

Testimony of Deputy Mayor Alicia Glen

Council Member Cornegy, Chair, Committee on Small Business

Council Member Garodnick, Chair, Committee on Economic Development

Oversight Hearing: Res. No. 228, calling upon the Mayor to revitalize the Mayor's Office of Industrial and Manufacturing Business and to expand the technical assistance the Office would offer manufacturing and industrial businesses

Introduction

The industrial sector plays a pivotal role in creating a more inclusive economy for New York City, accounting- for approximately 14% of private sector employment today and 23% of employment outside Manhattan. Industrial sector jobs provide City residents with opportunity for financial empowerment, a priority for the de Blasio administration which believes that addressing inequities that confront our city's population is a vital part step towards creating a diverse and healthy city. For these reasons, the de Blasio administration is committed to supporting the industrial sector, with a focus on growing businesses in emerging industries – from technology, to green jobs, to food exports, to advanced manufacturing – businesses that can generate well-paying jobs in all five boroughs.

Realizing the importance of this sector, the Administration has already made smart, impactful investments that will help industrial companies thrive in New York City. This includes the proposed investment of \$100 million to transform 500,000 square feet at the Brooklyn Army Terminal (BAT) from raw, unusable space that has sat vacant for decades to fully leasable space that will support dozens of industrial companies and create thousands of jobs, as well as allocating \$582,000 for Industrial Service Providers to support Industrial Business Zones throughout the City – funds that had been zeroed out by the previous administration.

Additionally, interagency work is already underway to take a fresh, comprehensive look at the suite of programs offered by the City that support industrial businesses and determine how to better serve the sector as a whole – from increasing availability of modern industrial space and bolstering highly-utilized industrial areas to improving access to existing programs and creating new financing resources to better aligning City support to the needs of industrial businesses. Hundreds of these businesses have been interviewed and dozens of industrial and manufacturing stakeholders have participated in this effort as we conduct a comprehensive review of the efficacy of existing efforts as well as the gaps where new measures are demanded, including how to best deploy them. We are grateful for the strong input provided to-date by members of the City Council, and we look forward to continuing this dialogue with you and other community partners across the city.

We are confident that the result of this analysis will build on the robust programs currently in-place, led by the industrial sector team at the Economic Development Corporation in concert with the Department of Small Business Services Business Solution Centers and the Workforce1 Industrial and

Transportation Center, which is dedicated to helping industrial and manufacturing businesses recruit and train New Yorkers so that we continue to have a well-trained and homegrown base of talent. These initiatives, which range from one-on-one support and technical assistance, sector-specific financing, cultivation of new technologies and businesses in the maker community, business plan competitions, and delivering broadband access to IBZs – coupled with the direct, on-the-ground support delivered by the seven industrial service providers – provide a solid foundation from which to expand and strengthen our efforts.

This Administration recognizes that there is significant work to be done in order to provide the appropriate resources to industrial and manufacturing businesses. We are excited to work closely with the City Council on our current and future efforts to support this important sector, and look forward to sharing the findings of our current analysis and potential solutions in the months ahead. We believe that our study, which will include the identification of the challenges that the NYC industrial community continues to face and a presentation of potential policy recommendations and programs to meet those needs, will be a positive next step for moving this conversation forward.

Included in the study will be actionable details on how to move forward in addressing the ways in which the City supports these vital firms so that the City evolves from its current treatment of industrial and manufacturing firms to a modernized one – where our policies, resources and interactions better reflect the value that these firms provide to our city's economy as a whole.

We look forward to working with you towards that future. Thank you.



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Testimony of Sean Campion
Budget and Policy Analyst, New York City Independent Budget Office
To the New York City Council Committees on
Small Business and Economic Development
On a Resolution Calling Upon the Mayor to Restore the Mayor's Office of Industrial and
Manufacturing Business

June 19, 2014

Good afternoon Chairs Cornegy and Garodnick and members of the committees. My name is Sean Campion. I am a budget and policy analyst for economic development and small business services at the Independent Budget Office. Thank you for inviting us to testify on the resolution calling on the Mayor to restore the Mayor's Office of Industrial and Manufacturing Business.

This morning, IBO released a pair of chartbooks on the industrial sector completed at the request of Council Member Brad Lander. The first chartbook focuses on public support for the sector over the past 11 years. It looks at capital spending on real estate and infrastructure, changing priorities in the expense budget, the cost of incentives and tax breaks, and the use of city-owned land. The second profiles the city's industrial workforce. In it, we break down the broad industrial economy into its primary subsectors and look at the demographic characteristics of the city's industrial workforce. I encourage you to visit our website to review the work in greater detail.

Today, I would like to focus on two topics raised by the resolution: how the city has supported the Mayor's Office of Industrial and Manufacturing Business (MOIMB) and similar organizations in the past, and how our research on the industrial workforce might help shape the city's economic and workforce development policies in the future.

Beginning in 2003, the Bloomberg Administration funded a variety of industrial initiatives, though many of them were either short-lived or subject to the same annual budget pressures that have affected the contracts with Industrial Business Zone service providers in more recent years.

In the city's 2005 report on industrial policy, *Protecting and Growing New York City's Industrial Job Base*, the Bloomberg Administration announced the creation of the Mayor's industrial business office in order to coordinate implementation of the report's policy recommendations. Prior to 2009, funding for most of the office's core operations were not itemized in the city budget, which makes it difficult for us to identify how it was staffed and funded. But beginning in 2009, the Bloomberg Administration broke out the funding for the industrial business office when it created a new budget code for the office in the Department of Small Business Services' expense budget. Funding for the office within the business services budget totaled slightly more than \$1 million over the next three years, about one-third of which was funded by the City Council. The remainder was funded by a combination of city and federal funds.

Aside from the MOIMB, the Department of Small Business Services also funds a variety of contracts and smaller projects targeting the industrial sector, including funds for the relocation of businesses displaced by the rezoning of Greenpoint and Williamsburg, sectoral initiatives at the Workforce 1 Career Centers, and contracts with the Industrial Business Service Providers.

Discrete city funding for the MOIMB ended in 2011. In the years since then, many of the office's functions were transferred to the Economic Development Corporation's Center for Economic Transformation. Our report highlights a number of industrial initiatives that EDC has led in recent years. Since EDC is a nonprofit organization that operates under a contract with the city rather than as a city agency, it is not part of the city's expense budget. However, it is clear

that over the last few years, most of the city's programmatic support for the industrial sector has moved off-budget to EDC, which reduced transparency regarding city initiatives and spending on the industrial sector.

EDC also manages a significant portion of the city's capital program, including most of the projects that benefit the industrial sector. Over the past decade, the city has committed more than \$800 million (in 2013 dollars) for projects ranging from the modernization of the Brooklyn Army Terminal to the relocation of the Fulton Fish Market from lower Manhattan to Hunts Point. The current capital plan also includes more than \$500 million for future work on industrial projects. With the exception of projects in the Brooklyn Navy Yard, where capital work is managed by the Brooklyn Navy Yard Development Corporation, EDC has overseen nearly all of this capital work.

The resolution you are considering calls for new programs to support industrial businesses and singles them out as a source of middle-class jobs for New Yorkers. I would like to briefly summarize our research on New York City's industrial workforce and discuss how it could help to inform the city's industrial policy.

The Census Bureau's American Community Survey provides us with data on individuals who work in New York City, including their industry, educational attainment, and hours and weeks worked. While this is survey data, and care must be taken to avoid parsing it into so many groups that the results lose reliability, it is one of the main sources of data on education and employment of city workers. We used it to compare educational attainment and wages of workers in the industrial subsectors with workers in the nonindustrial subsectors.

Our research finds that industrial businesses, on the whole, are an important source of jobs for workers without a college degree and as a whole, offer a higher average wage than nonindustrial jobs. However, the sectors that the city currently defines as industrial—construction, manufacturing, transportation, and wholesale trade—include a diverse range of jobs. When aggregate wage data is presented to compare the industrial sector to other sectors like retail or food service, most of the industrial sector's wage premium is driven by construction, which offers a large number of high-paying jobs to workers without a college degree. The average wages for workers without a college degree in the other industrial subsectors—such as food manufacturing, apparel manufacturing, wholesale trade and trucking—are comparable to the average wages for workers in nonindustrial sectors.

The city also frequently encourages nonindustrial sectors like biotech and broadcasting to locate in city-owned industrial areas. These sectors offer good-paying jobs, but they also employ a much smaller share of workers without a college degree relative to traditional industrial firms. This suggests that advanced training is necessary to unlock job opportunities in many of these fields.

Combining American Community Survey data with other datasets on occupational wages, employment, and educational attainment, we also created workforce profiles of the city's largest industrial subsectors. These profiles include information on the share of jobs held by city residents, the educational and ethnic breakdown of workers, wages by educational attainment, and average wages and training levels of the most common occupations in each subsector.

The data yield a number of insights. We found, for example, that food manufacturing employs Hispanics at nearly twice the rate of the private sector as a whole, and that it is among the industrial subsectors most likely to employ New York City residents. We hope that these profiles will be useful to the Council and others when evaluating business development and workforce training programs.

Thank you for the opportunity to testify today, and I look forward to answering any questions you may have.



Southwest Brooklyn Industrial Development Corporation

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Testimony of Southwest Brooklyn Industrial Development Corporation NYC Council Committees on Small Business and Economic Development June 19, 2014

My name is David Meade and I am the Executive Director of the Southwest Brooklyn Industrial Development Corporation (SBIDC). As an economic development organization serving the neighborhoods of Red Hook, Gowanus, and Sunset Park, SBIDC believes that strengthening New York City's base of industrial and manufacturing businesses is absolutely crucial to the goals of creating good jobs, improved income mobility, and a healthy economy overall. Today I am urging support to reinstitute the Mayor's Office of Industrial and Manufacturing Businesses and support for the other policy recommendations set forth in *Creating Quality Jobs in the New Industrial New York: A 50,000 Job Challenge*. These recommendations address the needs of the manufacturing sector, which is critical to the overall health and vibrancy of NYC's economy especially so in our SW Brooklyn community. The policy recommendations will also enhance the good work we do at SBIDC, which I will now briefly outline.

We help businesses on two levels. The way in which business owners and their employees—your constituents—notice it most is in direct, on-the-ground support that we provide to them. We provide valuable technical assistance workshops and one-on-one assistance to help them assemble loan and incentive packages. We also coordinate with city agencies to resolve issues and help them deal with ticketing, insurance problems, as well as finding temporary and permanent space. This past year SBIDC facilitated 15 financing deals for local companies that totaled over \$12,000,000. We also successfully assisted over 80 companies with navigating government issues and over 50 companies with accessing city and state incentives.

The other way in which we help them, which could be further enhanced by reinstating a Mayor's office, is making sure their concerns are represented within our communities. As members of the New York Rising Communities Reconstruction Program, Gowanus Canal Superfund Community Advisory Group, Bridging Gowanus, and the Red Hook Coalition we are able to inform other community stakeholders about the impacts decisions have on the day to day operations of local businesses. If not for our participation, some of these decisions might lead to burdensome regulations that make it impossible for a business to continue to function.

Over the past few years SBIDC has placed over 300 local residents in jobs with local businesses. Local employment opportunities, particularly those in the industrial/manufacturing sectors, are extremely important for the economic and social health of the waterfront-working class neighborhoods of Southwest Brooklyn. Poverty in these communities is already high, and, without a thriving business corridor, many of the community's residents would have little opportunity to enter the workforce at all.



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In closing we believe that reinstating the Mayor's Office of Industrial and Manufacturing Businesses will provide a powerful and needed voice for manufacturers. I believe the office will improve the delivery of business services and workforce development programs, help expand funding for non-profit industrial development, and strengthen and enforce land-use and zoning that would provide the stability needed for businesses to grow and expand operations. SBIDC values Southwest Brooklyn's landscape of mixed uses and its continued identity as a working waterfront and we believe a Mayor's office would elevate and support that vision along with the many diverse needs of the manufacturing sector city-wide.

Thank you for allowing me to provide comments today.

David D. Meade
Executive Director
Southwest Brooklyn Industrial Development Corporation

TESTIMONY OF ROBERT S. ALTMAN BEFORE NYC COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

June 19, 2014

My name is Robert Altman and I am testifying today on behalf of myself. Over the years, I have compiled a list of industrial clients both large and small. For some, I assist them with relocations and/or government benefits only. With others, I am their attorney, providing legal services on a wide variety of topics and supervising specialized counsel as well. I have represented the new industrial and the old traditional industrial businesses.

There are a number of different steps that City government can take to assist manufacturing. Some are relatively small and effective. For example, a few months ago, I wrote an article in Crain's seeking more assistance for the IBZ's, a program that is now spread way too thin, so thin that while I appreciate what it still does, its impact is now quite limited. Fully funding these programs is a simple first step that the Council can take. Moreover, sensitivity to zoning issues that surround manufacturing would be helpful, although in some areas of the City, this is a somewhat futile endeavor.

Outside of IBZ funding, there are other ideas. But first, we need to acknowledge that certain areas of the City will have difficulty holding onto traditional manufacturing. Parts of western Brooklyn and Queens have land values that make it difficult to retain entities such as apparel manufacturers or printers. These businesses cannot afford the rents that are now a foregone conclusion in such areas. And to the extent industrial businesses remain, these areas are transitioning to residential and new industrial, which can pay higher rents. Trying to stem such a tide is "jumping on Superman's cape." Some of the traditional industrial businesses in these areas will go out of business, not long for the cost of doing business in New York City or anywhere else in America as well.

But others remain viable, and they want to remain in the City. So we need to ask what can we do for these entities? There are parts of the City that would be attractive to these businesses and we need to think how we can get them there. And in doing so, we need to rethink some programs and expand upon them.

First, we can look at the Energy Costs Savings Program. When originally conceived, the City created two zones outside of the Manhattan called "pressure zones" from which a business could relocate to other areas of the City (except Manhattan) and receive an energy discount. These pressure zones were located in Brooklyn, in the Fulton Ferry landing area, and in Queens, in the Hunters Point section of Long Island City. Currently, these areas are ground zero for change. And the pressure parts of western Queens and western Brooklyn have grown since the 1980's. But the size of these zones have not. They should be expanded.

Second, businesses need assistance with relocation. While some may seek to reinstitute relocation grant programs, frankly that horse has left the barn. BRAC, for example, served a purpose, but having done applications under this program, it can be cumbersome. And it is probably ill-advised to pit affordable housing against manufacturing as both are important needs. Instead, the City can lessen industrial burdens in two ways. One, institute an industrial Relocation Employee Assistance Program from an expanded pressure zone area. The IBZ tax credit is just too limited and too minor. The Pressure Zone REAP would need to be a greater amount than the IBZ tax credit (which is only \$1,000 per employee or the moving expenses, whichever is less) and for a longer number of years (the IBZ only has

one year) and also go beyond just the IBZ's to any industrial use building, whether in an M-zone or a grandfathered building. Two, the Commercial Expansion Program (CEP) tax credit is limited to \$2.50 per square foot. Why place a limit on it? Allow manufacturers to get a full tax credit for their entire period (currently, an industrial tenant pays any amount over \$2.50 psf and the tax escalation). Moreover, the benefit is limited by the percentage of space used for manufacturing. This fails to take into account modern industrial procedures even for old industries. Fail to use 90% of the space for production and the benefit is cut. This is looking at industrial production through your grandfather's eyes. Finally, the benefit is static and does not increase as taxes increase. To really assist manufacturers, the benefit should contain "inflation protection," increasing the benefit as taxes increase.

Finally, the City should rethink ICAP's additional industrial abatement. Changes in 2008 made ICAP less attractive for manufacturing. Moreover, ICAP and CEP do not mix (a building can get one or the other but not both, but ICAP goes to the landlord, whereas CEP must go to the Tenant). This failure to allow the Tenant to get CEP while the Landlord gets ICAP pits Landlord against Tenant and is foolish, especially for industrial tenants. And in a battle between Landlord and Tenant, the Landlord always has the upper hand. ICAP should be changed to be more tenant-friendly.

All of my suggestions help industrial tenants NOW. I am sure you will hear other ideas that will help them in the long-term. But the City needs to allow the current businesses to make it to that long-term. With the right assistance, it can.



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New York City Environmental Justice Alliance testimony to the New York City Council Committees on Economic Development and Small Business on Resolution No. 228 – “Resolution calling upon the Mayor to revitalize the Mayor’s Office of Industrial and Manufacturing Business and to expand the technical assistance the Office would offer manufacturing and industrial businesses in the City.”

June 19th, 2014

Good afternoon Committee Chairs Garodnick and Cornegy, and Members of the City Council. My name is Juan Camilo Osorio and I am here to testify on behalf of the NYC Environmental Justice Alliance (NYC-EJA) in strong support of Resolution No. 228. Founded in 1991, NYC-EJA is a non-profit city-wide membership network linking grassroots organizations from low-income neighborhoods and communities of color in their struggle for environmental justice. Through our efforts, member organizations coalesce around specific common issues that threaten the ability of low-income and communities of color to thrive, and coordinate campaigns designed to affect City and State policies -- where the sustainability and resilience of industrial waterfront communities is central to our mission.

In 2010, NYC-EJA launched the Waterfront Justice Project, New York City’s first citywide community resiliency campaign to advocate for the reform of waterfront zones designated as Significant Maritime and Industrial Areas (SMIAs.) These are zones designed to encourage the clustering and concentration of heavy industrial and polluting infrastructure uses. There are only six SMIAs in the City – all are located in classic “environmental justice” communities (the South Bronx, Sunset Park, Red Hook, Newtown Creek, Brooklyn Navy Yard & the North Shore of Staten Island) and predominantly low-income communities of color. As part of these efforts, NYC-EJA discovered that the six SMIAs are all in hurricane storm surge zones, and that the City of New York had not analyzed the cumulative contamination exposure risks associated with clusters of heavy industrial use in such vulnerable locations.

In order to address this concern, NYC-EJA and the NYC-EJA member organizations launched the Waterfront Justice Project to assess facilities that use, transport, or store hazardous or toxic substances in order to identify community vulnerability for those working and living in and around SMIAs in the event of severe weather. NYC-EJA’s research has led to the conclusion that local businesses and industry organizations must play a key role in implementing disaster risk reduction and community resiliency strategies. As documented by the Mayor’s Special Initiative of Rebuilding and Resiliency (SIRR), approximately 800 industrial companies in the Brooklyn

and Queens waterfronts alone (half of the total impacted in these areas) were industrial business. These companies are a critical source of stable employment for working class New Yorkers who depend on well-paying jobs. However, heavy industrial activity has also negatively impacted industrial waterfront communities -- impacts that have the potential to worsen with climate change. Environmental regulatory compliance can be seen as costly, creating fears that local businesses will flee to less well-regulated areas, increasing unemployment and leaving brownfields and other toxic risks behind.

In order to protect these jobs and businesses, and protect the health and safety of those working and living in and around the SMIA's, NYC-EJA's Waterfront Justice Project is advocating for technical and financial strategies to help industrial businesses comply with environmental regulations that respond to the potential impact of climate change in order to build a more sustainable and resilient working waterfront. We commend the City Council for taking an important step in this direction, "calling upon the Mayor to revitalize the Mayor's Office of Industrial and Manufacturing Business, and to expand the technical assistance the Office would offer manufacturing and industrial businesses in the City."

However, in order to maximize the impact of these initiatives, we strongly recommend that you consider including the following recommendations developed in partnership with the NYC-EJA member organization, UPROSE:

Recommendations:

1. Appoint a City-wide advisory board to the Mayor's Office of Industrial and Manufacturing Business. An advisory board which includes the representation of local community stakeholders will help establish a transparent and inclusive planning process for the design and negotiation of economic development strategies to re-invigorate New York City's industrial policy.

While strengthening the City's industrial policy, services and workforce development, a revitalized Mayoral Office of Industrial and Manufacturing Businesses should also be tasked with the coordination of inter-agency work affecting industrial neighborhoods (at all levels of government) -- with an emphasis on facilitating the dialogue between the public and private sectors, with local communities (workers and residents). For this reason we strongly encourage to call upon the appointment of an advisory board to the mayoral Office, that includes representation of local communities.

This City-wide advisory board should represent the needs and priorities of local stakeholders, including community boards, local community-based and environmental justice organizations. In addition, the advisory board should have the opportunity to inform and comment on industrial policy, improve the engagement of local communities in the design and negotiation of industrial and economic development proposals affecting their neighborhoods. An inclusive planning and decision-making process will help reinvigorate the support to industrial zones in zoning and land use policy discussions -- for example, to prevent zoning changes in manufacturing districts, and create tougher standards for zoning variances sought through hardship applications before the Board of Standards and Appeals (BSA).

2. Create a citywide industrial policy agenda to guide the work of the Mayor's Office of Manufacturing and Industrial Businesses that prioritizes: a) community resiliency in industrial neighborhoods; b) climate change adaptation & post-disaster planning; and c) and the inclusion of local industrial jobs and businesses in recovery and resiliency building projects.

Industrial and economic development policy should interweave and build-on the City's strategies to build climate resiliency in areas like the SMIA's, where many local industrial businesses are vulnerable to flooding, storm surge, high winds, and sea-level rise -- and the accidental release of hazardous chemicals threatens the health and safety of workers and residents alike. Given the limitations of these businesses, the Mayoral Office should be tasked with the identification, strengthening and targeting of private and public sector (from all levels of government) technical and financial resources to support them. Resources should focus on capital improvements, workforce development and strategic planning for climate adaptation.

These resources should come in the form of grants and other innovative financing (as compared to just low-interest loans) to help existing and new local industrial businesses implement climate adaptation, energy efficiency and pollution prevention strategies. In addition, the Office should ensure that Post-Sandy recovery and resiliency-building projects prioritize local job creation and workforce development in the manufacturing sector, and provide support to local industrial businesses -- through the incorporation of hiring provisions like those included in HUD Section 3.

3. Create a Blueprint to structure the work of the Mayor's Office of Industrial and Manufacturing Business in order to consolidate and implement recommendations for industrial development that have been articulated in previous community-based planning efforts.

The proposed Mayoral Office of Manufacturing and Industrial Jobs should ensure that the City's industrial policy agenda incorporates local priorities articulated in community-based 197-A and NYS-funded Brownfield Opportunity Area (BOA) plans -- including the Sunset Park 197-A Plan¹ and the Sunset Park BOA², among multiple other community-based planning initiatives.

NYC-EJA commends the New York City Council Committees on Economic Development and Small Businesses for holding a hearing to discuss the urgent need to revitalize the Mayor's Office of Industrial and Manufacturing Businesses. This creates an opportunity for public comment on an important milestone toward a stronger, more sustainable and resilient industrial sector.

¹ New Connections/New Opportunities: Sunset Park 197-A Plan. 2009. Prepared by Jocelyne Chait for Brooklyn Community Board 7. Retrieved from: http://www.nyc.gov/html/dcp/pdf/community_planning/bk7_sunset_park_197a.pdf

² Sunset Park Brownfield Opportunity Area Nomination Report. 2013. Prepared by WXY architecture + urban design for UPROSE. Retrieved from: <http://bit.ly/1gVubNB>



**New York City Council Hearing on Resolution No. 0228-2014
June 19, 2014
Testimony by Ryan Chavez, Infrastructure Coordinator, UPROSE**

Good afternoon, Chairman Corney and Chairman Garodnick. My name is Ryan Chavez and I am the Infrastructure Coordinator at UPROSE. We are an intergenerational, multi-ethnic environmental justice organization based in Sunset Park, Brooklyn, and have for decades mobilized Sunset Park residents on issues of sustainable and just development, participatory planning practices, and government accountability.

On behalf of the organization, I thank you for the opportunity to discuss the revitalization of the Mayor's Office of Industrial and Manufacturing Business. In communities like Sunset Park, this proposal is of the utmost importance and we applaud the City Council for taking up the issue.

We all acknowledge the crippling impact that deindustrialization has had on the working class of our nation's cities. Manufacturing has historically offered employment prospects to workers at all skill and education levels, and is a particularly important provider of well-paying jobs for workers without a college degree.

In the last 50 years, however, we have seen a dramatic plunge in the number of goods-producing jobs. This has coincided with significant job expansion in the service sector, which does not typically provide the same prospects for living wages and upward mobility as industry and manufacturing.

In New York City, during the tenure of the previous administration, the total number of manufacturing jobs halved, falling from over 150,000 employees in 2001 to roughly 75,000 in 2012.

In communities like Sunset Park, historically one of the city's most vibrant and dynamic industrial hubs, this trend has had a devastating impact on the economic stability of residents. Today, the poverty rate in Sunset Park is 28%, higher than both Brooklyn and New York City averages. Moreover, the number of residents with high school diplomas lags behind both borough and citywide levels. For these reasons, the reinvigoration of a citywide agenda on industrial and manufacturing jobs is critical to the livelihood and resilience of our community.

All that said, I feel we would be remiss to overlook a few key principles that could substantially strengthen the resolution before you today. I would ask the committee members to review this resolution and consider the following points:

Accountability, transparent decision-making, and community oversight must be structurally incorporated into any new proposal to attract and retain industrial and manufacturing businesses in New York City.

The structure of the new Mayor's office ought to include an advisory board to oversee its functions and operations, and represent local stakeholders, including community boards, environmental justice organizations, and community-based organizations.



The proposed Mayor's Office of Manufacturing and Industrial Jobs should be tasked with coordinating a transparent review process, extending commenting periods to allow for enough time for local review, and making materials available in a timely and accessible way to local stakeholders. In addition, the Office should leverage City resources to fund technical assistance to communities who may have neither the time nor resources to fully analyze these proposals within the time limits allowed.

Furthermore, the City should strengthen its commitment to industrial zones via zoning and land use policy. In particular, the City should protect and maintain both city-owned and private land that is currently zoned for manufacturing, e.g. through the funding and reinforcement of Industrial Business Zone (IBZ) designations. This commitment should prevent zoning changes in manufacturing districts by requiring an equity analysis to compare local economic development benefits against the loss of existing industrial jobs and future opportunities for industrial employment in communities where zoning

Also, it is important to note that the city's six Significant Maritime Industrial Areas (SMIAs), which cluster the heaviest industrial uses, are all located in storm surge zones and environmental justice communities, including Sunset Park. To strengthen the resilience of our city's industrial zones, the new Mayor's office should incorporate climate adaptation measures, energy efficiency, pollution prevention approaches, and post-disaster planning. To ensure the economic resilience of neighboring residents, the policy agenda should also include a prioritization of local workforce development for low-income workers.

To commit itself to existing priorities of communities regarding industry and jobs, the City's policy agenda ought to incorporate recommendations previously set forth in community-based planning efforts. These efforts include a number of 197-a plans and Brownfield Opportunity Area studies. Among their recommendations are:

- Designate "Sustainable Industrial Districts" and create green business clusters to encourage green building standards, sustainable business practices, and green manufacturing.
- Work with Community Boards, local environmental justice groups, and community development corporations to create industrial neighborhood revitalization plans.
- Implement comprehensive infrastructure upgrades, strengthen waterfront corridors and key pedestrian intersections in consultation with communities.

In conclusion, we are supportive of these committees for taking up this resolution, and I thank you once again for the opportunity to comment.

Written Testimony

**Restoration of Mayor's Office of Industrial and Manufacturing Businesses and
Industrial Business Zone Provider Funding**

**NYC Council Joint Hearing
Economic Development and Small Business Committees**

June 19, 2014

Presented by:

Nancy Carin – Executive Director, Business Outreach Center Network

BOC Network is a microenterprise and small business development organization with an affiliate CDFI loan fund with over 17 years' experience providing hands-on and bilingual small business technical assistance, customized small business training and access to capital in immigrant and minority communities throughout New York City. BOC Network is well known for its service model, supporting entrepreneurs at every stage of business development; for its sector-specific training; for its job creation community economic development projects; and for its collaborative work with NYC as a Business Solutions Industrial Provider.

Our loan program, BOC Capital, has grown dramatically, soon to reach \$10 million in dollars loaned to community businesses – targeting minority and low-income entrepreneurs and businesses located in low-income neighborhoods. BOC Capital's innovative contract-based loans are marketed in partnership with NYC Economic Development Corporation Kick Start Loan Program, NYC Small Business Services Upfront Capital Loan Program and Goldman Sachs 10,000 Small Businesses. BOC Capital has successfully loaned millions to MWBE and small businesses with government contracts and mainstream purchase orders, from construction contractors and environmental engineers to technology providers and fashion designers.

BOC strongly supports the restoration of the Mayor's Office of Industrial and Manufacturing Businesses and expanding funding for the Industrial Providers to \$4 million for services to manufacturing, transportation, wholesale and construction businesses throughout New York City. This level matches the IBZ funding level at the time of the establishment of the program eight years ago.

The Industrial Providers support business creation, attraction and retention, ultimately saving and creating living wage jobs for New Yorkers. As a group they bring longtime experience, deep community connections and organizational resources to the city and its industrial sectors. BOC is proud to be part of this group of impactful, on-the-ground, community economic development organizations.

Industrial businesses depend on the Industrial Providers for free, quick and reliable assistance with tax credits and incentives, real estate and relocation assistance, financing, workforce development, energy upgrades, navigating and complying with regulatory requirements, addressing physical infrastructure and maintenance, advocacy on behalf of the industrial community and up-to-date information on local issues. BOC Network has an email newsletter that reaches 936 contacts at industrial and manufacturing businesses.

BOC and its fellow Industrial Providers played a critical role for industrial businesses in the aftermath of Superstorm Sandy, further demonstrating the importance of having on-the-ground service providers poised to address pressing needs. The Providers communicated issues, mobilized services and delivered emergency resources to businesses, helping bring economic activity back as quickly as possible, and we continue to do so.

Each year BOC provides individual technical assistance to over 200 industrial businesses. BOC provides valuable information and maintains communications with over 2000 businesses on topics including industrial incentives, financing options, transportation issues, business risks and opportunities as well as

disaster preparedness and disaster relief programs. BOC further provides webinars on topics i.e. OSHA regulations of benefit to industrial firms.

Examples of services and impacts in industrial areas that BOC is contracted to service.

QUEENS WEST

Hold the line against the rezoning of IBZs

BOC Network holds the line against the rezoning of IBZs. The Ridgewood/SOMA and Maspeth IBZ's have felt the pressures of speculative real estate development and the push to re-zone areas designated for manufacturing and industrial use to residential. Recently, the Queens Community Board 5 Land Use and Zoning Committee presented a resolution to support the rezoning of a property designated for industrial use to residential in the SOMA/Ridgewood IBZ. BOC Network and the Ridgewood LDC, who sit on the Community Board, in partnership with Council Member Reynosa, and other members of Queens CB 5, successfully reversed the Committee's resolution and struck down the developer's request for a variance. While the proposed variance still has to go before the Board of Standards and Appeals, if BOC Network and the Ridgewood LDC had not been active members of the Community Board and fervently opposed the rezoning, it's very likely the potential loss of this parcel of land would have gone unnoticed.

Retain businesses and jobs in New York City

BOC Network helps to retain businesses and jobs in New York City when businesses are tempted to pick up and move to another state that has lower property taxes or greater incentives. In the Maspeth IBZ, we have built relationships with businesses and have assisted them on issues big and small. For instance, when a food distributor in Maspeth was considering moving their business to New Jersey or Long Island, BOC Network, by providing on-the-ground technical assistance and advocacy, has persuaded them to stay. We have voiced their concerns about excessive traffic enforcement to local elected officials and the NYPD, provided them with real estate listings for parking their commercial vehicles, reported ponding issues and potholes outside their building, introduced them to lenders, connected them with free energy audits and incentives, and after Superstorm Sandy, a potential breaking point for any business, assisted them in getting their electricity restored and accessing emergency resources.

Advocate for improved infrastructure in IBZs

The Maspeth industrial area has historically been underserved by public transportation, hindering the ability of businesses to attract and retain employees and diminishing their capacity for economic growth. After hearing numerous complaints from businesses about limited access to public transportation, the Maspeth Industrial Business Association (MIBA), a project of BOC Network, has embarked on a public transportation study to make recommendations for service prioritization and improvement.

With input and guidance from its Transportation Committee, MIBA analyzed existing conditions and conducted a sample survey of 100 businesses. We have engaged with local officials, community boards, government agencies, and key stakeholders in developing the study and identifying possible recommendations for improvement. By guiding future transportation and infrastructure investments in the Maspeth IBZ, we hope to make Maspeth a better and more rewarding place to do business.

Create jobs with career growth potential

BOC Network has been instrumental in the ability of a shipping and logistics company in the Maspeth IBZ, to grow in NYC. To create sustainable new employment and business opportunities to low-income individuals and families, BOC was awarded funds from the U.S. HHS Community Economic Development (CED) program to provide technical and financial assistance, allowing them to maximize their growth and create 15 full-time jobs with career growth potential.

BROOKLYN EAST:

Support participation of M/W/DBEs in city contracting

BOC Network supports the participation of M/W/DBEs in city contracting, assisting companies to address financial management issues and access mobilization loans, and interfacing with selected lenders, prime contractors and city agencies. BOC was integral in the ability of a general construction company in East New York owned by a husband and wife team, to gain an Upfront Capital Loan. Due to credit challenges stemming from the economic downturn and a personal health issue, they were unable to qualify for bank financing. BOC worked with the business to ensure they were addressing their credit problems, provided counseling to rebuild their credit and technical assistance to assist with their cash-flow projections. As a result of this work, BOC Capital was able to move forward with a \$75,000 mobilization loan for a contract of \$741,000 with the Department of Design and Construction (DDC).

Since FY 2010, BOC Capital has approved \$2,760,152 in contract based-loans.

MANHATTAN:

Enable the growth of small businesses

BOC Network enabled the growth of a young fashion business with contract-based loans and strategic technical assistance through seasonal sales that increased year over year, and their step up to bank financing. To date, BOC Capital has provided them \$380K in contract-based loans and the business now has a \$250K bank line of credit.

BOC continues to assist a certified MBE wholesaler to access working capital to fulfill their purchase orders with various City agencies, including NYC DCA and NYPD. To date, this business has received over \$461K in mobilization loans through BOC Capital.

BOC Capital recently approved a \$70K loan for a Manhattan-based construction company that is rebuilding homes damaged by Sandy through the Build-it-Back program.

Connect businesses with emergency resources and financing

BOC Network connected businesses with emergency resources and financing after Superstorm Sandy. Sandy left a wholesale lighting distributor located on the west side of Canal Street, completely flooded, and their inventory unsalvageable. BOC assisted the business owners in securing \$200,000 in emergency financing through various loan and grant sources. The business survived by relocating in Downtown Manhattan and is now back in business.

The Industrial Providers are vital to maintaining a diverse and vibrant economy for New York City. Continued and vigorous support from the City Council is imperative to continue this mission.



Testimony of East Williamsburg Valley Industrial Development Corporation
NYC Council Committees on Small Business and Economic Development
June 19, 2014

On behalf of EWVIDCO, I am writing to express our support for the recommendations set forth in *Creating Quality Jobs in the New Industrial New York: A 50,000 Job Challenge*. EWVIDCO is a 35-year old membership organization that helps the nearly 1000 industrial businesses in North Brooklyn to grow in order to keep their 11,700 quality blue collar jobs in our community. This represents 14% of the City's manufacturing employment base.

First, we urge the DeBlasio Administration to **reinstitute the Mayor's Office of Industrial and Manufacturing Businesses** to streamline government operations, ensuring that citywide policies and services support business growth and job creation. It is imperative that this office answer directly to the Deputy Mayor, and not be housed within the structure of an existing city agency. Although NYC EDC and NYC DSBS have many fine economic development initiatives, the vast majority of NYC businesses interface with the many agencies under the purview of the Deputy Mayor of Operations. Code enforcement, land use planning and transportation issues end up having a much greater impact on local businesses than the initiatives of the economic development agencies. Therefore, interagency coordination is key to achieving overall economic impact. Further, reinstatement of this office will re-marry the program oversight function (currently at NYC DSBS) and the policy development function (currently at NYC EDC) for better program and policy coordination.

We support **improvement of business services for manufacturers** to link residents to jobs and to improve the competitiveness and environmental performance of companies. Funding for the Industrial Business Zone program has radically diminished in the past few years—our organization used to receive \$360,000 to serve two IBZ's—last year we received \$170,000 to serve a much greater service area. Currently, there is only \$580,000 in the Executive Budget for all 16 IBZ's throughout the five boroughs. Appropriate levels of funding for the IBZ program will ensure that we will be able to serve the many businesses that rely upon us for advice and support. Through the IBZ program, EWVIDCO is the portal for local industrial businesses to access city and state programs designed to help them. They rely on our expertise and relationships to help their firms grow in the community. We're their friend and confidant, and they feel good about us. As a 30-year old membership organization, EWVIDCO leverages the longstanding relationships it has with local businesses to promote and enroll firms in new public programs, ensuring their success (NYC Business Solutions Training Grants, Workforce One Manufacturing Center). As an independent 501 ©3 nonprofit, EWVIDCO is able to augment city investment with donations from individuals and foundations, producing more bang for the buck. Additionally, IBZ funding for administrative overhead allows us to put other public and private funding investments (such as Avenue NYC, capital grants for real estate development) straight into program delivery. Finally, EWVIDCO is an integral member of the community, and can serve as a liaison between local businesses, residents and city and state agencies when



issues arise. We keep close tabs on the business community, and are able to quickly produce data for city staff as it is needed.

The city must **expand funding for Non-Profit Industrial Development** to modernize and manage industrial space. EWVIDCO was fortunate to win several grants from the Greenpoint Williamsburg fund to develop and retain working class jobs in our community after the 2005 rezoning. We currently own four buildings with 22,200 square feet of affordable industrial real estate, retaining over 60 more manufacturing jobs in our community. After expenses for maintenance of the buildings are covered, we are able to use the additional proceeds from rent to support business services programming that benefits many more businesses. In fact, we have been able to keep our service provision levels stable despite the massive reduction in IBZ funding as a result of this stream.

Finally, we urge NYC to **strengthen and enforce land-use and zoning** to provide the land and stability industrial and manufacturing companies need to create jobs. North Brooklyn's industrial businesses face many challenges. Manufacturing company closure and job loss in North Brooklyn and Greenpoint / Williamsburg is significantly and disproportionately higher than losses in other parts of Brooklyn and Queens in the last decade. This disparity is the result of additional pressure—i.e., residential conversion—on industrial firms and businesses in those areas, beyond industrial businesses in other parts of the city. Even in this time of economic decline, there is very low vacancy in North Brooklyn's industrial area—about 7%. There is increased pressure on businesses in areas that were not rezoned, but are adjacent to the rezoned neighborhood. Legal as-of-right uses that are not compatible with manufacturing, such as luxury hotels, homeless shelters, large scale amusements and nightclubs are eating up huge amounts of industrial real estate and driving up the rental price for other uses like manufacturing that don't have a profit margins to keep up with inflated prices. A recent survey of local industrial businesses conducted by EWVIDCO notes that small manufacturing and industrial firms are supportive of small eating and drinking establishments, are neutral about office development and perceives hotel development as a threat.

Manufacturing is alive and well in North Brooklyn, and for the past 30 plus years EWVIDCO has fought to keep it that way. North Brooklyn companies make everything from bespoke suits to architectural steel, from store installations for Park Avenue boutiques to fortune cookies for corner takeout joints. This is a dynamic combination of businesses old and new, traditional and innovative, big and small. But what they create most are good paying jobs for the people who live here. EWVIDCO serves as their voice in the community and advocate beyond it. We help these businesses get financing, find real estate, access incentive programs, and work tirelessly for support from city, state and federal government. EWVIDCO has worked to keep North Brooklyn booming. As a result, New York City can continue to be a place where actual *things*, and not just ideas, are made.



Our community needs these jobs. Nearly 40% of the industrial workforce live in the local area. These jobs, on average, pay our residents 73% more than local retail establishments; or \$52,842 vs. \$30,620 annually. Additionally, over 60% of manufacturing jobs offer benefits, compared with 30% of service jobs. Also, these jobs frequently do not require English proficiency or advanced education. Considering 20% of our local residents do not speak English, 31% live at or below the poverty line and nearly 37% of are on some form of public assistance, these jobs offer the best path to self sufficiency and economic security for our community residents.

Protecting and promoting our industrial sector is crucial to the city's overall economic development. The sector provides close to 500,000 jobs in New York City, making up nearly 15% of the city's workforce, and contributed \$1.7 billion in tax revenues. The manufacturing and industrial sector is not only a strong component of our economy but a reliable source of jobs for many of our fellow New Yorkers. By enacting these recommendations NYC will be able to retain these valuable jobs, and grow another 50,000 more. EWVIDCO is delighted to partner with the Administration, the City Council and other community organizations to make our economic development goal a reality.

TESTIMONY OF DEPUTY BROOKLYN BOROUGH PRESIDENT DIANA REYNA

New York City Council
Joint Committee Hearing
Committee on Small Business
Committee on Economic Development

Thursday, June 19, 2014

Good afternoon. I want to begin by thanking Economic Development Committee Chair Daniel Garodnick and Small Business Committee Chair Robert Cornegy for highlighting this important issue. I also want to thank the other members of the New York City Council present here today.

I am Deputy Brooklyn Borough President Diana Reyna, and on behalf of Brooklyn Borough President Eric Adams, I am here to express the office's strong support for Resolution 228, which calls on the Mayor to revitalize the Office of Industrial and Manufacturing Business, and to expand the technical assistance the Office would offer manufacturing and industrial businesses in the City.

The importance of industrial and manufacturing businesses in Brooklyn's economic landscape cannot be understated. According to the Quarterly Census of Employment and Wages, Brooklyn is home to more than 60,000 industrial jobs across the manufacturing, wholesale trade, and transportation and warehousing sectors. These jobs provide quality workforce opportunities for Brooklynites across the socioeconomic spectrum.

Multiple studies have shown that the industrial and manufacturing sector careers are accessible to workers who do not have an associates or four-year college degree. According to 2012 U.S. Census Bureau ACS data, approximately 40% of Brooklynites working in industrial and manufacturing jobs have no higher education degree. Additionally, workers in these sectors also have higher per-hour earnings, especially when benefits are included in the analysis. It is clear to see that these sectors are creating valuable workforce opportunities for Brooklynites.

In May, all five Borough President's signed on to a letter, calling on the Administration to restore funding for Industrial Business Zone Providers and the Office of Industrial and Manufacturing Business at levels equal to 2006, when the IBZ program was first introduced. Additionally, the Brooklyn Borough Board recently passed a resolution calling for the same outcomes.

In Brooklyn, organizations like the East Williamsburg Valley Industrial Development Corporation, the Southwest Brooklyn Industrial Development Corporation, and Business Outreach Center Network provide valuable services and industry advocacy for the local industrial and manufacturing business that employ tens of thousands of New Yorkers. Without their continued support, the future of Brooklyn's manufacturing and industrial sectors is in peril. As such, we must continue to effectively fund these integral organizations.

In conclusion, on a personal note: I sit before you today as an example of the importance of the preservation of industrial and manufacturing businesses. My mother – a Dominican immigrant –

was able to raise my siblings and me in New York City, because she was able to find manufacturing work. The jobs weren't glamorous, and neither was the pay; but it was enough to get by. I share this story to highlight the importance of ensuring that future generations are provided similar opportunities – so that another first-generation family can realize economic stability, raise their children here in New York City, and one day have their child serve the City as I have.

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Long Island City Partnership

Testimony of
Elizabeth Lusskin and Debra Mesloh of the Long Island City Partnership

Before the
New York City Council
Committee on Economic Development and Committee on Small Business

Resolution 0228-2014

Resolution calling upon the Mayor to revitalize the Mayor's Office of Industrial and Manufacturing Business and to expand the technical assistance the Office would offer manufacturing and industrial businesses in the City

Good afternoon, my name is Elizabeth Lusskin and I am President of the Long Island City Partnership. We work with many of the industrial companies in Western Queens as part of the IBZ program. I am here to testify on the revitalization of the Mayor's Office of Industrial and Manufacturing Business and why we need to expand the technical assistance the Office would offer manufacturing and industrial businesses in the City.

We believe that the proposed resolution highlights the need for coordinated policy within the administration to address this under-appreciated yet vital sector to the city's economy. Industrial businesses continue to provide essential goods and services to the city and region, while providing good paying jobs with strong futures to local residents from all along the educational spectrum. In Long Island City alone, we have 2,100 industrial businesses, comprising 34% of all businesses in the area, employing over 40,000 workers, or 42% of area employees.

With the loss of the Mayor's office of Industrial and Manufacturing Business, we have seen an erosion of support for and coordinated policy development for this vital sector, even while the sector itself has been expanding. For example, when the IBZ program began, under the Mayor's office, it had a budget of \$4 million. At the time, Long Island City was delivering services to 6 zip codes which contained 2,300 industrial businesses. The agency was disbanded and the IBZ program was taken over by SBS. There was a reduction in the budget, and the IBSP's were given responsibility for delivering services to even more zip codes. The Long Island City Partnership is now responsible for delivering services to 16 zip codes which contain 4,300 industrial businesses with only 23% of the original allocated budget. Meanwhile, space for these uses is incredibly tight in LIC, with less than 1% vacancy by professional estimates. Incentives are often confusing or difficult to obtain, and jurisdictions outside the city continue to court our companies aggressively with low rents and generous, simple to understand and obtain, packages of assistance.

I will give you some examples of companies we have helped so you can understand both the sector and its needs better, but the main point is that addressing the needs of these companies – for financing,

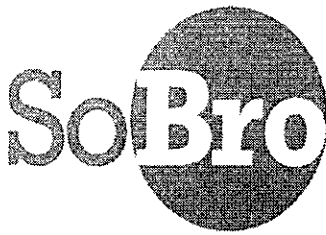
incentives, workforce development, operational issues, technology needs and yes, space to operate – will be challenging and require an interdisciplinary approach coordinated at the highest levels of city government. We applaud the authors of this resolution for placing a spotlight on this important need.

In Long Island City under the IBZ program we have personally helped over 1200 companies in the Long Island City area to grow, stay and prosper in New York City, providing good stable jobs for residents and essential goods and services for entire city. Over the last two years alone, we have helped industrial companies obtain over \$40 million in bank financing and incentives, over \$150,000 in training funds in order to help employees obtain more skill sets which will benefit them in their present capacity as well as going forward.

For example, we have worked with Brooks Brothers to keep 215 good paying jobs in Long Island City instead of moving to another state. We are helping Unique Settings, the largest engagement ring manufacturer in the United States and what is considered to be a traditional manufacturer to expand its 200 employee workforce to 300 people. They have recently expanded their manufacturing footprint from 28,000 sq. ft. to 58,000 sq. ft. This manufacturer is a poster child for the integration of the new manufacturing with the traditional. While still utilizing jewelry craftsmen, due to its growth, they now do laser cutting, CAD design as well as 3D printing. We help these fantastic industrial companies who pay substantially more than retail jobs to their employees, by acting as a facilitator for problems they are having, be it illegal parking, tax issues, signage changes, sanitation tickets, graffiti removal or utility issues. We are called upon by our constituents on a daily basis.

We have to keep these remarkable industrial businesses in New York City. The best way is by helping them navigate the red tape which is New York City and creating a comprehensive, coordinated strategy, including assistance such as that provided through the IBSPs, and appropriately funding that program.

We thank you for the opportunity to testify today, and for your support of these vital companies, their local-based workforce and the families that depend on them, and essential and evolving sector.



June 19, 2014

NYC Council
City Hall
New York, NY 10007

Dear NYC Council Members

We are reaching out to you regarding one of SoBRO's most important business services programs which is now endangered. In 2011, SoBRO was designated by the NYC Dept. of Small Business Services (DSBS) as the Industrial Business Zone (IBZ) provider for the Bronx. We are charged with providing business services to industrial and manufacturing companies within the Port Morris, Eastchester, Hunts Point, Zerega, and Bathgate Industrial Zones.

As the Bronx IBZ provider, SoBRO joined an elite group of local groups engaged in supporting New York City's economic development initiatives. Along with SoBRO, the East Williamsburg Valley Industrial Development Corporation (EWWIDCO), Greater Jamaica Development Corporation, Southwest Brooklyn Industrial Development Corporation, Long Island City Partnership, Staten Island Economic Development Corporation, and the BOC Network offer services to over 26,000 industrial/manufacturing/wholesale/transportation and warehousing companies throughout New York City.

In the Bronx, we provide services to over 2,500 manufacturing/transportation and wholesale businesses employing nearly 14,000 individuals - mostly Bronx residents.

Over the past few years, funding for these activities has been slowly eroding with only \$1.2 million in funding dedicated to provide these services on a City-wide basis in the last fiscal year. **The executive budget for Fiscal Year 2015 has restored \$580,000 to the City-wide fund but leaves this program underfunded and facing a significant shortfall to just maintain basic historic services.**

Losing this funding, and this program for the City, will result in the loss of economic development expertise and one-on-one counseling for industrial businesses citywide. Businesses will face a loss of liaison services between the industrial and residential community as well as with public agencies – assistance especially important in the wake of disasters like Superstorm Sandy. Providers will face a severely diminished ability to engage in other initiatives, such as job placement, real estate development and merchant organizing activities to support and enhance the business climate in our Borough.

As the City budget is presented and discussed with members of the City Council, we urge you to support and encourage the City to reinstate funding to this critical program. We are asking City Council to fund a minimal amount of \$620K from its discretionary funds so that we are back to the \$1.2 million previously available to all IBZ providers.

We have significant data to support the cost benefit of the program throughout the Borough and, if appropriate, within your own district, if you would like more information. We would be happy to meet with you (and/or any staff you deem appropriate) to discuss this further. Should you have any questions or require additional information, please do not hesitate to contact me at 718.732.7504 or via email at lzapata@sobro.org.

Your leadership, attention and support is greatly appreciated on behalf of the industrial businesses of the Bronx.

Sincerely,

Lourdes Zapata
Senior Vice President, Community and Economic Development

HUNTS POINT ECONOMIC DEVELOPMENT CORPORATION

The Council of New York City Hearing on the Revitalization of the Mayor's Office of Industrial and Manufacturing Office

June 19, 2014

It is with pleasure that I salute and address members of the City Council in regard to an economic development program and strategy that I know very well in the prospect of renewal of the Mayor's Office of Industrial and Manufacturing Business in the Industrial Business Zones.

My name is Josephine Infante and I am the President of the Hunts Point Economic Development Corporation and the Greater Hunts Point Chamber of Commerce. I administered the Hunts Point Industrial Business Zone for 25 years since 1988 when Hunts Point was called the Wild West and the business and residential area were both devastatingly underserved to a point that movies and books were made and written that took advantage a very vulnerable community that was basically on life support but with tremendous potential and a hidden asset of basic jobs for New Yorkers and a food industry that was vital to over 20 million residents of the tri-state area.

I came to Hunts Point at the request of the businesses and the Bronx Borough President Fernando Ferrer to address the multi-layered challenges in Hunts Point peninsula segregated from the other parts of the South Bronx by the Bruckner Expressway that was in itself an obstacle to serves including the famous "Fort Apache" police station located on Simpson Street, a good distance away from the residential community and an undistinguishable area called the Hunts Point Industrial Park. There was missing signage everywhere, a post office miles away, potholes to walk into, streets with sewage, abandoned building used as "drugs stores" and a lineup of prostitutes and boys as "watch outs" for police used by the drug dealers cushioned in the middle of the residential community. That was 1988 and that was my challenge.

The very first funding for this challenge was an industrial park services contract and my location was the Hunts Point Food Distribution Center. When you work from the food center, you realize how essential it was to fight for infrastructure and business incentives for Hunts Point. 24 hours, 6 days a week, a workforce appeared at 9 in the evening, to assure fresh products were received from all over the world, placed on trucks and fed over 20 million people and today from Boston to Washington and beyond. All of this happened while an atmosphere of neglect, fear and misunderstanding persisted. In addition, the environment produced asthmatic toxins that were seriously affecting the residential community.

Fast forward twenty years and the industrial park grant which was by the way the lowest of the grants, allowed the business community to join the residential community and local government to get the

attention of the city services and authorities. It is true that that challenges like these make you strong when you look at the effect of leadership for the right causes can change a direction of a deserving community – both the residents and the business community in this case. But in this case, the designation of Hunts Point as an Empire Zone and Empowerment Zone happened only with leadership made possible from the bootstrapping IBZ industrial park zone management grants that with the local chamber leadership. From developing and getting funding for a full service post office, a business district on Southern Boulevard, shrub bed medians in the residential areas, piloting a Workforce employment office, endless business workshops in 25 years and a chamber base to invite government representatives and industry leaders to address business programs and challenges, providing one on one business consultations that generated over \$200 million in private investment and 500 net creation of jobs for the 15 year life of the Empire Zone, the life of both the business park and the residents have changed with improvements at every level of services, infrastructure improvement and keeping and planning for a new produce public market all the result of persistent and bootstrapped planning with courageous leadership from our NYC Council, our Borough President and the business community.

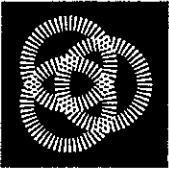
Unfortunately, the demise of support for the NYC Office of Industrial and Manufacturing had hampered the on the ground business support to the important industries here. There are more and more new immigrants and minority entrepreneurs who need hand holding to assist these new industrial businesses. The local community economic development approach produced through the grant support system of the Office for Industrial and Manufacturing provided many more opportunities to assist small businesses and in Hunts Point that is still the industrial park of opportunity.

I hope the Hunts Point Economic Development Corporation has the opportunity to apply once more and contribute to the next level of growth in this industry specific industrial park and the supporting industrial businesses that has stabilized and confirmed Hunts Point as a regionally significant business park.

Thank you for your attention to this need. I would be very happy to be available for further assistance in the re-appropriation of this office.

Josephine Infante

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Testimony Before the
New York City Council Committees for Small Business and Economic Development
Oversight Hearing: Industrial Business Zones and Retaining Small Manufacturing
Committee Room - City Hall, 1:00 pm
June 19, 2014

My name is Aron Kurlander, and I am the Director of Business Services for Greater Jamaica Development Corporation. Thank you for this opportunity to speak before you today. GJDC has been a frontline, economic development organization with day-to-day contact with manufacturing and industrial firms for over 40 years. In that time we have administered many of the city's local industrial assistance programs including the In-Place-Industrial –Park program (IPIP), Industrial Business Zone program (IBZ) and now as the Industrial Business Solutions Provider (IBSP).

Technical assistance offered to local industrial firms is the best tool we have as a city to attract and retain the living wage industrial jobs that our communities need.

A recent case in point is A&D Entrances, an elevator frame installation company. A&D contacted GJDC for assistance finding space to accommodate their

expansion plans, which included manufacturing parts they now buy from other manufacturers. We found them the manufacturing space they needed in the Jamaica /St Albans area. GJDC also assisted them with navigating the available pool of government incentives for businesses. GJDC helped them save thousands of dollars on rent and energy costs through government incentive programs. A&D is currently building out its facility, and as a result of our efforts they will hire 15 production workers with average starting pay at \$18 an hour. As a new manufacturer they could have easily gone to New Jersey or Nassau County but our direct assistance helped keep them in the city.

As you know, the funding available to local economic development organizations to provide industrial assistance, including business attraction and retention, has been decreasing from its original funding level of over \$4 million dollars to the proposed \$578,000 in the Mayors Executive Budget. These funds are essential for GJDC to be able to continue to provide these services. A restoration of the funding to the original \$4 million dollar level will go a long way to help grow our industrial workforce in southeast Queens and provide good paying jobs for our communities. Again, thank you for your time and attention.



**Testimony to Revitalize the Mayor's Office of Industrial and Manufacturing Business
NYC Council Committees on Small Business and Economic Development**

June 19, 2014

My name is Mike DiMarino and I am the owner of Linda Tool. We are a New York-based manufacturing company that has been in operation since 1952.

My company, Linda Tool, makes custom precision components and assemblies for a number of industries, including: aerospace, hydraulics, and robotics. Our state-of-the-art production and testing facilities are located in the historic Red Hook neighborhood of Brooklyn.

As a long-time industrial business owner, I am here today in support of the creation of the Mayor's Office of Industrial and Manufacturing Business or the MOIMB for short. I believe by creating this office the City could provide a more robust and comprehensive policy on issues concerning industrial land use and encroachment. I also believe MOIMB could better address neighborhood workforce development and the widening skills gap and help to alleviate the operational constraints manufacturing businesses face.

For many years, our industrial provider, Southwest Brooklyn Industrial Development Corporation [SBIDC] has been an important partner and vital resource for Linda Tool. With their assistance, we have been able to access many government incentive programs; programs that have helped us expand our business and create jobs in our community.

They have provided us with invaluable information regarding training programs, workshops and ways to promote greater energy efficiency. Among our successes was the construction of a 12,000 sq. ft. green roof with the help of funds secured by SBIDC.

I should also note that my neighborhood, Red Hook, was devastated by Hurricane Sandy and there is still a lot of work to be done in rebuilding and rethinking our infrastructure and economy after the storm. This is a challenging time and services for industrial businesses are needed now more than ever to address the long term resiliency and recovery,

I believe that SBIDC, my business, and countless others would benefit from having a strong central office for industrial businesses. I know the creation of MOIMB would help us grow and provide stable employment opportunities for the residents that live in our neighborhoods.

Thank you

My name is Luis Nava. I am the Director of the Brooks Brothers Long Island facility in Sunnyside Queens.

I want to thank you for the opportunity of speaking here today, and share my recent experience with IBZs service providers, specifically with LIC Partnership.

- Our facility is a Tie Factory and an Alterations Center
- We manufacture 1.5 million ties and perform 225,000 alterations each year

We have been manufacturing in New York City for more than 60 years, 15 years in our current location in Queens.

We employ 210 associates at all levels:

- 95% from live in New York
- The majority of our associates live close to our facility (50% in Queens)
- 30% of the people have worked with our company for more than 15 years

There are a lot of benefits associated with manufacturing in the NYC area:

- Geographical proximity to designers and merchants in the city facilitates product development
- Access to ports and highways
- Proximity to our best selling stores
- Experienced workforce

But the environment is extremely competitive:

- Pressures from market to reduce costs
- Low cost of manufacturing overseas
- Rents in the area continue to go up
- High cost of living compared with other areas drive higher salaries

Our lease expires this year, in 2013 we were tasked with evaluating the possibility of moving our manufacturing operation to a different state

The cost-benefit analysis showed that in spite of the desire from the company of staying in the current location there was still a compelling business case for re-locating the facilities.

At this point we reached out to Long Island City partnership to help us look at our options and understand what incentives were available to make a more compelling case for staying in the current location. LIC Partnership:

- Helped us understand the different government programs available to incentivize manufacturing businesses
- Explained how to apply for the available incentives
- Helped us network with other manufacturers in the area to share ideas and create business opportunities

With the guidance of LIC Partnership:

- We were able to secure an Empire State Development for job creation. We are planning to create 38 more jobs in 5 years
- We will start implementing energy efficiency measurements to reduce our utility cost
- We are looking at different training programs to improve the skills of our workforce

LIC Partnership's assistance was decisive for keeping these jobs in NYC

Testimony Presented to the NYC Council Small Business and Economic Development Committees
June 19, 2014
Presented by Laura Imperiale

Good afternoon Chairs Garodnick and Cornegy and members of the Committees. Thank you for the opportunity to testify before you today on the Revitalization of the Mayor's Office of Industrial and Manufacturing Businesses. My name is Laura Imperiale, and I am here today in several capacities. I am the Director of Government Affairs for Tully Construction Co. and for our affiliated company Willets Point Asphalt Co. I also serve on the Queens Chamber of Commerce, and Chair their Manufacturing and Industrial Committee. I am here today to lend support to the concept to the idea of revitalizing such a critical office.

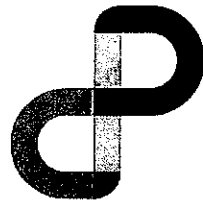
In Queens, we have noticed a steady increase in industrial and manufacturing business, especially within our new member enrollment, enough to warrant its own committee at the Chamber. Businesses such as food manufacturing, Paper and printing production, metals, machinery and transportation equipment have found fertile ground and have grown. Queens however is not the only borough to see this large expansion in the industrial and manufacturing sector. All 5 boroughs have seen exponential growth with industry specializations particular to borough.

I'd like to make note that while yes, manufacturing of the large scale kind has decreased in the past, but new small entrepreneurial firms have taken root and continue to grow. In 2012 the industrial sector made up 10.7% of total gross city product, and as of August 2013, NYC's industrial businesses accounted for 13% on NYC's private employment figures, and the trend is rising. Additionally industrial occupations provide a range of annual salaries from approximately \$36,000 to \$88,000. And in fact, many of these jobs, mostly in the heavy industry sector, such as our asphalt manufacturing plant, are union jobs, that are secure and come with union pay and benefits.

These are these jobs we, as a City should be promoting. These are well-paying jobs, with low-barriers to entry. They provide economic stability to families and upward mobility. Revitalizing the Mayor's Office of Industrial Manufacturing Businesses would mean a real commitment to these business sectors. Doing business here in the City of New York and succeeding is no small feat. The MOIBM provided support, knowledge and critical advocacy for many already established businesses and start-ups. It also would mean that the Administration truly understand the connection between jobs, economic development and affordable housing. It's impossible to have a conversation about affordable housing without talking about job growth and promotion.

Lastly, I would like to take moment to thank Miquela Craytor who has been a tireless advocate on behalf of the industrial and manufacturing community, and further I would like to recommend her for the position of heading up the newly revitalized Mayors Office of Industrial and Manufacturing Businesses.

Thank you. And I'm free to answer any questions you may have.



PRATT CENTER

FOR COMMUNITY DEVELOPMENT

**Testimony at Joint Hearing of the
Small Business and Economic Development Committees,
New York City Council**

**Re: Resolution to Reinstitute the Mayor's Office of Industrial and Manufacturing Businesses
Res 0228-2014**

**Adam Friedman, Director
June 19, 2014**

Good afternoon. I'm Adam Friedman, Director of the Pratt Center for Community Development and I appreciate the opportunity to testify.

We strongly support the creation of a new Mayoral Office of Industrial and Manufacturing Businesses (MOIMB) to oversee the delivery of business services, the coordination of the broad array of other municipal services and capital investments that impact on manufacturers, and the overall development of policy affecting that sector. In short, it is all about mission and accountability.

The industrial sector needs a champion. It is important, employing more than 484,000 people work in New York City. It is unique, providing the goods and services that keep the city alive – from electricity to concrete to food.

But it consistently gets eclipsed by other economic sectors such as finance, tourism and information technologies. The city's economic development agencies have broad missions encompassing the entire economy. They are broadly accountable for the city's overall economic wellbeing and this breadth of mission has allowed them to pick and choose what to focus on. They understandably gravitate to the high-profile projects such as corporate retention and stadiums.

I believe that the de Blasio Administration is committed to the industrial and manufacturing (I&M) sector and the Mayor laid out an ambitious vision for this during the campaign. Now the Administration needs a management structure with clear, focused goals to help implement

this vision. If the City wants to grow its industrial jobs, it needs somebody focused and held accountable to that objective.

Today Pratt, along with ANHD and several community groups, released a set of programmatic initiatives for growing the sector. We believe that an additional 50,000 jobs can be created in the next ten years, bring the total to 530,000 jobs.

We see the creation of the Mayoral Office as critical to implementation. For example, there will be pressure in the coming years to rezone industrial areas for housing. During this process, somebody at the highest level of decision-making needs to provide the jobs perspective when an area is being considered, and to suggest new strategies to prevent the city from replaying the win housing/lose jobs scenario of the past administration.

So what's the mission of the MOIMB by which it should be held accountable? The mission should be to strengthen I&M sector and create I&M jobs in ways that foster a more equitable and environmentally responsible economy.

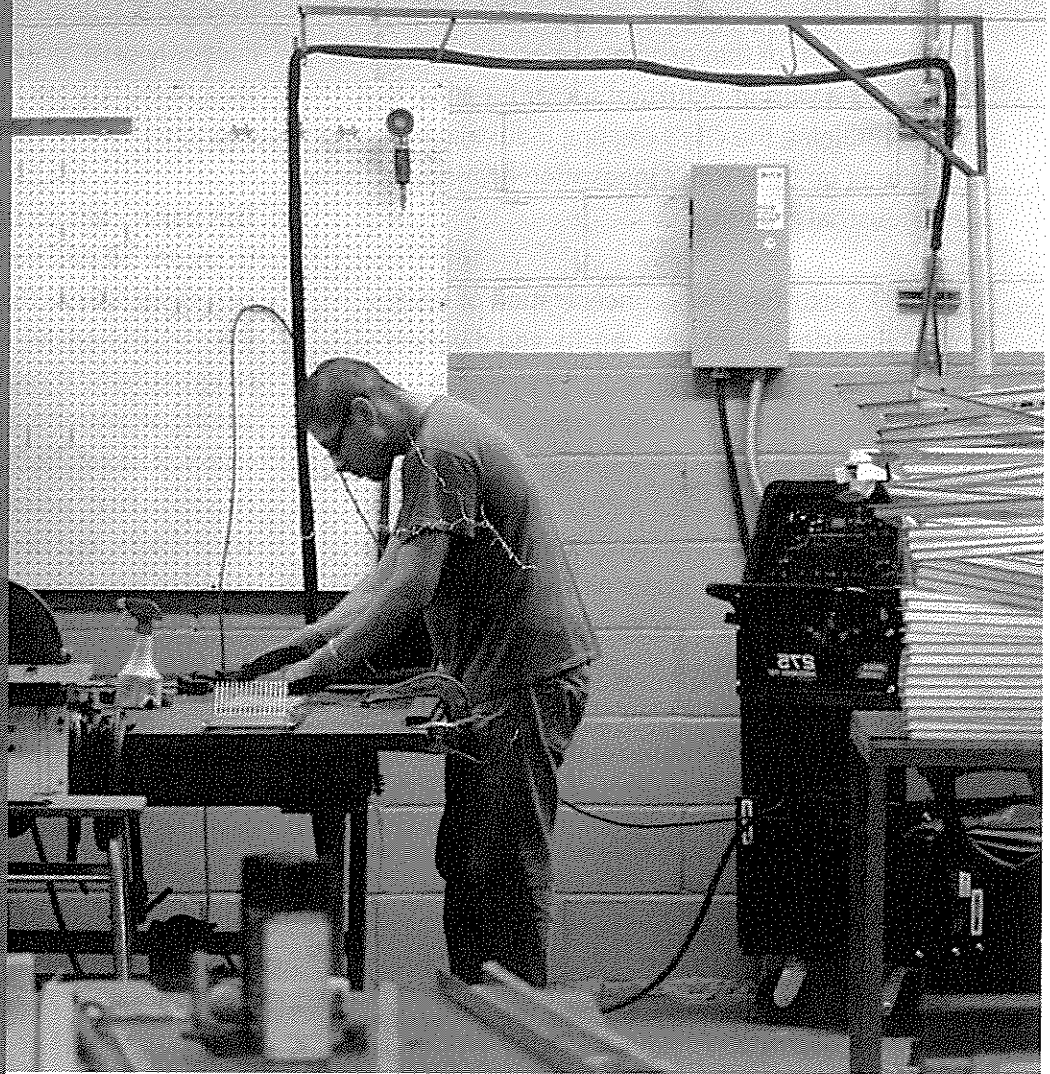
Advancing equity and sustainability should be at the heart of the city's economic development efforts as well as all of other city operations. New York now has the greatest income disparity of any city in the United States, and it undermines the social contract which holds this city together. Likewise, the threat to our city from climate change has become absolutely inescapable and we must weave sustainability through every facet of our city's operations. Fortunately, Pratt's research suggests that pursuing sustainable business operations is good for a company's bottom line and does not need to be a trade-off with jobs.

Finally, the MOIMB should be a direct report to the Deputy Mayor for Housing and Economic Development. We appreciate that the Deputy Mayor already has numerous reports but we are concerned that the director of the new Office be at the right level, and have access and meaningful participation in the decision-making. The positions of the office should not be filtered through another agency which may have a different mission and perspective.

We look forward to working with the City Council, the Mayor's Office and other agencies to building a vibrant I&M sector and more equitable economy.

Attached: A 50,000 Job Challenge: Creating Quality Jobs In the New Industrial New York

NOTE: This testimony was prepared by the Pratt Center for Community Development. It does not necessarily reflect the official position of Pratt Institute.



A 50,000 Job Challenge

Creating Quality Jobs in the New
Industrial New York

June 2014



Executive Summary:

Building a more equitable economy and closing the gap in the “tale of two cities” are core objectives of Mayor de Blasio’s economic development policies. A key component of that progressive economic agenda is fostering a vibrant industrial sector for New York City by retaining the city’s existing industrial base and capitalizing on New York’s innovation economy to drive new industrial growth.

New York’s extraordinary concentration of design and engineering talent, the density and diversity of its market, and its highly skilled workforce are creating a tremendous new opportunity for industrial and manufacturing job growth. During the 2013 Campaign, the *Mayor’s Progressive Vision for Industrial Development in New York City* outlined a strategy for seizing this opportunity to create a more equitable economy. This included commitments to help manufacturing firms grow, expand the number of manufacturing jobs, improve zoning laws for industry and manufacturing, upgrade environmental performance, and strengthen the city’s Industrial Business Zones.

A 50,000 Job Challenge: Creating Quality Jobs in the New Industrial New York describes the next steps the city must take to move this strategy forward.

In its plan for affordable housing, the de Blasio Administration has embraced an ambitious policy vision with the measurable and transparent goal of creating or preserving 200,000 units in the next ten

years. The plan explains the policies, programs, City agency responsibilities, and coordination necessary to reach this goal. But no such goal and blueprint currently exist to expand good-paying industrial and manufacturing jobs to support a more equitable economy.

This paper calls on the mayor to implement a plan to ***create 50,000 new quality manufacturing and industrial jobs in the next ten years***, and lays out the comprehensive zoning, financing, and other programmatic steps that will achieve that goal. Setting an ambitious and public goal to achieve the vision of quality jobs is especially necessary for a few reasons. First, economic development promises are often made, but rarely closely aligned with a definitive strategy, or closely monitored for accountability or implementation. Second, the de Blasio housing plan is based on rezonings to add additional residential density, creating a potential tension between the housing plan’s goals and the opportunity to preserve and create quality industrial and manufacturing jobs. There will be constant temptation and pressure to rezone land currently zoned for manufacturing uses to allow for residential uses.

Recognizing the detrimental legacy of the Bloomberg Administration’s actions in this area, this paper calls for a policy of no net-loss of industrial capacity across the city. This allows for some flexibility in certain locations or circumstances where trade-offs are appropriate, but stipulates an overarching strategy that ensures that where choices are necessary, the goal of industrial and manufacturing job creation is protected and advanced. The correct balance of interests, programmatic focus, and coordination of City agencies can be achieved if the Administration has a commitment to a publicly articulated, ambitious quality industrial jobs goal.

The industrial and manufacturing (I&M) sector¹ currently provides approximately 484,303 jobs in New York City, including 75,940 manufacturing jobs² accounting for approximately 15% of the city's private sector employment. These are generally good quality, well-paying jobs that are accessible to a less educated workforce with fewer English language skills. The average annual manufacturing wage is \$51,934 and has kept up with inflation over the last ten years, in contrast to other sectors such as retail and food services.

There are clear and real opportunities to expand this valuable sector. The shifting economics of production and transportation combined with the emergence of new technologies are creating clear opportunities to leverage the wealth of design, research, entrepreneurial, and other innovation resources in the city to grow I&M businesses. Increasingly, small innovative firms that can integrate and respond to

technological and market changes are becoming the new face of urban manufacturing. Many of today's I&M businesses produce a physical product using new technologies, driven by demand from creative sectors such as design, architecture, technology, and media.

The de Blasio Administration has declared that it is time to “go on the offensive.” Seizing these opportunities requires new policies and programs to grow the sector while preserving existing industrial real estate and jobs to sustain economically and environmentally healthy communities. With these policies and programs in place, the Administration has the opportunity to **provide 530,000 industrial jobs including 100,000 good quality manufacturing jobs for New Yorkers in the next ten years.**³

To achieve this vision, the de Blasio Administration will need to take four actions:

- 1 Reinststitute the **Mayor's Office of Industrial and Manufacturing Businesses** to streamline government operations, and ensure that that citywide policies and services are aligned to support business growth and job creation;
- 2 Strengthen and enforce **Land Use and Zoning Policies** to provide the land stability needed for industrial and manufacturing business growth and investment;
- 3 Improve **Business Services for Manufacturers** to link residents to jobs and to improve the competitiveness and environmental performance of companies;
- 4 Support **Non-Profit Industrial Development** to modernize and manage industrial space.

¹We define the industrial and manufacturing sector broadly to include manufacturing (NAICS Codes 31 – 33), construction (NAICS Code 23), wholesale trade (NAICS Code 42), transportation and warehousing (NAICS Codes 48 – 49), utilities (NAICS Code 22*) , motion picture and sound production / recording (NAICS Code 512) and waste management (NAICS Code 562). We do not include research and development laboratories in our definition of the I&M sector. Source: NYS Department of Labor, Quarterly Census of Employment and Wages 2012.

*Utilities data only available for 2010.

²Manufacturing includes printing services and the production of apparel, food and beverages, jewelry, computers, electronics and other products. Source: NYS Department of Labor QCEW Data, 2012.

³This represents a 9% increase in the sector over 10 years, a “medium” case growth rate based on BLS projections and market trends.

In addition to the immediate action steps in the four areas described in this paper, the de Blasio Administration must also make longer-term investments in a 21st century industrial infrastructure that meets the needs of the I&M sector and surrounding communities to support economically efficient and environmentally sustainable operations. Infrastructure investments will not only improve competitiveness but send an important signal to I&M

companies that New York City is committed to their growth. These longer term governmental investments include the preservation of a working waterfront with appropriate maritime infrastructure, prioritizing resiliency for waterfront areas and removing conditions that put workers and residents at risk, improving transit access to the I&M employment clusters in the boroughs, and investing in cross harbor goods movement infrastructure.

Four Strategic Priorities to Strengthen and Grow the Industrial and Manufacturing Sectors:

This paper will describe the immediate actions necessary to implement a progressive vision for industrial development that would preserve or create 530,000 industrial jobs. These actions include:

1. Reinstitute the Mayor's Office of Industrial and Manufacturing Businesses

The I&M sector has unique needs and requires a powerful advocate within City Hall that is focused on supporting the future growth of the industry. The City should reinstitute a Mayor's Office of Industrial and Manufacturing Businesses, with a direct reporting relationship to the Deputy Mayor and an annual city capital budget . This office should lead the development of the City's I &M policy and oversee the work of the local industrial services providers and non-profit

industrial developers. It should also coordinate the vast array of municipal policies and operations that have an impact on manufacturers' operations, from the planning of truck routes and land uses to ticketing by the Sanitation, Fire, Consumer Affairs and Buildings departments. In addition, this office should be charged with coordinating business development activities for the I&M sector, such as improving digital connectivity in I&M areas, strengthening local supply chains, and promoting and branding the sector.

2. Strengthen Land Use and Zoning for Industrial and Manufacturing Jobs

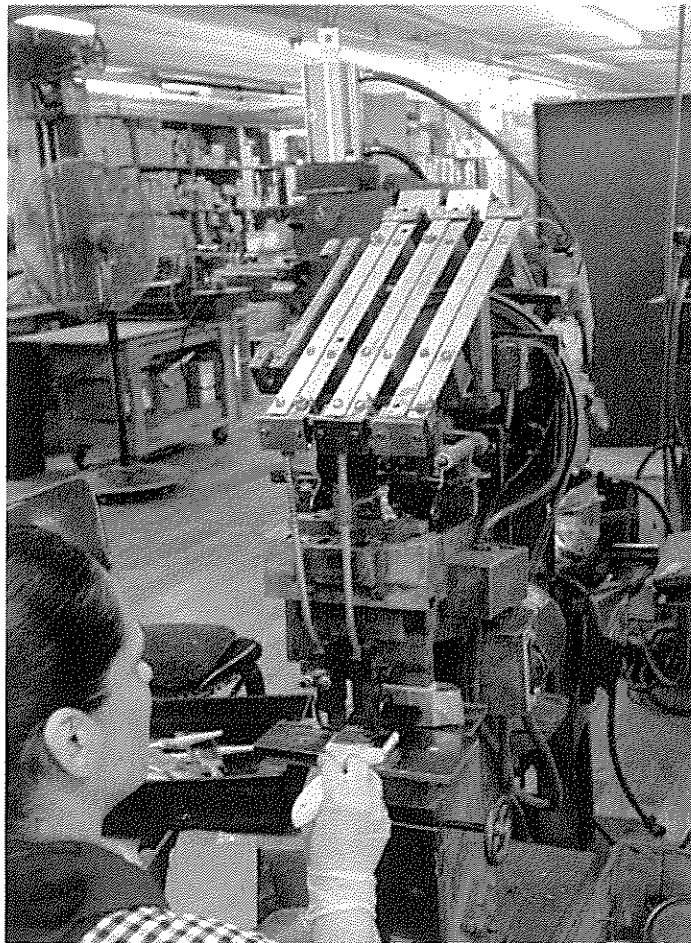
Land use policies play a critical role in sustaining and expanding manufacturing jobs. During the previous Administration, significant areas of manufacturing-zoned land⁴ were rezoned for other uses. Real estate brokers, local economic

development organizations and, most importantly, businesses that want to keep and grow jobs in New York City report that there is extremely little industrial space on the market at prices affordable to industrial users.

⁴Manufacturing zoned land (M-zoned land) is one of the City's three basic zoning districts and includes all land zoned for the range of manufacturing and industrial activities within this zoning designation.

Land use stability provides I&M companies with the security they need to grow their businesses, to undertake energy efficiency or sustainability practices, to reinvest in new equipment, to provide job training, and to invest their time in efforts to hire new employees locally. The City can promote the real estate stability that leads to business growth and job creation in a variety of ways, depending on the particular conditions in a neighborhood and the needs of the manufacturers. Given current pressing demand and projected growth in the I&M sector, as well as strong popular support for a more equitable and diverse economy, the City should adopt a policy that seeks to achieve no net loss of I&M space.⁵

To achieve this goal, the City needs to put in place an array of land use policies to stabilize manufacturing land and encourage investment by both tenants and building owners. Because of the extraordinary diversity of both the sector and the city, multiple land use strategies are necessary to create jobs and balance competing demands for space. The most critical new tools include:



- Industrial Employment Districts, a zoning designation which would be mapped in the areas with the largest concentrations of I&M jobs. These would restrict development of hotels, self-storage, large scale retail, offices that are not connected to an industrial use, and other non-industrial uses which can lead to speculation and displacement;
- Balanced Mixed Use Districts, a zoning designation which would be mapped in areas that have a mix of industrial, commercial and/or residential uses and that would include balancing mechanisms to prevent industrial uses from being priced out by higher-paying uses;
- An Industrial Retention and Relocation Fund to support replacement space and aide viable displaced companies; and
- Reform of the Board of Standards and Appeals to reduce the use and impact of zoning variances and special permits that are now often used as a form of “backdoor rezoning” that rewards speculation and accelerates industrial displacement.

⁵Meaning no net loss of M-zoned building square footage.

3. Improve Business Services for the Industrial and Manufacturing Sector

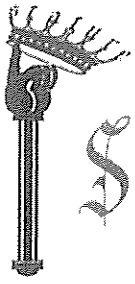
Currently, a network of Local Development Corporations (LDCs) and Community-Based Organizations (CBOs) provides critical services to local I&M companies through the Industrial Business Zone (IBZ) Program. They play a vital role in the city's growth and job creation efforts by helping businesses to operate, expand, navigate government bureaucracies, and create jobs that remain in New York City. Their role in job retention includes creating and strengthening pathways to employment for residents, and acting as ombudsmen between industrial businesses and their surrounding residential communities. Funding

for IBZ service providers has been cut over the years, and their financial uncertainty prevents them from initiating projects that fully capitalize on the strengths of their communities. The funding to service providers should be increased to allow them to: expand their services to include industrial real estate development; support sustainable business practices; and development creative strategies to reduce trucking and waste, increase recycling, improve the appearance of their catchment areas, and strengthen the relationship between residents and local businesses.

4. Support Non-Profit Industrial Development to Manage and Modernize Industrial Space

Both the Greenpoint Manufacturing and Design Center (GMDC) and the Brooklyn Navy Yard (BNY) Development Corporation have demonstrated the potential contribution of non-profit organizations to address a critical component of the City's economic growth strategy. Non-profit organizations have come to play a major role in the development and preservation of affordable housing, and with support can play a similar role in providing affordable Industrial and Manufacturing space. Organizations such as the East Williamsburg Valley Industrial Development Corporation (EWVIDCO), Cypress

Hills LDC, and Fifth Avenue Committee are engaged in efforts to replicate the non-profit management model but are challenged by their lack of equity or risk capital to finance their initiatives. The de Blasio Administration can help close these gaps and build the capacity of this sector by creating new financing tools for the acquisition and maintenance of industrial properties, incorporating a preference for non-profit developers when the city sells or leases property, and improving the management of its own industrial assets such as the Brooklyn Army Terminal.



Simple Stature

June 18, 2014

The Honorable Bill de Blasio
Mayor, City of New York
City Hall
New York, New York 10007

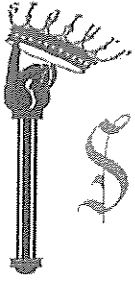
Re: NYS Business Solutions Industrial & Manufacturing Business Funding

Dear Mayor de Blasio,

We are writing to you today from Simple Stature, a minority and woman owned business based in Brooklyn, New York specializing in creative and custom design apparel and accessories. Simple Stature was started in April 2012 by me and my partner Ken Fleming. He and I both have a diverse background which makes Simple Stature what it is and what it has become today.

Everything, from start to completion of an order is handled by us. We have very strict beliefs in providing exceptional service to our customers and that has given us an advantage over the rest of the pack. In a market that is as saturated as designer apparel, you need something that sets you apart and we have it. Simple Stature grew quicker than we both anticipated and we were able to meet those demands and expand accordingly. We were in the process of occupying the basement of my father's building which is located off the boardwalk in Coney Island. It wasn't anything spectacular, just a room in a basement to fit our machinery and stock, but it was ours.

If you ask any New Yorker if they could've imagined the severity of what Hurricane Sandy would bring, I don't think anyone would've anticipated the damage and devastation that could happen over a couple of days. You are so used to seeing it in other parts of the country and the world, but could never imagine it happening in your own backyard. My father has had his building in Coney Island for over 12 years and prepared for the storm the best he could. Words cannot adequately express the destruction of Hurricane Sandy. I have pictures to memorialize the damage that Sandy wreaked on Coney Island and its surrounding areas. The following morning, the block was still flooded and the building was filled with water up to the 2nd floor of the 3-story building. The storm surge took our steel door right off the hinges and the basement was completely filled with water. All of the contents of the basement had either floated away or were left floating in the room. You can never realize how one day can erase everything you had worked so hard for.



Simple Stature

Page Two
June 18, 2014

During the aftermath of Hurricane Sandy is when we first contacted BOC Capital for assistance with disaster recovery. We worked very closely with Kevin Chu and he helped us with everything that was required. From paperwork, to site inspections before and after the loan process, BOC Capital were our biggest supporters and believed that Ken and I could rebuild the business and make it even better than before. We even became their official "Business Disaster Recovery Loan Recipients". While other financial institutions would've turned us away for not meeting their requirements of having an established business for two (2) years with financial statements and projections, BOC Capital welcomed us and helped us get the necessary funding to rebuild our company.

BOC Capital also became involved with Kiva, an organization based on peer-to-peer lending and Simple Stature was chosen to be their Hurricane Sandy recovery recipient. We had three (3) months to fund our loan based on our story that Kiva community members would read. They had no prior knowledge of who we were, but based on BOC Capital's backing and support we were able to meet our fundraising goal. With that additional funding we were able to add the necessary stock and supplies back into the company.

To give you a more accurate depiction of how Simple Stature has grown.....in 2012, our total sales was \$12,633.00.....in 2013, our total sales was \$25,632.99.....and to date, our total sales are \$24,759.08. Ken and I are looking to hire staff to put together a sales and marketing team to bring Simple Stature to the forefront of the fashion market. Our website, www.simplestature.com, is being updated with our newest products and designs along with the events we participate in. We currently sponsor a bullying program based in Staten Island and make the shirts that are sold to further this worthwhile cause. As much as making a dollar is great, it is even more rewarding to be able to give back to our community.

Mayor de Blasio, this is just a brief overview of how BOC Capital has helped us and we are only one of many companies that BOC Capital has assisted. The funding they are requesting is a NECESSITY for businesses like ours to grow and be able to thrive. We come from the greatest city in the world and without BOC Capital we would not be able to be where we are today.

We thank you for your time.

Sincerely,

Maria A. Stasek



TRANSPORTATION • LOGISTICS • FULFILLMENT

March 19, 2014

Alicia Glenn
Deputy Mayor for Housing and Economic Development
City Hall
New York, NY 10007

Dear Deputy Mayor Glenn:

I am writing to support the expansion of funding for the NYC Business Solutions Industrial & Transportation Providers, the City's primary program for providing direct, locally-provided technical assistance to small, industrial businesses. BOC Network is the service provider for the Maspeth Industrial Business Zone (IBZ) which has been a critical resource for local companies, helping them to operate, expand, and create jobs in New York City. In Mayor de Blasio's preliminary FY 2015 budget, funding for the industrial providers has been eliminated. The work of BOC Network is essential to the success of industrial businesses and the Maspeth Industrial Business Zone and I urge the City to expand this funding.

BOC has been invaluable to our ability to grow in New York City. Our company, Axis Global Systems, located in the Maspeth Industrial Business Zone, is a provider of shipping and logistics services to companies moving sensitive, time-critical freight. BOC Network was able to connect us with the City's free recruitment services, industry-specific training for our Call Center, and tax incentives to help us save money. We are also a member of the Maspeth Industrial Business Association (MIBA), a project of BOC Network. The Maspeth industrial area has historically been underserved by public transportation, hindering the ability of businesses to attract and retain employees and diminishing their capacity for economic growth. MIBA has embarked on a public transportation study, including a sample survey of 100 businesses, to make recommendations for service prioritization and improvement and make Maspeth a better place to do business.

Speaking as a business that has benefitted from BOC's knowledge of City programs and tax incentives to help us grow our business, we respectfully urge you to restore funding to support the Business Outreach Center Network so they can continue to offer the expertise and experience that keep companies like Axis Global Systems operating in the City.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas LoPresti", written in a cursive style.

Thomas LoPresti
Managing Director

cc: Council Member Elizabeth Crowley
Council Member Antonio Reynoso
Maria Torres-Springer, NYC Department of Small Business Services
Kyle Kimball, NYCEDC
Queens Community Board 5
Queens Community Board 2
Nancy Carin, Business Outreach Center Network

WelPak



Fine Art Packing, Moving & Storage

www.welpakcorp.com

March 19, 2014

Alicia Glenn
Deputy Mayor for Housing and Economic Development
City Hall
New York, NY 10007

Dear Deputy Mayor Glenn:

I am writing to support the expansion of funding for the NYC Business Solutions Industrial & Transportation Providers, the City's primary program for providing direct, locally-provided technical assistance to small, industrial businesses. BOC Network is the service provider for the Maspeth Industrial Business Zone (IBZ) which has been a critical resource for local companies, helping them to operate, expand, and create jobs in New York City. In Mayor de Blasio's preliminary FY 2015 budget, funding for the industrial providers has been eliminated. The work of BOC Network is essential to the success of industrial businesses and the Maspeth Industrial Business Zone and I urge the City to expand this funding.

BOC has been invaluable to our ability to grow in New York City. Our company, WelPak, located in the Maspeth Industrial Business Zone, is a shipping and logistics company of fine art and furnishings. To create sustainable new employment and business opportunities to low-income individuals and families, BOC was awarded funds from the Community Economic Development (CED) program to provide technical and financial assistance to our company, allowing us to maximize our growth and create 15 full-time jobs with career growth potential. To increase our growth, we received a low-interest rate loan for \$200K through BOC Capital to perform capital improvements and expand our warehouse.

Speaking as a business that has benefitted from BOC's knowledge of City programs that could help us and identified City agencies we could with; that has relied on them for financing that we could not obtain from other sources; and that has provided technical assistance we needed, we respectfully urge you to restore funding to support the Business Outreach Center Network so they can continue to offer the expertise and experience that keep companies like WelPak operating in the City.

Sincerely,

Tom Ryan
Owner

WelPak



Fine Art Packing, Moving & Storage

www.welpakcorp.com

cc: Council Member Elizabeth Crowley
Council Member Antonio Reynoso
Maria Torres-Springer, NYC Department of Small Business Services
Kyle Kimball, NYCEDC
Community Board 5
Community Board 2
Nancy Carin, Business Outreach Center Network



WILLIAMS

Est. 1918

38-52 Review Ave. • Long Island City, NY 11101

(Phone) 718-392-1660 • (Fax) 718-729-5106

March 20, 2014

Alicia Glenn
Deputy Mayor for Housing and Economic Development
City Hall
New York, NY 10007

Dear Deputy Mayor Glenn:

I am writing to support the expansion of funding for the NYC Business Solutions Industrial & Transportation Providers, the City's primary program for providing direct, locally-provided technical assistance to small, industrial businesses. BOC Network is the service provider for the Maspeth Industrial Business Zone (IBZ) which has been a critical resource for local companies, helping them to operate, expand, and create jobs in New York City. In Mayor de Blasio's preliminary FY 2015 budget, funding for the industrial providers has been eliminated. The work of BOC Network is essential to the success of industrial businesses and the Maspeth Industrial Business Zone and I urge the City to expand this funding.

BOC has been invaluable to our ability to grow in New York City. Our company, Williams Valve Corporation, located in the Maspeth Industrial Business Zone, is a manufacturer and distributor of high-quality industrial and commercial valves. We are looking to do a major upgrade to our warehouse and machine shop and purchase some expensive CNC and other machinery, which will ultimately lead to new hires. BOC Network was able to provide us with information about incentive programs such as ICAP and ECSP, the City's free recruitment services, the Customized Training Fund and On-the-Job Training, and information about energy upgrades and solar installation.

Speaking as a business that has benefitted from BOC's knowledge of City programs and tax incentives to help us grow our business, we respectfully urge you to restore funding to support the Business Outreach Center Network so they can continue to offer the expertise and experience that keep companies like Williams Valve Corporation operating in the City.

Sincerely,

Nick Sherman
Vice-President

cc: Council Member Elizabeth Crowley
Council Member Antonio Reynoso
Maria Torres-Springer, NYC Department of Small Business Services
Kyle Kimball, NYCEDC
Queens Community Board 5
Queens Community Board 2
Nancy Carin, Business Outreach Center Network

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 6/19/2014

(PLEASE PRINT)

Name: BARUKA Williams

Address: 50 Broad St #1125 NY, NY

I represent: ANHD

Address: 50 Broad St #1125 NY, NY

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: LUIS NAVIA

Address: _____

I represent: Brooks Brothers

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Robert S Altman

Address: _____

I represent: Self

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Laura Impenale
Address: Queens Chamber of Commerce

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Josephine Infante
Address: 355 Food Center Drive

I represent: Hunts Point Economic Development Corp

Address: 355 Food Center Drive, Bx NY 10474

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 6/19/2014

(PLEASE PRINT)

Name: Bob Bland
Address: 23 West 36th St, NYC 10018

I represent: Manufacture New York Inc.

Address: 23 W 36th St 10018

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 228

in favor in opposition

Date: 6/19/14

(PLEASE PRINT)

Name: Debra Meshok

Address: _____

I represent: LIC Partnership

Address: 27-01 QPS LIC NY

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 228 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Ernie Wong

Address: Shanghai MTS

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 228

in favor in opposition

Date: 6/19/14

(PLEASE PRINT)

Name: Elizabeth Luskin

Address: _____

I represent: LIC Partnership

Address: 27-01 Queens Plaza North
LIC, NY

Please complete this card and return to the Sergeant-at-Arms

ON
CRUTCHES

THE COUNCIL THE CITY OF NEW YORK

Appearance Card



I intend to appear and speak on Int. No. _____ Res. No. 228

in favor in opposition

Date: 6/19/14

Name: Sandy Spaeth (PLEASE PRINT)

Address: 60-06 137th Avenue, Woodside

I represent: SPAETH DESIGN NY

Address: same as above

THE COUNCIL THE CITY OF NEW YORK

Appearance Card



I intend to appear and speak on Int. No. _____ Res. No. 0228-2014

in favor in opposition

Date: _____

Name: Mike Dimerio (PLEASE PRINT)

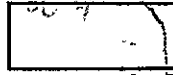
Address: _____

I represent: Linda Teal and Die Corp.

Address: Brooklyn

THE COUNCIL THE CITY OF NEW YORK

Appearance Card



I intend to appear and speak on Int. No. _____ Res. No. 0228-2014

in favor in opposition

Date: 6/19/14

Name: David Meade (PLEASE PRINT)

Address: 241 41st Street

I represent: Southern Brooklyn Industrial Development Corp

Address: 241 41st Street

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 6/19/14

(PLEASE PRINT)
Name: Deputy Borough President, Diana Reyna

Address: 209 Joralemon

I represent: Brooklyn Borough President

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 0008-2014

in favor in opposition

Date: _____

(PLEASE PRINT)
Name: Stephen Ciurmonte

Address: _____

I represent: Architectural Guide

Address: Brooklyn

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 0028-2014

in favor in opposition

Date: _____

(PLEASE PRINT)
Name: Leah Archibald

Address: 11 Catherine BK

I represent: EWUIDCO

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 0928-2014
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Stephan Hyacinthe

Address: 555 Bergen Avenue

I represent: South Bronx Overall Econ. Development

Address: 555 Bergen Ave, Bronx, NY

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: NANCY CARIN

Address: ~~85~~ Business Outreach Center Network

I represent: 85 S. Oxford St. Brooklyn,

Address: NY
11217

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: 6/19/14

(PLEASE PRINT)

Name: Aron Kurlander

Address: 90-04 161st St, Queens, Jamaica

I represent: Geste Jamaica Development Corp

Address: 11

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Adam Friedman

Address: _____

I represent: Pratt Center

Address: 200 Willow St Ave Torle

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: 6/19/14

(PLEASE PRINT)

Name: Sean Campion

Address: 110 William St 14th floor

I represent: NYC Independent Budget Office

Address: same

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 778
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Adriana Scotti

Address: 335 Adams St #2700 Brooklyn

I represent: Brooklyn Chamber of Commerce

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 228
 in favor in opposition
Date: 6/19/14

(PLEASE PRINT)
Name: Ryan Chavez
Address: 166a 22nd Street, Brooklyn 11232
I represent: UPROSE panel
Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 228
 in favor in opposition
Date: 06/19/2014

(PLEASE PRINT)
Name: Juan Camilo Osorio
Address: _____
I represent: NYC-EJA / UPROSE panel
Address: 166a 22 street, Brooklyn ny 11232

Please complete this card and return to the Sergeant-at-Arms