

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON COMMUNITY DEVELOPMENT

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February 25, 2015
Start: 1:30 p.m.
Recess: 1:45 p.m.

HELD AT: 250 Broadway - Committee Rm,
16th Fl.

B E F O R E:

MARIA DEL CARMEN ARROYO
Chairperson

COUNCIL MEMBERS:

Annabel Palma
Elizabeth S. Crowley
Andy L. King
Vanessa L. Gibson
Alan N. Maisel
Helen K. Rosenthal
Carlos Menchaca

[background comments]

[gavel]

CHAIRPERSON ARROYO: Good afternoon everyone; thank you all for being here on this beautiful warm 30 some odd degrees weather, very welcome. Good afternoon. My name is Maria del Carmen Arroyo; I chair the Committee on Community Development and today we are here to give our committee an opportunity to vote in favor of a very meaningful piece of legislation to support the growth of worker-owned businesses in our city.

Proposed Int. 0423-A places requirements upon two city agencies to study and produce reports on the status of worker cooperatives in the city.

Worker cooperatives are a valuable business model that can lead to poverty reduction through empowering disenfranchised and low-income New Yorkers. We believe that this bill provides an opportunity for the City to engage with emerging businesses and support the growth of worker-owned enterprises that offer meaningful opportunities for employment.

When this Committee first heard from the worker cooperative advocacy community in February

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2 2014, the goal was to determine whether worker-owned
3 businesses could be used as a means to alleviate
4 poverty in our city and to help families in poverty-
5 stricken communities achieve financial independence.
6 At that hearing we heard from representatives from a
7 number of worker-owned businesses who demonstrated
8 the potential to use worker cooperatives to
9 transition low-wage workers and New Yorkers into
10 partial business owners with a significant stake in
11 the enterprise in which they work.

12 Members of this Committee considered that
13 testimony and spearheaded efforts to establish a
14 citywide pilot program in support of worker
15 cooperatives. Such a program was included as part of
16 the budget for fiscal year 2015, which we are halfway
17 through at this point, and granted \$1.2 million to
18 Worker Cooperative Business Development Initiative, a
19 program administered by the Department of Small
20 Business Services and designed to expand and support
21 the growth of worker cooperatives in our city.

22 In the wake of that initiative, it gave
23 me great pleasure to join my fellow council members,
24 Council Member Rosenthal and Carlos Menchaca in
25 introducing the initial version of this bill, which

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2 this Committee heard in October 2014. At that
3 hearing we heard from the agencies that would be
4 impacted by the bill, as well as from worker
5 cooperative advocates to continue to support the
6 development of worker-owned business models.

7 After the two hearings and significant
8 discussion with worker-owned businesses, their
9 advocates and the Administration, I am proud to join
10 with my co-sponsors to bring this revised version of
11 the bill before this Committee today. We believe in
12 the future of worker cooperative businesses as a
13 means to lift New Yorkers out of poverty and achieve
14 long-term community development goals. This bill
15 represents a major first step towards the development
16 and growth of worker-owned businesses in New York.

17 The studies required by this bill will be
18 a critical first step towards establishing a
19 comprehensive worker cooperative program in the city,
20 with the long-term goal of ensuring that worker-owned
21 businesses are acknowledged as a special category of
22 business that is an available employment option for
23 all New Yorkers.

24 We are confident this bill falls within
25 the scope and authority of this Council and we hope

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2 it will pave the way for future legislation in
3 support of worker cooperatives. For all those
4 reasons I am urging my colleagues to vote in favor of
5 Int. 0423-A.

6 And now I want to take a second to thank
7 the Committee staff who has worked over the last year
8 extremely hard to get us to where we're at today in
9 our conversation regarding worker cooperatives. When
10 we talked last February, worker cooperatives was not
11 a term that this Council was very familiar with and I
12 wanna thank you all for helping us drive that
13 conversation forward in such a meaningful way, and
14 that includes Alex Paulenoff, counsel to the
15 Committee, Jose Conde, who is in front of me, Analyst
16 to the Committee, and Jessica Ackerman, who was here
17 -- Hi, Jess -- thank you all for the work that you've
18 done.

19 I wanna now turn it over to the two prime
20 sponsors of the bill, Council Member Helen Rosenthal
21 and then we'll hear from Council Member Menchaca.

22 COUNCIL MEMBER ROSENTHAL: Thank you,
23 Chair Arroyo. Wow, these are new mics. [background
24 comments] Yeah, they're really groovy. It was
25 probably a worker coop that created them, [background

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2 comment] that's what we hope; that's the future.
3 That is the future.

4 So Chair Arroyo, I so admire your
5 ability, from the first hearing that you had for
6 Community Development to bring in the worker
7 cooperatives and have a discussion about who they
8 are, what they are; what the economy is for worker
9 cooperatives and then, having all of us run with the
10 ball and really figure out a way to advance our
11 cause. So your work was -- getting the Council --
12 feat that I do not know how to do, but getting the
13 Council to allocate \$1.2 million to support worker
14 cooperatives going forward was just amazing and
15 giving us the opportunity to learn more about worker
16 cooperatives, what they do, and how the
17 Administration can really be more active in
18 supporting their goals. You know, the divide -- we
19 always talk about this, and our mayor always talks
20 about this, the divide between rich and poor is
21 exacerbated by all of the low-wage, dead end jobs
22 that seem to be thriving in this economy instead of
23 finding a path for workers to the middle class, and
24 when we talk about the growing economy, we usually
25 talk about the financial sector or the advertising

1 sector, the real estate sector, but what we neglect
2 to talk about are the workers themselves and that's
3 just where worker cooperatives come in; the worker
4 cooperatives change the paradigm. In worker
5 cooperatives, the workers have to share the
6 responsibility of the business, they share
7 accountability and they share the profit; wealth is
8 distributed equally among the workers and where we
9 end up is a job that is a good quality job with real
10 opportunity to growth and ultimately lifting people
11 from dead end jobs to hopefully the middle class.
12 When we support the worker cooperatives, and by we, I
13 mean the City agencies, we're supporting small
14 businesses, which is why it's so important for the
15 Small Business Services agency to be actively engaged
16 in helping the worker cooperatives get access to
17 credit, to financial support, to lawyers, to business
18 strategy, and these are all the things that SBS
19 normally does; here what we're doing is asking them
20 to advance those same skills for worker cooperatives
21 where ultimately, I think, we're bringing workers to
22 a better place. Again, I just wanna say that we
23 would not be here today without the leadership of
24 Council Member Maria del Carmen Arroyo, Chair of the
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2 Committee on Community Development and without
3 Council Member Menchaca; in his district there are
4 already seven worker cooperatives, with your
5 leadership and the \$1.2 million we have worker
6 cooperatives in 19 council member districts -- I'm
7 just trying to remember, Council Member King, I fear
8 not yours yet, nor Council Member Maisel's, so we're
9 gonna have to do something about that. [background
10 comment] One day, one day soon we will advance the
11 cause. So thank you so much, I'm really excited to
12 have worked on this, especially with my colleague,
13 Council Member Menchaca.

14 [background comments]

15 COUNCIL MEMBER MENCHACA: Yeah, these are
16 heavy. Buenas tardes everyone; we're very excited to
17 be here; wanna also echo the sentiments of the Chair,
18 you know what you represent in the Bronx is the
19 leadership that we are experiencing in this
20 conversation on the co-ops and really coupled with
21 Council Member Helen Rosenthal's precision scalpel of
22 understanding the budget, you two teaming up -- and
23 all I'm bringing is lifting the voices of the seven
24 co-ops that have been doing this work before I even
25 got to the town; that's the value of so much of this

1 work. And today we were with the advocates out on
2 the steps of City Hall, and hearing their stories,
3 hearing their testimony out there, talking about why
4 this is important really I think brought home a
5 couple things for me; one of them is that the growth
6 of these co-ops is happening today, right now. Last
7 week I was in a meeting with young people from Red
8 Hook, young people that are excited about creating
9 their own co-op, 'cause they see other co-ops doing
10 it, so they're seeing something happening, they're
11 seeing transformation in their community, they're
12 seeing their mothers and women taking control of
13 their financial lives and empowering their own
14 community members and so this is sending shockwaves
15 across all our community members and the young
16 people, the young people are saying, we want some of
17 this too, and they understand that the wealth that
18 leaves our communities for the little things, like
19 contracts that we give to companies that don't even
20 have a presence in our community, that's gonna
21 change, that's gonna change in a real big way and
22 this is why this is important as a next step in
23 finally getting to every council district, including
24 Council Member Maisel and Council Member King, and
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2 I'm about to walk into another hearing where we're
3 talking about veterans and how do we bring veterans
4 into the conversation; co-ops is gonna be an
5 opportunity for them to organize as a group, because
6 what we see about worker co-ops; they're families,
7 they're families that are not blood families; they're
8 families because they come around a vision of not
9 only economic empowerment, but the actual work and
10 this is quality work. The new co-op in Red Hook
11 that's starting by young people is marketing, a
12 market co-op, and the number one thing that all the
13 co-ops are asking for right now is marketing, so the
14 worker cooperatives are asking for another
15 cooperative to deal with something that they can't do
16 and that's just the ecosystem that we need to
17 continue to push, and we're really excited that the
18 Administration is gonna be with us on this; in a lot
19 of ways this is gonna be challenging, I get it, but
20 some of the biggest challenges are gonna yield the
21 biggest returns. So thank you so much.

22 CHAIRPERSON ARROYO: Thank you both for
23 your tenacity and your work around this bill; it took
24 a little while to cook, but we're here today to vote
25 aye on this bill and with that, can we call the roll?

1 COMMITTEE ON COMMUNITY DEVELOPMENT 11

2 COMMITTEE CLERK: Kevin Penn, Committee
3 Clerk, roll call on the Committee on Community
4 Development, Int. 0423-A. Council Member Arroyo.

5 CHAIRPERSON ARROYO: Aye.

6 COMMITTEE CLERK: King.

7 COUNCIL MEMBER KING: Aye; only if I can
8 get one.

9 [laughter]

10 COUNCIL MEMBER MENCHACA: Yes.

11 [background comments]

12 COUNCIL MEMBER MENCHACA: [00:13:11]

13 **Spanish**

14 COMMITTEE CLERK: Maisel.

15 COUNCIL MEMBER MAISEL: Aye.

16 COMMITTEE CLERK: Rosenthal.

17 COUNCIL MEMBER ROSENTHAL: Aye.

18 COMMITTEE CLERK: By a vote of 4 in the
19 affirmative, 0 in the negative; no abstentions, the
20 item has been adopted.

21 CHAIRPERSON ARROYO: Thank you.

22 Congratulations, [clapping] Council Member Rosenthal
23 and Menchaca, and we'll talk it up on the floor
24 tomorrow. [background comments] Congratulations...

25 [crosstalk]

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COUNCIL MEMBER ROSENTHAL: Absolutely.

Thank you.

[background comment]

CHAIRPERSON ARROYO: Okay. So I understand that all members expected at this vote came in, so with that, this Committee is adjourned.

[gavel]

C E R T I F I C A T E

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



Date March 10, 2015