Appearing today for the
22 New York City Economic Development Corporation will
23 be James Katz, Executive Vice President and Chief of
24 Staff, Elizabeth Verostek, Deputy Chief Financial
25

1
2 Officer, and Jennifer Montalvo, Vice President of
3 Government and Community Relations. At this time I
4 will administer the affirmation to each
5 representative of EDC. I will call on each of you
6 individually for a response. So at this time please
7 raise your right hand. Do you affirm to tell the
8 truth, the whole truth, and nothing but the truth
9 before this committee and to respond honestly to
10 council member questions? Mr. Katz?

11 EXECUTIVE VICE PRESIDENT KATZ: I do.

12 COMMITTEE COUNSEL: Ms. Verostek?

13 DEPUTY CHIEF FINANCIAL OFFICER VEROSTEK:

14 I do.

15 COMMITTEE COUNSEL: Ms. Montalvo?

16 VICE PRESIDENT MONTALVO: I do.

17 COMMITTEE COUNSEL: Thank you. And at
18 this time I will invite, ah, Executive Vice
19 President, ah, James Katz, to present his testimony.

20 EXECUTIVE VICE PRESIDENT KATZ: Thank
21 you. Good morning, Chair Vallone and members of the
22 Economic Development Committee. My name is James
23 Katz and I have the pleasure of serving as chief of
24 staff of the New York City Economic Development
25 Corporation. I'm joined by my colleagues, Elizabeth

1 Verostek, our deputy CFO, and Jennifer Montalvo, a
2 vice president in our government and community
3 relations department. I'm please to be here to
4 discuss EDC's fiscal year 2022 budget allocation, our
5 COVID-19 response efforts, and some of our projects
6 over the course of this past year. EDC has
7 traditionally served the city through its management
8 of city property, real estate transactions, mission-
9 driven financing practice, and initiatives to promote
10 equitable growth in key industries. On behalf of the
11 city we manage nearly 7 billion dollars in capital
12 projects as part of the 10-year plan. This includes
13 larger EDC-led initiatives, such as the Maiden New
14 York Campus at Bush Terminal in Brooklyn, the smaller
15 but just as important ones, like the renovation of
16 the Arthur Avenue market in the Bronx to increase
17 accessibility. We're proud to manage projects on
18 behalf of our city agency partners, such as
19 rebuilding H&H's Coney Island Hospital, the recently
20 completed Atlantic Avenue extension in Queens what
21 brought much-needed open space to Jamaica. Further,
22 we're pleased to be able to contribute nearly 70
23 million dollars to the city for programs and other
24 revenues this fiscal year. Just like other city
25

1 agencies and small businesses across the city, 2020
2 was a challenging year for EDC. As a largely self-
3 sustaining nonprofit EDC relies on revenue from rent
4 payments and other sources that were particularly
5 hard hit this year. Recognizing the pandemic's deep
6 impact on many of our tenants, we were quick to offer
7 rental assistance to help them stay afloat. This
8 relief was necessary, but it came at a cost to EDC's
9 bottom line. With a bit of belt tightening we've
10 been able to work through the worst of the pandemic
11 while keeping EDC solvent. I'd like to take a moment
12 to thank my colleagues who, like the indefatigable
13 Jervonne Singletary, have exemplified the best of
14 public service throughout this pandemic. I'll share
15 more about our efforts in response to COVID-19
16 throughout my testimony today. At the start of 2020
17 EDC had a long list of projects moving forward in
18 every borough. We were working on the transformation
19 of the Bedford Union Armory in Brooklyn and the
20 Spofford Juvenile Detention Center in the Bronx, both
21 to include affordable housing and recreational space
22 for residents. The Far Rockaway, Queens, the beach
23 at 21st Street project was continuing and it promised
24 to bring affordable housing and more activity to the
25

1 peninsula's historic downtown. In Manhattan the
2 Union Square Tech Training Center had broken ground,
3 to include a hub for digital skills training, step-up
4 space for growing businesses, and programs for start-
5 ups. And on Staten Island we had started
6 construction on the new Charleston Library in
7 partnership with the New York Public Library. The
8 New York City ferry system was moving forward with
9 planned expansion and growing ridership. On those
10 projects and so many others, our partnerships with
11 members of this council continue to be critical in
12 realizing the best outcomes for all of our
13 neighborhoods. But then in March the world turned
14 upside down. We took on new and more urgent work in
15 addition to our traditional projects. As New York
16 City found itself the epicenter of a global pandemic
17 in a matter of days we dramatically pivoted to
18 address this unprecedented health crisis. EDC became
19 a biotech startup and a medical equipment
20 manufacturing corporation. We transformed warehouses
21 into testing centers and reconfigured armories for
22 food distribution. With our help, garment district
23 designers and manufacturing switched their focus from
24 the runway to hospital hallways. Even Broadway
25

1 costume shops pitched in. We partnered with more
2 than 70 local businesses to manufacture and deliver
3 over 4 million medical gowns and 8.4 million face
4 shields. Were it not for this effort, there were
5 days in the depths of the crisis when hospital
6 workers would have run out of this essential
7 protection. This work also created or preserved over
8 2000 jobs in the city. In a matter of weeks, after
9 consulting with experts across the country, we built
10 a new supply chain with local biotech companies and
11 small manufacturers to make COVID-19 testing kits.
12 Medical professionals and city agencies reviewed
13 designs and processes. Then together we began
14 producing 50,000 testing kits per day, eventually
15 totalling over 1.25 Majority Leader kits. These kits
16 have been delivered to H&H hospitals and clinics,
17 nursing homes, and community testing sites across the
18 city. The ongoing production of test kits would not
19 be possible in New York without having innovative
20 companies and the capacity to make things right here.
21 In parts of Manhattan a 3D manufacturer began making
22 swabs. The Albert Einstein College of Medicine in
23 the Bronx produced the liquid transport medium, which
24 preserves samples until tested. And in Brooklyn we
25

1 converted a co-working space, Colab, into a test kit
2 production facility. I share these stories not just
3 because what they say about EDC's work, but because
4 what they say about New Yorker's valiant, about how
5 New Yorkers valiantly come together in times of
6 crisis. We are ever mindful of the terrible losses
7 of life to coronavirus. But as a city we have seen
8 the best from ordinary people and the front-line
9 medical workers alike. Now as we slowly move on from
10 the crisis we are pursuing the mayor's recovery
11 agenda, which puts a focus on public health and
12 social justice. Here at EDC we're creating a
13 pandemic response institute to address health
14 disparities across New York City's communities and
15 prepare for future pandemics. We're committing funds
16 and we'll release an RFP later this spring seeking
17 partners to operate the institute. We began, we
18 expect to begin operations later this year. Our
19 experience with COVID-19 only amplifies New York
20 City's need to double down on LifeSci NYC, the
21 mayor's 10-year, 500 million dollar program to
22 establish the city as a public health destination.
23 Over the next decade the city will invest 3 million
24 plus square feet of additional space for expanding
25

1 biotech companies and pave the way for a hundred
2 startups to develop lifesaving technologies. Already
3 in 21, in 2021, we have awarded R&D grants totalling
4 38 million dollars to four of New York City's leading
5 scientific research institutions - Columbia
6 University, Montefiore Einstein Medical Center, the
7 New York Stem Cell Foundation, and Rockefeller
8 University. These awards will fund applied research
9 and development facilities and will foster
10 partnerships among leading academic scientists and
11 biotech companies and pharmaceutical companies with
12 the jobs that follow. This commitment will position
13 New York City as a global leader in life sciences and
14 lead to the creation of thousands of new jobs with
15 the goal of the development of new cures and medical
16 breakthroughs right here. As we continue to support
17 the city's pandemic response and develop new projects
18 that will help New York City recover we remain
19 committed to delivering on our other pre-pandemic
20 projects across the five boroughs, all focused on
21 strengthening communities, creating good jobs, and
22 helping New York City prepare for a fairer, stronger,
23 and healthier future. We're looking forward to
24 cutting ribbons on new industrial spaces at the
25

1 former Spofford site in Hunt's Point, the Tech
2 Training Center in Union Square, and a new recreation
3 center at the Bedford Union Armory, which we were
4 recently proud to have named Major R. Owens Health
5 and Community Center in honor of the late
6 Congressman. We continue to prepare for the future
7 of renewable energy and green jobs with a major
8 offshore wind project at Sunset Park in Brooklyn.
9 And we remain committed to the Lower Manhattan
10 Coastal Resiliency Portfolio to prepare New York's
11 financial district, its businesses, neighborhoods,
12 and vital transportation infrastructure from climate
13 change, sea rise, and future storms. In Queens a few
14 weeks ago we joined the mayor and Borough President
15 Richards to celebrate the topping-off of the Beach
16 21st Affordable Housing Development in downtown Far
17 Rockaway. In Staten Island the new Stapleton
18 waterfront is taking shape with affordable housing,
19 outdoor space, and resiliency planning for the
20 future. And the Charleston Library will be the first
21 of net zero energy library in New York City. Later
22 this year NYC Ferry will expand the Staten Island,
23 Coney Island, and Ferry Point Park in the Bronx. And
24 there's much more. In a year that was so different,
25

1
2 in a year that challenged each of us in every way
3 imaginable, in a year that brought this city to a
4 standstill, we have seen commitment to build back
5 better, stronger, and more equitably. We at EDC are
6 committed to this promise and the work it will take
7 to reemerge and support the residents of New York
8 through thoughtful planning and community engagement.
9 Thank you for the opportunity to testify. I now
10 welcome any questions you may have.

11 COMMITTEE COUNSEL: Thank you very much,
12 and at this point we will turn to Chair Vallone for
13 his questions.

14 CHAIRPERSON VALLONE: All right. Thank
15 you for that, ah, James and your crew. It's always,
16 um, a pleasure to work with all of you. There's so
17 much. It's almost too daunting to really kind of
18 focus on one hearing what, what you are tasked to do
19 for this year and actually for the next 10 years.
20 Um, I think probably the best way to start is with,
21 with your testimony and just how you highlighted the
22 world pre-COVID versus where we are today. So, ah,
23 we've also been joined by Council Member Powers,
24 sorry. Um, so as the council members there's,
25 there's a lot, and if there's a particular project or

1
2 a point you want to jump in to raise your hand. I
3 will take time to, I see Council Members Lander,
4 Powers, and Koo. So I'll just, just start with a
5 brief, um, before I delve into the different areas,
6 and I'll let you, you council members jump right in,
7 um, so this way you can ask your questions, and I
8 know there's a lot going on in your hearings and
9 districts, too. Ah, James, in your, in your
10 testimony you started with, um, where you've been
11 focusing as a result of the pandemic. And one of the
12 things you mentioned was, um, offering rental
13 assistance to help folks and tenants stay afloat
14 since EDC as landlord is one of the main components.
15 Could you expand on that so you can explain how that
16 rental assistance is being, ah, handled on your end?

17 EXECUTIVE VICE PRESIDENT KATZ: Sure,
18 sure. Ah, happy to answer that question, Council
19 Member. Thank you for it. Um, stepping back just
20 one, one inch on it, I, I think it bears mentioning
21 who EDC's tenants are, particularly the space it
22 actively manages. Um, at facilities like the
23 Brooklyn Army Terminal, at Bush Terminal, the
24 wholesale markets in Hunt's Point, ah, these tend to
25 be small businesses. These are often small

1 businesses, industrial and manufacturing space, ah,
2 ah, and don't always have the wherewithal, and so we
3 recognized very early on, ah, that the pandemic was
4 going to have just seismic impacts on their ability,
5 ah, to, to persevere, to survive, and to be able to
6 make rent. Ah, and so early in the pandemic in the
7 spring we established, ah, a robust internal process
8 to review and grant rent relief to our tenants. Ah,
9 in some cases that has come in the form of deferrals
10 of rent. In others it has come, ah, in the form of
11 abatement of rent. Ah, but since the start of the
12 pandemic we have so far granted, ah, 12.7 or 12.8
13 million dollars in total relief, ah, a little over 10
14 of that in the form of deferrals and, ah, a little
15 over 2.5 of that in the form of abatements of rent.

17 CHAIRPERSON VALLONE: Well, I mean, that,
18 it's, it's quite the challenge, then. I mean, New
19 York City EDC's structure is different from any
20 other, well, actually it's a nonprofit. It's not
21 even an agency, but sometimes we, we morph you into
22 that. You're, you're a self-funded independent on
23 capital and expense funding. How, how do you see the
24 impact of the shift of the support for your tenants
25 and to a large part of your income and the lack of

1 getting that income as, as opposed to its effect on
2 your budget. Do you see, I don't see that in the
3 testimony how you've had to shift and/or change
4 priorities as a result of the reduced capital and
5 operating expenses.
6

7 EXECUTIVE VICE PRESIDENT KATZ: Sure.

8 There, there is no question, Mr. Chair, that as with
9 the city and the city agencies and many business
10 owners across the city, ah, the pandemic has had an
11 impact and a significant one on EDC's bottom line.
12 Um, ah, many of the activities on which we rely,
13 tenant rents, the cruise ship industry, real estate
14 transactions, and others have been, ah, curtailed
15 [inaudible] significantly during the course of the
16 pandemic. Fortunately, in the many years preceding
17 the pandemic EDC was able to accumulate, ah, a fund
18 balance of its own on its balance sheet that it has
19 used to, ah, spend down and, and support its
20 programmatic initiatives and the support of the city.
21 Ah, and so we were able to, to spend against our
22 balance, but also, ah, had to undertake a fairly
23 significant amount of belt tightening of our own,
24 much like the city and businesses everywhere had to
25 do. Ah, we put pauses on many forms of discretionary

1 spending out of EDC's fund balance, ah, our
2 programmatic initiatives and our sector programs in
3 particular, ah, and we froze head count throughout
4 the pandemic, and so open vacancies, ah, were not
5 filled and have not been filled, ah, since really the
6 pandemic started in the spring and that has allowed
7 us, despite running a, a significant deficit, which
8 we can talk about, ah, for fiscal 21, to be able to,
9 ah, ah, gain some comfort that EDC will be able to
10 be, ah, a solvent and going concern well into the
11 future.
12

13 CHAIRPERSON VALLONE: Do we have a
14 general idea on what the deficit is for 2021?

15 EXECUTIVE VICE PRESIDENT KATZ: Sure.
16 Ah, I can answer that question. Ah, ah, for fiscal
17 2021, ah, we are projecting, ah, a deficit, ah, north
18 of 90 million dollars. Ah, ah, revenue against
19 expenses. Ah, ah, different cost centers drive that,
20 ah, ah, certainly our own costs as an organization,
21 some of our programmatic initiatives that continue
22 and others, um, ah, and, ah, I'm happy to turn it
23 over to my colleague, ah, Liz Verostek, our deputy
24 CFO, if she wants to add more color to the source of
25 that deficit or its scale.

1
2 CHAIRPERSON VALLONE: Sure, that'd be
3 great. Thanks, Liz. I know, just before, Liz, you
4 jump in it's, there's so much and I, I think we, we
5 have all attempted through various hearings to go
6 into the various chapters and arms of EDC. The way
7 I've kind of been able to, to handle that over the
8 years is the breaking up into capital funds into the
9 funds that you manage. So let me see if I've got it
10 right. I, I think it comes out to, the numbers I
11 have, EDC has several funds in your capital plan. It
12 comes out to 1.1 billion over the next 10 years. So
13 I know we're gonna talk about the deficit for this
14 year. But if we kind of project, you have it broken
15 down into these following funds - the Neighborhood
16 Fund, which has about 240 million over the next
17 decade, which are capital investments in affordable
18 housing, so you have the Housing Fund, which has
19 about 294 million for the same decade for
20 infrastructure investments and potential new housing
21 sites, the Industrial Fund, which is the arm of
22 what's left of our industrial networking industry
23 here, the Waterfront Improvement Fund, which is about
24 253 million for the next decade, ah, the Assets
25 Management Fund, another 283 million for the next

1 decade, the Acquisition Fund for 53 million for
2 future land acquisitions, and a Miscellaneous Fund.
3 So I guess with the 90 million of last year's
4 shortfall how, how do we project over these different
5 arms of EDC and, and how are those decisions made?
6

7 EXECUTIVE VICE PRESIDENT KATZ:

8 [inaudible].

9 DEPUTY CHIEF FINANCIAL OFFICER VEROSTEK:

10 Sure.

11 EXECUTIVE VICE PRESIDENT KATZ: Oh, go

12 ahead, Liz, yeah.

13 DEPUTY CHIEF FINANCIAL OFFICER VEROSTEK:

14 Yeah. Yeah, thanks, James, and thank you, Chair
15 Vallone for the question. And so it, it's a little
16 bit of an apples and oranges comparison, so bear with
17 me. And the 90...

18 CHAIRPERSON VALLONE: Make sure I,

19 there's a lot to compare, so we try.

20 DEPUTY CHIEF FINANCIAL OFFICER VEROSTEK:

21 Yeah, yeah, and EDC's, ah, budget is, is a little
22 nuanced and, ah, and fairly complex. The 95 million
23 dollar deficit that James referenced has, um, more to
24 do with, ah, the [inaudible], the budget as EDC as I
25 understand although not-for-profit. Ah, and, ah, the

1 capital funds that you referenced really is the
2 funding that we manage on behalf of the city. So it,
3 they are a little bit separate and apart, um, so if
4 you'll indulge me. And the, the 90 million dollar
5 deficit, it's 95, um, give or take, ah, has to do
6 with the fact that, ah, EDC has had to curtail a lot
7 of the spending that James referenced. So that's,
8 ah, having to cut back on all of the discretionary
9 funding, all the programmatic spend that we would
10 have normally in the past taken. That also means
11 that, and as James referenced, we had to, um,
12 forestall on any of the vacancies and hiring. Um,
13 and that also means that that's an indication that
14 the revenues that we would have normally brought in
15 as a consequence of crews or some of the asset
16 management revenues, that's an indication of, ah,
17 EDC's own financial health. Separate from that
18 you'll be able to see within the city's budget, and
19 so the capital 10-year plan, the, the funds that you
20 have just referenced, um, and so it's a little bit of
21 mix and match. The, as we look in the different
22 funds that you've mentioned, so the Neighborhood
23 Development Fund, the Asset Management Fund, it's an
24 indication of, um, how EDC is working hand in hand
25

1 with the rest of the city. And so as we look at
2 those large-scale funds, um, it's helpful and I thin
3 important to look at those funds as what's remaining
4 and uncommitted, um, um, because some of the dollars
5 that were originally programmed for those funds are,
6 have already been activated. Um, so take, for
7 example, the Waterfront Fund, um, some of the dollars
8 that were originally programmed have been activated
9 and are already in use. Um, the Industrial Developer
10 Fund is a, is a perfect example of that. Over the
11 course of the last several years we've been able to
12 award some of those dollars to our nonprofit, ah,
13 industrial developers like TMBC, like Evergreen, and
14 we're really proud of the initiatives that have come
15 out of that fund. Um, so if you only see a few
16 million dollars left that means that that's actually
17 a success for us. That means that we only have a, a
18 few remaining, ah, funds, or a few remaining programs
19 that have yet to be launched from that.

21 CHAIRPERSON VALLONE: So, Elizabeth, are
22 you able to show then those remaining funds? Is, is
23 any of the projects that have not been 100%
24 completely funded or still have to time to go, are
25 they need to be altered, changed in any way, or is

1 the substantial focus still gonna remain? I mean, I
2 know it and James with your testimony you gave as
3 example in like the third paragraph for capital
4 projects that we're all excited we'd beginning in
5 2020 and that stopped.

7 EXECUTIVE VICE PRESIDENT KATZ: Um-hmm.

8 CHAIRPERSON VALLONE: So that to me is an
9 example of, OK, now what happens to those four
10 projects.

11 EXECUTIVE VICE PRESIDENT KATZ: Right.

12 CHAIRPERSON VALLONE: Do you, as all of
13 the council members have realized OMB has put the
14 stop on all of the councilmatic district projects and
15 we're finding out as they trickle down which ones go
16 forward. It's very frustrating to give that
17 information back to the citizens of New York and the
18 districts on how which projects are getting green
19 lighted. So same thing through EDC. How do we
20 determine which projects go forward and what's the
21 new timeline?

22 EXECUTIVE VICE PRESIDENT KATZ: I, I
23 understand the, the frustration and the challenge of
24 having priority projects be put on pause and, and,
25 ah, as the entity entrusted with implementing those

1 projects, ah, there are certainly times we, we share
2 that frustration. Um, over the course of the
3 pandemic, as you alluded, ah, Mr. Chair, the, the
4 city for reasons of fiscal prudence, ah, did put
5 pauses on capital projects, ah, as the, the situation
6 began to clarify and materialize, um, ah, the outlook
7 was dark and to some degree still is, although with,
8 ah, with the help of the stimulus, ah, ah, things are
9 looking better and we can certainly talk about that.
10 Um, but as to the, the, the five or six funds you
11 referenced, ah, I can say that there have been no
12 budget cuts to those, ah, to those allocations of
13 capital within the 10-year plan by virtue of the
14 pandemic. Ah, and over the last several months since
15 September and then again in January, ah, we have
16 seen, ah, the green light come back on for capital
17 projects of various kinds that we were, ah, ah, ah,
18 undertaking prior to the pandemic and, and plan to
19 continue, ah, in virtually all cases, if not all
20 cases. Um, so we are now, ah, in earnest, ah, ah,
21 looking across the capital portfolio, restarting
22 projects, and marching forward with, ah, all possible
23 speed that we can and all of the places that we can,
24 and the four projects that you, you referenced from
25

1 earlier in the testimony, ah, all are moving forward,
2 ah, over the course of the coming years.

3
4 CHAIRPERSON VALLONE: So then maybe you
5 can, I think what the new, one of the new obligations
6 I guess we'll [inaudible] because of where we are as
7 a result of the start and stop process from the
8 pandemic is maybe just keeping that pathway of
9 knowledge and information open as to which projects
10 are going forward so each of the council members can
11 continue that dialogue with you as to projects that
12 are very important to them, throughout the city, and
13 as certain capital projects are re-going forward we
14 can then have those new timelines and how
15 [inaudible].

16 EXECUTIVE VICE PRESIDENT KATZ: Ah,
17 absolutely, Council Member. As we restart projects
18 and as we learn the, the funding has returned for
19 them, ah, and get real clarity on timelines we will
20 share that information with members of the council
21 and members of the committee just as soon as we have
22 it, and look forward to those conversations.

23 CHAIRPERSON VALLONE: I guess just a
24 wrap-up to two points and then I'll turn it over to
25 the council members, because we've been talking about

1 and I hate to come back to it a half hour later. Um,
2 you mentioned like loss of revenue from the cruise
3 industry. But that also is in a larger conversation
4 with tourism and hospitality and the crisis we are
5 here in New York City. I'm very, very concerned, and
6 we've had hearings on the critical life status that
7 our tourism and hospitality industries and the
8 incredible, ah, burden it's placed on New York and
9 Company, which is another arm of your, of EDC to try
10 to maintain when we went from 65 million tourists to
11 zero, um, how their budgets been impacted. Ah, what
12 is EDC's plan for revitalizing and working with the
13 restimulus, the recreation of that industry that's
14 been devastated, one, and how can you tie, because we
15 brought up just quickly the new stimulus plan, what
16 part of that American Rescue Plan can we use targeted
17 for that industry that if we don't bring back to life
18 New York City won't come back to life. We, we need
19 to have that industry back.

21 EXECUTIVE VICE PRESIDENT KATZ:

22 Absolutely, absolutely, Mr. Chair. Like, like you, I
23 am a lifelong New Yorker and many of us in normal
24 times walk around frustrated by tourists and, ah, the
25 ability or inability...

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UNIDENTIFIED: You're missing out.

EXECUTIVE VICE PRESIDENT KATZ: ...to walk down the sidewalk, but we miss them now. That's absolutely right. And you, ah, and this committee had the foresight, ah, several years ago to identify this as a key issue for the economic health of the city and its neighborhoods and began a series of hearings. I remember we were at the World Trade Center on that. It is so important. Um, for EDC's part, our view is that the most important thing is to reopen New York City, ah, as quickly but also as safely as possible. And so we have pitched ourselves into that effort as a corporation. We are focused heavily on rapid testing and just ran a rapid testing competition. Had 34 submissions and have selected one from Columbia University, ah, to develop rapid tests and put them in the field so that businesses and others can reopen safely as we continue to vaccinate our population. Um, ah, we also worked closely with our colleagues at New York City and Company to, ah, to try to bolster the tourism industry and to get the message out that New York City, ah, is here, will be back, ah, and will be a great place to, to come and visit and do business

1
2 once again. We worked with them to stand up the All
3 In Campaign over the summer, ah, which was a broad,
4 ah, New York City promotional campaign with
5 [inaudible] advertising various components of media.
6 We continue to do that work. Ah, the stimulus, which
7 you asked about, ah, does include parts germane to,
8 ah, ah, tourism and tourism-related functions. There
9 is support for restaurants in there. There are parts
10 that can support small business, ah, and there are
11 parts germane to, to, ah, culture and the creative
12 industry, all of which, of course, have a deep nexus
13 to tourism. Ah, and so for our part we are beginning
14 to examine, we are examining, ah, that stimulus
15 package together with our colleagues at OMB, at City
16 Hall, ah, ah, and throughout government to try to
17 determine which of those parts can be deployed
18 quickly, smartly, strategically, ah, into those
19 sectors to get them up and moving and get our tourism
20 economy moving again. It's hugely important.

21 CHAIRPERSON VALLONE: That seems, yeah,
22 that seems to be almost to be, has to be our top
23 focus right now.

24 EXECUTIVE VICE PRESIDENT KATZ: Um-hmm.
25

1
2 CHAIRPERSON VALLONE: We need to maximize
3 funds that are coming in for the, the hardest hit
4 part of the city. If EDC is that ultimate landlord
5 and caretaker of, of our revenue and of our, our,
6 that vibrant part of the city of tourism,
7 hospitality, and our Broadway theaters, tourism,
8 everything that makes New York City New York City has
9 been stalled. And even, like you said, with
10 vaccinations and testing, limits on ballroom
11 gatherings to 50 people, where Marriott Marquise can
12 hold 10,000 people and they're limited to 50 makes no
13 sense. So we need to take a germane new look, work
14 with New York State, 'cause a lot of that is stuff
15 with, with what's happening on the state side, to
16 immediately relook as these slowly are opening up the
17 valves we have to realize we can take safely more
18 people into the city and open up and stop handcuffing
19 our, our businesses and work with the hospitality
20 industry. Is there any chance that New York and
21 Company, I mean, they've been devastated, through its
22 staffing and, and because they're, you know, half
23 their budget is, is, is been guided by non-
24 increase over the last 10 years and half the budget
25 is dependent on private funding. Is there any

1 attempt to, to maybe use some of this funding to get
2 to them some critical restart funding so we can look
3 at some new ways to, to save our hospitality
4 industry?
5

6 EXECUTIVE VICE PRESIDENT KATZ: Ah, ah, I
7 suspect there are and we, we are interested in doing
8 that in the, in the same way you are. NYC and Co. is
9 a vital resource that has drive until the pandemic
10 tourism figures up and up and up, and the city
11 revenues and spend up and up and up every year
12 practically since its inception. So we think that's
13 a worthy goal. And if it can be achieved we are
14 certainly, ah, interested and supportive, ah, of
15 that. I know New York City and Company also in the
16 past year or two has proposed, ah, a bill in Albany,
17 ah, to create, ah, sort of a tourism value capture
18 mechanism, ah, to bring revenues to itself. We think
19 that is interesting and, ah, if there is appetite in
20 the city and in the legislature to explore that, ah,
21 we would certainly explore it with them.

22 CHAIRPERSON VALLONE: Yeah, I think
23 there's been a lot of excitement about that
24 possibility and also working with the hotel industry,
25 it's been likely devastated with 8%, um, occupancy

1
2 rate to, to get a dedicated source back to the, to
3 those critically damaged industries. So I'd like to,
4 um, Kris, if you could, Kris is our committee
5 counsel, if you could take a look at the council
6 members in the order that, I know we've been joined
7 by Council Member Barron, good morning, God bless
8 you, how are you? Ah, in the order that they've
9 appeared so I can let the council members do their
10 questioning.

11 COMMITTEE COUNSEL: Sure. Thank you,
12 chair. Um, as the chair mentioned I'll call, I'll
13 call on council members to ask their questions in the
14 order that they have used the Zoom raise hand
15 function. If you'd like to ask a question and have
16 not used the Zoom raise hand function please raise
17 your hand now. Council members, please keep your
18 questions to five minutes. The Sergeant at Arms will
19 keep a timer and will let you know when your time,
20 ah, is up. You should begin once the sergeant has
21 announced that the, that you may begin asking your
22 questions after giving you the cue. Ah, we will
23 first hear questions from Council Member Koo,
24 followed by Council Member Lander.

25 SERGEANT AT ARMS: Time starts now.

1
2 COUNCIL MEMBER KOO: Thank you, Chair
3 Vallone, and thank you, representatives of the EDC to
4 come to testify today. Um, I have a specific
5 question, ah, ah, for EDC. Ah, I know the pandemic
6 upended everything in New York City, ah, for the last
7 year. But in Flushing, ah, we have approved a
8 project in July 2010, ah, to build the Flushing
9 Commons, which is a five-acres parking lot the city
10 gave, ah, the city gave to the private developer to,
11 ah, to build Flushing Commons, which include like 600
12 apartments, 420,000 common commercial space, a hotel,
13 a YMCA, and, ah, ah, and a town plaza. At that time
14 the Mayor Bloomberg said, oh, this is a major
15 milestone in our efforts to position Flushing for
16 long-term economic growth. About 11 years later the
17 project, the site is still more than two-third empty.
18 Only phase one is built. So I want to know what the
19 status of this project, if the developer doesn't
20 build this project can the city take the land back
21 and rebid to another developer so that we can, ah,
22 build this. This is very impression, ah, real estate
23 in Flushing downtown, and I'm sure a lot of
24 developers are interested, ah, in bidding for the
25

1 development. So can you give us a, a status or
2 progress on this development?
3

4 EXECUTIVE VICE PRESIDENT KATZ: Sure.

5 Thank you for the question, Council Member. We, we
6 agree that it is an important project. We agree that
7 it is important real estate in Flushing, ah, and like
8 you we remain committed, ah, to ensuring that it
9 continues and that the Flushing community is served,
10 ah, and we look forward to working with your office
11 on that matter. As concerns the phases, ah, as you
12 know, ah, ah, phase one, the 148 residential condos,
13 the 90 office condos, the 30,000 square feet of
14 retail, and the 982-space parking garage is open, ah,
15 or is complete. And then in phase two, ah, the, the
16 two sub phase, phases, ah, that, that in the works,
17 ah, phase two A open space, ah, YMCA, additional
18 residential space, um, ah, and additional commercial,
19 ah, it, ah, is anticipated to begin in the summer of
20 2021 and complete in 2024. Ah, as you know, we're
21 continuing to engage with the YMCA to try to
22 determine, ah, its future and give it a path, ah, ah,
23 to a continued home in that phase two A. I look
24 forward to working with your office on that to
25 resolve that matter, ah, and then phase three B would

2 follow. Um, ah, but that is the current status. We
3 agree it is important. We want to see it move
4 forward, ah, and are working towards those ends.

5 COUNCIL MEMBER KOO: I mean, does the,
6 ah, developer, are they having financial difficulty?

7 EXECUTIVE VICE PRESIDENT KATZ: Ah, I
8 don't know the answer to whether the, whether the
9 developer is, is having financial difficulty. I know
10 the pandemic has had impacts on everyone, including
11 the YMCA as a possible tenant, and so we have been
12 looking to, to work through those issues as well.

13 COUNCIL MEMBER KOO: Yeah, because when
14 we approved these projects, ah, we emphasized the
15 YMCA is really important because we need like a good,
16 like a reasonable price, ah, gym for the local people
17 to go, with a swimming pool and basketball court and
18 all those, ah, um, modern amenities, you know, for
19 the local residents to use. So, ah...

20 EXECUTIVE VICE PRESIDENT KATZ:
21 Absolutely.

22 COUNCIL MEMBER KOO: Yeah, so it's
23 critical, ah, for the developer, ah, to, to include
24 the YMCA. If they cannot [inaudible] the YMCA is too
25 expensive now, you know.

EXECUTIVE VICE PRESIDENT KATZ: Um-hmm.

That, that makes sense. I mean, it's, it was true in 2010. It's true now in 2021 and the pandemic that we are currently going through makes it even clearer how important recreation and active recreation space is to New Yorkers and communities. Ah, we are working with the YMCA. They have had, ah, they more, they particularly have faced financial hardship over the course of the pandemic, and so we are, we are working with them to try to give them the flexibility to be able to deliver on their part of the project. If some reason they are unable we are committed to working with you to find a, a community serving use, including, we would hope, an active recreational use to fill that space. Um, but as of today, March 2021, it is still our hope, belief, goal, and focus of our efforts to, to try to get the YMCA to be able to deliver on its space in phase two in Flushing.

SERGEANT AT ARMS: Time expired.

COUNCIL MEMBER KOO: Yeah, I hope, I hope you guys at EDC will do your utmost to make sure these project, ah, will go forward and finish on time, you know? It's, it's a shame that I've been in office for almost 12 years and they've only completed

1
2 one-third of the project. So I hope you, you
3 continue your effort to make sure they do their due
4 diligence to finish up the project, ah, in a timely
5 manner, yeah.

6 EXECUTIVE VICE PRESIDENT KATZ: Well,
7 thank you, thank you, Council Member.

8 COUNCIL MEMBER KOO: Thank you, thank
9 you.

10 EXECUTIVE VICE PRESIDENT KATZ: We heard
11 you loud and clear.

12 COMMITTEE COUNSEL: Thank you. Next is
13 Council Member Lander, followed by Council Member
14 Powers.

15 SERGEANT AT ARMS: Time starts now.

16 COUNCIL MEMBER LANDER: Thank you, Chair
17 Vallone, for your, ah, thoughtful approach here today
18 and all the hearings that you've held. Ah, James,
19 it's, it's very good to see you. Um, I want to ask
20 some questions about sort of lessons from EDC's work
21 over the last year for the longer term just recovery
22 that you're working on and we're working on. And I
23 want to start with the observation that, you know, so
24 much of the remarkable work that happened, ah, at the
25 Brooklyn Navy Yard and Colab, as you talked about,

1
2 you know, enabling to people to work together on PPE
3 production and, um, testing kit production, um, and
4 so much of what you were able to do to support
5 tenants at, ah, [inaudible] and, um, and the Sunset
6 Park, um, assets are on properties that are, that are
7 either city-owned or the land is city-owned and
8 operated in partnership with the Brooklyn Navy Yard
9 Development Corporation. It really feels like that
10 was just a very big key to enabling us to do a whole
11 range of things and now we have all of these, um,
12 distressed properties that we're quite worried about.
13 Ah, hotels, office space, I think we'll probably see
14 some distress and foreclosures even in sort of
15 neighborhood, ah, properties with retail spaces. So
16 it seems to me it would make sense to apply the
17 lesson that these forms of public or, you know,
18 public-private ownership are such a strong base for
19 good job creation that we would want to have more of
20 that. Um, so I wonder if there are any plans
21 underway to think about this as a sort of more
22 expansive model, whether that's through standing up
23 some kind of land bank that could do acquisitions,
24 um, you know, we obviously, most property is going to
25 continue to be in private hands and, you know, but

1 where properties are distressed wouldn't it be a good
2 idea to build on these amazing models that we have,
3 you know, if those were in neighborhoods they could
4 affordable space for small business tenants or arts
5 tenants or the Y, like Council Member Koo just
6 described where the land costs are so often the
7 barrier to doing something creative, whether that's
8 affordable housing or good job economic development
9 or neighborhood arts and culture. So this just
10 really seems to me a moment we might be able to use
11 some of the American Rescue Plan money, we might want
12 to think about using city capital dollars for long-
13 term investments and it just seems to me you guys are
14 the experts in this, you know, but if I were the
15 mayor I would be saying all right, I know you're
16 exhausted, you've done incredible work this year, but
17 you're the key to a just recovery. Let's double
18 down. Let's invest. Let's grow what your doing.
19 So, um, if I were the mayor and I said you, James,
20 how can we do that, ah, what, what would, what would
21 you tell me?

22 EXECUTIVE VICE PRESIDENT KATZ: Well, ah,
23 I would tell you that I, I think we both bring, ah, a
24 good element of helpful bias to this question of
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1
2 being in favor of mission-drive, ah, property
3 management and development. Obviously I, and we do
4 what we do because we believe that that is a smart
5 and equitable, ah, and promising way to ensure, ah,
6 ah, just economic growth in New York City and to
7 ensure that assets are mission driven. Um, ah, and
8 that is a thing that we would be, ah, ah, deeply
9 interested in exploring with you, ah, and with City
10 Hall and with our colleagues at OMB, ah, ah, moving
11 into the future, ah, either with, ah, monies left in
12 the current acquisition fund or, or other funds to
13 apply our properties. Um, obviously it is case by
14 case. The, the depressed value of, of land in
15 different parts may, may differ in the degree to
16 which we can find bargains that make sense for the
17 city, ah, ah, fiscally, um, ah, are probably not
18 consistent, but in places we can be opportunistic we
19 should explore it. I'll note, ah, that just earlier
20 this week we co-issued, ah, a solicitation with our
21 colleagues at HPD, ah, around additional, ah, joint
22 property ownership models, ah, for pieces of land
23 that, ah, that went out. I think it was just a day
24 or two ago, ah, community land trusts for which, ah,
25 HPD has issued an RFI previously in other forms of

1 shared equity and we are just very interested in
2 seeing what comes back from that, ah, ah, in the
3 months ahead. We think there, there could be real
4 promise there, ah, and we are intrigued.

6 COUNCIL MEMBER LANDER: That sounds
7 great. I'd love to, I'll take a look at that, ah,
8 ah, RFI or RFP. I, you know, once concern I have on
9 the sort of deal by deal approach coming especially
10 from the affordable and supportive housing world.
11 You know, you think about the idea of converting
12 hotels to supportive housing. In our normal course
13 of business we require a nonprofit that's interested
14 in acquiring, say, a hotel to turn it into supportive
15 housing to get the whole deal figured out, you know,
16 to line up the operating funds and the social service
17 funds and have an architect design the building and
18 secure the long-term contracts as well as the short-
19 term capital and that usually makes sense because, of
20 course, we need, you know, we want to make sure the
21 property doesn't get acquired and just sit there.
22 But I worry a little at this moment that if we don't
23 do something a little bolder we will just miss the
24 opportunity to do it if we require each deal to be
25 sort of, you know, underwrite, underwritten in that

1 traditional way and I'll just close and then, and
2 then turn it over 'cause I really appreciate your
3 answer and look forward to trying to figure out how
4 to work together. You know, there's all these, you
5 know, concern, rightly so, and the administration has
6 put a lot of forward about, ah, you know, a just
7 recovery that really sees the inequities that our
8 economy is built on and the ways those, um, were
9 reflected in who lived and died and who can't pay
10 their rent and whose businesses closed. But if we
11 know that the opportunity, you know, to really invest
12 in M/WBEs, to really help low-income New Yorkers get
13 access to work or on those things that look more like
14 the Brooklyn Navy Yard or BAT than they do where we
15 just help private sector companies, you know, which
16 we need but who we can't always get to target in the
17 same way. This just seems like something that should
18 be really central to those equitable recovery
19 [inaudible]. So I appreciate your having done, you
20 know, more than anyone to help build out those models
21 and ideas and I really, really hope we will build on
22 them going forward. Thank you.

24 EXECUTIVE VICE PRESIDENT KATZ: Thank
25 you.

2 COMMITTEE COUNSEL: Next is Council
3 Member Powers, followed by Council Member Rosenthal.

4 SERGEANT AT ARMS: Time starts now.

5 COUNCIL MEMBER POWERS: Thank you, good
6 morning, and thank you for the testimony. It's nice
7 to see everyone here today. Thank you, Chair
8 Vallone. Um, James, nice to see you. Ah, I hope
9 you're safe and healthy. Um, you know, a couple
10 months ago I, I had seen that the mayor and the EDC
11 had made an announcement around in my district around
12 the Alexandria and the surrounding corridor about
13 pandemic response and potential opportunities, not
14 only to invest in it for the long-term health of our
15 city but also as [inaudible] can become like an
16 economic development hub like regionally, nation,
17 nationally, um, ah, around, ah, investing in, in
18 that, ah, as a potential opportunity. Can you tell
19 me a little bit more about what the plans for the EDC
20 when it comes to that, what opportunities you see
21 there and other, ah, opportunities around that
22 corridor even that you see, ah, available?

23 EXECUTIVE VICE PRESIDENT KATZ: Sure,
24 happy to. Um, ah, and this is some of the, the most
25 exciting work we're doing as we look forward to a, a

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2 just recovery from the pandemic, so I appreciate you
3 bringing it up. Ah, as you said, ah, the mayor, ah,
4 ah, elected officials and, ah, then, ah, EDC
5 president James Patchit went out, ah, stood up at,
6 ah, the Alexandria Center at the end of September and
7 talked about a recovery grounded in public health and
8 social justice. Ah, if there is one thing the
9 pandemic has laid bare, there are many, but if there
10 is one it's the inextricable link between our public
11 health and our economic health and the inability to
12 have one without the other. Ah, and so they talked
13 about a series of ideas, ah, ah, to try to seed that,
14 which, as you said, included, ah, ah, a set of
15 investments and proposals to try make New York City,
16 as the mayor said, the public health capital of the
17 world. Some of those were, ah, continuing to focus
18 on existing initiatives like LifeSci NYC, the mayor's
19 10-year, 500 million dollar plan to expand commercial
20 [inaudible] lab space and develop tours here in New
21 York City, ah, and we are making, ah, ah, tremendous
22 progress there and have been making tremendous
23 progress there since it was announced in 2016. In
24 your district there is the, the, ah, coming third
25 tower of the Alexandria Center, where that

1 announcement was made, ah, the successful removal by
2 EDC of the OCME facility that had been serving, ah,
3 since basically shortly after 9/11 on that side, ah,
4 to another part of the city to allow that to happen.
5 Ah, and we look forward to seeing that move forward
6 with Alexandria as well. In the area of pandemic
7 response and public health, which you also asked
8 about, ah, we announced, or the mayor announced in
9 September and then followed up in December the notion
10 of a new pandemic response institute, the idea that,
11 um, ah, there have been coordination gaps, challenges
12 in the response to the pandemic that we have all
13 identified and learned from between different levels
14 of government, between government and civil society
15 and private business that we had to stand up this
16 operation to make PPE from scratch, um, ah, is one
17 notable example. Ah, and that those gaps can be
18 solved by the creation of a new institution. So
19 since that announcement, ah, we have convened, ah, a
20 great committee of stakeholders and experts in public
21 health, community-based organizations, medical
22 delivery, to try to shape what that institute should
23 look like. Ah, we have secured some city money to
24 support, ah, and we are marching forward towards
25

2 issuing an RFP for private operators, ah, in the
3 early spring. We're targeting April.

4 COUNCIL MEMBER POWERS: OK. So two
5 questions as follow-up before my time runs out.

6 EXECUTIVE VICE PRESIDENT KATZ: Sure.

7 COUNCIL MEMBER POWERS: One is...

8 EXECUTIVE VICE PRESIDENT KATZ: I'm
9 sorry.

10 COUNCIL MEMBER POWERS: ...[inaudible] one
11 is, um, do you have, where, where will that be
12 located? Is that the Alexandria or elsewhere? Two
13 is any sense of how many jobs associated with that,
14 and then I just had, ah, do those quickly and I'm
15 gonna try to...

16 EXECUTIVE VICE PRESIDENT KATZ: Cool,
17 cool. I'll be, I'll briefer in this response. Um,
18 ah, we are allowing respondents, ah, operator
19 respondents to that RFP to suggest permanent sites,
20 but the mayor, ah, did announce back in, ah, late
21 2020 that, ah, it could find its initial home, ah,
22 within the Alexandria Center before potentially
23 moving to a permanent site, wherever that may be.
24 Ah, we don't yet have and hope to get this from the
25 RFP responses, scope of activity, size of the

1
2 facility, nature of whether it would have its own
3 academic functions versus coordinating versus what,
4 which will in turn inform the question of jobs
5 associated with it. Um, so we'll have to...

6 COUNCIL MEMBER POWERS: Right. Let me
7 leave you there 'cause I got 30, 30 seconds.

8 EXECUTIVE VICE PRESIDENT KATZ:
9 [inaudible] yeah, go ahead.

10 COUNCIL MEMBER POWERS: Um, one is, I,
11 thank you, thank you Council Member Vallone for the
12 talk about tourism...

13 CHAIRPERSON VALLONE: You can, you can
14 ask this question and you won't be getting timed out
15 [inaudible].

16 COUNCIL MEMBER POWERS: All right, I'm
17 off the clock. The, um, you know, my district is
18 home to so many institutions that are central to the
19 city's economy around tourism, both the hotel
20 industry, also the cultural institutions and so
21 forth. Um, what do you see your role moving forward
22 the next year in terms of helping, help in the
23 recovery effort around...

24 SERGEANT AT ARMS: Time expired.
25

1 COMMITTEE ON ECONOMIC DEVELOPMENT 53
2 COUNCIL MEMBER POWERS: ...[inaudible]
3 system versus other agencies? How do you feel that
4 federal funding in your, particularly to your agency,
5 what, what does that allow you to do and how do you
6 see your role in receiving and spending funding, and
7 what do you think strategies that the city should be
8 employing that we're not right now when it comes to
9 that recovery? And that's my final question,
10 [inaudible].

11 EXECUTIVE VICE PRESIDENT KATZ: OK. Ah,
12 and then I can have a little bit of time to respond?

13 CHAIRPERSON VALLONE: Of course.

14 COUNCIL MEMBER POWERS: Sure.

15 EXECUTIVE VICE PRESIDENT KATZ: OK, thank
16 you. Ah, so I think we have at least three major
17 roles in the recovery of some of those anchor
18 institutions that, as the chair said, are some of the
19 things that make New York New York and many of which
20 are, are housed in your district, Council Member.
21 Ah, ah, the first, ah, ah, is as an advocate for, ah,
22 ah, a safe but expedient recovery and reopening as we
23 vaccinate people, as we, ah, ah, ah, increasingly, ah,
24 emerge from the pandemic and being a prudent but, um,
25 assertive advocate, ah, for that reopening because

1 that's the single biggest thing that we can do for
2 restaurants, culture, ah, and other core
3 institutions. The second I think is as a cheerleader
4 and a cheerleader for New York City with our
5 colleagues at New York City and Company with the
6 mayor, with the private sector, ah, in saying to the
7 world New York City is here. It is still singularly
8 the best place in the world to eat, go to the
9 theater, to visit, ah, and everyone should come back
10 here because you can and it's safe. And then I think
11 the third is as, and this is a little more esoteric,
12 but I'll explain it, ah, as a catalyst for
13 innovation, whether that is in terms of, as we talked
14 about earlier, rapid testing to allow all of this to
15 happen, ah, ah, apps and new means and safe passes
16 for people to be able to get into those buildings and
17 access them safely, ah, ah, or otherwise we want to
18 be the people and we intend to be the people in
19 government, ah, who are pushing the envelope on those
20 issues and, ah, and would love to work with you,
21 members of the council, to try to make that happen,
22 ah, in your districts and throughout the city.

24 COUNCIL MEMBER POWERS: OK, and sorry, I
25 have renovation going on in the apartment next door

1
2 to me, which is fantastic. Um, [inaudible] but I
3 will look forward to working with you guys. I would,
4 I would add I think that there's a role here for EDC
5 and the mayor particularly to coordinator around
6 reopening of, of, of businesses particular in midtown
7 because I think as we see the small businesses
8 suffering, but also a big question about when folks
9 are gonna return to work post vaccination, I think
10 there does need to be some voice around coordinating
11 all those and...

12 EXECUTIVE VICE PRESIDENT KATZ: Right, I,
13 I agree, and you can't understate the importance of
14 our central business districts like midtown and
15 downtown, not just to the economic health of the, the
16 neighborhoods themselves but to the whole city and
17 the people who work in them regardless of where they
18 may live, so.

19 CHAIRPERSON VALLONE: So Council Member
20 Powers, it's the beauty of being chair is I get to
21 continue [inaudible].

22 COUNCIL MEMBER POWERS: I want to just
23 say thank you to all the folks at EDC for all your
24 work during this very difficult time and getting
25 us...

1
2 CHAIRPERSON VALLONE: No, what I was
3 gonna say I continue your important line of
4 questions, 'cause I don't think, I don't think
5 they're done with those answers. I, I don't like
6 being a cheerleader and, and helping opening fast
7 with extra vaccinations as the plan to a decimated
8 industry, and we have to do better. Ah, Council
9 Member Powers and I cochaired with Time Square
10 Alliance and all the partners with Broadway theater
11 and the Hotel Alliance and everyone that cared about
12 this city over the last couple of years. That's the
13 type of plan that we need to do tomorrow, to sit down
14 and say how is the pandemic relief and the new relief
15 funding coming from the federal, through the state,
16 through the city to directly reopen the businesses
17 that are the lifeline of the city and how is EDC
18 gonna facilitate and promulgate and expedite that.
19 That, that is to me in this pandemic recovery one of
20 the number one things that we have to do, and I don't
21 think we've heard that answer today, and I think we
22 need, if we don't have the answer then we need to
23 develop that answer for our next hearing and going
24 forward. You have every council member, especially
25 Council Member Powers, who is in the district along

1
2 with Speaker Johnson, houses so much of that and, and
3 I'm not hearing that answer. What, we need EDC to
4 make that a top priority because without the lifeline
5 of every one of those industries in the hospitality
6 and tourism there is no recovery in New York City
7 because so much of the jobs, so much of the economy,
8 so much of what makes New York City is generated
9 through those industry. We have to be beyond
10 cheerleading to get that back, so I, I, maybe you can
11 [inaudible].

12 COUNCIL MEMBER POWERS: Yeah, I, I thank
13 you, Chair. I, I agree with you. I, I think that
14 the role of EDC goes far beyond the cheerleading here
15 and we'd like to see something, you know, bigger and
16 broader. And, by the way, Council Member Rosenthal
17 has some of the big tourism and institutions. I
18 think she has Lincoln Center. I know she's on
19 [inaudible] and others, too and, ah, ah, we're all
20 really, I think, you know, looking for a plan that
21 will help keep them, ah, ah, survives. Thank you,
22 Chair.

23 CHAIRPERSON VALLONE: Maybe Council
24 Member Rosenthal, let's see if, if we just let them
25

1 follow up that, those questions, and then you jump
2 right in, 'cause I know that affects your district.

3
4 COUNCIL MEMBER ROSENTHAL: Fine by me.

5 CHAIRPERSON VALLONE: James, if you can
6 maybe, based on what the council members and I are
7 saying, I think we're looking we're for a larger
8 response and role of EDC here. I, I, is there any
9 part of the team that you can expand on that 'cause
10 [inaudible].

11 EXECUTIVE VICE PRESIDENT KATZ: Sure, and
12 I, I didn't mean to omit the stimulus and, and the
13 city's deployment of the stimulus as a, as a critical
14 response to what we're doing. In coming out of the
15 pandemic indeed the stimulus is itself a lifeline in
16 so many different ways, whether for transit,
17 municipal health, or some of our key industries, and
18 we are, ah, certainly looking forward to working with
19 Office of Management and Budget, City Hall, and you,
20 um, to get really purposeful about how some of those
21 stimulus pots are allocated. There are monies in
22 therefore small business, for restaurants, for
23 culture, ah, ah, and it is, ah, likely that many of
24 them or some of them will wind up flowing through EDC
25 as a, as a nimble way to deploy them, ah, and so as

1 those plans are developed and we agree, ah, ah,
2 Council Member, that those need to be developed with
3 all deliberate speed, ah, and as those monies
4 actually become available from the federal
5 government, ah, ah, we are looking forward to digging
6 in in earnest and doing, ah, just the work you're
7 talking about.

9 CHAIRPERSON VALLONE: So it, it sounds
10 like we need to either create or work together on a
11 new revitalizing hospitality, tourism, artists,
12 theater, focus so that we don't waste, 'cause part of
13 the pandemic is, is, I wouldn't say this is EDC.
14 Without EDC we wouldn't have survived last March and
15 April. So I do have, our eternal gratitude as New
16 York City, ah, residents 'cause you are the agency
17 that stepped up and created testing and safe places
18 when no one else was doing it. So we learned those
19 lessons. But now through those lessons we've seen
20 the hotel industry down to 8%, 50% of hotels about to
21 collapse, Broadway theater is yet to open, our
22 artists are opening up fund me pages to get food and
23 stay alive in New York City. Are, there isn't a part
24 of that tourism hospitality industry that made up our
25 third largest revenue of the city that hasn't been

1 decimated. So I, I just want to see that focus. Now
2 let me turn it over to Council Member Rosenthal for
3 her. Sorry about that, Helen.

4
5 COUNCIL MEMBER ROSENTHAL: No, no
6 sorries. I would follow up on that to say only that
7 I'm confident that James and his team has the answer
8 to your question. It's pretty straightforward. It's
9 just a matter of them bringing it over to the City
10 Council. Um, but I really wanted to ask about, ah,
11 two other things. One, I'd like to follow up on
12 what's going on in Council Member Koo's district.
13 But first, um, you know, let's see, Deputy Mayor
14 Thompson, um, during the pandemic, ah, made a great
15 announcement about, um, using, ah, converting, ah,
16 businesses owned by, you know, somebody who's about
17 to retire and converting them to be worker-owned
18 businesses. And it's a great model. It's really
19 exciting. He, um, is working with many members of
20 the Worker Co-op Business Development, um, Initiative
21 to get that down. I was wondering, um, and I also
22 heard you mention for the first time that I've heard
23 community land trust, um, an interest in that. Could
24 you tell me a little bit more about, ah, whether or
25 not you're starting to explore those ideas, what your

1
2 plans are, and whether or not you would consider
3 supporting these employee conversions?

4 EXECUTIVE VICE PRESIDENT KATZ: Sure.

5 Ah, ah, we, ah, do think that worker-owned co-ops are
6 a, a very interesting and promising model for, ah,
7 creating community wealth and shared prosperity and a
8 deep stake in, in the businesses that stand as
9 pillars of our neighborhoods. And so we are, we are
10 absolutely interested in those conversations and
11 would be very happy to engage them with you, with
12 Deputy Mayor Thompson, and with others, whether, ah,
13 at the worker co-op organizations, The Working World,
14 which I know supports them financially, ah, and
15 otherwise. Um, ah, and as monies increasingly, we
16 hope, become available coming out of this pandemic as
17 our fiscal situation, ah, hopefully stabilizes and
18 normalizes, ah, ah, that's a thing we'd be interested
19 in engaging in as well. Um, as concerns...

20 COUNCIL MEMBER ROSENTHAL: Yeah, do you
21 think...

22 EXECUTIVE VICE PRESIDENT KATZ: Yeah, go
23 ahead.

24 COUNCIL MEMBER ROSENTHAL: Go ahead.
25

1 COMMITTEE ON ECONOMIC DEVELOPMENT 62
2 EXECUTIVE VICE PRESIDENT KATZ: Please,
3 please.

4 COUNCIL MEMBER ROSENTHAL: No, no.

5 EXECUTIVE VICE PRESIDENT KATZ: Oh, I
6 was, ah, I was gonna take the, the community land
7 trust piece, um, which is just to say, ah, we are
8 interested in those equally, ah, and issued that
9 shared RFI, ah, a few days ago with HPD to try to see
10 what ideas were out there in the market for joint
11 public-private ownership of, of property and a
12 community stake in, in that property and we are
13 looking forward to seeing what comes back as well.
14 It is another issue where, ah, you know, the
15 availability of funds and capital coming out of the
16 pandemic is gonna be essential, right? Structures
17 are, ah, one thing and financing is another, which I
18 think is part of what's behind, behind your question.
19 Um, ah, and so I think both of those conversations
20 will need to be had, but we are, we're interested in
21 having them and learning more.

22 COUNCIL MEMBER ROSENTHAL: So, so you've
23 taken that first step of issuing an RFP...

24 EXECUTIVE VICE PRESIDENT KATZ: Um-hmm.
25

2 COUNCIL MEMBER ROSENTHAL: Awesome
3 [inaudible]. Um, do you think...

4 CHAIRPERSON VALLONE: Hello, Helen.

5 COUNCIL MEMBER ROSENTHAL: That's
6 [inaudible].

7 CHAIRPERSON VALLONE: I got awesome
8 sources.

9 EXECUTIVE VICE PRESIDENT KATZ: Awesome,
10 awesome source and I think she said it from her
11 kitchen.

12 CHAIRPERSON VALLONE: She did.

13 COUNCIL MEMBER ROSENTHAL: [inaudible].

14 CHAIRPERSON VALLONE: And then she faced
15 me [inaudible].

16 COUNCIL MEMBER ROSENTHAL: You can see my
17 zucchini muffins.

18 EXECUTIVE VICE PRESIDENT KATZ: Ah-huh.

19 COUNCIL MEMBER ROSENTHAL: Um, so, but if
20 you were to set out with let's assume the capital
21 money is coming back, which I think is a solid
22 assumption, um, could you list your top five or top
23 three priorities and where would CLTs and worker co-
24 ops be in there, or [inaudible], I mean which
25 category would it be in?

EXECUTIVE VICE PRESIDENT KATZ: Sure.

Ah, I've, I've not had to think about that question.

And I so hopefully will do an adequate job on it.

Um, I think there are categories of city capital

which I think you were, you were asking about. Um,

ah, that we have very clear priorities for, ah, ah,

recovery efforts, grounded in public health, the

Pandemic Response Institute, my idea for a public

health core, which I haven't gotten the chance to

talk about, but which involves, ah, the fact that we

a community health worker in every neighborhood. Ah,

that is really a, a top priority, the life sciences

work, ah, is a key priority, and then there is a set

of, ah, infrastructure and resiliency projects that

we are, ah, ah, deeply committed to and are thrilled

to be seeing restart. That's everything from streets

and sewers and neighborhoods that we are working from

an economic development perspective to major

resiliency work, including in Manhattan and lower

Manhattan where we're investing, ah, half a billion

in resiliency measures to protect, ah, the financial

district.

COUNCIL MEMBER ROSENTHAL: It's sounding

like it's not in your top five so far.

2 EXECUTIVE VICE PRESIDENT KATZ: I'm only
3 at three, I'm only at three.

4 COUNCIL MEMBER ROSENTHAL: Oh, OK.

5 EXECUTIVE VICE PRESIDENT KATZ: Um, ah,
6 ah, you know, and then there is a bucket of, of
7 innovation and new ideas and, and that sort of space,
8 where we want to be pushing, ah, the boundaries and
9 the bubble as I talked about with Council Member
10 Powers and I would think of shared equity models as
11 the thing that fits sort of squarely within that.

12 COUNCIL MEMBER ROSENTHAL: You're on
13 three, all right.

14 EXECUTIVE VICE PRESIDENT KATZ: On three,
15 well, I've ranked them, I just named them.

16 CHAIRPERSON VALLONE: Awesome source all
17 the way around.

18 COUNCIL MEMBER ROSENTHAL: [inaudible]
19 sort of track that, get the news sort of how that
20 works in terms of dollars.

21 EXECUTIVE VICE PRESIDENT KATZ: Um-hmm.

22 COUNCIL MEMBER ROSENTHAL: So, yeah, that
23 would be really great. And then similarly, um, would
24 you consider for the public health corps, ah, worker
25 cooperative that is made up of a public health,

1
2 public health team, you know, workers? If there were
3 a worker cooperative that came together to do that
4 work would you consider using them, or?

5 EXECUTIVE VICE PRESIDENT KATZ: I think,
6 I think that's a very interesting idea, ah, and I
7 would love to explore it. I think the other
8 consideration that we have had, ah, in the, the
9 public health corps conversation in addition to the
10 availability of funding which was, um, ah, stimulus-
11 dependent, is the leveraging of existing community-
12 based organizations and networks that exist as
13 trusted actors in and across the city.

14 COUNCIL MEMBER ROSENTHAL: Sure, sure.

15 EXECUTIVE VICE PRESIDENT KATZ: Ah, ah,
16 you know, I think it goes without saying the
17 government is not always the most trusted actor when
18 it comes to public health guidance and the
19 solicitation of public health information. Ah, and
20 so we're also interested deeply in doing that, and so
21 if the ideas could be to mesh, certainly.

22 COUNCIL MEMBER ROSENTHAL: Yeah, I mean,
23 I think the way I would see it is if the public
24 health corps worker cooperative that I just made up,
25 um, were, you know, knowing that, knowing that these

1 public health workers, even in government, are, are,
2 are mostly black and brown women who are mostly paid
3 the least, if we could develop a corps where there
4 was, you know, a, a reasonable, you know, standard of
5 living I think it might be really interesting, as
6 opposed to something that, you know, is a system that
7 doesn't allow, um, people to rise up, especially our
8 contracts, right, where everyone, all the workers
9 there, living paycheck to paycheck in the human
10 services council, in the human services sector, so
11 I'd really encourage that and, um, I hope you really
12 do follow up on that. Chair Vallone, can I still ask
13 one or two questions about Council Member Koo's
14 project?

16 CHAIRPERSON VALLONE: Complete awesome
17 source, absolutely.

18 COUNCIL MEMBER ROSENTHAL: Thank you.

19 CHAIRPERSON VALLONE: [inaudible] ask
20 questions, and, by the way, just, Helen, so I could
21 let everybody know, after Council Member Rosenthal I
22 don't think there are any other council members with
23 questions, so the seven, ah, groups in the panels
24 that have signed up, um, I'm gonna wrap up with EDC
25 with some final questions after that and then we're

1 gonna bring, so for those who are waiting we thank
2 you for your patience, but we'll get to you quick.
3 [inaudible].
4

5 COUNCIL MEMBER ROSENTHAL: Thank you.

6 Agreed. Um, I, I have to say I did not understand
7 really the answer to Council Member Koo's question.
8 Um, and, and to put it in a nutshell, here was my
9 take-away from it. The EDC supported developers who
10 are building out this area of Flushing, Queens, and
11 in doing so has allowed the developers to reap the
12 rewards first and then gone on to well, let's see if
13 the community can get, can get anything going. That,
14 that's really my take-away from it. Correct me if
15 I'm wrong. Um, but my concern is so it sort of
16 sounds like, you know, like a, um, you know, you ask
17 the council member, he said it was 11 years ago. I,
18 you know, I, I wasn't here, but my guess is the
19 council member voted for it and got the rest of the
20 council to vote for it and my guess is with the
21 understanding that the community benefits would come
22 prior to his departure 10 years later from the City
23 Council, or 11 years later. Um, and it just feels
24 like, you know, as we say in OMB, sad face, not happy
25 face. It's also a technical...

2 EXECUTIVE VICE PRESIDENT KATZ: Like
3 that.

4 COUNCIL MEMBER ROSENTHAL: ...
5 [inaudible] yeah.

6 EXECUTIVE VICE PRESIDENT KATZ: Ah-huh.

7 COUNCIL MEMBER ROSENTHAL: Um, really a,
8 you know, it sort of lays the groundwork for all of
9 this, ah, reverberation we're hearing from
10 communities throughout the city that their voices are
11 not heard. I mean, it sounds to me...

12 CHAIRPERSON VALLONE: Helen, I love you,
13 and we're getting a little...

14 COUNCIL MEMBER ROSENTHAL: ...like Council
15 Member...

16 CHAIRPERSON VALLONE: I let them, tell
17 me, tell me that's in the question.

18 COUNCIL MEMBER ROSENTHAL: Sorry. Let me
19 come back.

20 CHAIRPERSON VALLONE: Answer, Council
21 Member Rosenthal.

22 COUNCIL MEMBER ROSENTHAL: Whether,
23 what's the timeline in the, in the, ah, I don't know
24 what the timeline was in the first place, but where
25

1
2 are we getting, I mean, it just, you hear my
3 question.

4 EXECUTIVE VICE PRESIDENT KATZ: Yeah, I
5 think I, I do hear your question. Um, ah, and let me
6 sort of...

7 COUNCIL MEMBER ROSENTHAL: And let me
8 sort of say as a backdrop I understand EDC plays, ah,
9 you know, you're walking a tight right, ah, tightrope
10 in a sense between private, private sector and public
11 sector. Like I, I ken that.

12 EXECUTIVE VICE PRESIDENT KATZ: Um-hmm.
13 I appreciate that. Um, ah, so as concerns the, the
14 project in Flushing, I, I, it is correct that there
15 was a, a land sale to this developer in 2010, ah,
16 with obligations to build a series of things. The
17 YMCA, about which, ah, the council member was asking,
18 was to come in the second phase of the project and
19 it's still to come in the second phase of the
20 project, ah, which we anticipate will be, ah, ah, the
21 first part of the second phase by the end of 2024.
22 Um, ah, I think I would just note two things here.
23 One, ah, we since that time have changed our general
24 practice and don't sell city land in the same way
25 anymore. We have moved to a model of long-term

1 leases and continued public ownership, ah, for P3
2 development, which, ah, I think feels a lot better to
3 all of us in terms of the long-term future of public
4 assets and also the continued involvement of the city
5 in what happens there. Um, as concerns this
6 particular project, and, and another thing, sorry,
7 let me come back. Um, I think we have learned
8 lessons, ah, on the front-loading of community
9 benefits to the greatest degree possible in phased
10 development and ensuring that happens. I think
11 communities and the council have learned about that,
12 too, ah, which is a really good and important thing.
13 As concerns, um, this specific project in Flushing,
14 ah, we are committed to ensuring that that community
15 benefit comes. The YMCA, which was to occupy that
16 community facility, has come upon hard times as a
17 result of COVID and is trying to figure out its own
18 wherewithal to be able to develop that part of the
19 project and we're working with them to do that. If
20 they are unable that will remain a community
21 facility, ah, and we will continue to work with
22 Council Member Koo to ensure that there is a
23 community serving use there, no question.

2 COUNCIL MEMBER ROSENTHAL: That's
3 awesome. I'm glad to hear that. Um, but it is, it
4 is disheartening to hear that, that, that the
5 community would get its, you know, piece, um, 14
6 years later, and I don't know if that was
7 contemplated when, um, the project was first voted
8 on. Um, you know, COVID slowed everything down, so
9 we can't, you know, blame everything on COVID, right?
10 It was already 11 years too long...

11 EXECUTIVE VICE PRESIDENT KATZ: Um-hmm.

12 COUNCIL MEMBER ROSENTHAL: Right? Um,
13 but...

14 CHAIRPERSON VALLONE: Council Member
15 Rosenthal, you're, you see, this is what happens when
16 I'm a nice guy.

17 COUNCIL MEMBER ROSENTHAL: I know, I
18 know. Last point, last point.

19 CHAIRPERSON VALLONE: You just keep
20 going, please kind of wrap it up so we can
21 [inaudible].

22 COUNCIL MEMBER ROSENTHAL: Last point. I
23 would just ask that if you could look at that
24 agreement that you made with the developer and see if
25 there's an opportunity for some sort of claw back

1 because this isn't working out for the community.

2 Um, it's just an idea. Thank you very much, Chair.

3 COUNCIL MEMBER KOO: Thank you, Council
4 Member Rosenthal for, for your support and concern.

5 CHAIRPERSON VALLONE: Council Member Koo,
6 that is your district, so we always defer to you on
7 what's going on there...

8 COUNCIL MEMBER KOO: Yeah, thank you.

9 CHAIRPERSON VALLONE: ...with that. So
10 with our committee counsel, Kris, do we have any
11 council members who are signed up to speak or any
12 remaining questions?
13

14 COMMITTEE COUNSEL: Ah, Council Member
15 Rosenthal was as the last person, ah, member with
16 questions, so if you have additional questions,
17 Chair, ah, you may ask them at this point and then we
18 can go on to public testimony.

19 CHAIRPERSON VALLONE: Yeah, no, and I
20 appreciate we've done, we've done yeoman's work in an
21 hour and 25 minutes. So thank you, Kris and your
22 team. Ah, and there's a lot to accomplish. And I
23 always say every year that it's just not really right
24 to put this all in one hearing, and I don't think
25 folks do really get how much is going through this,

1 through EDC, through this budget, and how much of the
2 city's future is impacted by it. So it's, ah, you've
3 done amazing work with what you've been able to do
4 and through this pandemic. Um, I think just to kind
5 of circle back to where we started, when you
6 mentioned EDC's role with capital projects how some
7 of them have been, ah, obviously halted because of
8 the pandemic and how some of them are starting to
9 continue on. Could you either separate or explain,
10 you know, EDC obviously has a larger role than
11 projects that use, maintain through your own
12 nonprofit. There are other city agencies that EDC
13 works with capital projects. Can you give us a broad
14 scope on the amount of projects that are interagency
15 related through EDC and how maybe some of those
16 projects have been green lighted or still been
17 halted?

19 EXECUTIVE VICE PRESIDENT KATZ: Sure.

20 Ah, ah, so thank you, Council Member. Um, ah,
21 within, ah, EDC's fiscal 2021 capital budget, ah, is
22 just shy of 1.4 billion dollars' worth of projects
23 that are sort of true EDC capital projects funded by
24 the city, ah, that it is developing. There are other
25 economic development projects that flow through our

1 budget on behalf of the Brooklyn Navy Yard, on behalf
2 of the Trust for Governors Island, ah, but we tend
3 not to manage those. Ah, ah, that is an amount of,
4 ah, 85 million dollars in this fiscal year. And then
5 there is a set of capital that flows through EDC, ah,
6 for projects on behalf of other agencies, ah, that
7 totals about 145.5 million in this fiscal. Ah, the
8 projects that we undertake on behalf of other
9 agencies, which I think we're the ones who were, were
10 asking, um, ah, tend to be for one of the handful of
11 very specific reasons that they get assigned to us
12 and that usually is what happens, from either the
13 mayor's office or the Office of Management and
14 Budget. Ah, either they relate to a broader economic
15 development initiative or land use initiative with
16 which EDC is involved, ah, a neighborhood rezoning or
17 a major redevelopment of a project. Perhaps it has a
18 park, perhaps it has a, a school or a street or an
19 infrastructure need associated with it. Ah, and so
20 we might do that work. There are areas where, ah,
21 EDC...

22
23 CHAIRPERSON VALLONE: And whose budget
24 would that show up in? So if, if there is a project
25 with a park and a school and a rezoning, does that

1
2 only reflect in EDC's budget, or does that also show
3 in Parks and in Housing and?

4 EXECUTIVE VICE PRESIDENT KATZ:

5 Generally. I'm going to refer this to my colleague,
6 Liz Verostek, because she is the, she is the, the
7 expert, but it...

8 CHAIRPERSON VALLONE: And she's shaking
9 her yes. So she knows [inaudible].

10 EXECUTIVE VICE PRESIDENT KATZ: She's
11 showing up, yes. For, for example, for example a
12 Parks project not in the Economic Development but
13 assigned to [inaudible].

14 CHAIRPERSON VALLONE: Right.

15 EXECUTIVE VICE PRESIDENT KATZ: Um-hmm.

16 DEPUTY CHIEF FINANCIAL OFFICER VEROSTEK:

17 So, um, I will give you, ah, ah, this is going to be,
18 um, wonky and very jargony. Um, as you look within
19 the EDC budget you will be able to designate the two
20 things by, ah, a coding structure, um, and I see some
21 folks smiling. Um, the, the way that you're gonna be
22 able to tell a Parks project that has been shifted
23 over to EDC will still be within the Parks budget.
24 And the way that you'll know that that has been
25 shifted over to EDC is by the what, um, deep state

1
2 budget folks have referred to as the managing agency
3 code, and so it is going to be tagged as an 801,
4 which is EDC's shared, um, managing agency code with
5 SBS, Governors Island, um, ah, Brooklyn Navy Yard,
6 um, so we all share the same 801 structure. So it
7 will be, it will look like we are managing it, but it
8 is still Parks money.

9 CHAIRPERSON VALLONE: Well, that, that
10 leads us to why we passed the bill to have the
11 Brooklyn Navy Yard account on an annual basis 'cause
12 it's very confusing and some of us aren't these gurus
13 with codes and I was never very well in math, which
14 is why I went to law school, and it's hard to follow
15 all that. So I, I always still do say it's such
16 wonderful projects like the Brooklyn Navy Yard, um,
17 that those templates should be copied, emulated, and
18 created elsewhere, ah, and that we do need that type
19 of accounting, not so much as oversight but as to
20 guide us with other projects. So how do you keep,
21 who's in control of those joint projects and then who
22 is the lead with a, a multiagent project that works
23 with EDC?

24 EXECUTIVE VICE PRESIDENT KATZ: Sure.

25 Ah, so other than the funding that flows directly

1 through EDC for management by the Brooklyn Navy Yard
2 or the Trust For Governors Island or for similar, ah,
3 when we are the managing agency, as Liz said, on
4 another agency's project, ah, often it is a
5 collaborative relationship and almost always is a
6 collaborative relationship of one kind or another.
7 Ah, sometimes we are helping to plot strategy and
8 scope and, and really plan out the project from
9 inception. Sometimes we are, ah, very often in a
10 client services role. So we are helping to design
11 and scope and procure construction and manage
12 construction for a park, but it is to a degree at the
13 direction of the Parks Department and to its specs
14 and, and requirements. Ah, also true for the work
15 we're doing on behalf of H&H, for example, at Coney
16 Island right now.

18 CHAIRPERSON VALLONE: Well, I think that
19 collaborative effort is always where the council has
20 asked to be part of.

21 EXECUTIVE VICE PRESIDENT KATZ: Um-hmm.

22 CHAIRPERSON VALLONE: I know you've made
23 tremendous strides in including, but I think that's
24 where, an area for growth, ah, especially in the
25 determination of which projects go forward and which

1 areas, I mean, if you look at the city and the five
2 boroughs how, how are the decisions made on which
3 project that goes forward, whether it's individually
4 through EDC or as a collaborative effort through
5 other agencies?
6

7 EXECUTIVE VICE PRESIDENT KATZ: Um-hmm,
8 ah, I, I mean, I think there are a variety of factors
9 that go into project selection. Ah, often, ah, that
10 is as much at OMB as it is anywhere else, and also
11 with the mayor's office as part of a broader
12 strategic look at the city and where it wants to
13 allocate, ah, its capital and at what time. Ah, I
14 know borough equity is a, is a top priority at, at
15 both places, and that is also, I think, reflected
16 within EDC's capital plan. We, we are doing things
17 in all, all five boroughs. Um, but it is a, a
18 multiplicity of factors, whether it's ah, ah, an
19 assess that is deteriorating and needs improvement,
20 whether it grows out of a neighborhood plan and no
21 rezoning, where the council member has invited us in
22 and made that project a priority. Ah, or that it is
23 a, a mayoral priority wherever it may be located.
24 Ah, ah, all of those factors come together in the,
25

1
2 the determinations, I believe of what OMB chooses to
3 fund.

4 CHAIRPERSON VALLONE: Ah, it's always a
5 difficult explanation and we'll ask it every year,
6 because we always want to be part of that and I think
7 it's, it's, it's prudent to include the council into
8 that. I think, just to wrap up, on a couple other
9 projects that I think are successful and just what
10 you envision the future of. Um, you know, as the
11 city transitions and finds new ways to get into the
12 city or to whether you're a transportation desert
13 completely like my district and doesn't have ferry,
14 ah, subway service, the ferry service in my eyes has
15 always been critical. How do you see the, um, the
16 re-ramping up of various services, so it was, like
17 everything else was, was decreased during the
18 pandemic, um, and how do you envision the, the
19 expansion and future growth?

20 EXECUTIVE VICE PRESIDENT KATZ: Right,
21 thank you for that question, and I know this has been
22 a, a priority of yours and I personally appreciate
23 that you, you keeping asking it, ah, 'cause it will
24 keep us focused, ah, um, on your district and
25 elsewhere. Ah, it is, it is correct that during the

1 course of the pandemic, like many other forms of
2 transit, NYC ferries saw reductions in ridership.

3 One of the great advantages of ferries is the
4 flexibility and the nimbleness they offer to adjust
5 service, reduce headways, smaller boats that require
6 less fuel on routes that might have used larger boats
7 and the like, and we were able to make adjustments
8 during the pandemic to save costs and adjust services
9 on ferries to the tune of about 10 million dollars.

10 Ah, since the summer, ah, one of the things that we
11 have observed is that ferry service and ridership on
12 ferry service is actually rebounding at a faster rate
13 than other forms of transit, ah, perhaps because
14 people feel more comfortable with a form of transit
15 that allows them to be partially, ah, outdoors while
16 they ride it. Ah, and so we are now, ah, ah,
17 beginning to readjust our ferry schedules. As we
18 head into the spring and summer we anticipate re-
19 ramping service, and as concerns the expansion, which
20 you asked about, we are, um, ah, to use a
21 transportation pun or something, full steam ahead on
22 the expansion of the new routes. Ah, ah, the St.
23 George route, the Coney Island route, and the
24 expansion to Council Member Gjonaj's district, ah, at
25

1
2 Ferry Point Park in the Bronx are all on track for
3 this year and the capital work is ongoing.

4 CHAIRPERSON VALLONE: Which is a, which
5 is a stone's throw away from [inaudible]. Council
6 Member Gjonaj's district I can see from back yard,
7 and yet we don't still have a ferry. We, in the
8 expansion I would not be doing just as justice for
9 all of Queens, realize we have only another one ferry
10 route from Astoria to Long Island City and, and I
11 have a complete waterfront district.

12 EXECUTIVE VICE PRESIDENT KATZ: Um-hmm.

13 CHAIRPERSON VALLONE: And it's not even
14 about my district, it's about everyone else of
15 Queens. That Cityfield Marina is just screaming for
16 a transit hub, especially with a new billionaire
17 owner and hopefully a Met team that turns it around
18 and the US Open and a re-done Parks capital project
19 there. Um, I really want to see, and not so much
20 for, it won't happen this year, that EDC will tell me
21 one day Council Member, ah, we are putting that
22 transit hub there because it just makes sense.
23 You've got the parking, you've got the city transit,
24 you've got the subway, you've got the highways, you
25 have the Long Island Railroad, you have everything,

1 but we don't have a ferry. So in that expansion
2 program please, and you've already done the borough
3 wide studies.
4

5 EXECUTIVE VICE PRESIDENT KATZ: Right.

6 CHAIRPERSON VALLONE: There is no other
7 place, really actually in all of Queens, that is
8 ready for, has a landing, or has the ability for it.
9 So we don't studies, we don't need any [inaudible],
10 we just need the yes, we're going to expand, whether
11 it's the, ah, the new Bronx or the expansion of the
12 Astoria-Long Island City, or it's a composite of the
13 two. Um, I'd really like to see that happen. We, we
14 are in a public health scenario now where we're
15 looking for healthy choices for transportation. How
16 much healthier can it be than a clean air ride on a
17 ferry to get to work.

18 EXECUTIVE VICE PRESIDENT KATZ: Thank

19 you.

20 CHAIRPERSON VALLONE: So hopefully yes is
21 the only answer on it.

22 EXECUTIVE VICE PRESIDENT KATZ: There's
23 only one right answer. Um, ah, appreciate the
24 question. We obviously, we, we know it well. You're
25 right. We have studied it. Ah, it's of a lot of

1 interest and as the, the capital work moves forward
2 by the Parks Department at, at Cityfield and World's
3 Fair Marina to make it a, a viable landing location,
4 we would like to look at it again after we get
5 through this round of, of expansion.

7 CHAIRPERSON VALLONE: There's, there's a
8 lot, and I, I see we're up to nine. So what I'm
9 gonna do is say thank you to your team, ah, to James
10 and Jennifer and Elizabeth, and especially working
11 with, ah, previous President Patchit and it has been
12 honestly over the last four years a way to further
13 these type of conversations in a really open way, ah,
14 it's been a pleasure and honor to work with the
15 entire team. There's a lot that we talked about
16 today, and I think if we can fast track the
17 prioritization of the relief to the tourism and
18 hospitality and the artists that are suffering and
19 all of us in that area, if we can convene that group
20 as quickly as possible with the new stimulus funding,
21 with EDC priorities, with the post-COVID, ah, world
22 to bring the city back, um, I think we need to make
23 that really a top priority, and you've council
24 members here that will work night and day with you
25 and every one of those groups to get that done. So

1
2 thank you for that. And Committee Counsel, we do not
3 have any other council members signed up to speak, so
4 we're good?

5 COMMITTEE COUNSEL: Correct, Chair.

6 There are no more members with questions.

7 CHAIRPERSON VALLONE: Well, thank you to
8 the EDC staff and now I'll turn it over to you so we
9 can do our panels.

10 COMMITTEE COUNSEL: Thank you, Chair
11 Vallone. We will now turn to public testimony. I'd
12 like to remind everyone that unlike our typical in-
13 person council hearings we'll be calling on
14 individuals one by one to testify. As I stated
15 earlier, each panelist will be given three minutes to
16 speak. Please begin once the sergeant has started
17 the timer and given you the cue to begin. Council
18 members who have questions for a particular panelist
19 should use the Zoom hand raise function and I will
20 call on you after the panelist has completed their
21 testimony. For each panelist, once your name is
22 called a member of our staff will unmute you and the
23 Sergeant at Arms will give you the go-ahead to begin
24 on setting the time. So, again, please wait for the
25 sergeant to announce that you may begin delivering

1 your testimony. At this point we will first hear
2 from Annie Garneva, followed by Will Spisak, followed
3 by Memo Salazar.

4 SERGEANT AT ARMS: Time starts now.

5 ANNIE GARNEVA: Can you just clarify how
6 long we have?

7 COMMITTEE COUNSEL: Three minutes.

8 ANNIE GARNEVA: OK, great. We'll run
9 right through it.

10 CHAIRPERSON VALLONE: Annie, if there's
11 something that you've, you've, you're unable to get
12 to I'll give you more [inaudible].

13 ANNIE GARNEVA: Thank you. I just
14 [inaudible] go to first, so I appreciate that.

15 CHAIRPERSON VALLONE: It's really
16 nothing.

17 ANNIE GARNEVA: I appreciate, um, being
18 first but also, um, I, I will go as fast as I can.
19 Ah, so my name is Annie Garneva. I'm vice president
20 of policy and special initiatives at the New York
21 City Employment and Training Coalition, which
22 supports the workforce development community and our
23 180 member organizations. One million plus New
24 Yorkers have lost their jobs. Factoring in those
25

1 leaving the labor force and an estimated 320,000
2 involuntary part-time workers, New York City's
3 combined unemployment and under-employment rate at
4 the end of 2020 was just over 24%, which is more than
5 twice the official New York City unemployment rate of
6 11.4%. And while the job losses impacted workers
7 across every socioeconomic experience, educational
8 [inaudible] and community the loss has
9 disproportionately impacted women, people of color,
10 low-income workers, immigrants, and historically
11 marginalized New Yorkers. Nearly two-thirds of those
12 who lost a job had annual workplace earnings less
13 than \$40,000, and 59% of those who lost jobs were
14 black and brown New Yorkers. These are the New
15 Yorkers that our members provide job training for
16 every single day. These are the New Yorkers who our
17 members never stopped supporting over the last year
18 despite major budget cuts from government and private
19 funders. Across the system over 80% of New Yorkers
20 served by workforce development organizations are
21 people of color and since the pandemic began ETC
22 members have seen a 44% increase in demand for
23 employment and training services. Our members reside
24 and serve all, in all of the city's 51 City Council
25

1
2 districts and are the critical beginning of a cycle
3 that connects New York City residents who have been
4 historically marginalized to economic opportunities
5 that exist within all of the industries that call New
6 York home. We have a huge job ahead of us that the
7 city faces, as the city faces record unemployment and
8 the resulting economic fallout. Our members will be
9 called on to do more and we want to step up and serve
10 our neighbors in their time. However, we can't do
11 that without increased resources and improved city
12 partnership and prioritization that will be critical
13 to recovery. Beyond financial investments, city
14 leadership and especially institutions like EDC need
15 to fundamentally shift and align systems,
16 investments, and decision-making processes that fuel
17 our economy towards a talent-driven, economic
18 development model that recognizes workers and human
19 capital as the primary pillar and creator of
20 prosperity. Specific to EDC's plans as laid out
21 during this hearing, we recommend that EDC works to
22 imbed workforce and talent development initiatives
23 into all economic development projects in response to
24 COVID, such as the initiatives that we have
25 highlighted today around life sciences, public

1 health, and sustainability and resiliency, as well as
2 the federal stimulus projects that will be coming
3 down the pipe. Center to this is ensuring that
4 communities most impacted by the pandemic are
5 prioritizing hiring, training, and entrepreneurship
6 opportunities connected to these projects through
7 proactive incentive, legislation, and investment
8 strategies. This includes imbedding workforce
9 development directly into RFPs and MOUs. To address
10 the financial challenges that the workforce sector
11 has been facing for decades and exacerbated now, the
12 city and EDC should also develop a flexible and
13 dedicated talent development fund...

14
15 SERGEANT AT ARMS: Time expired.

16 ANNIE GARNEVA: ...um, I'll just finish up
17 [inaudible]. For workforce programs that can provide
18 sustainable long-term funding for employment and
19 training programs. This revenue could be made up of
20 a combination of EDC, ah, capital funds as well as
21 creating a separate, ah, investment that the city's,
22 um, business community can tap into. Um, so overall
23 we just want, we want to make sure that we, um, a)
24 appreciate EDC's partnership over the last year.
25 We've worked directly with them on a lot of issues

1
2 and look forward to continuing to work on with them
3 on imbedding these kinds of workforce programming
4 delivered directly into any initiatives that come out
5 of COVID, as well as making sure that we build jobs
6 not just for any New Yorker but specifically target
7 those jobs for those New Yorkers that have been
8 hardest hit by the pandemic. Thank you, and I
9 welcome any questions.

10 CHAIRPERSON VALLONE: Thank you, Annie.

11 COMMITTEE COUNSEL: Thank you. Next is
12 Will Spisak, followed Memo Salazar, followed by Jacky
13 Wong.

14 SERGEANT AT ARMS: Time starts now.

15 CHAIRPERSON VALLONE: Morning, Will.

16 WILL SPISAK: Good morning. Um, thank
17 you for, ah, giving me the opportunity to testify.
18 My name is Will Spisak and I'm testifying today on
19 behalf of New Economy Project, a citywide
20 organization that works with community groups to
21 build a just economy that works for all. Among our
22 activities, New Economy Project is a founding member
23 and co-coordinator of the New York City Community
24 Land Initiative, a citywide coalition to promote
25 community land trusts as a strategy to address the

1 city's affordability crisis and ensure equitable
2 community-led decision-making over land use in New
3 York City. Since fiscal year 2020 New Economy
4 Project has coordinated the citywide Community Land
5 Trust Initiative, through which the City Council has
6 provided discretionary funding support for the
7 development of CLTs and permanently affordable
8 housing, commercial and community spaces across the
9 five boroughs. In less than two years the initiative
10 has made major progress, helping to launch and expand
11 CLTs in south and northwest Bronx, east Harlem, the
12 Lower East Side, Jackson Heights, Brownsville, East
13 New York, and beyond. Through this groundbreaking
14 and cost-effective initiative the city is helping to
15 seed a new generation of neighborhood-based
16 institutions equipped to facilitate equitable
17 development and build community wealth. Ah, we thank
18 the City Council for its vital support for CLTs,
19 worker co-ops, and other models that advance shared
20 ownership and democratic control of our economy. New
21 Economy Project and 17 partner organizations in the
22 CLT initiative are seeking 1.51 million dollars in
23 City Council discretionary funding in fiscal year
24 2022. We urge the committee to support this funding
25

1 request and ensure that CLTs continue to play a key
2 role in stabilizing communities. Since fiscal year
3 2020, ah, 2020, the CLT initiative has engaged
4 thousands of low-income community members in
5 education and organizing, develop grassroots
6 leadership, um, and establish steering committees and
7 founding boards. Ah, with an expansion in 2022, ah,
8 funding we'll be able to bring on two new CLT groups
9 to the initiative and one more citywide, ah,
10 technical assistance provider. CLTs are a proven
11 model to protect public investment and economic
12 development projects. While associated primarily
13 with affordable housing CLTs in New York are paving
14 the way for an equitable recovery and commercial
15 revitalization and manufacturing, community-owned
16 solar micro grids, and other infrastructure that
17 impact the economic well-being of our neighborhoods.
18 As community-governed nonprofits, CLTs own land and
19 control terms on which the land is developed to
20 ensure, for example, that rents remain permanently
21 affordable and development meets community needs.
22 The COVID crisis has exposed the inherently unstable
23 model of economic development in New York City, where
24 real estate speculation requires the exponential
25

1
2 extraction of productivity of local businesses and
3 producers, cutting into wages and profits, until
4 businesses are no longer viable. CLTs are already
5 proving that this new model works. Um, in Cooper
6 Square CLT in lower Manhattan they've already
7 incorporated 22 commercial spaces onto their CLT.
8 These spaces are available...

9 SERGEANT AT ARMS: Time expired.

10 WILL SPISAK: ...at competitive rates,
11 ah, because the land trust is not interested in
12 maximizing profits at expense of local businesses and
13 it's not subject to speculative bidding wars. Um, as
14 a result they can support businesses that otherwise
15 wouldn't be able to stay in the neighborhood, the
16 majority of which are owned by people of color,
17 women, and immigrant families. Um, in addition,
18 Chhaya CDC in Jackson Heights, Western Queens CLT in
19 Long Island City, and Mott Haven-Port Morris
20 Community Land Stewards in the Bronx are working on
21 developing, ah, community, commercial, and/or
22 manufacturing space to support the economic life of
23 their respective neighborhoods. Ah, City Council is
24 rightly considering policy interventions to address
25 the threats, um, that, ah, ah, real estate

1 speculation present to the city. Um, from the
2 Community Opportunity to Purchase Act and ending the
3 city's lien sale to prioritize nonprofits like CLTs
4 for public land disposition and more, strong public
5 investment in CLTs will be key to ensuring that these
6 policies are met with success and that land is
7 removed from the speculative market for good. We
8 urge the City Council to renew and expand this
9 discretionary funding support for CLTs at this
10 critical time. Thank you so much for giving me the
11 opportunity to testify.

13 CHAIRPERSON VALLONE: Annie and Will,
14 and, and for the folks that are testifying, so many
15 of the things that we fund through discretionary
16 expense and capital comes from exactly the testimony
17 and the thoughts that you guys bring to us. So thank
18 you for that, and make sure you submit, um, the
19 testimony so I can, um, submit that to the other
20 council members who couldn't make it today so they
21 can see it.

22 COMMITTEE COUNSEL: Thank you. Ah, our
23 next speaker is Memo Salazar. He will be followed by
24 Jacky Wong, followed by Saduf Syal.

25 MEMO SALAZAR: Ah, hi, good morning.

2 SERGEANT AT ARMS: Time starts now.

3 MEMO SALAZAR: Ah, thank you for, can you
4 hear me?

5 CHAIRPERSON VALLONE: Yes, we can.

6 MEMO SALAZAR: Oh, OK. Thank you for
7 letting me speak today. Um, my name is Memo Salazar.
8 I am the cochair of the Western Queens Community Land
9 Trust. CLTs have been quite a buzz word lately, in
10 speeches you've heard by our mayor and our
11 comptroller, our attorney general, and today, as a
12 matter of fact, we've discussed already some of the
13 issues that have come, um, mostly as solutions to
14 housing crisis. Um, but CLTs are not just for
15 housing. We have many cities in this country,
16 including, but definitely not limited to, Oakland,
17 Denver, San Francisco, New Orleans, Anchorage, and
18 St. Paul that have already been using CLTs to create
19 affordable and successful commercial spaces. Ah, and
20 the key word here is affordable, 'cause there's no
21 reason to stick around New York City when you can
22 open your manufacturing business 20 miles away for a
23 fraction of the overhead. And there's no reason for
24 the over 400,000 New Yorkers who work in arts and
25 culture to stick around a city that leaves them

1 living hand-to-mouth. Um, but there can be a reason
2 to stick around if New York City chooses to embrace
3 CLTs. Over in Long Island City our CLT, the Western
4 Queens CLT, is conducting a feasibility study of that
5 massive 750,000 square foot Department of Education
6 building to find out just how it could be used to
7 support different commercial ventures in a single,
8 synergistic way. So imagine, if you will, a rooftop
9 garden supplying food to not just local supermarkets
10 down the street, but an actually food co-op
11 downstairs, and not just a food co-op but push-cart
12 street vendors who buy the food and prepare it in an
13 industrial-size kitchen, also located in that
14 building. Um, imagine, if you will, woodworking
15 shops and metal smiths, and other light manufacturing
16 working side-by-side with the artists that purchase
17 and use these materials in their studios right inside
18 that building. Imagine a health clinic surveying the
19 Queensbridge population that lives just down the
20 street, or music studios and theaters for those same
21 kids to use where they can develop their artistic
22 skills into professional ones, start careers. Ah,
23 most importantly, please imagine deeply affordable
24 square footage that allows us, ah, that allows all of
25

1
2 these people to thrive and a community landlord that
3 can work with them, so when a pandemic hits it's, ah,
4 that usually makes it impossible to cover rent for a
5 whole year, CLTs can make that difference. Only
6 CLTs, and not private development, can achieve that.
7 We provide a solid and sustainable economic
8 foundation, 'cause we can lay down deep community
9 roots that withstand economic crises. So we urge you
10 to specifically include and give priority to CLTs in
11 your budget and in the legislation so that we can
12 actually accomplish these goals that I've laid for
13 you today. Thank you.

14 CHAIRPERSON VALLONE: Thank you.

15 COMMITTEE COUNSEL: Thank you. Our next
16 speaker is Jacky Wong, followed by Saduf Syal,
17 followed by Anh-Thu Nguyen.

18 SERGEANT AT ARMS: Time starts now.

19 JACKY WONG: Good morning, Committee
20 Chair Vallone and members of the committee. Thank
21 you for the opportunity to testify. My name is Jacky
22 Wong and I'm the co-coordinator at Chinatown
23 Community Land Trust. Chinatown CLT is a newly
24 formed entity. Our mission to preserve and stabilize
25 the future of Chinatown as a vibrant, economically

1
2 diverse neighborhood for immigrants and working
3 families for generations to come. Chinatown CLT and
4 17 partner organizations are part of a citywide
5 community land trust initiative that seeks 1.51
6 million in City Council discretionary funding in
7 fiscal year 2022, ah, to develop CLTs and permanent
8 affordable housing, commercial and community space in
9 all five boroughs of New York City. In the context
10 of the COVID pandemic, CLT, um, have an especially
11 critical role to play to stabilize housing and combat
12 speculations ns ensure a just recovery in black,
13 brown, Asian, and immigrant neighborhoods. Among New
14 York City's neighborhoods Manhattan Chinatown has one
15 of highest concentration of rent-stabilized and rent-
16 controlled apartments, many in tenement buildings
17 built at the turn of the 20th century. Even before
18 the pandemic the stability of this housing was at
19 risk. In the post-COVID economic downturn, long-term
20 small properties owners are increasingly challenged
21 in their role as, as stewards of the community's
22 affordable housing stock. Given regulated rent and
23 lost revenues since the pandemic, properties owners
24 have limited resources to keep up with rising
25 property taxes and maintenance costs of aging

1 buildings. This unsustainable squeeze on properties
2 owners create a destabilizing pressure for them to
3 sell to developers with ready capitals and
4 speculative business models, and put long-term
5 residents at risk of displacement. Chinatown
6 Community Land Trust is exploring the possibility to
7 convert a typical mixed-use Chinatown buildings into
8 a CLT model of ownership. We believe a privately
9 owned building could be converted into a mixed-use
10 condo with, ah, upstairs residential appointments
11 sold to a nonprofit CLT as one condo unit, which
12 would be cooperatively owned by resident
13 shareholders, while the storefront commercial space
14 would become a separate commercial condo unit. The
15 CLT would ensure that apartments remain affordable
16 for generation to come, as limited equity co-op using
17 tools such as resell restrictions and characteristics
18 CLT and [inaudible] governance. Chinatown CLT can
19 help low- and moderate-income families reach the gap
20 between renting and home ownership. Shared equity
21 ownerships allow families to increase saving and
22 assets, improve financial management, and eventually
23 become more economic independent. Um, by increasing
24 co-op ownership CLT can also bring more resources and
25

1 investment to maintain old housing stock, with
2 updated building code regulation and promote resident
3 safety. With appropriate taxation of limited equity
4 core promise CLT homeowners also get relief from
5 rising property tax in gentrifying areas that would
6 have been passed on them.
7

8 SERGEANT AT ARMS: Time expired.

9 JACKY WONG: Oh, um, ah, with the
10 [inaudible] from the council for 2020 and 2021,
11 Chinatown CLT has conducted a feasibility study, held
12 several outreach events with small properties owners
13 to receive their input. We also provide direct
14 services as helping tenants to obtain US city, New
15 York State rent vouchers. Besides, one of our goals
16 is to support small business to preserve the
17 neighborhood's characters and economic vibrancy. And
18 Chinatown CLT is the primary organization, it's the
19 only group that has been providing in-language PPP
20 and [inaudible] workshops to Chinatown small business
21 and the larger Chinese American community in New York
22 State since the beginning of the pandemic. So we
23 urge the City Council, ah, and then, um, renew, ah,
24 fiscal year 2022 funding would help us to identify a
25 potential projects for our affordable ownership

1
2 model. So we urge the City Council to redouble its
3 commit to CLTs at this critical time, and thank you
4 so much for the opportunity for me to testify today.

5 CHAIRPERSON VALLONE: You're welcome,
6 Jacky, and you have a wonderful council member,
7 Margaret Chin, that's always championing for you down
8 there. So you're in good hands.

9 JACKY WONG: Thank you.

10 COMMITTEE COUNSEL: Thank you. Our next
11 speaker is Saduf Syal, followed by Anh-Thu Nguyen.

12 SADUF SYAL: Thank you so much.

13 SERGEANT AT ARMS: Time starts now.

14 SADUF SYAL: OK. Ah, so good afternoon,
15 Chair Vallone and members of the committee. Ah, my
16 name is Saduf Syal. I'm with the New York City
17 Network of Worker Cooperatives, also known as NYC
18 NOWC. Ah, we are a trade association representing
19 worker co-op businesses across New York City. I'm
20 also here on behalf of the 13 organizations of the
21 Worker Cooperative Business Development Initiative,
22 or WCBDI, which as you know, is funded with the City
23 Council discretionary funds. Um, I just wanted to
24 briefly thank Council Member Rosenthal for her
25 amazing championing of worker co-ops and lifting them

1 up in this space, um, in addition to CLTs, which we
2 also support that movement, and it's being led by
3 incredible community groups across the city. First,
4 um, I'm here to say that we urge City Council to
5 support worker cooperatives as a critical solution to
6 economic development by fully restoring the WCBDI
7 initiative in FY22 at 3.06 million. Since the
8 inception of the initiative we have created over 170
9 new worker cooperative businesses and approximately
10 800 new jobs that are not only providing higher
11 hourly wages, but also building wealth and assets for
12 individuals who are overwhelmingly women, BIPOC, and
13 immigrants. Worker co-ops are good businesses that
14 center community and that address issues of inequity
15 and instability, issues that have been further
16 exposed and exacerbated during this pandemic. During
17 this crisis our co-ops have been addressing food
18 insecurity, they've been creating masks, they've been
19 providing health and safety training. These are just
20 a few examples of the work that they do. Over the
21 past year the WCBDI organizations and others we
22 partner with have been working tirelessly to support
23 our distressed businesses in navigating this crisis
24 and then pivoting to effectively respond to the
25

1 times. In this time worker co-ops can also save
2 businesses and jobs by converting traditional
3 businesses to worker ownership and I have colleagues
4 here that will speak much more to that. As we
5 potentially start to emerge out of this pandemic we
6 just can't return to business as usual. We need an
7 economy and an approach to economic development and
8 recovery that centers people first. The solution to
9 that is thriving here and it's not new. New York
10 City is home to the largest worker co-op in the
11 country, Cooperative Home Care Associates, CHCA,
12 which has been lifting up standards in the home care
13 industry since the '80s. It's also home to the
14 nation's first worker co-op franchise, rightly
15 supported by Center for Family Life, which is scaling
16 up worker co-ops in the [inaudible] industry. Co-ops
17 are also growing in a variety of industry, from
18 manufacturing to construction to the arts. Over the
19 years we've worked really closely with SBS, of
20 course. We've also worked with other city agencies,
21 like the Department of Consumer and Worker
22 Protection, which has produced amazing research into
23 economic democracy models. However, up until this
24 point we haven't worked much with the NYC agency. We
25

1
2 know the agency has much it can offer to support
3 worker co-ops. These valuable businesses need
4 affordable space so that the models can grow and
5 thrive. They need direct financing and procurement
6 opportunities with city agencies. I'm so glad that
7 CLTs were mentioned. Um, and, again...

8 SERGEANT AT ARMS: Time expired.

9 SADUF SYAL: ...we are condition to that
10 movement and support that funding as well. We would
11 like to sit down with you, Chair Vallone, or maybe
12 even Council Member Rosenthal, um, potentially with
13 NYCEDC, to continue discussion around these important
14 needs. We ask this committee to further its support
15 for WCBDI and worker co-ops as a critical part of
16 economic development and the essential long-term
17 economic recovery work that will be needed in the
18 year to come. Thank you for this opportunity to
19 testify.

20 CHAIRPERSON VALLONE: Well I, I really do
21 appreciate that. Maybe we can even get a hearing
22 topic and [inaudible] together on that. And, ah, I
23 know I see Council Member Rosenthal up there nodding
24 yes on it. So we'll definitely sit down and I think
25 expansion of that. If, if I could ask, because, you

1 know, it's tough within the three minutes, part of
2 that EDC conversation was the next 10 years. So if
3 we were to get hopefully the restoration of the
4 budget what would you envision that next decade to
5 be? What would, what would those new worker co-op
6 opportunities so I can help to frame that for other
7 council members? What would you envision that future
8 to look like?

9
10 SADUF SYAL: Oh, this is for me to
11 answer?

12 CHAIRPERSON VALLONE: Well, yeah, you're
13 stuck with me because you're the last one speaking.
14 So everyone is lucky. It's like the student that
15 shows up the class.

16 SADUF SYAL: I, well, I'm so happy that
17 you asked that. We've been working for a number of
18 years with the worker co-op community actually to
19 develop a very comprehensive policy platform that we
20 are releasing next Tuesday...

21 CHAIRPERSON VALLONE: Perfect, see, I
22 didn't even know that.

23 SADUF SYAL: And I will send you that
24 information. You can come and learn more about it.
25 We have identified a variety of needs. Um, looking

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at models across the globe and how other cities with,
um, other localities with larger cooperative
economics really support these kinds of models to
grow and thrive, and so it includes things around
direct financing, around procurement, around space,
um, around, ah, there's another major issue I'm, I'm
missing. But we have, ah, we have now a full
comprehensive platform and ideas, oh, also around
education and technical assistance, um, further
information on that. So I will send that your way.
Um, it's been, again, the result of the worker co-op
community and also the broader solidarity, ah,
community coming together to support and, and
thinking about what worker co-ops need.

CHAIRPERSON VALLONE: Well, as you said,
coming through this pandemic we have to look at
things a little differently and what works for all in
fairness. So I think this could be a, a joint
hearing, ah, that we could use your report and model
and get some really good questions and get the right
city agencies that we need there. Um, ah, we've
always had a great working relationship with EDC.
Um, maybe we'd do a joint one with Small Business so

1
2 we can talk about that, especially with the budget
3 hearing upon us.

4 SADUF SYAL: Thank you so much.

5 CHAIRPERSON VALLONE: You're very
6 welcome.

7 SADUF SYAL: That would be great.

8 CHAIRPERSON VALLONE: Let's go to our
9 next, I know everyone's been waiting.

10 COMMITTEE COUNSEL: Thank you. Our next
11 speaker is Anh-Thu Nguyen, followed by Catherine
12 Murcek, followed by Scott Trumbull.

13 CHAIRPERSON VALLONE: Good afternoon.

14 SERGEANT AT ARMS: Time starts now.

15 ANH-THU NGUYEN: Good morning, Chair
16 Vallone and distinguished members of the New York
17 City Council Committee on Economic Development. A
18 special good morning to Council Member Rosenthal for
19 your championing of WCBDI. It's always an honor to
20 address you. My name Anh-Thu Nguyen. I'm director
21 of strategic partnerships at Democracy at Work
22 Institute. On behalf of DWI and the 13 organizations
23 of the Worker Cooperative Business Development
24 Initiative we thank you all for the opportunity to
25 speak about economic development in our communities,

1 and worker co-ops' unique ability to establish, grow,
2 and maintain community wealth. Since fiscal year 15
3 with City Council support WCBDI has developed a
4 comprehensive ecosystem capable of bringing new jobs
5 to communities most in need, building successful
6 local businesses and providing the technical
7 assistance, education, and outreach required to
8 ensure success. The outcome is that New York City is
9 now the largest worker co-op ecosystem in the United
10 States. Um, as Saduf said, we are also home to the
11 largest worker co-op in the country, which is
12 Cooperative Home Care Associates in the South Bronx,
13 um, with more than 2000, ah, workers and employees,
14 also unionized, and a model for high road home health
15 care industry practices nationally. The city has
16 become a national model for equitable economic
17 development through its support of worker co-op
18 development and the impact on our communities is
19 being felt. While diversity can be an issue in many
20 workplaces, worker cooperatives are a haven for
21 entrepreneurs who have been traditionally
22 marginalized. The worker cooperative movement is
23 being led by women with more than 75% of worker
24 owners in New York City identifying as women, and
25

1 over 60% of workers from communities of color. It's
2 also being led by low-wage workers helping them bring
3 home living wages [inaudible] assets that contribute
4 to financial stability and transform industries over
5 time for the better. Worker cooperatives not only
6 are an economically sound plan to start a business,
7 but proven to be a sound topic for saving them. To
8 address the COVID economic crisis and drive recovery,
9 WCBDI members are embarking on an ambitious
10 partnership with the mayor's Employee Ownership NYC
11 Initiative, called the Owner to Owners Hotline, the
12 first of its kind nationally. As many as one-third
13 of New York City small businesses are at risk of
14 closing due to the COVID economic crisis. Right now
15 about 80% of owners don't have or haven't
16 communicated an exit plan and only 20% of businesses
17 listed for sale ever do sell. In addition, 99.9% of
18 businesses in immigrant and communities of color are
19 small businesses. Through the Owner to Owners
20 Hotline we aim to protect small businesses in danger
21 of closing, save jobs through conversion to employee
22 ownership, and drive the city's economic recovery by
23 doing so. Through our hotline we provide an avenue
24 for small business owners to learn about employee
25

1 ownership as a succession planning option. Our aim
2 is to reach 20,000 business owners in the next few
3 months. Thanks to WCBDI funding, we provide free
4 technical assistance to successfully convert these
5 businesses to worker ownership, including financing
6 for the worker buy-out that ensures that owners
7 receive fair market value for their business and
8 offering the management training and operational
9 assistance that sets the new employee owners up for
10 success. We work to ensure these legacy businesses
11 survive, thrive, and continue...

12
13 SERGEANT AT ARMS: Time expired.

14 ANH-THU NGUYEN: ...[inaudible] as strong,
15 diverse, and welcoming home for small businesses in
16 all communities. We urge the City Council to support
17 worker cooperatives by fully restoring the Worker
18 Cooperative Business Development Initiative, which is
19 currently funded at 3.06 million dollars, so that we
20 can continue to do this important long-term work to
21 support New York City's economic recovery. Thank you
22 for the opportunity to testify today, and I look
23 forward to, to continuing to work to build wealth for
24 our communities through shared entrepreneurship.

25 COMMITTEE COUNSEL: Thank you.

2 CHAIRPERSON VALLONE: And thank you.

3 COMMITTEE COUNSEL: Our next speaker is
4 Catherine Murcek, followed by Scott Trumbull,
5 followed by Angel Hernandez.

6 CHAIRPERSON VALLONE: Good afternoon.

7 SERGEANT AT ARMS: Time starts now.

8 CATHERINE MURCEK: Thank you, Chair
9 Vallone and City Council members for this
10 opportunity. My name is Catherine Murcek and I'm a
11 worker owner at Samamkaya Yoga Back Care [inaudible]
12 Collective and an elected member of the Advocacy
13 Council coordinated by the New York City Network of
14 Worker Cooperatives, or NYC NOWC, which is a partner
15 organization of the Worker Cooperative Business
16 Development Initiative and a member of the United for
17 Small Business NYC Coalition. I'm testifying today
18 in support of worker ownership as a means of
19 equitable economic development and as a crucial
20 component of a just recovery, and I urge you to
21 continue to support the WCBDI initiative. In my
22 experience at Samamkaya Yoga my fellow worker owners
23 and I co-own and democratically run our small studio
24 in Chelsea, focusing on the therapeutic applications
25 of yoga for a wide variety of back issues and other

1 ailments. Thanks to the then-new WCBDI six years ago
2 the founding members were able to access legal
3 support to form the cooperative and practice by-laws.
4 And thanks to the continued funding of WCBDI over the
5 years we've been able to access a variety of pro bono
6 workshops, business advice, and free business cards
7 for all our faculty members, printed by another co-
8 op, Radix Media. When the shutdown began almost a
9 year ago the resilience and equitability of the
10 cooperative model became even more clear for me. I
11 watched other studios across the city drop classes
12 and teachers, but at Samamkaya we all banded together
13 and we divided the labor of researching online
14 platforms and grants that might work for us. We
15 decided together how we should revamp our class
16 schedule and paid fee structures in an equitable way
17 that would protect the survival of the business, but
18 also to make sure the members who needed to work the
19 most would be able to. Through the Commercial Lease
20 Assistance Program we were able to get legal guidance
21 on our lease and how we might approach that
22 negotiations with our landlord, which fortunately
23 ended up going well and we very much hope you
24 continue to fund that program. I ask that you not
25

1
2 make further cuts to WCBDI and their important work,
3 restoring their funding at 3.06 million. Our
4 cooperative community is eager to explore ways that
5 this committee and the NYCEDC might be able to
6 support our democratic businesses through access to
7 affordable commercial space, direct financing, and
8 procurement opportunities. And finally through the
9 leadership training opportunity of the Advocacy
10 Council worker owners have been working in coalition
11 with other groups and we ask us to support long-term
12 community-drive economic development and recovery
13 through the following. We need long-term commercial
14 rent stabilization and ask that the City Council hold
15 a hearing on Intro 1796 to protect our broader small
16 business community from future continued closures and
17 displacement. As you know, rents were already too
18 high before the pandemic began. We urge you to
19 consider a new round of grants as opposed to loans
20 with expanded eligibility and language access to
21 allow for more types of small businesses to get back
22 on their feet, support efforts to start a municipal
23 public bank, including Intros 2099 and 2100, so
24 community dollars can be invested in community good,
25 and this will help channel funds through credit

1 unions and CDFIs to worker [inaudible] and any
2 development efforts that will affect them in order to
3 prevent further displacement and ensure a just
4 recovery. Thank you so much for your work and for
5 hearing my testimony.
6

7 CHAIRPERSON VALLONE: Not easy getting
8 all that in in three minutes, is it, see. That's me
9 trying to read all my notes within the three minutes.
10 You know, ah, you heard me ask with EDC with the new
11 stimulus money to ask how they're going to spend
12 that. This is the ways that we can immediately use
13 the new federal stimulus money to get some quick
14 equity and restoration of these critical projects.
15 So, um, we will keep you in the loop with that, on
16 the answers, 'cause now's the time with the budget
17 negotiations going on. So thank you.

18 COMMITTEE COUNSEL: Thank you. Our next
19 speaker is Scott Trumbull, who will be followed by
20 Angel Hernandez, who will be our last registered
21 speaker.

22 SERGEANT AT ARMS: Time starts now.

23 CHAIRPERSON VALLONE: Good afternoon,
24 Scott.

25 SCOTT TRUMBULL: Great.

1
2 CHAIRPERSON VALLONE: You've been waiting
3 all morning, I've been watching.

4 SCOTT TRUMBULL: No worries. Thank you
5 all so much for, for this opportunity to testify.

6 Um, my name is Scott Trumbull. I'm the co-executive
7 director of The Working World. We're a nonprofit
8 community development financial institution that
9 specializes in providing financing and technical
10 assistance to worker cooperatives across New York.

11 Um, we're also part of the Worker Cooperative
12 Business Development Initiative, um, which has been
13 very important to our organization as we've grown,
14 um, to meet the new demand for this work. Um, so I
15 want to thank Council Member Rosenthal for her, her
16 championing of that, um, and other folks here for
17 your continued, your continued support for WCBDI.

18 Um, one of The Working World's main areas of focus in
19 New York is cooperative conversions, which has been
20 mentioned earlier. Um, which means, you know, taking
21 an existing company and transitioning it to worker
22 ownership, usually through the buy-out of the current
23 owner. Um, so we'll, we'll meet with a business
24 owner or a group of workers, um, and we'll facilitate
25 that whole process from those initial, you know,

1
2 conversations with key stakeholders to valuing the
3 company, to financing the purchase, um, and then, you
4 know, providing the necessary, necessary support and
5 training to new worker owners so that they can be
6 successful, um, in their new roles. Um, you know,
7 this, this moment is a really important one, um, for
8 cooperative conversions in the city. Um, as many of
9 you know, there, there are an unprecedented number of
10 retiring business owners in New York. Um, and now
11 because of the pandemic, um, you know, their
12 businesses are, are underperforming and many, many of
13 these owners are feeling a new sense of urgency, um,
14 to get out. Um, and, and we can, we can help them
15 with that. We can solve that problem by giving them
16 an opportunity to sell to their workers, ah, which is
17 a really powerful option, because when these
18 businesses recover those workers will have a new
19 voice in their workplace, um, and they'll be able to
20 share in the profits of, of the company. Um, so it's
21 a really, it's, it's a potentially transformative
22 opportunity, um, and for that reason we've been
23 working with a number of other, ah, members of the
24 initiative, including Bock Net, ICA Group, and
25 Democracy at Work Institute. Um, and we've been, you

1 know, working in partnership with SBS and the mayor's
2 office to launch what's called the Owner to Owners
3 Business Transition Hotline which, um, which Anh-Tru
4 mentioned as well. Um, and it's, it's a program to
5 help, you know, those business owners who want to
6 sell, um, explore this option of converting their
7 companies to worker ownership. Um, so as a result of
8 this, you know, we've been, we've been consulting
9 with businesses across all five boroughs, in all
10 kinds of sectors, from manufacturing to childcare to
11 retail, um, and it's been very exciting because a
12 lot, you know, some of this businesses in the coming
13 months, um, or year...

14
15 SERGEANT AT ARMS: Time expired.

16 SCOTT TRUMBULL: ...will, will, um, you
17 know, will be functioning worker co-ops, um, that
18 will, that will change the lives of the folks who
19 work in them. Um, so I'll, I'll leave it, but I
20 really, you know, appreciate the opportunity to speak
21 and thank you all for your, your continued support.
22 Um, I want to urge City Council to fully restore
23 WCBDI so that we can continue this work, um, and of
24 course, you know, would, would love to engage in a
25

1 hearing, ah, and, and welcome further collaboration
2 with EDC and others. Thanks.

3
4 CHAIRPERSON VALLONE: Thanks, Scott.

5 COMMITTEE COUNSEL: Thank you. Next is
6 our last registered speaker, Angel Hernandez.

7 SERGEANT AT ARMS: Time starts now.

8 ANGEL HERNANDEZ: Good afternoon,
9 Chairman Vallone and members of the committee. My
10 name is Angel Hernandez. I am director of government
11 relations for the New York Botanical Garden, NYBG.
12 Thank you for the opportunity for me to speak this
13 morning, this afternoon, for the, and for the
14 council's ongoing support for the city's cultural
15 institutions. NYBG is not just a historic
16 institution in the business of plants and
17 environmental preservation. We are a strong
18 community anchor in the Bronx community and an
19 economic engine as well. When COVID-19 affected our
20 city last March, forcing our doors to close and thus
21 dealing with a major loss to our earned income, NYBG
22 preserved over 400 full-time positions. Over half of
23 those positions are occupied by Bronx residents, like
24 myself, while 175 positions are held by DC37 union
25 employees. As the cost of living in New York

1 continues to rise, NYBG sustains middle-class jobs
2 with great benefits and is a major employer of youth
3 in seasonal positions. Next money NYBG will launch
4 the highly anticipated exhibition Kusama: Cosmic
5 Nature, which will be one of the first major cultural
6 exhibitions since the pandemic [inaudible] former New
7 Yorker, Yayoi Kusama. Holding this major exhibition
8 allows NYBG to double our seasonal hiring for the
9 summer while keeping to kick start, while helping to
10 kick start the economic recovery in our little corner
11 of the Bronx. Preserving jobs and boosting New York
12 City tourism during the pandemic is not our only
13 stakes in the city's economic development. With our
14 pre-pandemic annual visitation of 1.2 million, NYBG
15 generates an overall economic impact on New York City
16 of 159 million annually, while we continue to buy
17 goods and services worth 17 million annually from 700
18 city vendors, many of them Bronx owned. We continue
19 to work with local vendors as they, too, experience
20 major loss in their earned income, when adhering to
21 city and state mandates to either shut down or limit
22 their business capacities due to the pandemic. In
23 fact, NYBG's reopening last July had caused an influx
24 of customers to struggling small businesses in the
25

1 near, in the nearby Belmont community, which we all
2 know as the Little Italy of the Bronx. NYBG's
3 crucial efforts as an economic driver, indeed all of
4 New York City's cultural communities' efforts, will
5 be hampered if our FY22 city funding is further
6 reduced or cut. Even after reopening last year,
7 organizations like NYBG continue to operate on a
8 limited capacity, further jeopardizing our efforts to
9 accomplish such economic achievements. Understanding
10 the city funds have been reallocated towards efforts
11 to fight COVID-19...

12
13 SERGEANT AT ARMS: Time expired.

14 ANGEL HERNANDEZ: ...NYBG respectfully
15 requests that funding to the cultural community
16 through the Department of Cultural Affairs be held
17 harmless and maintained at FY21 levels as we waiting
18 further information on COVID-19 federal relief that
19 may be available to the city and state. Thank you
20 very much.

21 COMMITTEE COUNSEL: Thank you very much.

22 As I mentioned earlier, Mr. Hernandez was our last
23 public speaker, but before we close out the hearing I
24 would just to note a few, ah, members of the public
25 who had previously registered to testify but were

1
2 unable to speak at this hearing. Ah, those people
3 are Jose Ortiz, Mohammed Attia, Carina Kaufman-
4 Gutierrez, Hannah Anucia, Izoria Fields, and Nancy
5 Katz. At this point I will turn it back to Chair
6 Vallone to offer some closing remarks and to adjourn
7 the hearing.

8 CHAIRPERSON VALLONE: Thank you, and
9 thank you to everyone for your patience for getting
10 through today some amazingly in-depth concepts in our
11 budget hearing for EDC, so I thank you for that and
12 look forward to working with you on future hearings.
13 Ah, if you didn't get a chance or didn't finish with
14 a question or testimony, make sure you to send it to
15 us and I will share that with the committee members
16 and the fellow council members. And your input and
17 activism right now is key 'cause it is budget time.
18 So as we talk about how we are gonna go forward with
19 the city, with our focus, and with the budget
20 priorities, ah, again, thank you for hanging in
21 there. To, ah, to my team, for Ali Ali, Emily
22 Forgione, Jonathan Chud, Kevin Kopowski, and Mike
23 Mizar and everyone, thank you for getting through
24 today. God bless everyone. Have a safe and healthy

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weekend and see you soon. That closes us out.

[gavel]

C E R T I F I C A T E

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



Date June 3, 2021