

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC
DEVELOPMENT

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Thursday, March 23, 2023

Start: 11:43 p.m.

Recess: 2:00 p.m.

HELD AT: Committee Room, City Hall

B E F O R E: Amanda Farías, Chairperson

COUNCIL MEMBERS:

Alexa Avilés

Jennifer Gutiérrez

Ari Kagan

Kevin C. Riley

Rafael Salamanca, Jr.

Inna Vernikov

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

Andrew Kimball
President and CEO
NYC Economic Development Corporation

Michael Bilbrew
Proclivity World

Gregory Morris
Chief Executive Officer
NYC Employment Training Coalition

Ms. Valdez
Mothers On The Move

Catherine Murcek, Worker-Owner
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Barry Pinckney, Senior Project Manager
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Director Corporate Development Program
The Center for Family Life in Sunset Park

Karina Kaufman-Gutierrez
Deputy Director
Street Vendor Project

SERGEANT AT ARMS: Good morning and welcome to today's meeting on Economic Development. At this time, please place electronic devices on silent and vibrate mode. Thank you for your cooperation. Chair we may begin.

CHAIRPERSON FARÍAS: Good morning, everyone and welcome to today's hybrid budget hearing on the fiscal 2024 preliminary budget for New York City Economic Development Corporation. My name is Amanda Farías, and I am the Chair of the Council's Committee on Economic Development.

Today we will be hearing from NYC EDC on their fiscal 2024 preliminary commitment plan, their 10-year capital strategy, and updates on their fiscal 2022 investment projects.

In addition to the NYC EDC capital projects, NYC EDC also manages capital projects for other agencies. The agency also oversees much of the discretionary economic development investment projects, which involve advisory and financial assistance from EDC. Each of these programs should support and be well integrated with one another to properly execute the city's economic development and vital infrastructure goals. We will examine to what extent this is

occurring, where improvements can be made, and the overall feasibility of NYC EDC's capital investment program.

NYC EDC is the city's primary agent for economic development and their principal mandate is to encourage investment and to attract, retain, and create jobs in New York City. As such, this committee is interested in having a robust conversation about how NYC EDC's budget, as laid out in this preliminary plan, connects to the larger job creation and economic development strategies of the city. In fiscal 2022 there were 453 total active projects that have received \$225.6 million in discretionary financial assistance from the NYC EDC. Of these 453 active projects, 22 were new in fiscal 2022, an increase from the 15 new projects in fiscal 2021. I would like NYC EDC to update us on how these projects were selected, what the aid entails, and how these projects relate to the city's larger economic development goals.

Additionally, I would also like to know if any of these projects have penalties, or have been subject to cancellation of aid or clawbacks, and what lessons were learned in those situations.

The fiscal 2024 preliminary capital commitment plan which covers fiscal 2023 to 2027 includes \$3.6 billion for NYC EDC. NYC CDC's preliminary 10-year capital strategy includes \$6.1 billion in fiscal 2024 to 2033. I would like the agency to update us on the status of large projects in all five boroughs including Hunts Point Produce Market, offshore winds Inwood Greenway, Willets Point, and new Stapleton Waterfront.

Finally, I want the agency to go over both revenue contributed by NYC EDC to the general funds and net revenue generated post contributions to the general fund. From fiscal 2019 to fiscal 2021. Net Revenue has been negative for NYC EDC with a positive \$96 million in fiscal 2022. Are there reserves that the agency falls on when there is a loss in revenue? What is the reason for the increase in fiscal 2022?

It is essential that the budget that we adopt this year is transparent, accountable, and reflective of the priorities and interests of the Council and the people we represent. This hearing is a vital part of this process, and I expect that and NYC EDC will be responsive to the questions and concerns of Councilmembers. I look forward to an active

engagement with the administration over the next few months to ensure fiscal 2024 adopted budget meets the goals the council has set out.

I would like to thank Andrew Kimball for coming here today and testifying. I would like to thank NYC EDC staff who have been consistently responsive to our many requests. We would not be able to analyze the city's budget at such a detailed level without your cooperation. So thank you.

I would also like to thank both my staff and the staff of the finance and legislative division for their help in preparing this hearing. And I'd also like to acknowledge that Councilmember Kevin Riley has joined us. Thank you. We will pass it over to the Committee Council.

COUNSEL: Good morning, Alex Paulenoff, Committee Counsel. Would the members of the Economic Development Corporation please raise your right hands. Do you swear or affirm to tell the truth, the whole truth, and nothing but the truth and your testimony today, and to respond honestly to Councilmember questions.

ALL: We do.

COUNSEL: Thank you. You may begin when ready.

MR. KIMBALL: Great, good morning, Chair Farías and members of the Economic Development Committee. Thank you for having me today. For those who don't know me, I'm Andrew Kimball, President and CEO of the New York City Economic Development Corporation, EDC. I'm joined by Jen Montalvo, my Chief of Staff

Over the last year we've worked in partnership with all of you to carry out EDCs mission, to create a vibrant, inclusive, and globally competitive economy for all New Yorkers. That's what I'll talk about today. I want to specially thank Chair Farías for her partnership along with Speaker Adams for her leadership of the Council.

Last March, I stood with Mayor Adams and Deputy Mayor Torres-Springer in Hunts Point to announce the mayor's economic blueprint for recovery, a 70-point plan across government to drive the city's economic rebound from the pandemic. Exactly one year later, the blueprint is working. We've regained 99.4% of the nearly 1 million jobs lost, and expect to surpass 2019 employment levels in the coming months. workforce participation is at its highest level since 1976, the year the government began to track this data. One in nine of all New York City businesses

opened in the last 12 months, a testament to the strength of New York City small business and startup culture, and office occupancy has doubled in the last year. But as the mayor has made very clear, getting back to the pre-COVID economy is not enough. Significant challenges lie ahead. While the unemployment rate is down overall, it is persistently higher in the Bronx than other boroughs, and in the black community with the unemployment rate for black New Yorkers four times that of white New Yorkers. We want to work closely with the Council to address this challenge head on.

And there are other clouds: With the instability the banking sector over the last two weeks, it really shone a light on the vulnerability of the 355,000 New Yorkers now in the tech sector, a sector that EDC has focused on over the last 20 years in building up, and without very strong collaboration with that tech sector, intervention by both the mayor and the governor, the federal government might not have acted as decisively as they did, and thank goodness they did. But we're obviously tracking the turbulence in that sector very, very closely. And as we work to grow the tech sectors of today and tomorrow, we must

do more to ensure equity is centered in our strategy, creating onramps for diverse entrepreneurs and workers.

And finally, as we grapple with the new reality of remote work, we must collaborate with communities across the city to ensure that they become vibrant, live, work, learn, and play neighborhoods.

Since the release of the mayor's blueprint, EDC has advanced the goals of this bold five-borough plan from investing in Hunts Point to building our life sciences and public health workforce, with SPARC Kips Bay, to transforming Willets Point.

And in December, the Mayor and the Governor executed a key component of the blueprint, announcing the new New York Panel Joint Action Plan, a set of 40 proposals intended to make New York City the best place to work and serve as a roadmap for the city's future. These proposals came after six months of work from an esteemed panel consisting of community, civic, academic, and industry leaders, co-chaired by Deputy Mayors Rich Buery and Dan Doctoroff. We appreciate the support of Speaker Adams and the Council for their support for many of the New New York priorities, including office-to-residential

conversions, and raising the 12 FAR cap to finally address our housing crisis with the urgency it needs.

To help track the city's economic recovery, EDC launched the NYC economic snapshot, a monthly report on unemployment and other key indicators, a copy of which is attached to my testimony as Exhibit A.

Still there's much to do to achieve the truly inclusive economy New York City deserves. To achieve our mission, we take a comprehensive approach through four main strategies: One, strengthen confidence in New York City as a great place to do business. Two, grow innovation industries and focus on equity. Three, build neighborhoods as places to live, learn, work and play. And four, deliver sustainable infrastructure for communities and the city's future economy.

For strengthening business confidence in New York City means ensuring that industry leaders, entrepreneurs, investors, and top talent have confidence that New York City, the world's 10th largest economy, is the best city in the world to do business.

Our business development team, a group we built up over the last two years, to maintain and grow New

York City's business footprint and create jobs has been hard at work. Over the last year the team's efforts led to over 6000 jobs created or maintained through more than 15 companies across a variety of industries. Following a successful effort in 2021, for example, to keep Jet Blue's headquarters in New York City, the company hosted a jobs fair at JFK Airport last summer, and they hired 1000 New Yorkers on the spot among 5000 Total New York City hires in 2022. We also help companies around the boroughs, from tortilla manufacturer Tacombi, which opened in Sunset Park creating 90 jobs, to Urban Hawker, a Singaporean Food Hall, that brought 100 jobs to Midtown, to Amplify, an Ad Tech company that expanded to DUMBO, bringing 175 jobs.

Last June, New York City kicked off its bid to host the 2024 Democratic National Convention, an event that can generate hundreds of millions of dollars of economic activity. EDC has also played a crucial role in showcasing all the city has to offer on a number of different efforts, including working alongside and NYC&Co, the city's tourism and events arm, to help bring the 2026 FIFA World Cup to New

York City, an event that again will showcase New York on a global stage.

Second, growing innovation industries and focusing on equity means ensuring that all the key industries succeed, and that more good jobs are available and accessible to New Yorkers, and that diverse entrepreneurs and small businesses thrive. We support emerging industries like biotech and material sciences, climate tech, AI machine learning, cyber, advanced manufacturing, and the circular economy, as well as traditional sectors EDC has supported for years, like TV and film, digital gaming, and food.

Our partnerships with CUNY and DOE are vital to creating career pathways for New Yorkers of all backgrounds. EDC has 12 active workforce projects with CUNY and DOE spanning our target industries. In offshore wind, for example, we're partnering with CUNY through \$4 million in city funding to train students at six colleges for careers in this growing, well-paying field. And then their SPARCs Kips Bay, located on the Brookdale campus and Kips Bay. A first of its kind, life sciences, health jobs, and education hub, and a city and state partnership SPARC

will bring together three CUNY schools, a two-year community college, BMCC, a four-year college, Hunter School of Nursing, and a graduate school, the School of Public Health, as well as a DOE high school, all focused on public health and biotech careers. The SPARC campus will also include two city agencies focused on public health, as well as seminar, and 50,000 square feet of private biotech companies.

The schools and their 4500 on-site students on the SPARC campus, along with private business and government agencies will form a unique ecosystem, providing exposure, internships, and apprenticeships leading to careers as entrepreneurs and workers in these fast-growing fields. Overall, the project will generate \$25 billion of economic impact over 30 years, and even more importantly, transform lives.

SPARC campus will build on our \$1 billion LifeSci New York City Initiative that also includes the LifeSci New York City Internship Program that has placed over 500 diverse students in paid internships with host companies since 2017.

And then there's our new effort to make New York City the global center for using material science to address climate change and meet the city's carbon

neutral goals. The initiative will be anchored by a first-in-the-nation incubator at the Brooklyn Navy Yard through a \$20 million Life Sciences New York City investment to support the growth of startups, and biotech, and life sciences companies.

In offshore wind we announced a deal to transform the South Brooklyn marine terminal in one of the nation's largest offshore wind-port facilities bringing jobs and workforce training for local residents, and helping the city meet its clean energy goals. Our partnership with Equinor centers on equity in the industry, and that's led by the Offshore Wind Ecosystem Fund, a \$5 million dollar grant program to support sustainable growth, workforce development, empowerment of underserved communities, and climate justice. In TAC, we launched the cyber NYC Internship Program, which facilitates paid internships building a talent pipeline for the industry, and connecting New Yorkers to this fast growing sector. Venture Access New York City Founder Fellowship kicked off in February of 2022, providing aid founders from underrepresented backgrounds with access to resources and opportunities to build and scale their companies in

New York City. Then last month, the program expanded with a \$1.5 million mayoral investment to support 100 tech founder teams.

And near Union Square, later this year, we look forward to launching Civic Hall, a hub of New York City's growing tech economy that will bring together and provide resources to 21st century job seekers, entrepreneurs, small businesses, and established companies.

Going beyond tech the Cannabis Equity fund, an EDC effort in partnership with SBS in New York State will provide low interest loans training and technical assistance to ensure that communities most deeply impacted by the War on Drugs can take advantage of the state's full release of cannabis licenses this year.

Third, delivering sustainable infrastructure, which means delivering infrastructure and buildings the city needs not just today, but also for challenges ahead, to make our city and communities more efficient and resilient to climate change. We carry out this work through our \$9 billion capital budget, mitigating the effects of climate change along waterfront communities, planning urban

mobility, innovating freight distribution, and helping to build sustainable and resilient critical services like the H+H hospital system and public libraries.

Last summer, the Mayor launched New York City Ferry Four to create a more equitable, accessible and fiscally sustainable citywide system. The plan includes reduced fares for seniors, people with disabilities, and low-income riders, a progressive fare structure, and free trip vouchers and expanded outreach to NYCHA residents. We thank Chair Farías for her partnership on new legislation to codify our discount program into law, and expand the program even further providing discounts for high school students in all five boroughs.

To help reduce traffic on our streets, New York City has awarded a \$5 million federal grant-- been awarded a \$5 million federal grant secured by EDC to upgrade six landings in New York Harbor, Manhattan, Brooklyn, and the Bronx for micromobility, moving last mile deliveries from trucks to barges and electric vehicles and bikes. We're also partnering with DOT and a broader freight master plan to get freight off the roads and onto the water.

A growing Greenway network that gets cars off the roads and people to work while improving our health and quality of life has long been at EDC priority. This year through a \$7.25 million federal grant, we're working with Parks and DOT on the city's first comprehensive greenway vision plan in 30 years, focusing on historic, historically underserved, lower income communities that lack access to affordable transportation and job opportunities.

As I said earlier, part of our mission is for a vibrant, inclusive economy. And that's only possible if equity permeates all of our work. Our efforts have already borne fruit, especially for minority and women-owned businesses. In FY 22 38% of our contract awards went to MWBEs, surpassing our internal 35% goal, and the city's 30% goal. Further awards to MWBEs in FY 2022 totaled \$310 million, a new annual record for EDC. That's money out the door. Our construct NYC program builds MWBE firms' capacity and equips them to better compete for projects. And in September of 2022, we issued an RFP laying the groundwork to expand the program beyond EDC projects, to DCAS's \$4 billion Green Retrofit Capital Project pipeline. We also launched the Offshore Wind

waterfront Pathways program to assist MWBE contractors looking to break into waterfront or resiliency work.

Now let's take a look across the five boroughs and dig into our fourth strategy: Building neighborhoods where people live, learn, work, and play. This means shaping the growth of industry clusters and business districts, bringing jobs closer to where people live, and making sure our neighborhoods serve all of New Yorkers' needs.

Starting on Staten Island on the North Shore, we're working with the community, Councilmember Kamilla Hanks, and the Council on a master plan, reactivating long-stalled projects and prioritizing housing, job creation, and waterfront public access. The plan will connect the communities of Stapleton and Tompkinsville to St. George and the ferry terminal, bringing over 2000 units of housing. Looking to the West Shore, we announced a conditional developer designation to turn the Rossville Municipal Site, an underutilized site for decades upon decades, into an offshore wind port. The site will create a job center with a focus on good manufacturing industrial jobs for local communities. The deal also

includes state funding for the College of Staten Island, to help train the next generation of professionals for offshore wind careers. And we appreciate Councilmember Borelli's support for our offshore wind work as well as Councilmember Carr.

This future development and the port underway in Sunset Park, are the first phase of enormous potential local job and supply chain opportunity in every borough around offshore wind. We'll learn more soon when the state announces proposals selected for their third round of offshore wind procurement.

In Queens we advanced the future for Willets Point that will bring opportunity to long underserved community, including the city's largest 100% affordable housing development and 40 years, and the city's first soccer specific stadium, 100% privately financed, also the city's first, overall bringing an estimated \$6.1 billion in economic activity to the city over 30 years. We thank Councilmember Francesco Moya for his partnership in this groundbreaking project.

In Jamaica, we're starting on design on a long-awaited project at Station Plaza that will bring two public plazas, increasing pedestrian safety and open

space in a key commercial corridor. And we appreciate working with Councilmember Nantasha Williams, and the downtown Jamaica task force on this project.

In Downtown Far Rockaway we opened Beach 21st, an affordable housing and mixed use development at a formerly vacant city site. This brought 224 affordable homes and infrastructure upgrades, delivering on key commitments from the downtown Far Rockaway Roadmap For Action.

In Manhattan we announced the first of its kind immigrant research and performing arts center, IRPAC. Part of the Inwood NYC Neighborhood Plan, IRPAC will offer educational and artistic opportunities rooted in equity and social justice while supporting local artists, and we thank councilmember Carmen De La Rosa for her partnership on this work.

In East Harlem archaeological work will finally soon be underway at the 126th Street Harlem African Burial Ground Memorial and Mixed Use Project, and along the waterfront and both Inwood and Harlem, recent community visioning sessions are driving progress at gaps in the Greenway.

Farther south, the East Midtown Greenway saw the installation of its pedestrian walkway over the FDR Drive at 54th Street, creating safer access to the Greenway and the Andrew Haswell Green Park.

In lower Manhattan rereleased the FiDi Seaport Master Plan, which will create a resilient waterfront to protect the area and it's nearly 1 million residents, workers, and commuters.

In Brooklyn, we kicked off the first phase of our CARE strategy, with the groundbreaking on the largest ever commercial building and Broadway junction. CARE utilizes city offices to create new commercial centers, bring quality jobs, services, and amenities to neighborhoods across the city. We thank Councilmember Sandy Nurse for her partnership on Broadway Junction.

In Sunset Park, we're looking forward to opening the doors of the Made In New York Campus later this year, and beginning construction on the campus's film and TV facilities.

Brooklyn Army Terminal continues to be a big part of our presence in Sunset Park, with over 4000 people employed in industries from food manufacturing to advanced manufacturing, and we appreciate the

partnership with councilmember Alexa Avilés to leverage our priorities in Sunset Park to create economic opportunities for the community.

In East Williamsburg, on the Moore Street Market, this is again a priority thanks to the leadership of Councilmember Jennifer Gutiérrez, and a vision for a future of that new market in a modernized facility, with housing above.

And in Coney Island, recovery was on full display this summer. Walk around the amusement district and you could see the enormous capital investment now coming out of the ground triggered by the 2009 rezoning. And there's a new phase of infrastructure work just underway.

And in the Bronx, following a year of community engagement, we released the Hunts Point Forward Vision, a comprehensive plan to create economic opportunity and improve quality of life in the neighborhood. The plan is backed by an initial \$40 million commitment from the mayor, and outlines a 15-year vision shared by the city and the community.

And in September, the mayor announced the city received \$110 million federal grant to upgrade and improve the Hunts Point Produce Market, where 25% of

the city's food comes through daily. I want to acknowledge that this was a fantastic collaboration with the Hunts Point Food Co Op, as well as the Teamsters, and this is on top of an additional \$100 million dollar investment that the mayor announced the launch of the economic recovery blueprint in March of 22, and we want to thank the Council for their partnership in pursuing this funding in turning the Produce Center into a modernized resilient distribution hub. And we especially want to thank Councilmember Rafael Salamanca for his leadership to bring the community's vision to fruition. And we look forward to continuing our partnership there.

In Kingsbridge, we announced together for Kingsbridge a community-driven engagement process to envision the future redevelopment of the Kingsbridge Armory, ensuring that it's an economic driver for the community in the Bronx. We plan to release our Community Vision Document this spring and an RFP later this year. We thank Councilmember Pierina Sanchez for her leadership on this project. At Locust Point we celebrated the water breaking of dredging at Hammond Cove to restore its depths of safe navigation and operations, and revitalize a

popular boating destination. We thank Councilmember Marjorie Velázquez for her partnership.

And finally, to the lower concourse, where the Bronx Point Development will bring hundreds of affordable homes, serve as the home of the Universal Hip Hop Museum, and open up public space on the waterfront.

As I hope is evident from all that I've shared, EDCs work for the people of New York spans districts, boroughs, and industries. I'm proud to be part of this work in partnership with all of you. Thank you for the opportunity to speak with you today.

And now I'd be happy to answer any questions you have.

CHAIRPERSON FARÍAS: Great, and thank you for that very thorough testimony. I feel like I'm going to have to look back on that again later on today. I also want to acknowledge Councilmembers Kagan, Vernikov, and Aviles, who have joined us and are popping in and out of all the other budget hearings we have going on.

And so let's just jump right into it. I really appreciate your testimony. And so I want to go over some of the new needs that we've seen coming out

from-- from the EDC this cycle. In fiscal 2024, the preliminary plan includes \$5 million for new needs. This is to cover the NYC EDC consulting and planning for a few separate projects such as the hip-hop event planning consulting service, MOSI, and the Fifth Avenue Master Plan. Can you explain what the purpose of these projects are?

MR. KIMBALL: Yeah. As a mission driven not for profit, we have the ability to use our contracting mechanisms to support and administrative-- administration priorities. So you see that in this \$5 million. Obviously there's the 50th anniversary of the Hip Hop Museum. We're really proud of that. That's a part of one of our biggest projects in the South Bronx, that includes an enormous housing development, 100% affordable. And we're also really excited to be launching, as a part of the New New York Plan, as a way to make Midtown more of a live/work/play destination, and really help support small businesses throughout Midtown.

If you map out where small business has been created over the last year, one in nine of all businesses created in the last year of small businesses, they tend to be in the outer boroughs.

It is a phenomenon that happened in part because of COVID, but also some of the growth, particularly along the Brooklyn, Queens waterfront.

Where you don't see a lot of that is in Midtown. And that's because people not coming to the office. That is slowly getting better. But the reality of some flex schedule in the private sector is probably there for the long haul. That means a lot less demand for those small businesses. We need to rethink those communities have more of a live/work environment. And we really appreciate the council support for conversions from Commercial to Residential, and lifting the 12-FAR cap, absolutely critical to making that a reality. And frankly, having Manhattan play more of a role at addressing our overall city's housing crisis, developing housing on 20 to 30 million square feet in Midtown will take enormous pressure off the boroughs.

So going back to the question about the \$5 million. What this does is begin a study of widening Fifth Avenue, a critical retail corridor to make it more pedestrian friendly, more retail friendly. And we're going to be looking at a number of different

locations in Manhattan and downtown as well as in all the boroughs to create that kind of public realm.

CHAIRPERSON FARIAS: Great. And you someone asked my-- answered my second question that I was going to ask. So-- But I'll ask it in case there's any-- anything additional. Can you explain how it affects the economic development of the city?

Obviously, adding any additional storefront or commercial spaces adds to our revenue. But is there any other effects that you're hoping to see in this development?

MR. KIMBALL: Yeah, I mean, when I am talking to larger businesses in the city, the corporate community, when I'm talking to companies that are considering relocating to New York City, they ask, "What's going on in Midtown? What are you doing to bring it back to life and make it a place where I want to bring my business or keep my business?" We are increasingly competing with places like Dallas and Miami. We need to keep Midtown strong. It's 40% of all the jobs in the city, in midtown and downtown Manhattan. So key to our economic development strategy are things like public realm.

CHAIRPERSON FARIAS: Great, thank you for that. According to the land use sale lists published as part of your investment projects report, EDC manages 94 leases-- or managed 94 leases in fiscal 2022, with a total revenue of \$196.9 million. How much revenue will EDC be generating from its leases in fiscal 2023?

MR. KIMBALL: We suspect it will be will be similar. You can see we are being very aggressive with our economic development agenda. I am very pleased that EDC is more robustly focusing on its job element.

Housing is important as well, and we play a key role in facilitating housing developments, as you know, with Willets Point being one of them. But our core mission is jobs. So we are hoping to move more leases in the next year.

But generally, we think it'll end up in this range for next year, and that you will start to see increases coming after that.

CHAIRPERSON FARIAS: Great. Is EDC adjusting new leases to reflect the current high inflationary conditions?

We lease at market, right? The market tells us what it will bear. And, you know, where we can, we have a range of rates to make sure that we're in particular, hitting all the sectors that we want to hit. So a great example of that is at the Brooklyn Army Terminal, where you have a range of-- of leases, ranging from a little over \$10 to \$25 per square foot. Certainly on land leases, you know, it's going to be what the market will bear and obviously, that is very directly connect-- connected to the cost of money, which is very connected to the inflation rate.

CHAIRPERSON FARIÁS: Great. And do we know how much vacant space there is that EDC manages, or has owner properties?

MR. KIMBALL: Of space we can lease today, we're 98% leased.

Now, there is space that is not fit out to be leased yet, at the Brooklyn Army Terminal as an example, and we're going to be very, very focused there in the next couple of years and look forward to working with Councilmember Avilés on our strategy. There's real opportunities in particular there around climate tech, hardware elements of climate tech. The IRA has created enormous opportunities for the city,

the most federal money in my lifetime that is available for economic development and particular, particularly around green jobs and climate tech jobs.

CHAIRPERSON FARIAS: Great. And, I mean, hearing in your response, I'm assuming there's obviously a natural effort to fill the vacant space. One of the tours that I did in the Bronx was at the Bathgate IBZ, where we were able to see some upcoming construction that needed to happen to fill that in. Are we-- I guess, what's-- what's the effort to fill some spaces like that that are vacant currently? And if any, at all, how much is the EDC spending to market and fill those spaces?

MR. KIMBALL: Yeah. I appreciate the question. Bathgate is a really interesting site. I'm very focused on it.

It had been in the past under Port Authority control. The EDC is now fully in control, and we will be RFP'ing those sites. We think there's a real opportunity to drive job generation there, to link it to local schools. There already are some strong career pathway programs that are embedded there. There's a SUNY outpost, interestingly, within Bathgate that does some important workforce

development. So we're excited about making Bathgate the kind of job generating hub that I think everybody would like to see.

As part of that, we're going to have to put in capital into base building improvements, electrical, loading docks, et cetera. And I think we have in the range of a \$5 to \$10 million capital plan for that site.

CHAIRPERSON FARÍAS: Okay, great. The city has implemented a Program to Eliminate the Gap, to reduce spending to help address fiscal headwinds and ensure that the public funds are being used efficiently. Putting aside differences on the extent of the recent rounds of PEGs, we do agree that the exercise of reviewing the city's budget for efficiencies is a good practice. However, it does not appear that this practice is extended to the city's extensive tax expenditure system, which in fiscal 2022 amounted to \$13.7 billion in foregone revenue. How much in tax expenditures, does the EDC oversee? If any?

MR. KIMBALL: So, you're talking about tax incentive programs?

CHAIRPERSON FARÍAS: Yes.

MR. KIMBALL: Yeah. So there-- there are numerous tax incentive programs, some of which are as of right, CEP, REAP, ICAP. And some of those are up this year in Albany. We think that at this moment, where places like lower Manhattan as an example, are really suffering, we don't want to be pulling back on tools to drive job growth there. But we're constantly working with our partners in government, and would be delighted to work with the Council. But specifically in government, OMB and DOF, to make sure that these tax incentive programs are well-utilized and are having a positive leverage effect.

There are other programs that we oversee, like the Build New York program and the IDA program, where we have more discretion. And we are pushing those programs hard because they help drive economic development. So in the case of IDA, anything from a supermarket incentive through a long-term tax break, or industrial buildout, or battery storage -- all projects that we've been had in front of us just in recent months. And so we're aggressively utilizing those programs.

CHAIRPERSON FARIAS: Do you believe that they're a savings that count be found in some ways?

MR. KIMBALL: I think, as I said, on the-- on the as-of-right programs, they get reviewed every few years by the State Legislature, and they're currently reviewing them. I think that-- that's something we're going to be looking at closely. But we think that the existing programs need to be renewed for another three years. During that period of time, we'll be actively reviewing them and monitoring their use.

CHAIRPERSON FARIAS: Thank you. The city's economic development tax expenditures, which totaled \$3.1 billion in fiscal 2022 are good place to look at for efficiencies. Recently IBO, at the request of the City Council, completed a thorough evaluation of the Commercial Revitalization Program, and the Commercial Expansion Program, two programs which are currently up for renewal, as mentioned, in Albany and currently have a cost of about \$27 million. IBO's analysis did not find that these programs had an impact on employment growth or commercial vacancy rates in the targeted areas. Do you agree with this evaluation?

MR. KIMBALL: So, correct me if I'm wrong, but I think the IBO report originated in 2017. We have a

22% vacancy rate in parts of Manhattan, particularly in lower Manhattan. We do not think it's the time to pull back on these incentives. But also, as I said, it's good public policy to be constantly reviewing them. So we look forward to working with you and the IBO, as well as OMB and DOF in the next few years to measure the effectiveness of those programs as we come out of the pandemic.

CHAIRPERSON FARÍAS: Great. And just for clarification, does EDC support renewal of these two expenditures?

MR. KIMBALL: Yes.

CHAIRPERSON FARÍAS: My favorite topic: Citywide ferry service. In early 2015, the de Blasio Admin announced the establishment of the citywide ferry system that was intended to connect waterfront communities to job centers throughout New York City. The commitment plan includes \$5.4 million to create a home port at the Brooklyn Navy Yard. How's this coming along?

MR. KIMBALL: The home port, specifically?

CHAIRPERSON FARÍAS: Mm-hmm.

MR. KIMBALL: The home port at the Brooklyn Navy Yard is built out. We are actually doubling the size

of those operations and putting them in Councilmember Avilés's district near Pier 11. So that work is ongoing, and hopefully will create local job opportunities as a result of it.

CHAIRPERSON FARÍAS: Awesome. Can you talk a little bit about the city funds being used for the project? What is the breakdown between the revenue streams from fares, to concessions, to city subsidies?

MR. KIMBALL: So the buildout of the home port is city capital. So that-- those are-- those are, you know, through-- through OMB bonded money. So we've been working very closely with City Hall. And as you know, and you attended the rollout of the Mayor's new vision around ferries, Ferries Forward. That really was a significant change to how the ferries were run in the past in terms of looking at dynamic pricing, offering more affordable fares for those who needed it. And again, I want to thank you for your advocacy, particularly around high school students and the local bill that is, I guess, now under consideration, or been passed yet?

CHAIRPERSON FARÍAS: Yep. Passed.

MR. KIMBALL: Passed? Congratulations and thank you. But that, you know, provides lower fares for those who qualify for fair fares for seniors and for high school students.

For those who are regular commuters, they stay at the pre-existing rate, if you're buying a 10 pack, so obviously you have to be a commuter, and that's \$2.75.

We believe that one-time users should pay more, and they're paying \$4 now. And then we think you know, for sort of premium service, specifically as it relates to go into the Rockaway Beaches, for a reserve ride, you ought to pay even more, and we rolled out an \$8 fare.

Ridership is soaring. It had obviously gone way down during-- during the pandemic. But we're back to nearly our rates in 2019. And we expect to exceed that and have a record year this year.

What that has meant in terms of the subsidy that the city has to provide per passenger has gone down. Now we'd like to see it go down farther. And as you know, we're currently in a procurement to select a operator for this next phase of ferry service. We think there'll be opportunities through that

procurement, and that new partnership to drive down that subsidy even more.

That's great. Thank you. And with the passage of Intro 236, do we expect ridership to increase for this demographic, particularly for students?

MR. KIMBALL: I hope so. That is the goal. And you know, one of the things we're very focused on is - is marketing these opportunities, working with the DOE to make sure all students know about it, and also marketing the discounted fares to NYCHA residents.

About 4000 New Yorkers use that today. It's not enough. We need to do more. We've been doing leafleting and been active at NYCHA projects, and we're going to continue to be focused on spreading the word about the opportunity there.

CHAIRPERSON FARIAS: Got it. And, I'm sorry. Just so-- If I heard you correctly, you said only 4,000 NYCHA residents right now are utilizing it?

MR. KIMBALL: Total, yeah.

CHAIRPERSON FARIAS: Okay. I think the Council can definitely help with that. The PMMR tracks how many employees of projects receiving EDC funds earn a living wage. This measure has always been high around 95%. How does EDC define living wage?

MR. KIMBALL: I think the-- the living wage is-- is the law. I mean in terms of-- I believe it's \$15 an hour right now, and all of our projects obviously follow the law.

CHAIRPERSON FARÍAS: And how does the EDC track its own projects to ensure that this is happening?

MR. KIMBALL: So through, again, going back to some of the incentives where this might apply. The-- The as-of-right incentives have their own rules codified through state legislation. Those that we do control, that are through discretion at EDC (that's the Build and the IDA programs), we have a rigorous review process in terms of applications and that is connected to what wages people are paid at the companies that we do business with. And then we track that data as the project moves forward.

CHAIRPERSON FARÍAS: Great, thank you so much. I'd like to just talk a little bit about headcount at EDC. What's the total headcount right now for NYC EDC?

MR. KIMBALL: About 515.

CHAIRPERSON FARÍAS: Awesome. Does the agency have adequate headcount to effectively run all the programs and initiatives?

MR. KIMBALL: I believe we do.

CHAIRPERSON FARÍAS: Okay. How many vacancies, if any, do you folks have?

MR. KIMBALL: We have about an 8% vacancy rate. So there's always some level of turnover. So we always have some active positions being posted, but I'm really proud of the team that is there, and that we've built over the last 12 months. And I think that you have seen some of the quality. And, you know, we're going to maintain that level of high quality and hard work.

CHAIRPERSON FARÍAS: Awesome. And are there any challenges, if at all, that you see with-- specifically experiencing in hiring any new folks coming into the NY CDC,

MR. KIMBALL: We've not experienced that as much as I understand other city agencies have.

CHAIRPERSON FARÍAS: Okay. The Citywide Vacancy Reduction Memo issued in November described a change in the city's hiring process, ending the policy that only allowed agencies to fill one of every two vacant positions. Yet, we have been hearing from many agencies that this practice is still being enforced in some cases. Since November, has the EDC been

approved by OMB to fill all vacant positions? Or are you still required to provide two vacant positions for every one to be hired?

MR. KIMBALL: Yeah. We're not a city agency, so we have some flexibility there.

CHAIRPERSON FARÍAS: Okay. I've just got to check in. I'd like to discuss some of the capital projects that we have going on. Does EDC work to ensure its capital spending is spread across the city in an equitable way?

MR. KIMBALL: We work very hard to do that. Obviously, there is real estate that we control. And a very significant percentage of the real estate that we control is in South Brooklyn. And so you see a lot of capital investment there over the years between the South Brooklyn Marine Terminal, the Made In New York Campus, and the Brooklyn Army Terminal. So a very, very significant number in Brooklyn.

We are very proud of the fact that -- and I mentioned some of the challenge earlier with a higher unemployment rate in the Bronx compared to other districts -- that we are all in there. So very focused on Hunts Point, very focused on the Kingsbridge Armory, very focused on the housing

projects in the South Bronx, and also very focused on the opportunities around Morris Park and the other stops along the Metro North line that are going to open up over the next few years, really, I think creating enormous opportunity for investment, in particular in Morris Park, working with the public and private medical institutions there to bring more commercial biotech jobs is one of our key focuses.

CHAIRPERSON FARÍAS: That's great. Are there any other projects in the pipeline that's not reflected in the current plan that you can tell us about?

MR. KIMBALL: I think-- and you referenced the thoroughness of my testimony, I wanted to mention all the big ones, and I think--

CHAIRPERSON FARÍAS: I just had to ask, just in case.

MR. KIMBALL: Thank you for the opportunity.

CHAIRPERSON FARÍAS: In addition to the NYC EDC projects, NYC EDC is also managing capital projects for other agencies. How many capital projects is the EDC managing for other agencies in this plan?

MR. KIMBALL: I will come back to you on the exact number. I don't have that off the top of my head. Our overall capital budget is \$9 billion now,

over the next 10 years. We're very proud of our work both on EDC projects, and for other city agencies, and we try to align that in every way we can with economic development strategies. So whether it's building new H+H hospital facilities in Harlem, and in Coney Island, and-- and other locations around the city, or the Manhattan Greenway, or doing this study we're now doing on greenways throughout the city, or the resiliency work that we're undertaking from Jamaica to lower Manhattan. These are all critical economic development drivers. So we're proud of the work that we're doing, not just on our projects, but for other city agencies.

CHAIRPERSON FARIAS: Great. Thank you for that. What is the level of oversight the EDC has over these projects that are-- for the agencies compared to the projects such as Brooklyn Navy Yard, where the funding flows through EDC, but is managed by the Navy Yard?

MR. KIMBALL: We have full oversight over the projects that are EDC, or that we're doing on behalf of other city agencies, meaning we manage the contractors, we manage the budgets. So we have full oversight.

CHAIRPERSON FARIAS: Great. Thank you. And I will pause for member questions now. Because the other capital questions I have my be asked by some members here. So I will call on Councilmember Riley for his questions.

COUNCILMEMBER RILEY: Thank you, Chair. Good afternoon President Kimball. I just spoke to you yesterday, so it's a pleasure seeing you here today. I'm really happy to see that the city is focusing on the tech sector. And I just want to know how does EDC plan on working with other city agencies, such as DOE, DoITT, H+H, to ensure that there's equity within the tech sector?

MR. KIMBALL: Yeah. I appreciate that question. That's something I'm super-focused on. I mentioned in my testimony, but I would love to expand on that a little bit.

The career pathway into the sectors of today and the future is our top challenge, I believe, in the city, and making sure that both workers in those industries look more broadly, like the rest of New York, but also entrepreneurs. And so on every level that we can today -- but we are looking to do more -- we are attacking this challenge. Really the SPARC

campus, the biotech campus on the east side, in many ways draws a line in the sand about how we want to do this across every sector. Now that's a big site, and we have the opportunity there to bring a new DOE high school focused on-- focused on health careers and biotech, and have it be side by side with CUNY schools, with city agencies like H+H. They're going to bring a simulation lab there, as an example, where students can come in and learn how you design and manufacture health equipment, as an example. There's going to be 750,000 square feet of biotech space where every one of those businesses are going to be required to partner with the high school students and the college students, get students access to see what's going on in the labs and in those companies, get them internships, get them apprenticeships, hopefully leading to a career pathway.

So that's happening both with-- with DOE and CUNY there. We hope that in the Kingsbridge Armory Project, there are going to be very strong collaborations with local academic institutions. And so you're going to see that being a priority in that RFP. We're working very closely with our partners at Hunts Point, both the Teamsters and the Coop to make

sure that there's as much local career pathway into those jobs as we can. We're talking to CUNY right now, about a sports career pathway linked to the opening of the new soccer stadium in Willets Point.

So those are a few examples, but I would love to work with all of you on this challenge. And it's not just our institutions. There are many, many strong, not-for-profit workforce development agencies out there with a track record in the area. So as an example, Fullstack Academy is one that we're working on around cyber careers. And we think that the-- we think that the civil call tech training facility that will open up in in Councilmember Rivera's district in September is going to be a another model that we can look to replicate in other boroughs, where you bring together a number of not-for-profits and schools focused on tech training and career pathway in one location, alongside private business, and hopefully have that side-by-side reality lead to better connection into jobs.

MR. RILEY: That sounds amazing. Cyber NYC Internship Program: Do you have a number of how many slots that program will be offering.

MR. KIMBALL: I will get back to you. I don't-- We just launched it. So I should have that number in my head. But I don't. I want to say 100. But I will confirm that with you. We're really excited about that internship program, and it builds on what we're doing in biotech, where we've had 500 interns, almost all of them diverse New Yorkers, many, many at CUNY, where they do internships with companies like Pfizer, and Merck. And many of them end up in jobs as a result of those internships.

COUNCILMEMBER RILEY: Nice. Cannabis: I'm very interested in cannabis, like I stated to you yesterday, and even thinking of a hub on where we can actually have cultivation upstate, delivery down to the city, and then a central location where businesses can go to and actually pick up the product. Even though the state only has about three locations here for recreational, this is something I said that we should start thinking about.

With the \$40 million investment in Hunts Point, will Hunts Point have the infrastructure to have a base like this to hold the cannabis products?

MR. KIMBALL: Potentially. I know this is something that Councilmember Salamanca has raised and

is interested in. You know, we have land there. And there could be opportunities down the road. Obviously, as you know, the State is driving the ship here, and their focus has been on small startups through licenses that folks who've been just as involved apply for, and you referenced the three that are open. I think more will be opening later in the year. That's just for retail. I think the opportunity, as it relates to EDC, has more to do around the vertical integration in the industry, where you might have grow distribution, processing, and manufacturing, and to the many, many different products. And then also retail.

And I think what I would love to see is the moment down the road when you could have an RFP, where folks with significant capital or in partnership with folks with significant capital could apply to do a ground-up facility that would do all the things I just talked about, and also have a very social impact element as it relates to entrepreneurship.

COUNCILMEMBER RILEY: Thank you. And, Chair, just two more questions. The cannabis equity fund: Is there a budget for that fund?

MR. KIMBALL: There's 10 million that the Mayor just announced in the State of the City, and we're currently working on the rules for distributing that. We want to align that as much as possible with the State's program, so that there's the most combined bang in terms of supporting access to credit for entrepreneurs opening up a business.

So that's, that's really, at its core, a credit enhancement fund to bring down the cost of funds for entrepreneurs that need to borrow money to get a business started. It'll also have technical assistance that will kick in alongside it.

COUNCILMEMBER RILEY: Thank you. And lastly, the DNC convention: Is there any update on our chances on getting the DNC convention? And if so, what are some challenges you see that we're going through right now that will prevent us from getting there if we don't.

MR. KIMBALL: [CHUCKLES] Dangerous territory there, but I'm knocking on wood, that we're going to have the outcome that we all hope for. I will just say there is no city better positioned to efficiently deliver on a convention--

COUNCILMEMBER RILEY: I agree.

MR. KIMBALL: --and our plan, that EDC was very involved with, with other city agencies and outside groups and labor that is very dense, focused around Madison Square Garden and the 60,000 hotels that are in close proximity, the ability to walk or take a short bike ride, not have to get on a bus and travel a long way, which has been a real challenge with some past recent conventions. We are very, very well positioned. And I'll-- I'll leave any political observations out of it.

COUNCILMEMBER RILEY: Thank you so much. Thank you, Chair.

CHAIRPERSON FARÍAS: Thank you so much, Councilmember. And we all want to avoid as much parking opportunities as possible with the convention. So it would be front and center with all the access that we have.

Next up, I'm going to call in Councilmember Salamanca for his questions.

COUNCILMEMBER SALAMANCA: Thank you, Madam Chair. Good afternoon. It's good seeing you. First I want to just say thank you. You know, EDC is a partner in my community with the-- especially the Hunts Point Businesses. You know, we started what was called the

Longwood and Hunts Point Coalition. Your predecessor came in. We felt that there were too many projects happening in the community and one agency was not speaking to another, the State was involved as well. And EDC, they put some funding into the coalition to help us put together a plan. And therefore we have the Hunts Point Move Forward Plan.

And so I-- Look, I have the world's biggest markets, produce, meat, and fish. Our focus has been on getting the Hunts Point Produce Market, the funding that they need, so that they can get a new facility. In the past, the previous administrations, Bloomberg has allocated funding, so has de Blasio, and last year, Eric Adams announced \$100 million for the-- for the produce market.

Where are we right now in terms of total dollar amounts that we have for the Hunts Point Produce Market? And what is the dollar amount to give them the new facility that they need?

MR. KIMBALL: Yeah. I appreciate the question. Thank you. And thank you for your leadership over many years. Way before I got to EDC, you were pushing for the kind of community involvement, and I'll just say I'm super impressed and proud of what

our team put together working with you and allies in the community with the Hunts Point Forward Plan. Obviously, a key part of that is addressing the outdated food produce center, that's really an environmental justice nightmare, in my opinion, 1000 trucks idling on fossil fuel generators all day long. We all know it's unacceptable what is going on there, but also critical, the work that happens there with the co-op members and their Teamster employees in terms of delivering 25% of everything we eat every day.

So we are going to get this done in terms of building a new facility. Again, thanks to collaboration from you and all the partners I just mentioned, the federal government gave EDC its largest grant and history \$110 million grant towards a new modernized facility, fully electric, that trucks can plug into and get off those fossil fuel generators with room for expansion and growth for those companies and job creation. The mayor has committed \$130 million towards the project. We are now talking to our partners in the state. I was thrilled to see that, again, thanks to the advocacy of all of the different constituents there, the state

assembly put in their one house bill an ask of \$300 million. We're now in contact with the State Senate and pushing that in the final budget, we meet that number or something close to it. That's going to leave a gap, because this is a very expensive project. So depending on the size of the state award, there will still be a gap. We need to move on this project, and we have a plan that we're currently in negotiations with a private developer as well as with a co-op, to create the kind of modernized facility that I think we can all be proud of. I think we can close that gap through a long-term land lease, but it's going to require cooperation and partnership, not just with you and other elected officials, but also with the co-op and the Teamsters to get it done.

COUNCILMEMBER SALAMANCA: All right. Do you know-- do you have a dollar amount of what that gap may be?

MR. KIMBALL: Depending on what the state comes out with, it could be anywhere between \$150 and \$250 million.

COUNCILMEMBER SALAMANCA: Okay. All right. Um, the meat market: They-- there's facade work that

needs to happen. There's refrigeration. Last year with the Speaker, we were able to allocate close to \$6 million. They need another \$6 million. There's other facade work that needs to occur. Are there any plans in this budget to give them the funding that they need, so that they can operate?

MR. KIMBALL: I appreciate that and I appreciate the advocacy. I've spent some time in the food market. I can see the need. We are actively working on one of those capital projects right now as it relates to the facade. We look forward to partnering with you to complete the job and secure all the funding that we need. You know, I also think the fish market, while a little bit more advanced in terms of its modernization, also needs work. I'm also here to work with you and the community on opportunities that I believe are there to build out more space. There is an overabundance, in my view, of vacant land and parking, that if we work together collaboratively could result in more space for all those businesses.

COUNCILMEMBER SALAMANCA: Yeah. You know, my office is pumping in millions of dollars every budget to these markets. But I want-- really want to

complete the meat market project, given the fact of the-- you know, they're feeding, what is it?, 60% or 70% of our Tri-State area, and they need refrigeration. So I really hope that in this-- well, I am asking that if in this year's budget, we can work together so we complete that project for them, to get that moving.

And then lastly, I wanted to just get an update on-- Oh, I just hit a blank. It-- It has to do with bringing in produce through barge, or merchandise through barge, and I had concerns on that. Do you have any updates on that? The plan was to use the waterways in Hunts Point to bring in produce by barge.

MR. KIMBALL: Yeah. In many ways, you know, outside of-- of climate change, but it's linked to it. Like I would say there's no greater challenge and no greater project of importance in terms of moving goods by--

COUNCILMEMBER SALAMANCA: Freight NYC. Freight NYC.

MR KIMBALL: Freight NYC. Exactly.

COUNCILMEMBER SALAMANCA: Yeah. Do you-- Do you have any updates on the project?

MR KIMBALL: I do. I do. So-- So the good news there is we secured over \$5 million to create six landing points around the city, including in the Bronx to move goods by barge. The first one, we believe, will open up in lower Manhattan, but I will get you a schedule for the one in the Bronx. We're working with private sector partners there on that. We actually did a pilot project, a two-pronged pilot project, one from Red Hook Container Terminal, Councilmember Avilés's district, in partnership, I believe with DHL, in terms of moving goods, by pilot on barge. And then we did another from the Bronx in partnership with Manhattan Beer to move beer from the Bronx down to lower Manhattan. That pilot was a success.

We've got to push hard and I appreciate your advocacy on this, and pushing us. We are also working more broadly with DOT as well as the Port Authority on a harbor-wide plan that will take Freight NYC from what was really a framework to a reality of-- of delivering more goods. We've got to get more trucks off the road. We got to get more trucks off the road because there's a lot of work happening on the BQE, as you know. There's

congestion pricing to deal with that's going to create more complication, in terms of moving goods by trucks. We have to do this, and we've got to see results soon.

COUNCILMEMBER SALAMANCA: All right. My only concern with Freight NYC is, if they're going to-- if there's a system where merchandise is coming in for the businesses at Hunts Point, that's a win for Hunts Point, where we're eliminating the trucks that are coming in delivering, and then leaving, but we're going to create a system where you're going to bring in merchandise and businesses outside of Hunt's Point are coming in to pick up this merchandise, we're really not winning. We're just adding to the amount of trucks that are coming in and out of our communities.

And then finally, one last thing. Chairwoman here cannot have all the fun with NYC Ferries. When are you bringing a ferry to the Hunts Point Community?

CHAIRPERSON FARÍAS: We're getting freight before you. No, just kidding.

MR. KIMBALL: I-- Look I appreciate how popular the ferry is. We're proud of the changes we've made

to make it more economical, to lower the per-passenger subsidy. The-- I would say that the ferry service, however, was under major financial strain when I got there a year ago. That has improved significantly, and we're going to improve it further with the competitive process we have right now for a new operator. We've got to get that piece in place. I understand that there is real interest and advocacy. Keep it coming. I can't commit to new stops today. But I can commit to continuing to talk to you and studying the options in the future.

COUNCILMEMBER SALAMANCA: That's fair. Thank you. Thank you Madam Chair.

CHAIRPERSON FARIÁS: Can I just ask a quick follow up to the freight question? With looking at new-- potentially new landings for freights, have we thought about looking at the-- the usage of the west side waterways, like either on the west side of Manhattan, or even areas like where Yankee Stadium is, or the west side of the Bronx? Have we entertained anything like that, if there are suitable locations? Or are we aiming for where there's already built-out landings, or somewhat built-out landings to put some of those?

MR. KIMBALL: We're looking at all areas. So the west side, there's a lot happening on the piers. There's enormous expense associated with those piers. But as you know, the cruise terminal is very active and growing, and that's a good thing for the broader economy. There's a lot happening through the Hudson River Park piers. One pier in particular that we're studying, but has enormous capital costs associated with it studying in the context of freight distribution is Pier 92. So we think that's a real opportunity. So everything is on the table. Through Port NYC, we manage a lot of waterfront, over 100 acres of the-- sorry, over 100 miles of the 550 miles of waterfront is-- is EDC. So this is a top top priority for us.

CHAIRPERSON FARIAS: Okay. Great, thank you. I'm now going to call on Councilmember Kagan.

COUNCILMEMBER KAGAN: Thank you. Thank you, Commissioner for coming. Thank you for your testimony. I have a few questions, some of them are familiar to you. So first of all, I will quote you, you know, like, "And in Coney Island recovery was on full display this past summer. And there is a new phase of infrastructure work just underway." So what

was on the full display past summer, at least to me, and to people who-- I'm working with some constituents in Coney Island, was broken boardwalk total disinvestment from the boardwalk, gun violence all over the places, very little new jobs created, complete abandonment by EDC completely, like in the last at least a year and a half, no ferry at all, and not even plans for a new ferry. I understand it's expensive, but there is no plan right now, abandoned Shore Theatre on Stillwell Avenue for like 40 years, the building standing like it's right in the middle of the community. Another abandoned building on West 23rd Street and Garden, which is like city-owned by the way, and since 2005 nothing has been going on with this building. So the community feels like it's a stepchild for EDC. You know, like, maybe I'm wrong, you know, maybe you're working with the Coney Island Alliance to create thousands of new jobs in Coney Island. But I miss this point.

MR. KIMBALL: So I appreciate your advocacy on behalf of Coney Island. Coney Island was obviously hit hard, both by Sandy and by the pandemic.

What I can say is that since 2009, over \$400 million has been invested, a very significant portion

of that public, but also \$100 million in private investment that we've leveraged through the amusement park licenses there. You walk around the amusement park as it gets ready for this summer, you actively see construction projects happening both public, in terms of walkways through the amusement, and private investment in new equipment and amusements there. So we're proud of that.

I would love to see more activity there soon when the market conditions are right. So in creating the right market conditions, we're finishing the last piece of infrastructure which is roadway work, close to sites E and F and the minor league stadium. And we hope to have those sites out on the market for an RFP towards the end of this year or early next year.

COUNCILMEMBER KAGAN: So what about points I already mentioned, like the Shore Theatre Building, ferry service (not even plans from what I see), free community center for Coney Island, using abandoned buildings owned by the city. The West 23rd Street community garden, inside it's a landmarked building owned by DCAS at this point. So it's a city-owned building. It's not utilized since 2005, for example.

So I see a lot of opportunities that are completely missed.

MR. KIMBALL: Look, I appreciate the-- the ask to coordinate better with other city agencies. We are trying to do that across the city, particularly in identifying sites that are under-utilized by city agencies to meet the housing crisis. So I would be delighted to look at a map specifically and talk about which city agencies, and have a conversation with DCAS or any other agency, as we're doing in other places, if there's a priority site for you, to get it back to life.

As it relates to Shore Theatre, I would love to see that hotel and theater come back to life. It's a 100% privately owned facility. It is often very difficult to pump public dollars into a private facility, and that's for a reason. Usually public dollars go into publicly controlled assets.

But I'd be delighted to sit down with you and the owner of Shore Theater and see if we can brainstorm about how to help him.

COUNCILMEMBER KAGAN: I would love to see this conversation with the owner, like a secret owner for

so many years, like the building is falling down completely in the middle of Coney Island.

And what about ferry service? Any request to federal government to help with this transportation money, so we will have ferry service ever?

MR. KIMBALL: So, again, as a part of, frankly, a more responsible management of the system, we have to look at capital expenses around implementing these services. And because of that, and frankly, changing environmental conditions, with the cove: You and I looked at it together, we obviously couldn't go there. There's a lot of rationale, long-term, to bringing a ferry service to the oceanside, to the pier. I would love to see that.

The reality is you're looking at a cost there in the \$250 million range. So that is a lot of public money, and the time is not right today with interest from city, federal, and state partners. But I continue to be interested in it, and I'm happy to continue to talk to you about it and the community and see if we can come up with a strategy to leverage those dollars.

COUNCILMEMBER KAGAN: But have you even asked federal partners for investment in this?

MR. KIMBALL: We're in constant-- constant conversation with our state and federal partners, particularly as it relates to federal infrastructure money that is available now. And part of that is coordinating with City Hall on all of the federal infrastructure, as from the BQE to Hunts Point. And, you know, candidly, ferry service is important. It's important to Coney Island. There are some other needs that are ahead in the line right now.

COUNCILMEMBER KAGAN: Okay. A work in progress.

MR. KIMBALL: Yeah.

COUNCILMEMBER KAGAN: Thank you.

CHAIRPERSON FARIÁS: Thank you, Councilmember. Next up, Councilmember Avilés.

COUNCILMEMBER AVILÉS: Hello, Andrew, good to see you. I guess I have a great deal of questions, which I think I will want to provide to Counsel as followup. But, you know, I-- One of the things I want to start with is this long term struggle that we have had in terms of, you know, top-down methods of decision making, very little community input, and very little benefit that the community has been able to-- to notice in-- in the projects. And obviously EDC has an enormous portfolio in my district.

And so, you know, these-- these are everything from the MSC deal, right?, which we still are contending with. The Brooklyn Cruise Terminal yielded a donation to groups outside of Red Hook. No one in Red Hook was-- was engaged in that conversation to the reallocation of the \$15 million for BCT To now go to the New York City ports with a reduction from \$15 million in investment in that port to now like \$130 for WiFi. Red Hook continues to-- to wonder where any of the benefit is in any of this economic activity that's generated and Red Hook.

So I'd like to know a couple of things in particular. I guess first to note that we sent a letter to your office on March 14, and have yet to receive acknowledgement or response on that. So, just to bring it to your attention.

But in particular, can you-- can you update me on a couple of things? With the meat market, what's the long-term capital plan for the market?

MR. KIMBALL: Sure, I'll start with that. And then I want to come back to the BCT, and address the-- your letter, which you will get a formal response on but I'm going to-- I'm going to preview some of that response right now.

So the meat market is important to us. There's some very active tenants there, a great local employer. There are significant capital needs there on bulkhead that we're currently evaluating, and we look forward to working with you on in the future. We'd be happy to tour the facility with you, meet with some of those businesses, and discuss some of those capital needs. But it's an important facility for us and for the city.

COUNCILMEMBER AVILÉS: Are there any upcoming deadline dates that you're looking at? Decision points?

MR. KIMBALL: I think that in the next few months, we will have a clear assessment of what capital needs to be invested there. And then we can sit down and talk about the various different sources that we'll go after to try to secure that that dollar amount.

Let me go back to the BCT, and I appreciated your letter. Very thorough. And I definitely appreciate your view that in your district, you need to be consulted and be in the process of decision making around public assets.

So, first on the \$15 million reallocation, there is no net diminishment of capital going into BCT. This is simply an administrative move of funds, where there was a need to deploy \$15 million immediately. And there was a type of fund that we were able to move from BCT to the Manhattan Cruise that did not slow down in any way, shape, or form the long-term capital improvements at BCT. And there'll be numerous improvements there.

As it relates to the asylum-seeker situation there, they are on track to be out at the end of April. MSC will then be coming in. I am eager to work with you and MSC to have a community-focused engagement around jobs and around benefits to the community. I think we have tried very hard and will continue to work with you closely wherever we can to engage more local small businesses with activation around the cruise terminal, and opportunities for local sourcing. In the context of-- of the cruise terminal, I think there are real opportunities around the home port potentially with employment. Some of that will shake out as we go through this next procurement, in terms of an operator for the ferry service, and get ready to open up that facility.

There's also the RFP we have out on the street now for the Shed at Pier 11. And as we talked about, I think there's a wide range of potential uses there that hopefully are very-- very good in terms of local job generation possibilities.

I do think our biggest opportunities, and the things I am very excited about and spending a lot of time on relate to the South Brooklyn Marine Terminal where, as you know, over 1000 jobs will be created. And we're excited about the partnership and the fund that was leveraged in part because of very strong community engagement through the South Brooklyn Task Force, \$5 million around job training and career prep. And then-- And then the Made In New York Campus and the Brooklyn Army Terminal, where I think there's-- there's a lot for you and I to talk about and opportunities there.

COUNCILMEMBER AVILÉS: Yeah. Yeah, definitely. I'd like an update on that. But let's go back to BCT. You mentioned there not being a divergence of capital investment or investment in BCT. What is the investment in BCT?

MR. KIMBALL: I'll get you the exact number. I don't actually have that number off the top of my

head. It's significant. I think it's north of \$100 million over time, but I will confirm that, and certainly get back to you shortly on the letter.

And, yeah, we have a long term stake there. And we want to make sure that that is active and job generating. And we're eager to work with you on it.

COUNCILMEMBER AVILÉS: And in terms of the shore power connection that we've been working on for, I don't know, a decade.

MR. KIMBALL: Yeah. Sure.

COUNCILMEMBER AVILÉS: Can you give us an update on when that's going to get corrected?

MR. KIMBALL: Yeah. So it's a complicated port, unlike the piers in Manhattan, in terms of the layout of a ship docking alongside, so the onshore power connection works well for the Queen Mary that comes in there as you know, on a regular basis, and is able to plug in. It does not work well for the size of ship that MSC will be bringing in, and so we are looking to do a renovation and upgrade to that shore power. And in the letter, I'll give you more details on-- on the timeline in terms of executing that.

COUNCILMEMBER AVILÉS: Great. And as you can imagine, this is an urgent issue. Every ship that

docks there that is not plugged in is directly polluting our community, and they sit in idle for 24 hours a day. So we have to correct this. I can't believe it's been so long, several millions of dollars and we still haven't electric-- fully used the opportunity for electrification.

Can you tell us-- Can you tell me about the status of the Steiner Studio project and the status of the investments in Bush Terminal Pier Playground?

MR. KIMBALL: Sure. So--

COUNCILMEMBER AVILÉS: And Pier 5.

MR. KIMBALL: The Steiner, we expect, will be in the ground in terms of the demolition of some of the buildings that need to come down to make way for the movie studio. And also in some of the work as it relates to Piers Park later this year. And so we're excited about that, and we'll include that information in our letter response in terms of exact timing. But I think we're looking at something late summer or early fall.

COUNCILMEMBER AVILÉS: Great. And, and in terms of Pier 5, is there any update with Pier 5? There's no update at this point on Pier 5. That's the pier right outside the Made In New York Campus, where long

term, we'd love to see that pier renovated. There needs to be more public access along there. We'd love to see that that'll be a creative to the Made In New York campus, as well as the park and the community. We also candidly need more parking down there, to make sure that the businesses that are going to locate there have multiple modes to get there. We want to encourage biking as much as possible, and as you know, the-- the Greenway is being built out over the next couple of years. There's more east-west bike lanes down to the water.

And so ideally, our-- our best outcome at the Made In New York Campus is the vast majority of people biking or walking to work from their home. But inevitably, there'll be a need for some people driving and-- and we have a dearth of parking.

COUNCILMEMBER AVILÉS: Great. And this is not the last of the many questions I have. But the one thing I think many of my colleagues mentioned was the need for refrigeration, and obviously the water freight issue, getting trucks, and the need to use the assets of our ports. I'm a huge fan of, obviously, the Red Hook container terminal and using that port, which is falling into the water.

I'd love to know how EDC is including consideration around the desperate need for refrigeration for our city, not just in the Bronx, but obviously in Brooklyn with this active port, and how it is, you know, looking at that regionally.

MR. KIMBALL: Yeah. You're 100 percent right. Cold storage is desperately needed in terms of our food distribution systems in the city. And obviously, that's a big part of our massive project at Hunts Point. But we also need it in Brooklyn, and--

COUNCILMEMBER AVILÉS: And we have-- we have a space for it.

MR. KIMBALL: And we do. And we're we are in regular contact with our partners at the Port Authority and the State. As you know, there's a tri-party agreement that governs the Red Hook Terminal. So we need to work with our partners there. But certainly, more cold storage, making use of some of that land would be an ideal use in the future.

Well, we 100% support it, and encourage, and please let us know what we can do to get this unstuck. Every day that goes by, we are a very

vulnerable city. And I don't want the Port Authority to continue to sell off our valuable waterfront.

Thank you.

CHAIRPERSON FARIAS: Thank you so much, Councilmember, I'd like to call on Councilmember Vernikov.

COUNCILMEMBER VERNIKOV: Thank you so much. And I apologize that I missed your testimony. I was in another hearing next door.

Just a couple of questions. Rising crime and public safety issues are interwoven with business confidence, especially for new and small businesses, as our crime rates have gone up? Can you speak to the economic challenges you're seeing compared to say 2019 and prior?

MR. KIMBALL: So I'm going to stay in my wheelhouse, which is economic development, and not criminal justice. But I will say that when the Mayor released his-- his blueprint for the recovery, and this is part of my testimony that you missed. That was roughly a year ago, and there's been a significant impact and improvement. We've added jobs every month over the last 12 months. We're now within 20,000 jobs of gaining back the million jobs

lost during COVID. And we expect to exceed pre-COVID employment levels this year. That is a good thing. One in nine businesses in New York City were created in the last 12 months. And if you map that, a significant portion are along the Brooklyn-Queens waterfront.

If you look at the major crime statistics, they are down in every single category. And New York continues to be the safest big city in the country. That said, obviously, there continues to be a feeling and, you know, you can have all the crime numbers down, but if people don't feel safe, that's a problem. And the Mayor has been very clear about that. And so we need to continue to work hard across agencies to make sure there's not only opportunities for small businesses to grow and thrive, to make sure that our streets are clean, but then we continue to drive those crime numbers down.

COUNCILMEMBER VERNIKOV: Thank you. And somewhat related: A walk through the city reveals many empty storefronts, down below and commercial vacancies up above, there's been talk of the need to do commercial conversions for some of this to fit the city's emerging realities.

How feasible Do you think this is?

MR. KIMBALL: Yeah. It's great question. And I think when you map out where the small businesses are being created, where you're not seeing those dots, is in midtown and downtown. And that's partly because of people not coming into the office as much. That also is connected to boarded-up storefronts that you see in places like Midtown more than in other parts of the city.

So the Mayor and the Governor rolled out a plan called Plan For The New New York. And it calls for 20 to 30 million square feet of commercial space to be converted into residential. That's now before the state legislature, but the City Council has made very positive statements about the importance of that, as well as lifting the 12-FAR cap to get more density housing density on sites. Manhattan needs to play a bigger role in solving our housing crisis, and relieve housing pressure on the outer boroughs. All of that will have a positive impact, as will an improved public realm, which is another place we are focusing a lot of time and energy, in terms of making streets not only cleaner, but wider with more green space, more attractive for people to walk on.

That all will have a positive impact in terms of those retail vacancies you're referring to.

COUNCILMEMBER VERNIKOV: Thank you. Those are all my questions.

CHAIRPERSON FARÍAS: Thank you, Councilmember. I just have a quick follow up. Do-- Do we have any demographic breakdown in the small businesses that we keep referring to in the one-in-nine?

MR. KIMBALL: A demographic breakdown in terms of ownership?

CHAIRPERSON FARÍAS: Or type of business. Yes, and/or type of business.

MR. KIMALL: Let me see if I can get that data as well.

CHAIRPERSON FARÍAS: Great. Thank you. And I'd like to call on-- I'd like to say Councilmember Gutiérrez has joined us, and call on her for questions.

COUNCILMEMBER GUTIÉRREZ: Thank you. Thank you, Chair. Thank you. Hey, Jen. Hey, Andrew. It's good to see you all. So I have one question. But I know Chair Farías will expand a lot on this. I'm super curious about what can you share briefly about the Early Education Stabilization Fund. In the

report, it says it's an expansion, so was around for a bit, but what can you-- what can you tell us briefly about what-- what the goal is? A lot of us here at the Council have been really pushing DOE to just make this reimbursement process a lot more seamless for early childhood-- early childcare providers. I haven't heard this from the DOE. So what can you share about what even is it?

MR. KIMBALL: Yeah. So as you know, this is an effort to get funding into the hands of childcare providers that were negatively impacted during COVID, that had had pre-existing relationships with the DOE around pre-K.

As I said earlier, EDC is a not-for-profit, and therefore, can facilitate spending priorities by the City. The DoE, and City Hall, and OMB have asked us to play that role as it relates to dispersing these funds. Technically, my understanding is that the DoE cannot give out grants directly, which is essentially what these payments are.

COUNCILMEMBER GUTIÉRREZ: But it's-- So it's not-- It's not being considered a reimbursement for services. It's--

MR. KIMBALL: That is not my understanding.

2 COUNCILMEMBER GUTIÉRREZ: Grants? That should--
3 Oh.

4 MR. KIMBALL: And so that money is-- as we get a
5 request from DOE, that's signed off on by OMB and
6 others, we then disperse that money within a week.

7 COUNCILMEMBER GUTIÉRREZ: And-- Great. I have so
8 many questions, but I'm going to-- And to the best
9 that you can share, are you all looking at-- For
10 example, a big piece of contention was that so many
11 of our providers had not been reimbursed since July
12 of 2021, for example. What can you tell us about
13 these-- these grants that you're being asked to
14 disburse. Is-- Are these-- Are these examples of
15 some of the providers that you are, you know, quickly
16 printing checks out for? Or what are-- What are some
17 of the provide-- What are the-- What is the specific
18 criteria that's landing on your desk versus what's
19 staying with DOE?

20 MR. KIMBALL: I can't really comment on what
21 happens before it gets to us. We're just
22 facilitating the payment, and when we got a request
23 with specific operators to be paid, generally we've
24 been able to get that payment out the door within a
25 week.

2 COUNCILMEMBER GUTIÉRREZ: And their payment comes
3 from EDC?

4 MR. KIMBALL: Uh, it-- I believe we are fronting
5 some portion of the money, and then get-- getting
6 reimbursed by OMB.

7 COUNCILMEMBER GUTIÉRREZ: Okay. And is this--
8 this is not the first year you've done this, specific
9 to DOE?

10 MR. KIMBALL: This is the first year that we've
11 ever done anything like this.

12 COUNCILMEMBER GUTIÉRREZ: This is the first year.
13 Okay. Great. Well, I'll stick around for those
14 expansion questions.

15 I have two more questions. One is related to my
16 favorite-- your favorite, Moore Street Market, the
17 beautiful marqueta, and just want to acknowledge the
18 wonderful team there. And I think, you know, the--
19 the genuine partnership that I think we are working
20 through to improve the market there.

21 Something that I had raised with you before, and
22 something that I'm hearing from the vendors, is about
23 kind of the transition from the-- the longer-term
24 leases that they used to have prior to EDC coming in,
25 and kind of like, what is the viability of some kind

of an increase? So moving from-- from five to six, or six to seven potentially. I know, in the years ago, they used to have I think, 10-year leases, and I think right now they are at 5, if I'm not mistaken.

And so what I'm hearing from the vendors primarily is, especially for our long term vendors, it's how tough they feel that that is to be able to invest for capital, for example, or to like move stuff or kind of continue to build out their-- their business without having a guarantee of a longer-term lease. Have you all put any more thought in into that? And believe me, I'm completely cognizant of the journey with the market, and the vendors, and you know, bringing them up to, you know, payment. And I get that. But I do have to side with the vendors in these instances. So just curious if you've put any more thought into that.

MR. KIMBALL: Yeah. I mean, typically with-- with vendors of that size, and I've done thousands of leases over the last 20 years with small businesses like that. Typically, small businesses don't want long term leases, they don't want the obligation. So it's an interesting dynamic where a small business can raise on their own significant capital and invest

in equipment, for instance. I think we're very open to discussing a longer term. As you and I also know, we're collaborating on a potential future for the market. And assuming that we can work together to secure subsidy for a new market base, we can go out to the market to find affordable housing provider. Above that will require people moving. And so that's also a consideration here in terms of the length of lease.

COUNCILMEMBER GUTIÉRREZ: Okay, um, but it's-- it's not a no, is what I'm--

MR. KIMBALL: It's not a no.

COUNCILMEMBER GUTIÉRREZ: Okay.

MR. KIMBALL: You very rarely get that from me.

COUNCILMEMBER GUTIÉRREZ: Okay. Well, thank you. Play the Lotto. Two last questions. One is regarding the-- the Cyber Internship Program. Can you speak a little bit more to if there's-- if you have any demographic information of the folks that are participating, and if there's a number that you can put to how many folks have gone through the internship program?

MR. KIMBALL: Yeah. The Cyber Internship Program was just launched. So I'll get you the data and the demographic breakdown.

COUNCILMEMBER GUTIÉRREZ: I learned about it through my committee hearing. Please keep us updated. I think this is really, really great. And I would love to-- and I'm sure Chair Farías, and I would love to work with you all.

MR. KIMBALL: The model-- And we expect to hit similar numbers. So the model is the Life Sciences Internship Program, we placed 500 people in internships since 2017. And overwhelmingly those are diverse participants, majority from CUNY, and, you know, they're getting internships at places like Merck and Pfizer. Often that leads to jobs. So that is the model for cyber, and I'll get you more specific details--

COUNCILMEMBER GUTIÉRREZ: And is there anything that you can share with me as far as outreach, and how you are all looking to get the word out about this program?

MR. KIMBALL: Let me come back to you on that as well.

COUNCILMEMBER GUTIÉRREZ: Okay. And then my last question, I promise Chair, is about-- I thought I had read here about battery storage. Can you talk a little bit more about what EDC-- how EDC-- I know-- What I understand is there's currently a site in Queens only. And this is just a very, like a legitimate question because I'm working through some applicants in my district. So just curious about EDCs future in battery storage, and how you're all working with private buildings for more battery storage. I agree we need more of it. We are working at a snail's pace to get to our-- our energy storage goals. So can you talk a little bit about what EDC is doing to expand on that a little bit more? Thank you, Chair.

MR. KIMBALL: Yeah, I agree that it's-- it is a super important element of our climate strategy. We have done a very significant battery storage project in Queens facilitated through our Industrial Development Agency. We're excited about that. We're getting a lot of interest from other big battery storage operators. Finding the place where that can go -- so in Queens, it's on open land, it's not on a building. When you start to put battery storage on

buildings, that's when it gets complicated, from a regulatory point of view.

So the city is still working through the framework in which you might see battery storage more active in commercial buildings, or industrial buildings. You might see it on barges. But for right now, there's not a clear regulatory playing field to getting those projects done. Not from the EDC.

CHAIRPERSON FARIAS: Thank you, Councilmember.

And just to follow up on the Early Childhood Education questions, can we just go back and just get a clear explanation of what the fund is for, and how there was a \$70 million adjustment that was appropriated to EDC from DOE?

MR. KIMBALL: Yeah. So what I understand about it, and again EDC is just playing a payment facilitation role here, not a policy roll. But is-- There were commitments made to support some of the childcare providers that were hit very hard during COVID. That-- The intention, I believe, had been to work with DOE through that period of time, because they couldn't because of COVID. They were in very bad financial condition. The city more broadly made

a policy decision to support, as sort of a bridge, to get out of the hole they were in financially to provide essentially grants. Technically DOE cannot provide grants. So the decision was made to facilitate the payments through EDC. So we are currently fronting some of that money. The request is that there be \$70 million approved in the budget that would then reimburse EDC for the portion we've fronted, and also facilitate payments through us for the rest of the \$70 million.

CHAIRPERSON FARÍAS: Okay. And so just for my own clarification, is this \$70 million an estimate? Or is this the \$70 million that EDC has put up and is expected back?

MR. KIMBALL: We've been told the magnitude of the of the problem is \$70 million.

CHAIRPERSON FARÍAS: Got it.

MR. KIMBALL: That's what we've been told. Again, this is not our program.

CHAIRPERSON FARÍAS: Yup.

MR. KIMBALL: We have received a number of requests for payments that get facilitated through DOE, identifying which providers it goes to. I

believe that we have paid about-- fronted about \$6 million of that.

CHAIRPERSON FARÍAS: Okay.

MR. KIMBALL: So there is a ways to go. It is critically important that the \$70 million get into the budget, so that we get reimbursed on what we fronted already. And then the rest of the pipeline of money is there, and ready to flow through EDC to these providers.

CHAIRPERSON FARÍAS: Okay. I mean, I was initially going to ask in terms of, like, you know, what-- what would happen to the funding if it was under or overestimated, but it sounds like you're doing this by piecemeal of what was given to you. Like, so far, you've done \$6 million, you're saying, so if we know the grander number is \$70 million, you're keeping track of what was what's being presented to you and what will be approved in the budget?

MR. KIMBALL: I really can't comment on how that number was arrived at.

CHAIRPERSON FARÍAS: Okay. And you already kind of went over the criteria that EDC-- you guys didn't

have control over the selecting the criteria, right?
That's coming straight through DOE. Great.

And then the last topic I wanted to go-- last
two, just with revenue. What are the different
sources of revenue for NYC EDC.

MR. KIMBALL: The primary source of revenue is on
our real estate assets. That is-- That is primarily
what we use, 98% of our operating costs get covered
from that. We also get-- receive some fees
associated with IDA, Industrial Development Authority
and build transactions. That's-- that's really
separate though. The primary-- The primary operating
funds come out of our real estate assets.

CHAIRPERSON FARÍAS: Great. And as I mentioned
previously, in fiscal 2019 to 2021, EDC had a loss in
net revenue generated, post contributions to the
general fund. But in fiscal 2022, there was a
positive \$96 million. What was the reason for that
increase?

MR. KIMBALL: Yeah. It was-- It was really all
about COVID. And the impacts and the cruise business
shutting down, and tenants inability to pay. We're
feeling very good about being back on track.

CHAIRPERSON FARÍAS: Great.

MR. KIMBALL: And that's why we're projecting more.

CHAIRPERSON FARIAS: Okay. That makes sense. Are there any reserves that the agency falls on when there's a loss in revenue?

MR. KIMBALL: There's a limited amount of reserve. It depends on, you know, any point in the year. Obviously, managing the ferry service is-- is been something that's been top of mind. And so we're working very closely with OMB to make sure that ferries are funded, in terms of the gap between what we receive in payments and what it costs to run the program.

CHAIRPERSON FARIAS: And do you folks see this amount rising in the next few years, related to ferries?

MR. KIMBALL: We hope to have it decrease in terms of the public subsidy required. That's, you know, going to continue to mean that we focus on efficiencies within the ferry service, we focus on marketing opportunities in the ferry service. We continue to analyze our fee structure as we go forward to make sure that it not only is equitable

for those who can't afford a full rate, but also for those who can pay more, do pay more.

CHAIRPERSON FARÍAS: Absolutely. Local Law 62 of 2010 requires EDC to annually publish a report on all its projects that received substantial city benefits, including discretionary tax breaks and beneficial bonding. These projects are referred to as investment projects. The most recent report covers active EDC projects through fiscal 2022. Can you tell us more about your 22 new investment projects in fiscal 22 and how they were chosen?

MR. KIMBALL: Again, I think this focus-- Again, there's the there's the non discretionary as-of-right programs approved through the State. So CEP, Energy Cost Savings Program. Those programs are up for renewal by the State right now. Those are designed by state legislation. We don't really have a direct role there, other than being asked whether we support them or not. Every time they come up for renewal, we support renewing them. Obviously, as we talked about earlier, we're going to continue to evaluate the cost-benefit around it and look forward to working with you on it.

I believe this more refers to our strategic investment portfolio, which is primarily around the Industrial Development Authority and build programs, where long term tax breaks or tax-exempt financing is used to support projects.

CHAIRPERSON FARÍAS: And has the pandemic influenced a decrease in any assistance at all, if any?

MR. KIMBALL: I think we saw a dip in demand. But that that is coming back, and we are eagerly marketing these programs because they drive a significant amount of private investment for the city and jobs.

CHAIRPERSON FARÍAS: Great. Okay, thank you so much for coming today and providing testimony and answering all of our questions.

MR. KIMBALL: Thank you. Appreciate it.

COUNSEL: Thank you Chair Farías. We will now turn over to public testimony. For in-person panelists please come up to the dais once your name has been called. For virtual panelists, we will be calling individuals one by one to testify. We will be limiting public testimony today to three minutes each. Please begin once the sergeant has started the

timer. Councilmembers who have questions for a particular panelist should raise their hands, and council members who are here virtually on Zoom, please use the Zoom raise hand function, and the Chair will call on you after the panelist has completed their testimony.

For virtual panelists, once your name is called, a member of our staff will unmute you, and the Sergeant At Arms will set the timer, and give you the go ahead to begin.

Please wait for the Sergeant to announce that you may begin before delivering your testimony.

The first panel today will be Michael Bilbrew and Gregory Morris. Will Michael Bilbrew and Gregory Morris please come up to the dais. And as a reminder, if anybody is here in person and still wishes to testify, please fill out a witness slip and bring it up to the Sergeant.

CHAIRPERSON FARIÁS: Good afternoon, you can begin when you're ready. Michael, you can begin.

MR. BILBREW: [inaudible] and committee members. Thank you for this opportunity for permitting me to speak. My name is Michael Bilbrew. I'm a formerly convicted person that served 25 years. I'm here to

1 speak with you about reentry and reintegration. It
2 was a process that was began a while, and it seems
3 like it's slowed up, and is very detrimental now,
4 because for those of us that's coming home, it's like
5 a shock. It's no jobs available, they are entry
6 level jobs at \$15 an hour, and it's almost impossible
7 to live, when you're asking us to be law abiding
8 citizens. DOC had a process, their goal was to
9 rehabilitate. It's a process that worked. I attest
10 to it. And I believe that administrators believe
11 that it works as well, because they enacted reentry
12 and reintegration into the penal law.

14 However, once we go through the DOC process, and
15 we enter society, it's a different story. If you
16 don't know anybody, it's difficult to get jobs. And
17 when you do get them, they're back breaking. Some of
18 us is old. I'm near 50. And we would like, like,
19 the city budget to consider putting money into
20 community development and-- and providing jobs for us
21 that is coming home. A lot of us have a lot of
22 talent. And if given opportunity, we can do better,
23 and we can help make the community safer. Economic
24 development proves that it reduces recidivism, and it

makes the neighborhood safer. In the committee over there, I heard him say prevention is cost effective.

Well, let's focus on that. I'm a part of Freedom Agenda, who wishes to close Rikers Island. I do wish to close Rikers Island, because I can attest to the harsh treatments. But my focus is really on reentry and reintegration. I started a program of my own court Proclivity World, and is geared towards people that's coming home. I want to help them to have a smooth transition into society. And thus far, it is not a smooth transition, unless you really know somebody.

There is so much that can be done, programming for the children. Like when I look around, it's a culture shock to me again, I've been gone for 25 years. So it's a culture shock to me. I actually don't see any values principles out here. And I believe it's because the youth is not receiving it anymore. Everyone is caught up in video games. If you ask them what do they want to be? They don't have any answer. Nothing is serious to them.

So I would like for you to consider in the city budget, something that will allow the communities to start developing programs for the children. Sports:

Very important. I don't see this anymore. And not only sports, but programs of values. For instance, I'm a facilitator and a coordinator for Alternative to Violence. These-- they teach you core principles. It teaches you how to be a man and a woman. It teaches you know how to be a human being.

Thus far, the communities it seems like is-- the video games that run around shooting up people. It's like this is what they are living now. This is what they know. When I was young, we didn't know that, we didn't see this on TV. We didn't hit us in our music. And then all that music is perpetrate now is violence.

And I would like-- Like, I have some things but I would like to get with some people that can help or guide me to help the communities. I don't care what community because I believe we are all one community. I don't believe in separating us. I believe that-- I don't believe the system is actually systematically oppressive. I believe that in its interactions, it becomes oppressive. Being that it's other things that you have to deal with in life, is more pressing things. For instance, reentry and reintegration, at one time, it was like a big thing, and then it just

went away. And it's like, I think we really need to focus on that in order to make our communities more safe. I see the elderly like they're scared to sit in their own parks, walk down the street, like the world, it seems surreal to me now.

CHAIRPERSON FARÍAS: Yeah. I completely appreciate your testimony today and coming into this hearing. I am in complete agreement. I think that more times than not, we need to be focusing on ATI, reentry or reintegration programming. It's something that I know the Council and personally myself has been focused on for my community and something that we're going to prioritize.

So I hear you, and I see you, and I'm really thankful that you showed up today for yourself but also for the rest of our communities. So thank you for today's testimony.

MR. BILBREW: Thank you.

MR. MORRIS: Good afternoon. Thank you for the opportunity to testify Chair. My name is Greg Morris. I'm the CEO of the New York City Employment Training Coalition. For 25 years NYCETC has played a role in championing policy priorities that support the alignment and coordination of workforce

development and economic development. We serve as the industry voice now: 220 workforce development providers in New York City who are counted on to provide job training to more than 200,000 New Yorkers.

The most recent survey of our membership indicated that the majority of providers were focused on meeting the needs of women, young adults, NYCHA residents, immigrants, refugees, asylum seekers, parents, justice involved individuals.

It's our coalition that has relied upon to connect New Yorkers of all ages in every borough to quality jobs and a living wage, and the services and support necessary to secure long-term, family sustaining employment. And as noted from this testimony that we just heard (thank you for your testimony), we have work to do and we need the investment to get it done for everyone in the way that needs to be done.

The need for services central to our work, job training and career exploration, internships and apprenticeships, college exploration access, continuing ed, persistence, employment retention, and advancement, has only increased since the onset of

COVID-19 as you know. At the same time, providers have been overwhelmed by the demand for what is often described as wraparound services, cash assistance, legal assistance, childcare. The demonstrated commitment of the Adams Administration in this Council to Executive Order 22, and inclusive economic recovery, including the expansion of the Mayor's Office for Talent And Workforce Development, and the impact of the New York City Workforce Development Board, and the convening of the Futures Workers Task Force are critical steps to build the scaffold to workforce development, and a successful 21st century workforce.

I'm here today simply to say this: As noted by EDC who was here earlier, they're charged with leveraging the city's assets to drive growth, create jobs and improve quality of life that uses city resources to create a bridge between city agencies, private business, and local communities. I'd like to see workforce development providers added to that statement. This commitment has never been more critical given the labor shortage, and the labor wages, and the challenges that we have right now.

If we're going to welcome and expand new and growing industries, if we're going to provide equitable inclusive pathways to success for those who have been historically marginalized, disenfranchised, and cut off from workforce opportunities, the intersection of workforce development and economic development has to be clear, has to be invested in, and we have to see it so that when there are press conferences, whether it's Sunset Park, or Willett Point, or whether it's at La Marqueta, there should be a workforce development providers standing there to say, "This is how we're going to ensure that local residents have access to the opportunities that we're building in this place right now."

Once again, I want to express my appreciation to you for your commitment to workforce development. I know you understand this commitment, I will continue to communicate on behalf of the Coalition, the investments that this budget should have. But please know that we are here to serve as connective tissue to partner EDC and ETC in alignment. I think it will make a tremendous difference in the lives of many New Yorkers, all New Yorkers. Thank you.

2 CHAIRPERSON FARIAS: Thank you so much for your
3 testimony.

4 MR. MORRIS: Thank you.

5 COUNSEL: We'll now move to the virtual version--
6 virtual portion of the testimony. First, we will
7 hear from Wanda Salaman, followed by Catherine
8 Murcek. And then Anh-Thu Nguyen. Wanda Salaman, you
9 may begin when the Sergeant has announced the time.

10 SERGEANT AT ARMS: Starting time.

11 MS. VALDEZ: Good afternoon. My name is
12 [inaudible] Valdez, and I am representing Wanda
13 Salaman and Mothers On the Move. Mothers On The
14 Move, Madres En Movimiento, is a grassroots
15 organization in the South Bronx, building power with
16 people of color for housing, education,
17 environmental, and economic justice since 1992. We
18 began subcontracting with the Worker Business
19 Cooperative Development Initiative a little bit over
20 four years ago, when we were recruited by a double
21 WCBDI member because of our visionary economic
22 justice for and with people of color, particularly
23 co-founding the Bronx Cooperative Development
24 Initiative, one of the original WCBDI contractors
25 with the city. Since Mothers On The Move started

subcontracting with the WCBDI, we have provided thousands of educational services and technical assistance to workers, business owners, other grassroots groups, to build the knowledge and capacity regarding worker coops among South Bronx residents. MOM is also committed to the creation of cooperative businesses that can pay living wages, build generational wealth, and contribute solutions to the environmental and economic injustice that categorizes the South Bronx. MOM has also supported NYCHA tenants and others interested in greening their buildings, recycling, and saving energy. MOM is supporting new and existing daycare providers to work together to improve services to the diverse families seeking culturally competent childcare services. Especially during-- during COVID and post-COVID, home daycare providers are on the front line of ensuring our city's youth development, healthy, and social and emotional skills. Hundreds of such providers have shut down their doors, overwhelmed by confusing regulations and high demand. MOM believes that experienced providers can mentor new providers, including recent immigrants, creating safe places for

diverse New York City children that are available
24/7 to best address the needs of working parents.

Mom Summer Youth interns were the first to
identify the need for support services for young
adult entrepreneurs interested in the emerging
cannabis industry, who have criminal records and face
police harassment. MOM has worked with summer youth
for years to oppose the school prison pipeline and
ensure--

SERGEANT AT ARMS: Time expired.

MS. VALDEZ: Excuse me?

CHAIRPERSON FARIAS: Your time expired, but you
can wrap up in the next 15 seconds. That would be
great.

MS. VALDEZ: Thank you. MOM has worked with the
summer youth to oppose the school prison pipeline and
ensure that South Bronx youth are not groomed for
prison, but instead mentored for success.

COUNSEL: Thank you, Miss Salaman. Next we will
hear from Catherine Murcek followed by Anh-Thu Nguyen
and then Melat Seyoum. Catherine Murcek, you may
begin with the Sergeant has called the time.

SERGEANT AT ARMS: Starting time.

MS. MURCEK: Hi. Thank you for the opportunity to testify online today. My name is Catherine Murcek, and I'm a worker-owner at Samamkaya Yoga Back Care And Scoliosis Collective. We are a member of the New York City network of worker coops, also known as NYC NOWC, which is a partner organization in the Worker Co-Op Business Development Initiative, or WCBDI, which Miss Salaman was sharing about and how your support of our community of democratically run businesses helps to protect and create jobs for women, immigrant workers, and communities of color across the five boroughs in wide array of industries. I am testifying today to urge you to help NYC with a just recovery, by continuing to support the great work of WCBDI, by enhancing their funding to \$4.9 million, and to also support commercial rent stabilization, to protect the cultural fabric of our small business community.

My coop, Samamkaya, is a beautiful little studio in Chelsea, specializing in therapeutic yoga for back care, and with the mission of making yoga accessible to all bodies. My 19 other worker owners and I have been democratically running the studio together in the same space for the last eight years. To make

yoga accessible to everyone, we use [inaudible] balls and a wide variety of crops. So we had to borrow a lot to build out the space for our very specific needs. We were so happy that our business survived the worst of the pandemic. We're still suffering effects, as are most small businesses throughout the city. However, the fact that we are cooperative had a major impact on our resilience through the crisis. When the pandemic forced us to close the doors for our physical space, we decided all together as a team how we would pivot, adjust our pay and fee structures, and we divided the labor of researching online teaching platforms and potential support resources. We discussed together how to keep the studio afloat while still allowing those teachers who most needed the work to teach online classes and make ends meet. Furthermore, as a co op, we have access to technical support from WCBDI partners, and certain small grants specific to worker coops. One such Grant was from NYC NOWC's cooperative sustainability fund that allowed us to pay for consulting sessions with another Co-Op, Lift Economy. Those sessions helped us in a huge way in dealing with communication and distribution of labor challenges that arose out

of the difficult transition to working online. I'm very happy that we now have both in-person and virtual yoga classes for back care.

But our future is still uncertain. Our client numbers still have not recovered to pre-pandemic levels, and the rent on our new lease will increase over the course of 10 years to what is considered market rate. But our space is small, and opportunities for growth are limited. We cannot afford to take out another loan since we still have significant debt from our startup costs. In addition, the majority of co-ops in NYC have never even been able to access a brick and mortar space because the cost of rent are too prohibitive. And there's zero limits on how much commercial rents can be raised at the end of the lease, making it impossible for small businesses to plan for the future. And this was already an issue long before the pandemic.

A fair and just system of commercial rent stabilization would help to level the playing field, protecting the city's diverse array of small businesses, and making much needed spaces more attainable for future small businesses--

SERGEANT AT ARMS: Time expired.

MS. MURCEK: Okay, I'll just wrap it up. --which are so essential to the cultural fabric of our great city. I have more info about this in my written testimony.

In conclusion, please enhance WCBDI's funding and please support commercial rent stabilization to ensure a just recovery in NYC. Thank you for hearing my testimony. Thank you Ms. Murcek.

Next we'll hear from Anh-Thu Nguyen, followed by Melat Seyoum, and then Barry Pinckney. Anh-Thu you may begin when the Sergeants call time.

SERGEANT AT ARMS: Starting time.

Hello, my name is Kayt Tiskus. I'm standing in for Anh-Thu, who couldn't be here at the meeting today. Thank you Chair Farías and councilmembers for hearing testimony today, and especially for promoting accessibility by having this hearing be hybrid.

Anh-Thu is the Director Of Strategic Partnerships at Democracy at Work Institute or DAWI. She's testifying as both a member of the Worker Cooperative Business Development Initiative, and as part of the NYC Employment and Training Coalition.

Since 2014, WCBDI has created more than a thousand jobs and pathways to business ownership, reached more than 9000 entrepreneurs with education and technical assistance services, created more than 175 new worker cooperative businesses that offer higher hourly wages, better working conditions, and importantly build wealth and equity for workers.

Between fiscal years 20 and fiscal year 22, the height of the COVID 19 pandemic and accompanying economic crisis WCBDI continued to deliver impacted communities most affected by COVID-19 with 357 hires, 5107 one-on-one services provided to 508 businesses and-or community based organizations, and 8984 educational services provided. We've seen best practices and inspiring transformation through integrating worker ownership with workforce development, creating better jobs, improved industry standards, and economic stability and mobility for working families.

I will share an NYC success story that has become a national model for high road businesses and workforce development: The South Bronx has for 37 years been home to Cooperative Homecare Associates, the largest worker cooperative in the country. CHCA

has positively transformed home health care, a traditionally low-wage, high-turnover industry where the vast majority of workers BIPOC and immigrant women by raising job quality and industry standards through worker ownership and continuous investment in the embedded on-the-job training skills and development program. This workforce development model operates on a seamless continuum from recruitment to training, certification, placement, and employment and has produced incredible workforce development results. Of 630 job seekers enrolled annually with CHCA's training program, 94% graduate with a portable credential, and 85% are employed as home health aides. Of those 68% remain employed after one year. All program graduates are guaranteed a job with CHCA if they wish.

In comparison, according to the national benchmarking project, similar low-income training programs on average secure employment for only about 29% of enrollees. And of those just 38% remain employed after one year.

Worker cooperative businesses are unique in their ability to establish, grow, and retain community

wealth, to make entrepreneurship accessible and to create stable, dignified work for all New Yorkers.

We urge City Council to continue investing in worker cooperatives and the workforce development ecosystem in New York City through enhancing WCBDI--

SERGEANT AT ARMS: Time expired.

MS. TISKUS: to \$4.9 million for fiscal year 24. This will provide the startup of 29 new worker cooperative small businesses with positions for 103 new jobs and cooperatives. Thank you.

COUNSEL: Thank you. Next we'll hear from Melat Seyoum, followed by Barry Pinckney, and then Juan Cuautle. Melat Seyoum, you may begin when the Sergeants announce the time.

SERGEANT AT ARMS: Starting time.

MS. SEYOUM: Thank you. Good afternoon Honorable Chairperson and distinguished members of the New York City Council Committee on Economic Development. My name is Melat Seyoum, and I'm the Worker Co-Op Policy Advocate for the New York City Network of Worker Owned Cooperatives, also known as NYC NOWC, the local trade association representing worker cooperative businesses and democratic workplaces in the New York City metropolitan area. I am here alongside my

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2 colleagues from the Democracy at Work Institute, and
3 the NYC NOWC Advocacy Councilmembers representing 12
4 other organizations that make up the Worker
5 Cooperative Business Development Initiative, WCBDI.

6 I am asking New York City to continue supporting
7 the expansion of worker ownership in the next year's
8 budget and firmly into the future. Since the
9 inception of the initiative we have created over 100-
10 -

11 COUNSEL: Melat Seyoum seems to have frozen, so
12 we're going to come back to her. Right now we'll
13 move on to Barry Pinckney, followed by Juan Cuautle.
14 Barry Pinckney, you can begin with the Sergeants call
15 time.

16 SERGEANT AT ARMS: Starting time.

17 MR. PINCKNEY: Good afternoon. Thank you for
18 giving me the opportunity to testify here today. My
19 name is Barry Pinckney, and I'm a Senior Project
20 Manager at the Working Well in New York City, which
21 is a community development financial institution that
22 provides capital and technical business assistance to
23 worker owned co-ops. Since about 2015, the Working
24 Well has been one of many organizations that receives
25 funding through the Worker Cooperative Business

Development Initiative. And today I am here because every day I wake up with building worker coops on my mind. Well that's at least after I get my three-year-old son, you know, ready for school and out the door, then building worker coops is on my mind. But I'm here to ask that not only that you continue to support, but enhance funding of the initiative to \$5,012,522. This enhancement will allow us to continue to support and grow the worker coop economy right here in New York City with the goal of building new wealth in the neighborhoods that need it the most.

Just to take up a little bit more time, I just want to highlight, you know, some of our work. It's because of this funding, you know, from the initiative, I get the privilege of working with working class people of New York City, you know, who have decided to collectively come together to own a business. You know, these Co Op members, you know, they work together, they make decisions together, they share in the profits of their businesses together. This results in better work environments, and even higher incomes for the workers. You know, an example of this is Practical Pest Management, a

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2 Brooklyn-based worker owned Co-Op with a social
3 mission to train the youth in their community in pest
4 management. They're trying to give young people the
5 skills they need to keep their community safe and
6 sanitary, as well as opportunity to become worker
7 owners and partake in all of the benefits I just
8 mentioned.

9 The Working Well is currently working with the
10 founding members of Practical Pest Management to
11 build a business plan and prepare for launch in the
12 coming months. There are countless other businesses
13 out there just like Practical Pest Management, and we
14 want to make sure that we can continue to support--
15 to provide the support and financial assistance they
16 need to be successful. With your support and
17 enhancement of the WBCDI to \$5,012,522, we can
18 continue to build, you know, our local cooperative
19 economy and change the lives of thousands of New York
20 City workers, you know, giving them a new voice in
21 their workplace, a share of profits in their
22 companies, and that's it for me. I want to thank you
23 all for your time and this opportunity once again.

24 SERGEANT AT ARMS: Time expired.

25

2 CHAIRPERSON FARIAS: Perfect timing. Thank you
3 so much.

4 Next we will hear from Juan Cuautle, and if
5 there's anybody who remains on the Zoom, who has not
6 testified, who wishes to do so please raise your hand
7 now and we will send you a link. Juan Cuautle, you
8 may begin when the Sergeants call time.

9 SERGEANT AT ARMS: Starting time.

10 Good afternoon, distinguished members of the New
11 York City Council Committee on Economic Development.
12 My name is Juan Cuautle, Director of the Corporate
13 Development Program The Center for Family Life in
14 Sunset Park. CFL is a social service organization
15 with a mission to provide resources to low-income
16 families of Brooklyn. I am asking that the New York
17 City Council fund the Worker Cooperative Business
18 Development Initiative, WCBDI at \$4.9 million for
19 fiscal year 2024. Since 2014, CFL has been part of
20 WCBDI supported by the Council, through which
21 organizations like ours incubate and grow worker-
22 owned businesses. Thanks to this annual support, CFL
23 has incubated 25 cooperative businesses in the
24 domestic work industry, organizing 500 immigrant
25 women of color around personal transformative

experience, where they take control of their economic and professional development. Through CFL, every year more than 400 the most vulnerable workers receive training and coaching on business management and community leadership. We believe that every person regardless of her socioeconomic condition, with the correct resources can become an entrepreneur. With this Council support, CFL can also provide annually 300 free technical assistance services to aid worker-owned cooperatives to guarantee the operations of the business while they grow. CFL has also improved the competitiveness of the cleaning cooperatives in the market by developing the online marketplace, Up And Go, a website where clients can book and pay for residential and commercial cleaning services from worker-owned cooperatives. And also we developed the social franchise [inaudible].

Since 2019, Up And Go has sold \$2 million in cleaning services, income that provides economic support to 200 people in our communities. We are also proud to say that the average income for members of the cooperative right now is \$33 per hour, while

outside of the cooperatives, domestic workers are making an average of \$16 an hour in New York City.

It's also worth mentioning that in Up and Go, we have eliminated wage theft thanks to the infrastructure developed around cooperatives. All these accomplishments wouldn't be possible without the support of the City Council. We urge continued investment in worker-owned cooperative businesses for fiscal year 2024 to fight economic inequality in New York City through the Worker Cooperative Business Development Initiative. Thank you so much for your support.

COUNSEL: Thank you, we're going to turn it back to Melatonin Seyoum to complete our testimony assuming the technical difficulties have been sorted out. You may begin when the Sergeants announce the time.

SERGEANT AT ARMS: Starting time.

MS. SEYOUM: Thank you. I will continue where I left off. Thank you another opening.

Since the inception of the initiatives, we have created over 175 new cooperative businesses and approximately 1000 new jobs that are not only providing higher hourly wages, but also building

wealth and assets for individuals who are overwhelmingly BIPOC women and immigrants. We have seen firsthand how the initiative has served to bolster our sector, strengthening existing cooperative businesses, and creating new ones, which are overwhelmingly immigrant and woman-owned. The initiative partners have collectively worked to create a comprehensive ecosystem of support for cooperative businesses that not only ensures the creation of new cooperatives in low-income areas, but also the technical assistance needed to sustain businesses and create jobs, as well as the education outreach needed for communities, interested entrepreneurs, and allied organizations.

We ask the City Council to enhance our funding to \$4.9 million in order for our initiative to double down on the essential long term economic recovery for cooperative businesses that will be needed to claw ourselves out of this crisis. We thank the City Council for the opportunity to testify, and we hope that you will consider our budget priorities and recommendations during this year's budget negotiation process. Thank you.

CHAIRPERSON FARIÁS: Thank you so much. I'm happy to have allotted of new additional time. I'd now like to call Karina Kaufman-Gutierrez for her testimony.

MS. KAUFMAN-GUTIERREZ: Thank you. Good afternoon. Thank you to Chair Fariás for the opportunity to testify. My name is Karina Kaufman-Gutierrez, and I'm the Deputy Director at the Street Vendor Project. We're a membership based organization, as you know very well, that champions the rights of street vendors across the city. We are the only organization that serves street vendors in New York City. And we're respectfully requesting support from the Economic Development Committee to sustain and expand our essential Small Business Consultation Program for street vendors. Street vendors, our growing workforce of over 20,000, who come from some of the most marginalized communities, specifically immigrant communities of color and low-income households.

About 95% of street vendors are immigrants who have limited access to other employment opportunities. And we did a survey of over 2000 of our members during the height of the pandemic in

2021, when folks shared that 96% had not received any business training from city or state government, and 97% did not receive any small business loans or grants from the government during the pandemic or before.

As folks know, the street vending industry has grown exponentially during the last three years, as New Yorkers who found themselves unemployed due to the pandemic have turned to street vending to survive. And for long, it has been the chosen profession of choice for folks due to the opportunity to balance-- balance family responsibilities, open their own small business without having to have a lot of capital, and just the opportunity to start a business on your own terms, right?

So this has really hastened the need for robust small business services that are designed for the vending community in particular.

So with that in mind, SVP created our small business consultation program in 2020 to provide a holistic approach to establishing financial independence, self sufficiency, and small business growth for vendors across the five boroughs. And through this program, we work in five different

languages, facilitated by our multilingual staff, providing members with the tools, resources, and skills to grow their businesses, ranging from bank accounts, creating bank accounts, to how to develop an E-payment system to creating social media so that they can market their business online, taking into account exactly who we're working with, right?, and what-- what are the best outreach and education methods for the street vendor community, many of whom are older immigrants with limited digital literacy.

And so we do-- we also focus a lot on-- on our outreach programs. So we do-- You know, we're hitting the streets, we're doing phone banking, we're visiting folks in commissary kitchens, we're visiting them at their carts. And we always have an open door policy at our office here in Manhattan.

In the last year alone, we've conducted over 500, individual consultations with vendors in five different languages, in Spanish, Mandarin, a little bit of English, Arabic, and Bangla. And we've actually this year been able to expand to have Wolof and French as well.

So this is just a rapidly growing program. It's really hitting folks who don't have access to other

services through the city or otherwise to help them grow and thrive as small businesses. So thank you.

CHAIRPERSON FARÍAS: Thank you so much for your testimony today.

Seeing no one else here in the committee room with me and no other folks online, I'd like to thank everyone and all the teams for working on this hearing today, and we are adjointing.

[GAVEL]

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C E R T I F I C A T E

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



Date March 30, 2023