

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON ECONOMIC DEVELOPMENT

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April 21, 2009
Start: 11:00am
Recess: XX:XXam

HELD AT: Hearing Room
 250 Broadway, 16th Floor

B E F O R E: THOMAS WHITE, JR.
 Chairperson

COUNCIL MEMBERS:
 Albert Vann
 David Yassky
 Letitia James
 Annabel Palma
 Kenneth Mitchell

A P P E A R A N C E S

COUNCIL MEMBERS:

James Sanders, Jr.

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

Liza Kent
Grants Director
New York City Economic Development Corporation

Theresa Ward
Vice President
New York City Economic Development Corporation

Wendell Walters
Assistant Commissioner for Housing Production
New York City Housing Preservation and Development

William Martin
Committee Clerk
New York City Council Economic Development Committee

CHAIRPERSON WHITE: Good morning.

My name is Councilman Thomas White, Jr., Chairman of the Economic Development Committee. Good morning. You got it? Good morning. Good morning. I am Thomas White, Jr., Chairman of the Committee on Economic Development. Today, the Economic Development Committee will hold a hearing on pre-considered Resolution Number-- and we haven't affixed a number as of yet. A Resolution supporting the New York City's application for funding for capital projects under the Restore New York City Community Initiative pursuant to the New York State Urban Development Act for Arverne East in the Borough of Queens and Bush Terminal in the Borough of Brooklyn.

Under the New York State Urban Development Act and the Empire State Development Corporation, ESDC, Rules and Regulations, application for funding must be submitted to ESDC by the leading municipal officer, the Mayor, and, approval by the local legislative body via Resolution. The City is authorized in this round of proposals to seek funding for up to two projects and as much as \$10 million per project.

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2 The Resolution supports two
3 projects, Arverne East and Bush Terminal. Arverne
4 East, the City of New York is seeking funding for
5 infrastructure, site work and reconstruction of
6 1032-- oh, 1,032--

7 MALE VOICE: No, 103.

8 CHAIRPERSON WHITE: -- 103--

9 MALE VOICE: Two units.

10 CHAIRPERSON WHITE: Oh, 103 two-
11 unit family homes, each of which an owner-occupied
12 unit and a rental unit as part of Arverne East 1A
13 or portions of blocks 15859, 15860 and 15861,
14 located on the Rockaway Peninsula in Queens. The
15 project will be developed within, and in
16 accordance with the Arverne Urban Area/Plan,
17 URA/URP. These first 206 dwelling units are
18 expected to begin construction in fiscal year
19 2010. The project has a total projected budget of
20 55 million and the developers, Arverne East Joint
21 Venture, are applying for Affordable Housing
22 Corporation funds and will secure private bank
23 funding and have committed nine million of equity,
24 partially deferred to the project. Once
25 completed, the homes will be offered through a

1
2 lottery process to individuals, families, as
3 affordable and in accordance with the State AHA
4 Income Restrictions and a Home Association will be
5 formed.

6 Bush Terminal, the Terminal Market
7 Campus is located in Sunset Park, Brooklyn and
8 bounded by 41st Street, First Avenue, 52nd Street
9 and the Gowanus Bay. It is part of an urban
10 neighborhood with high economic stress. The
11 Campus has played a role of a sanctuary for
12 industrial businesses that have been forced out of
13 the higher priced locations. The Campus falls
14 within several federal, state and local zones that
15 make it eligible for a variety of incentives. It
16 is a New York State Brownfield Opportunity Area, a
17 New York State Empire Zone, a Federal New Market
18 Tax Credit Eligible Area and part of the local
19 Southwest Brooklyn Industrial Business Zone.
20 Since 2001, the New York City Economic Development
21 Corporation has directly managed the ten
22 properties totaling 1.2 million square feet on 32
23 acres of land.

24 These properties currently support
25 almost 600 industrial-related jobs. Building 39,

1
2 40 and 45 are largely obsolete industrial
3 buildings totaling 37,100 square feet. They are
4 situated on 130,000 square foot site in the center
5 of the Bush Markel [phonetic] Terminal Campus.
6 The site is zoned to accommodate 260,000 square
7 feet of high industrial space, which provide for
8 an opportunity to bring a new modern industrial
9 building to the Campus. Ten million is being
10 sought by EDC and the funds will be put towards
11 the demolition of the existing buildings,
12 asbestos removal and upgrading of power, water and
13 sewer infrastructure and construction of a new
14 building.

15 I want to thank everyone for their
16 participation in this morning hearing. And, we
17 look forward to hear about this important
18 legislation. At this time, I would like to call
19 on Theresa Ward [phonetic], New York City Economic
20 Development Corporation. And, Lisa Kent
21 [phonetic] and Wendell Ward-- Wendell [phonetic]
22 Walters from HPD. Lisa Kent is from EDC.

23 LIZA KENT: Good morning.

24 CHAIRPERSON WHITE: Good morning.

25 LIZA KENT: You gave such a nice

1
2 introduction. We'll try to keep our descriptions
3 short so that we don't repeat what you've said.
4 My name is Liza Kent. I'm Grants Director at the
5 New York City Economic Development Corporation. I
6 have worked on nomination of eligible projects for
7 possible funding under the New York State Grant
8 program called Restore New York. With your
9 support and approval on or before the May 4th, 2009
10 deadline, New York City will submit an application
11 for funding for the two projects that you
12 described, Bush Terminal Industrial Campus and
13 Arverne East.

14 To begin our testimony today, I
15 will provide some brief background on the Restore
16 New York program and criteria. And, after that,
17 the project managers from EDC and HPD, Theresa
18 Ward and Wendell Walters, will provide information
19 and answer any questions on the proposed projects.

20 As you may know, Restore New York
21 is a relatively new program. It was announced by
22 the State in August of 2006. And, it authorized
23 ESDC to provide funding for municipalities for
24 demolition, deconstruction, rehabilitation and/or
25 reconstruction of real property in furtherance of

1 local revitalization and redevelopment efforts.
2 The State funded Restore New York for \$300 million
3 over three years. This is the final year of the
4 program. And, there is \$150 million allocated for
5 the whole State for this year. As you mentioned,
6 New York City is permitted to submit applications
7 for up to two projects for up to \$10 million per
8 project.
9

10 Restore New York offers 90% State
11 reimbursement for eligible projects. They must
12 involve vacant, abandoned, surplus or condemned
13 commercial and/or residential buildings within the
14 municipality's control. Under the program,
15 special consideration is given to projects located
16 in economically distressed urban areas, Brownfield
17 Opportunity Areas or Empire Zones. The guidelines
18 provide a specific allowable cost per square foot
19 for demolition and reconstruction. And, the
20 Restore New York scoring system includes a maximum
21 of 115 points, providing up to 15 points for
22 economic distress; 25 points for location in the
23 specific designated zones, up to 40 points for
24 achieving Restore New York program goals, which
25 include improving housing, inducing commercial

1 investment and revitalizing urban centers; 20
2 points for project readiness and feasibility and
3 15 points to be awarded at ESDC's discretion.
4

5 And, as we know, the final round of
6 the program was announced February 5th. We were
7 required to file a notice of intent to apply on
8 March 9th, which we have done. And, the
9 applications are due on May 4th.

10 At this point, the project managers
11 for each project are available to provide a brief
12 project description and answer any project
13 questions. We have Theresa Ward from EDC and
14 Wendell Walters from HPD.

15 THERESA WARD: Thank you. Good
16 morning, Chairman White and members of the
17 Economic Development Committee. My name is
18 Theresa Ward. I'm a Vice President at New York
19 City Economic Development Corporation. And, I'm
20 the manager of development at the Bush Terminal
21 Industrial Campus.

22 The Campus was developed by Irving
23 T. Bush and completed in 1905. And, at that time,
24 it was one of the largest intermodal shipping,
25 warehousing and manufacturing centers in the

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2 United States. Following World War II, industry
3 in the area declined and shipping operations moved
4 to New Jersey. And, as a result, activity at the
5 Campus declined and parcels were sold off. The
6 City currently owns the 32-acre portion of the
7 original Campus and is adjacent to the future Bush
8 Terminal Piers Park, which begins remediation this
9 year. A circulation plan is being carefully
10 designed to segregate park access from the
11 industrial campus.

12 And, the Campus is zoned M3-1,
13 which is a heavy industrial zoning. And, it is
14 also in an industrial business zone. About 50% of
15 the businesses in the Campus are warehousing
16 businesses; 40% are manufacturing and the
17 remainder is industrial-related office and retail.

18 The subject of the Restore New York
19 grant today is a development site located in the
20 central portion of the Campus. And, as mentioned,
21 the site is 130,000 square feet and there's three
22 small buildings, 37,100 square feet. Zoning
23 allows a 2.0 floor area ratio, which means up to
24 260,000 square feet of industrial space could be
25 built on this site. And so, it's currently

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2 underutilized and is therefore, a significant
3 opportunity to develop a modern industrial green
4 building on the site.

5 EDC released a request for
6 proposals for this site in March 2007. The goal
7 was redevelopment of a new industrial building or
8 buildings, with job-intensive businesses,
9 preferably that would make use of the rail that
10 connects to a float bridge at 51st Street, which
11 transports cargo back and forth from the
12 Greenville Yard in Jersey City.

13 EDC received five proposals; two
14 are considered high quality responses that
15 provided significantly more jobs than what exists
16 now. And, one is a distributor that would employ
17 up to 120 employees onsite. The other is an
18 industrial business that could utilize the rail
19 access and employ up to 150 employees onsite.
20 Both businesses have committed to build at least
21 100,000 square feet of industrial space.

22 The following page of the testimony
23 has a map of the Campus.

24 The site presents a unique
25 opportunity, since it is very difficult to find

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2 large transit-accessible industrial land sites in
3 New York City. Currently, there are three
4 businesses situated on the site employing
5 approximately 15 people. And, those tenants are
6 on month-to-month agreements.

7 Both proposals are being
8 considered. But, our task now is to identify the
9 funds for infrastructure replacement to facilitate
10 this new development project. Conditions on the
11 Campus are not conducive to new development. The
12 infrastructure is over 100 years old and not
13 sufficient to allow for modern, job-intensive
14 industrial operations and the reliability is poor.
15 For example, within the past two years, one of the
16 feeders from our electrical substation failed and
17 that cost EDC a million dollars to repair it.
18 And, the southern half of the Campus was without
19 electricity for four days. A private developer or
20 a business cannot be expected to assume a site
21 with such risks.

22 The grant of \$10 million in Restore
23 New York funds would allow EDC to commence
24 replacement of the infrastructure within one year
25 of the award. The improvements are 90% designed

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2 and contractor selection could take place in a
3 matter of months. EDC would replace the
4 electrical substation, water main, gas main and
5 all the feeders. And, demolition of the existing
6 buildings and asbestos abatement would prepare the
7 site for development. Overall, it should be
8 noted, the Campus needs \$33.6 million in
9 infrastructure improvements in order to function
10 as a quality industrial campus. And, according to
11 Restore New York grant guidelines, \$10 million is
12 the maximum request allowed. And, we're
13 requesting the full ten million to meet the
14 portion of Campus infrastructure that relates to
15 this development site and remediate and demolish
16 the existing buildings.

17 EDC has explored several options
18 for funding this need, including selling parcels
19 of the Campus to private parties and using the
20 proceeds from these sales to pay for site-wide
21 infrastructure. However, City ownership of
22 industrial campuses, such as the Brooklyn Army
23 Terminal and the Brooklyn Navy Yard, have been
24 successful over the long term in preserving
25 affordable industrial space on the Brooklyn

1 waterfront. Therefore, we're seeking grant money
2 to complete the necessary infrastructure work
3 instead of selling off portions of the Campus.
4

5 Without the grant funding for
6 demolition, remediation and infrastructure, this
7 site will not attract private investment and the
8 Campus will continue to operate at a loss,
9 threatening its long term viability. The
10 development of this site is a key step in
11 revitalizing the Campus and would also accomplish
12 goals set in several community and comprehensive
13 plans, such as the Sunset Park Waterfront Vision,
14 the Sunset Park 197A Plan, PlaNYC and the New York
15 City Industrial Policy, all of these include one
16 or more goals of protecting and growing industrial
17 employment, promoting comprehensive infrastructure
18 improvements and promoting green practices.

19 Based on this testimony, I hope you
20 approve the Resolution before you in support of
21 the City's application for the Restore New York
22 grant. And, thank you for your time this morning.

23 CHAIRPERSON WHITE: Thank you.

24 WENDELL WALTERS: Good morning,
25 Mr. Chairman and members of the Committee. My

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2 name is Wendell Walters. I'm Assistant
3 Commissioner for Housing Production at New York
4 City's Housing Preservation and Development
5 Agency, HPD. I'd like to begin with a brief
6 background on the Arverne Urban Renewal Area, or
7 URA, and the Arverne East Projected located in Far
8 Rockaway, Queens.

9 Arverne was a thriving beachside
10 bungalow community through the first half of the
11 20th century. It was cited as a recreational
12 getaway for City residents. Unfortunately, the
13 area lost its appeal, leading to disinvestment,
14 which resulted in a deteriorating housing stock
15 and ultimately culminating in the declaration of
16 Urban Renewal Area. By 1964, 308 acres in Arverne
17 were declared a Urban Renewal Area and the
18 remnants of the once-thriving community were
19 cleared in the 1970s.

20 The land remained vacant for
21 decades as several prior attempts to revitalize
22 and invest in the community had failed to come to
23 fruition. The vacant portion of the Arverne URA
24 is arguably one of the largest most underutilized
25 assemblages of land remaining in the City.

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2 In 1998, HPD, in collaboration with
3 the local Community Board, and Department of City
4 Planning, aided by a market study, laid out the
5 design of a future use of the URA. This analysis
6 defined the community's goals for the site and the
7 feasibility of implementing these goals in order
8 to produce a mixed use development that includes
9 housing and economic development opportunities.

10 One of the first steps in seeing
11 this vision through was to conduct an
12 environmental impact statement, EIS, and initiate
13 the Uniform Land Use Review, our procedure ULURP,
14 application for the redevelopment of the Arverne
15 URA. As indicated earlier, the market study and
16 dialogue with the Community Board and the
17 Department of City Planning were the basis by
18 which HPD developed a program for redevelopment
19 and was incorporated into the EIS and ULURP
20 application. To accomplish our objectives, the
21 ULURP included changes to both the zoning and City
22 map.

23 The final EIS was completed in
24 October 2003 and the ULURP application was
25 approved in December of 2003. Since securing the

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2 public approvals, HPD has been leading the
3 redevelopment plans in the Arverne URA with our
4 development partners. Our objective is to restore
5 the Rockaway Peninsula to its former status as a
6 world-class beachside community and one of the
7 City's premier locations to live, shop and visit.

8 As stated, the easternmost portion
9 of the Arverne URA is known as Arverne East. The
10 site consisted of approximately 81.5 acres and is
11 generally located on the south side of Edgemer
12 [phonetic] Avenue between Beach 32nd Street and
13 Beach 44th Street. In August 2005, our agency,
14 HPD, issued a request for proposal, RFP, for the
15 redevelopment of this eastern section of the URA.
16 Through competitive review, HPD saw the
17 redevelopment plan that would stimulate further
18 investment in the community.

19 In addition to furthering the goals
20 of the Mayor's New Housing Marketplace Plan by
21 adding a range of quality housing options to meet
22 the City's housing needs, the proposal was to
23 demonstrate the integration of several additional
24 features; open space elements, retail
25 opportunities, transit-oriented development, in

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2 the way best serving the community that also
3 respected the environmental sensitivities of the
4 area as outlined in the EIS.

5 After lengthy review of proposals,
6 interviews with prospective developers, HPD
7 designated the joint venture partnership of the
8 Bluestone Organization, L&M Development Partners
9 and Triangle Equities to develop the project.

10 Today's hearing specifically
11 pertains to Phase 1A of Arverne East development.
12 As Liza mentioned, the City of New York has
13 submitted an intent to apply to the Empire State
14 Development Corporation for a Restore New York
15 Communities Initiative Grant for \$10 million for
16 the reconstruction of 103 owner-occupied two-
17 family houses, which will result in 206 total
18 dwelling units. This phase of the Arverne East
19 project is located between Beach 32nd Street and
20 Beach 36th Street, with a northern boundary at
21 Edgemer Avenue and southern boundary at Sprayview
22 [phonetic] Avenue. Phase 1A, in its entirety, is
23 located within the Rockaway Empire Zone, further
24 illustrating that this project is situated in a
25 area targeted for investment.

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2 The total project budget or
3 investment associated with Phase 1A is estimated
4 to be about \$55 million.

5 The reconstruction of the 103 two-
6 family homes in Phase 1A will require both
7 extensive site work and infrastructure. Arverne
8 East Phase 1A will include infrastructure upgrades
9 for outdated roadways and sewers, as well as the
10 construction of new private sewers and streets.
11 Phase 1A construction is expected to commence late
12 next year, 2010.

13 Due to the unprecedented state of
14 the housing market, particularly home ownership
15 market, the Restore New York grant is a great
16 opportunity for the City to obtain an alternate
17 source of funding. This will allow HPD and the
18 Development team to go forward with Phase 1A of
19 the project and will induce the next phases of the
20 Arverne East, which includes the development of a
21 commercial center.

22 The 103 two-family homes will be
23 publically marketed as affordable and made
24 available through a lottery to potential
25 purchasers who qualify under the program's income

1
2 restrictions. It is currently estimated that the
3 homes will be affordable to a typical family of
4 four, with a household income ranging from
5 approximately \$68,000 to \$102,000. That's
6 household income. As part of the program
7 agreement to be executed between the City and the
8 Arverne East Development Team, there will be
9 owner-occupancy requirement imposed on any units
10 receiving City, State or Federal subsidies. New
11 York State Affordable Housing Corporation funds
12 will be targeted for subsidy to achieve lower
13 sales prices for qualified purchasers.

14 Phase 1A is the first phase of a
15 larger Arverne East project. Arverne East will
16 have up to 400,000 square feet of commercial
17 space, including local shops, restaurants, a
18 supermarket and entertainment opportunities.
19 Retail will be served by two transit stations
20 onsite, as well as approximately 1,000 public
21 parking spaces. As a critical component of the
22 Mayor's New Housing Marketplace Plan, Arverne East
23 will also provide up to 1,600 total new dwelling
24 units. The proposed mixed-income neighborhood
25 will also include a variety of community parks,

1
2 community facilities and a 35-acre beachfront
3 preserve. Additionally, pedestrian usage is
4 encouraged by creating a lighted mall under the
5 elevated train and incorporated streetscape
6 enhancements, such as landscaping and installation
7 of bike sheds.

8 As indicated, the commencement of
9 Arverne East Phase 1A will help induce future
10 commercial and residential investment in the
11 project and surrounding neighborhood. The first
12 Phase of redevelopment, the construction of homes
13 is instrumental to development of the overall
14 Arverne East project as the first step in
15 revitalizing this beachfront community. Thank
16 you.

17 CHAIRPERSON WHITE: Thank you.
18 This project, is it connected to, or not too far
19 from, Arverne of the Sea?

20 WENDELL WALTERS: It is part of the
21 Arverne Urban Renewal Area, which encompasses two
22 large-scale projects, Arverne by the Sea, as you
23 mentioned, and Arverne East. There was a smaller
24 project in the middle between the two, called
25 Water's Edge, which has 103 units that's currently

1
2 in construction.

3 CHAIRPERSON WHITE: Because I mean
4 I'm familiar with Far Rockaway. And, in reference
5 to the 103 homes, I know that the current market
6 value of Arverne by the Sea is somewhere up near,
7 or it used to be, 300 to \$400,000 for those units
8 at Arverne by the Sea. And, you're talking about
9 putting some additional units not too far from
10 there, including the shopping center. And, could
11 you explain to me about the shopping center and
12 the roadway by the overpass of the train? You
13 mentioned there was going to be some commercial
14 mixed-use developed.

15 WENDELL WALTERS: There are two
16 subway stations at the Arverne East project. And,
17 as part of their proposal submitted by the
18 Development Team, we were going to redevelop those
19 important intersections in the project to create a
20 smaller commercial development to supplement the
21 subway station areas for, obviously, the riders
22 who would come off the subway station to be
23 invited into the project.

24 CHAIRPERSON WHITE: Does that
25 include the last stop on Munn [phonetic] Avenue?

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2 WENDELL WALTERS: I think the stop
3 is 32nd Street and 44th Streets. That's not the
4 last stop.

5 FEMALE VOICE: 34th.

6 WENDELL WALTERS: 34th.

7 CHAIRPERSON WHITE: 34th, okay.

8 WENDELL WALTERS: Yes.

9 CHAIRPERSON WHITE: Because the
10 last stop, I was out there Saturday in preparation
11 for this meeting--

12 WENDELL WALTERS: Um, hm.

13 CHAIRPERSON WHITE: -- is Munn
14 Avenue where the Long Island Railroad ends and you
15 got a blighted area there. Nobody shops. It's a
16 former shopping center. And, it just appeared and
17 then, you have the Arverne houses, projects. And,
18 it just seems that there's a cutoff there in terms
19 of the planning moving from maybe 32nd Street or
20 Arverne by the Sea--

21 WENDELL WALTERS: [Interposing]
22 That's where the Arverne East project starts.

23 CHAIRPERSON WHITE: Uh, huh.

24 WENDELL WALTERS: It goes from 32nd
25 Street to 44th Street.

CHAIRPERSON WHITE: Right. And--

WENDELL WALTERS: [Interposing] So, yes, further south from the project, there are areas that are underdeveloped, I would say. But, we're hoping that with our project and, of course, the continued construction of Arverne by the Sea, further up the road, we bring the total revitalization to that community and bring families, home ownership opportunities for families to help revitalize the area.

CHAIRPERSON WHITE: Okay. I really have three questions. And, I tied three questions into one. So, I'm going to state all three. How many jobs are expected to be created during the construction of each phase of this project? How many permanent jobs are expected to be created post-construction? What types of jobs will be created? And, what percentage of each type are expected to be fulltime or part time?

WENDELL WALTERS: Well, I don't have the exact numbers on the total job creation. But, there will be, I would estimate certainly with several hundred jobs for construction. And, with the advent of the commercial development,

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2 there will be considerable permanent job creation
3 going on there. We have, as I mentioned before,
4 400,000 square feet of commercial development
5 proposed for the project. So, we anticipate
6 there'll be significant job creation associated
7 with both the construction and permanent. I can
8 get back to the Committee on the exact job
9 creation numbers, if [crosstalk]

10 CHAIRPERSON WHITE: [Interposing] I
11 really would like to have that because--

12 WENDELL WALTERS: [Interposing] We
13 could provide that.

14 CHAIRPERSON WHITE: -- it's like
15 we're building these homes and then, there's a
16 loss of jobs. So, the question is who's going to
17 buy the homes. So, it's just not in terms of I
18 believe you say there's \$300 million and the first
19 \$100 million is going to be--

20 LIZA KENT: Right. This is the
21 last round of the program. In this last round,
22 150 million is available for projects around the
23 State.

24 CHAIRPERSON WHITE: Okay.

25 LIZA KENT: New York City is

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eligible for up to 20 million for two projects.

CHAIRPERSON WHITE: And, the two projects will consist of private and City?

LIZA KENT: The two projects that we're proposing are the Arverne East project and the Bush Terminal Campus Redevelopment project.

CHAIRPERSON WHITE: Okay.

WENDELL WALTERS: Mr. Chairman, I do have-- the Development Team is in the audience today. And, I didn't have those exact numbers. But, they just furnished that--

CHAIRPERSON WHITE: Okay.

WENDELL WALTERS: -- to me. It's estimated that during the course of the development of the project, we'll be developing 2,000 construction jobs and four to 500 retail jobs associated with the commercial development.

CHAIRPERSON WHITE: Okay. I'm glad to hear those numbers about jobs. And, you know, based on my concept that, and my belief that, dealing with economics that the name of the game is green. I mean I would be quite naturally leaning towards how many jobs are for minorities, etcetera. But, we're dealing with money. And,

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2 we're dealing with green. Are the individuals who
3 are going to be employed, the construction company
4 that is going to be part of developing the
5 infrastructure and all of the things, are they
6 going to be from the immediate area? Are they
7 going to be from the City of New York? So, that
8 we see that no money is leaving the City of New
9 York, going to New Jersey, Connecticut and
10 elsewhere.

11 WENDELL WALTERS: Well, this is a
12 topic that we hear a lot, certainly. And, from
13 the agency's point of view, we encourage our
14 development partners to enlist local participation
15 for their hiring, certainly for construction and
16 for permanent. I know it's been a topic of
17 discussion for the local Council Member for this
18 community, who's had extensive negotiations with
19 the Development Team on what kind of targets for
20 local hiring will be implemented for the project.
21 The Development Team is also committed to bringing
22 a job training program to the project, as well.
23 It was included in their RFP submission to our
24 agency for community outreach. And, it's my
25 understanding that they'll be living up to those

1 obligations.

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3 CHAIRPERSON WHITE: They'll be
4 living up to those obligations pre-construction?

5 WENDELL WALTERS: Well, yeah.
6 Yeah.

7 CHAIRPERSON WHITE: In other words,
8 do we have a mechanism in which we can take a look
9 at, and my colleague, Council Member Sanders,
10 whose district that's in, is just symptomatic of
11 the entire City as it relates to employment. And,
12 we're happy to join with this project to see that
13 the land is developed. But, we also have to
14 ensure, to the best of our ability, that people be
15 given an opportunity to take advantage of the land
16 that's being developed either by home ownership
17 and, in addition to home ownership, job creation.
18 So, I would like to know what is going to ensure
19 that the proper outreach meets the standard of
20 proper outreach to the community and businesses in
21 the community and to companies that are from New
22 York City?

23 WENDELL WALTERS: Again, our job at
24 HPD is to encourage this kind of local
25 participation. I don't think it's the agency's

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2 role to dictate percentages. But, we want to make
3 sure that there is involvement from the community,
4 just like we involved the community when we were
5 developing the overall planning project for this
6 Arverne Urban Renewal Area. In terms of the
7 specific job targets, I know the Development Team
8 has a lot of experience dealing with that around
9 the City. But, have also had discussions with the
10 Councilman whose, obviously, joined us here this
11 afternoon, to talk about those kind of targets
12 associated with the project. So, I would leave it
13 to him and the Development Team to speak to those
14 agreements.

15 CHAIRPERSON WHITE: Well, yeah.
16 And, I'm going to turn it over to my colleague,
17 Council Member Sanders, who just joined us. But,
18 it may not be HPD's responsibility to see to it
19 that people live up to their agreements, only
20 their expectation. I'm not dealing with
21 expectation. I'm dealing with very definite
22 commitments, as any contract would have. And,
23 maybe we have to write it or have it written into
24 the contract or an addendum to the contract.

25 But, people are hurting and people

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2 need jobs. And, this is not business as usual,
3 not only in the City of New York, the State of New
4 York or throughout the nation. And, we have to
5 make sure that the dollars that are being put
6 forth on any construction, whether it be building
7 a bridge, rebuilding the bridges or whatever the
8 case may be, that we view it as a stimulus because
9 the City's hurting. People are hurting. They
10 need jobs. They need to pay their mortgages. So,
11 we can't do business as usual in an unusual
12 situation.

13 So, we're going to have to begin to
14 take a look at what we could do to make
15 responsible modifications to those projects that
16 offer promise to the building of the City, but
17 also offer opportunity to people that live in the
18 City and opportunity to earn a living and to pay
19 their bills and to keep their homes. At this
20 opportunity, I'd like to turn it over to my
21 colleague, Councilman James Sanders.

22 COUNCIL MEMBER SANDERS: Thank you.
23 Thank you, Mr. Chair. I can only concur at how--
24 what you've said and how forceful you've said it.
25 Both of us come from communities where we are held

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2 responsible that all of these things happen around
3 us. And, our neighbors and bosses usually don't
4 get a chance to participate and the poor
5 Councilman is walking down the street and he can't
6 even walk in peace.

7 So, I ask that you forgive the zeal
8 in which we speak. It's just that it's kind of
9 nice going home and being able to get in to your
10 house without ten or 12 of your constituents
11 saying that we are not doing right for the City.
12 I, again, want to welcome, good morning, good
13 morning all. I apologize for being late. It's
14 several hearings going on and a lot of stuff
15 happening. I just took this opportunity to
16 reaffirm a desire, a commitment that we have made
17 earlier on the 12th of August, 1908 (sic). I just
18 wanted to reconfirm that commitment that was made.

19 And, as an aside, Mr. Chair, I want
20 to say that every megaproject of this City needs
21 to have a community benefits agreement. Every
22 mega-development should have one. We should not
23 be doing this piecemeal. The proper agencies that
24 should be doing this, of course, is either the
25 EDC, the Department of Small Business Services,

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2 perhaps, HPD. It should not be left to a
3 community or a City Council person to do this. We
4 may overshoot our goal. We don't know as much as
5 these other agencies what's in the pocket of the
6 developer. Imagine if we overshoot and we think
7 that we can get more and we sink a project that's
8 worthy because we didn't know what to ask for.
9 Or, worse, we request far too little for the
10 people of New York.

11 And, it's not really ours to do.
12 These three agencies, one of them, I implore, I
13 continue to implore, our Mayor to lead on this
14 effort. This is not my first conversation with
15 him or them on this issue. I just continue to
16 implore. With that in mind, with your permission,
17 sir, I'd like to read a letter into the record
18 that I have received from the Arverne East
19 Development Corporation, which speaks of the
20 community benefits agreement that we have worked
21 out in our local community.

22 CHAIRPERSON WHITE: My pleasure.

23 COUNCIL MEMBER SANDERS: Dear
24 Council Member Sanders, This will affirm the
25 developers-- let's try that again. This will

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2 affirm the developer's commitment to a 20% hiring
3 goal of subcontracting and/or consulting
4 opportunities to women, minority and local
5 business enterprises. The developer will set up
6 an Advisory Board to facilitate the implementation
7 of these goals with one-third of the seats on the
8 Board to be selected by the Councilman
9 representing Arverne. The developer will work
10 with the Councilman, City Hall, New York City
11 Workforce Development Program, in conjunction with
12 LaGuardia Community College, to bring job training
13 in the construction trades to the Rockaways and
14 the Arverne East project. Yours truly, Susan Fein
15 [phonetic] from Arverne East.

16 This agreement is acceptable. And,
17 this is the agreement that we reached on the 12th
18 of August. I just wanted to have a chance to hear
19 everyone lay their hands on the Bible, the Talmud
20 and every other good book that we know and restate
21 that we still believe in these cherished
22 positions. With that, I encourage all of my
23 colleagues to vote in favor of this Arverne East
24 proposal and, as I will vote in favor of it.

25 CHAIRPERSON WHITE: Thank you very

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2 much. And, before I call the vote, you heard the
3 Council Member read the statement for the record.
4 Do you have any problem with the statement that
5 has been read in the record? HPD?

6 WENDELL WALTERS: No, I do not.

7 CHAIRPERSON WHITE: EDC?

8 LIZA KENT: No. The statement
9 sounds fine.

10 THERESA WARD: Yes, the statement
11 sounds fine.

12 CHAIRPERSON WHITE: Okay. That
13 being fine, as well as the fact that I'm going to
14 ask Council Member Sanders to submit that
15 documentation to the legal counsel.

16 COUNCIL MEMBER SANDERS:
17 Absolutely.

18 CHAIRPERSON WHITE: Perhaps I'll
19 take a look at it and perhaps it could be the
20 framework of future presentations in community
21 benefits. So, that being said, are we ready to
22 vote? Call the roll.

23 WILLIAM MARTIN: William Martin,
24 Committee Clerk. Roll call on the Committee on
25 Economic Development, pre-considered Resolution.

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Council Member White.

CHAIRPERSON WHITE: Yes.

WILLIAM MARTIN: Vann.

COUNCIL MEMBER VANN: Yes.

WILLIAM MARTIN: Yassky.

COUNCIL MEMBER YASSKY: Yes.

WILLIAM MARTIN: James.

COUNCIL MEMBER JAMES: Yes.

WILLIAM MARTIN: Palma.

COUNCIL MEMBER PALMA: Yes.

WILLIAM MARTIN: Mitchell.

COUNCIL MEMBER MITCHELL: Yes.

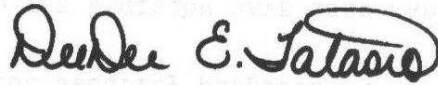
WILLIAM MARTIN: By a vote of six
in the affirmative, zero in the negative and no
abstentions, item is adopted. Council Members,
please sign the Committee Report. Thank you.

CHAIRPERSON WHITE: I want to thank
you for attending the meeting and with your
presentation. And, the Economic Development
meeting is adjourned.

C E R T I F I C A T E

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

Signature

A handwritten signature in cursive script that reads "DeeDee E. Tataseo". The signature is written in black ink and is positioned above a horizontal line.Date May 1, 2009