

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC DEVELOPMENT JOINTLY WITH COMMITTEE ON SMALL BUSINESS

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March 26, 2015  
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HELD AT: Council Chambers - City Hall

B E F O R E:

DANIEL R. GARODNICK  
Chairperson

ROBERT E. CORNEGY, JR.  
Co-Chairperson

COUNCIL MEMBERS:

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I. DANEEK MILLER  
INEZ D. BARRON  
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MARK S. WEPRIN  
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ERIC A. ULRICH  
INEZ E. DICKENS  
KAREN KOSLOWITZ  
MATHIEU EUGENE  
PAUL A. VALLONE

## COUNCIL MEMBERS: (CONTINUED)

PETER A. KOO

RUBEN WILLS

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

Maria Torres-Springer  
Commissioner  
NYC Department of Small Business Services

Euan Robertson  
NYC Department of Small Business Services

Kyle Kimball  
President  
New York City Economic Development Corporation

Kim Vaccari  
Chief Operating Officer  
New York City Economic Development Corporation

Seth Myers  
New York City Economic Development Corporation

Kerri Jew  
Deputy Commissioner  
Division of Economic and Financial Opportunity

James Katz  
Director of Policy and Planning  
New York City Economic Development Corporation

Julie Stein  
Hunts Point Food Distribution Center

Michael Brody  
South Bronx Economic Development Corporation

Laura Imperially  
Director of Government Affairs  
Tully Construction

David Mead  
Executive Director  
SW Brooklyn Industrial Development Corporation

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

DePaul Shaw

Director

Midtown Community Court

Deborah Pollock

Director of Social Services

West Harlem Group Assistance

Seth Bernstein

Queens Economic Development Corporation

Margery Parker

Deputy Executive Director

Jobs First NYC

Nancy Karen

Executive Director

Business Outreach Center Network and BOC Capital

Doctor Carrey Goodman

Lia Archwald

2 [gavel]

3 CHAIRPERSON GARODNICK: Good morning  
4 everyone and welcome. Today's date is March 26<sup>th</sup>  
5 and my name is Dan Garodnick and I am the chair of  
6 the council's Committee on Economic Development.  
7 Today we are going to be presiding over the fiscal  
8 2016 preliminary budget for the Economic  
9 Development Corporation and the Department of Small  
10 Business Services. This is a joint hearing with the  
11 Committee on Small Business and I'm very happy to  
12 co-chair this hearing today with my friend the  
13 Chairman Robert Cornegy. And we're going to expect  
14 a, a number of our colleagues to join us through  
15 the course of this hearing which we don't expect  
16 will be quick. It will be as quick as possible of  
17 course but we know there'll time for them to come  
18 and ask some questions. New York City's economic  
19 development programs are initiated and managed by  
20 two agencies by way of introduction here. They are  
21 Department of Small Business Services and the  
22 Economic Development Corporation or EDC. SBS  
23 provides direct technical assistance and services  
24 to businesses within the city encourages  
25 participation in the procurement process,

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2 administers neighborhood commercial and industrial  
3 development and manages business improvement  
4 district programs. EDC is funded through a contract  
5 with SBS. EDC works with the private and public  
6 sectors on economic development initiatives that  
7 revitalize business, create jobs, and generate  
8 revenues for the city. In addition to corporate  
9 efforts, EDC market sales, and police's city owned  
10 commercial and industrial properties, plans, and  
11 prepares sites for development through  
12 infrastructure improvement, carries out capital  
13 improvements in neighborhood districts and public  
14 spaces and provides technical assistance to guide  
15 projects through the necessary public approval  
16 process. EDC is also involved in property  
17 management and development at the city's marine  
18 terminals, heliports, rail yards, and industrial  
19 parks. We are grateful that EDC and SBS have agreed  
20 to testify together today and we hope that the  
21 joint panel will allow for us to answer important  
22 questions about both entities. We are particularly  
23 interested in talking about industrial business  
24 zones, workforce development, ferries, and other  
25 outstanding EDC projects while also delving into

2 EDC's capital budget which rolls over from one year  
3 to the next. As we have discussed in this committee  
4 before the majority of capital projects span  
5 multiple fiscal years and it is therefore common  
6 practice for an agency, not just EDC but many  
7 agencies to roll and spend capital funds from one  
8 year into subsequent fiscal years. By way of  
9 example fiscal year 2014 EDC committed 278 million  
10 dollars or around 31 percent of its annual capital  
11 plan of 891 million dollars. This follows a  
12 historical trend. In fiscal year 2013 EDC committed  
13 22.8 percent of its budget. And in fiscal year 2012  
14 they committed 25.2 percent. In fact over the past  
15 nine years EDC has only committed an average of  
16 about 23 percent of its budget. All the uncommitted  
17 money gets rolled into the following year's budget.  
18 We will explore in this hearing why EDC has only  
19 committed an average of 23 percent of its budget  
20 over the last decade. The four year capital plan  
21 has gone up from 1.3 billion dollars in fiscal 2013  
22 to 1.6 billion in fiscal year 2015. We're going to  
23 investigate why the EDC budget is going up while  
24 hundreds of millions of dollars are left  
25 uncommitted every year. We're also going to take a

look at the usefulness of EDC's budgeting techniques. And the four year capital plan presented at last year's preliminary budget hearing EDC advised this committee that they projected this year's fiscal 2016 budget to be 18 million dollars. Now the preliminary plan calls for 370 million dollars. These massive jumps have occurred every year in the past which indicates that EDC has done a poor job in forward planning or as is most likely the case they do not want to give the precise numbers because it boxes them in. The consequence of course is that the public has no real idea what is happening. The best example here is that the four year capital plan for EDC is 1.6 billion dollars. The ten year capital plan is 1.2 billion dollars. So the four year capital plan 1.6 billion, the ten year capital plan 1.2 billion. It is functionally not possible. So we need to discuss where the money is coming from, where it goes, and how it's being spent here. We have some significant questions to ask and we hope that EDC and SBS can enlighten us. And of course we get to have this conversation with Maria Torres-Springer the Commissioner of SBS and Kyle Kimball the President



2 of EDC who this week announced that he would be  
3 leaving the administration. And on a personal note  
4 Mr. Kimball I wanted to wish you all the very best  
5 in your future endeavors and also express my  
6 appreciation for a high level of collaboration on  
7 many projects. And while think the capital budgets  
8 of EDC are not necessarily reflective of what is  
9 actually happening it has been an absolute pleasure  
10 to work with you and of course Commissioner Torres-  
11 Springer we, we look forward to continuing to work  
12 with you too. And Chair Cornegy I'm now going to  
13 turn the microphone over to you for an opening.

14 CHAIRPERSON CORNEGY: Thank you Dan. I  
15 appreciate it. Good morning. I'm Council Member  
16 Robert Cornegy, chair of the Committee on Small  
17 Business. Today the committee will be presiding  
18 over the fiscal 2016 preliminary budget for the  
19 Department of Small Business Services and will  
20 preside jointly with the committee on economic  
21 development over the preliminary budget for the  
22 Economic Development Corporation or EDC. Before I  
23 begin I'd like to acknowledge the presence of my  
24 colleagues Council Member Ruben Wills and Council  
25 Member Mark Weprin. And I'd also like to

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2 acknowledge and thank everyone who participated in  
3 the New York, NYCC Small Biz Campaign on social  
4 media this week. Many of you may not know that  
5 you're part of pilot program here today. With the  
6 help of the city council social media team we put  
7 out a call for small business stories and questions  
8 for the budget hearing. We heard from some  
9 advocates who are passionate about the small  
10 business job survival act loud and clear and we're  
11 grateful for that advocacy. We want to continue  
12 hearing from businesses like Avayon Pharmacy  
13 [phonetic] that are looking to the council and the  
14 administration for support. Our goal is to better  
15 understand your experiences so that the proposals  
16 that have already been submitted and others that  
17 are being developed can be shaped to respond to  
18 what's happening on the ground today. You see the  
19 committee members, well we were supposed to have  
20 our twitter handles right here but that was a  
21 technical glitch but we're asking business owners  
22 to tweet us using the NYCC Small Biz hashtag. You  
23 can also reach me by email at Cornegy Small Biz at  
24 Gmail dot com. As Barum Yoga [sp?] in Harlem did or  
25 reach out to members who represent your districts

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2 who are all committed to ensuring that the mom and  
3 pops of New York succeed. And that depends that  
4 they are... and have a chance to stay. The mayor's  
5 fiscal 2016 preliminary, preliminary budget for the  
6 Department of Small Business Services is 149.7  
7 million dollars. This is a 2.1 percent increase  
8 from the fiscal 2015 adopted budget of 146.7  
9 million. In a few minutes we'll hear more from the  
10 administration on the specific plans for these  
11 allocated funds. I hope to hear specifically on  
12 plans to implement the Small Business First  
13 initiative which is an interagency collaboration  
14 that includes 30 commitments intended to reduce the  
15 burden of regulation on small businesses and to  
16 make it easier for New York City small businesses  
17 to start, operate, and thrive. The city's MWE, MWBE  
18 program was expanded through Local Law 1. SBS has  
19 received additional funding in fiscal years 2016  
20 through 2019 to implement new and expanded MWBE  
21 services. We've heard a great deal about the MWBE  
22 program from the comptroller's office and  
23 unfortunately from the Manhattan District Attorney.  
24 I'd like to hear the commissioner's plan on how to  
25 increase MWBE funding, how the increase of the MWBE

2 is being and will be utilized to increase  
3 opportunities for minority and women owned  
4 businesses. I'd also like to hear what funds will  
5 be directed towards implementing the  
6 recommendations in the December report on veteran  
7 owned businesses. In particular increasing outreach  
8 to veteran businesses and encouraging them to  
9 identify as such. And finally last year we launched  
10 Chamber on the Go as a city council initiative to  
11 carry out outreach efforts to increase business  
12 access to a variety of services such as pro bono  
13 legal assistance, financing assistance, and  
14 referrals to government resources and support right  
15 at the storefronts of small businesses in, on  
16 commercial strips across the city. I'd like to hear  
17 how that initiative has helped SBS increase its  
18 outreach efforts and maximize the number of small  
19 businesses receiving assistance from the agency.  
20 We'll first hear from the Department of Small  
21 Business Services and then members will have a  
22 chance to follow up with questions for the  
23 commissioner. After that members of the public will  
24 have an opportunity to provide testimony. I hope  
25 that the commissioner or members of her staff will

2 stay and hear the public testimonies. I look  
3 forward to working with the agency as always and  
4 other interested parties to finalize the budget  
5 over the next few months. In closing I'd like to  
6 thank my staff and committee staff for working to  
7 put this hearing together, in particular the  
8 finance policy analyst Alia Ali for her excellent  
9 analysis and briefing. Thank you.

10 CHAIRPERSON GARODNICK: Alright. With  
11 that I think we're ready to begin. And I don't know  
12 if you all had a particular order we... oh you're  
13 going to start Commissioner? Go ahead. Yes.

14 COMMISSIONER TORRES-SPRINGER: Good  
15 morning Chairman Garodnick, Chairman Cornegy, and  
16 members of the committees on Economic Development  
17 and Small Business. My name is Maria Torres-  
18 Springer and I'm the Commissioner of the New York  
19 City Department of Small Business Services. I am  
20 pleased to join President Kyle Kimball, colleagues  
21 at the New York City Economic Development  
22 Corporation. I've also brought my First Deputy  
23 Commissioner Euan Robertson and my senior  
24 leadership team. Our work at SBS is guided by the  
25 central animating motivation of the de Blasio

2 administration which is fighting inequality on all  
3 its forms, on all its fronts and building a city  
4 where everyone has the opportunity to rise  
5 together. As a mayor recently said if New York  
6 cannot be a city of genuine opportunity for all  
7 regardless of where you are from or what language  
8 you speak then we lose not only a part of who we  
9 are but we risk losing our place as a global center  
10 of innovation, diversity, and progress. And that is  
11 why we are squarely focused on building a city for  
12 growth where growth and inclusion are two sides of  
13 the same coin and where prosperity is widely  
14 shared. At SBS we seem to foster a thriving  
15 equitable economy by connecting New Yorkers to good  
16 jobs, creating stronger businesses, and building a  
17 fair economy. Today I'd like to update you on the,  
18 our work over the last year to meaningfully improve  
19 the way government serves job seekers, small  
20 businesses, and commercial corridors and describe  
21 our key strategies to support inclusive growth and  
22 secure economic opportunity for all New Yorkers.  
23 After my testimony I'm of course happy to take your  
24 questions. So this slide gives a picture of this  
25 year's budget for SBS. The fiscal year 2016

preliminary budget for the agency is 149.7 million and the agency currently has a headcount of approximately 260 employees. As you can see in chart one inclusive of the 149.7 million is pass... funding for EDC totaling 56.4 million, NYC and company totaling 12.3 million, and Governor's Island including 12.6 million. The remaining 68.4 million or 46 percent of the FY '16 prelim budget is allocated for SBS programs. In the second chart of the 68.4 million, 62 percent or approximately 42.2 are federal... funds that's workforce investment and innovation funds, and 26.3 million are city tax levy dollars. Finally chart three shows how the 66.1 million of city tax levy funding is allocated. I will touch briefly on each of our initiatives or our, our main pushes going forward to help job seekers, businesses, and commercial corridors. So first for job seekers one of our key goals at SBS is ensuring that as we support business growth we are also unlocking the potential of all New Yorkers particularly those in the most vulnerable communities and connect them to jobs of family supporting wages and real career paths. The administration has launched several key initiatives

to improve the standard of living for all New Yorkers including increasing and expanding the living wage law for contractors and subcontractors of projects that receive city subsidy expanding paid sick leave to half a million more workers. And of course as the mayor called for in the... the city speech raising the city's minimum wage to \$13.00 by next year. The administration's release of the career pathways report also marks a significant change in the framework of workforce development towards providing quality jobs with real advancement opportunities. All of these actions are designed to balance the equation in favor of the hardworking families of our city. The primary division at SBS that supports these efforts is the workforce development division or WDD. WDD trains and connects job seekers to employment opportunities and offers businesses cost saving recruitment services. With the opening of the latest workforce 1 center in Coney Island that focuses on serving job seekers in Hurricane Sandy impacted areas this division now operates 17 workforce 1 career centers across the five boroughs. There are five hub centers, 10 affiliate



centers, and two sector centers specifically focused on careers in healthcare and transportation manufacturing. So are in FY '15 workforce one has served more than 82 thousand job seekers and connected close to 16 thousand New Yorkers to jobs. Since the start of the administration SBS has started shifting away from a system of rapid attachment to providing workforce one job seekers with quality jobs with real advancement opportunities. For instance we recently announced higher wage standards for businesses receiving free recruitment services through our centers. Building upon the wage for, reinstituted last year the new standard will require businesses recruiting through workforce one to hire employees full time or pay at least 11.50 per hour. So far in FY 2015 the average wage of job seekers connected to jobs at Workforce 1 centers was \$12.02 and that is up 13 percent from the same period in FY '14. Approximately 60 percent of the job seekers we serve are we connect to full time jobs and that's compared to just 30 percent from the previous year. Over the last year SBS is engaged with communities on employment and training opportunities in a, in a new and more meaningful

way. For example we launched a partnership with the Mayor's Office of Housing Recovery Operations to connect New Yorkers in Sandy impacted areas to jobs and training opportunities. As part of that partnership contractors, consultants, vendors receiving Sandy recovery funds from the city are required to post job opportunities through Workforce 1. Additionally we worked with public and private partners to launch the Rockaways Economic Advancement Initiative, a play space economic mobility initiative to connect Far Rockaway residents to high quality full time employment. Since the start of the administration WDD has redoubled its efforts to connect job seekers to jobs with career paths by investing in trainings informed by business's needs. It provides a variety of training opportunities including individual training grants, customized on the job training, sector specific and other specialized training programs. We are in particular very focused on supporting the approximately 170 thousand New York City young adults who are neither working nor enrolled in school. For instance last year we launched the second New York City web development

fellowship class specifically for out of work individuals without a college degree. This five month training program trains people with little to no coding experience so they can get jobs as web developers with starting salaries that are approximately 65 thousand dollars. And so for many this is life changing. SBS also runs several youth focus training programs like stellers at work which connects CTE high school students with paid internships in the transportation and manufacturing sectors as well as the Brooklyn tech, triangle internship program which connects local college students with media and tech jobs in downtown Brooklyn. We participated in the Jobs for New Yorkers taskforce in December of 2014 released the career pathways framework. This report laid out a roadmap for a fundamental change in the way we deliver workforce services to New Yorkers. The city moving forward is going to focus on six critical sectors; technology, healthcare, industrial manufacturing, retail hospitality, and construction. Last year we also launched a tech talent pipeline, an industry partnership for the technology sector which was recently mentioned in a

speech by President Obama and announced that, in announcing the Whitehouse led tech hire initiative. A multi-sector initiative to give Americans pathways to well-paying technology jobs. The tech talent pipeline joins SBS's existing industry partnership, the New York Alliance for Careers and Healthcare or NYACH which connects New Yorkers to jobs in healthcare. Moving forward there are several concrete ways we plan to achieve the goals laid out in the career pathways report. First as I mentioned we will create industry partnerships in each of the critical sectors where businesses, community groups, training providers, and government can collaborate to recruit, train, and connect unemployed and underemployed adults to quality jobs. SBS is also building out with sister agencies the first look program which will require employers and contractors receiving city business to consider hiring qualified workers from the city's Workforce Development Program ensuring that New Yorkers have the first opportunities at jobs created by city investment. And finally SBS is developing a community based workforce development model which will fully leverage our Workforce 1

centers and local organizations to maximize the Workforce Investment in outcomes of communities across the five boroughs. The next pillar, or support for businesses. SBS supports the more than 220 thousand small businesses across the five boroughs which of course are a driving force in our economy. But small businesses are also so much more. They are an essential part of the character of New York City neighborhoods and for many owning a business can be a first chance at economic self-determination. Yet we know that small businesses in New York City are confronted with many challenges. For that reason a key focus of ours is to help existing businesses and support entrepreneurship as a pathway to economic opportunity. As an example the Division of Business Acceleration provides businesses a one stop shop to help them navigate the city's regulatory environment by coordinating permitting and licensing processes. This division focuses quite simply on cutting red tape. Last year DBA expanded the services from food, the food industry to serve the approximately 50 thousand businesses in retail and manufacturing industries. We also work closely with our agency partners to

open new daycares in collaboration with the administration's universal pre-k program. To date in FY '15 DBA served nearly 6,000 businesses and helped more than 500 new establishments open. And these are more openings over the same period last year. As the council member mentioned earlier the mayor also announced Small Business First. In a, unprecedented initiative led by the Department of Small Business Services and the Mayor's Office of Operations in partnership with 15 different city agencies to improve the city's regulatory environment. We work closely with small businesses advocates, community leaders, and elected officials to solicit ideas for how best to help small businesses. With more than 600 ideas gathered from the public we develop 30 targeted recommendations that address the following key areas; one improving communication between business owners and government, two streamlining licensing permitting in the tribunal process, three providing support and resources to businesses so that they can understand and comply with regulations and fourth ensuring businesses had equal access to assistance. In the FY '16 preliminary budget SBS received 3.08

million to add 21 new staff and start implementing the 30 initiatives outlined in this report it's, this initiative is part of a larger 27 million dollar investment across several agencies beginning now through FY '19. Another tool in our inclusive growth strategy is city procurement. We believe that city procurement is a powerful lever that we must use to address economic inequality and generate opportunities for the city's diverse businesses. SBS's Division of Economic and Financial Opportunity or DEFO operates the city's MWBE program. And our goal is to ensure that New York City's diversity is reflected in its procurement. The MWBE program received 1.4 million in the FY '16 preliminary budget which will support the capacity building of MWBE so they can successfully compete for and win city contracts. This funding will add 10 new full time staff to support SBS services for MWBEs including work ships, one on one assistance to help MWBEs submit bids and proposals for city contracts, connecting MWBEs with mentors, educating firms about joint venturing and subcontracts so firms can bid together on larger contracts, and of course

continuing the implementation of Local Law 1. This division conducts selling to government workshops, courses, one on one assistance. In FY '14 nearly 14 hundred businesses took advantage of SBS's procurement assistance and capacity building services, a 13 percent increase over the previous year. One of these programs is building opportunity, a capacity building business development course offered in partnership between SBS and Department of Housing Preservation and Development so that MWBE developers can successfully participate in HPD's affordable housing programs. Over the last year DEFO has made great strides in implementing Local Law 1 which eliminates the one million dollar cap on contracts, strengthens certification standards, improves the online directory of certified firms, and establishes a detailed, more detailed accountability system for agencies. This February SBS announced the launch of the YC online certification portal, a portal enabling MWBE firms to certify and recertify online, check the status of their applications, update their business profiles. In FY '14 we certified more than 920



2 firms bringing the total number of MWBE firms to  
3 nearly 38 hundred. In FY '14 MWBEs were awarded  
4 more than 690 million in contracts which is a 57  
5 percent increase from FY '13. Importantly this  
6 February SBS released an RFP for the MWBE disparity  
7 study which we aimed to have completed in 2016. We  
8 received 1.5 million and one new position in the FY  
9 '16 budget to fund a full disparity analysis of the  
10 utilization of MWBEs in New York City contracting  
11 as compared to the availability of MWBEs in the  
12 relevant market. It also includes a local hiring  
13 analysis to examine factors relevant to the  
14 establishment of a local hiring program. Based on  
15 the analysis, this analysis and other information  
16 SBS and MOCS will determine whether the city should  
17 modify adjust the MWBE program and its associated  
18 goals. SBS and the entire administration very much  
19 dedicated to strengthening the program by building  
20 the pipeline and capacity of MWBEs by increasing  
21 the performance on city contract opportunities and  
22 creating policies that foster their growth in the  
23 city's economy. We continue to be fully committed  
24 to helping businesses affected by hurricane Sandy  
25 get back on their feet. Over the last year we've

made significant changes to improve the efficiency of the Hurricane Sandy business loan and grant program to better address the needs of New York City businesses. When SBS testified in front of the city council the start of the administration we had approved only seven businesses for a total of two million. Today we have approved approximately 210 businesses for more than 34 mill, 34 million. And we continue to work with applicants in our pipeline to disperse the remaining funds. To expand upon the Workforce 1 veteran employment initiative to date in FY '14 nearly served 41 hundred veteran job seekers and connected more than 780 to jobs. SBS is expanding our services to support veteran entrepreneurship in business, business owners. In partnership with MOCS and the Mayor's Office of Veteran Affairs we released a road map for supporting veteran owned businesses the report outlines seven recommendations to improve how the city trains, identifies, and conducts outreach to vets. We also launched a second cohort of the Veterans Entrepreneurship Program which provides business training, mentorship, and access to business solutions and veteran service provider

resources to veteran entrepreneurs. In addition we created a ten steps to starting a business for veterans course launched in our business solution centers this January. We are pleased to report that the changes to the payee information portal or PIP, one of the second recommendation, seven recommendations in our report have been made. PIP for those who don't know is a site where businesses interested in contracting with the city can manage their account and the recently completed modifications allows veterans to now self-identify online so the city can begin to understand the size of the vet business community interested in city contracting. And we continue to work closely with MOVA MOCS community providers, and our partners in the city council to meet the needs of veteran businesses. As we strengthen businesses critical to a critical piece of a model of inclusive growth is ensuring that these resources reach diverse communities across the five boroughs which means serving immigrant business owners who make up more than half of the small business owners in New York City. Under this administration SBS has doubled the number of non-English business courses offered

which to date have been attended by more than 120 businesses. SBS also launched the immigrant business initiative in partnership with five community based organizations across the five boroughs to provide target, services targeted to help immigrant owned businesses operate, start and grow and these are delivered in several languages including Russian, Chinese, Korean, Haitian Creole, and Spanish. Since its launch only five months ago more than 150 businesses have used these services. We've also expanded several entrepreneurship programs to be available in additional languages including the NYC craft entrepreneurship program for low income underemployed adults with craft skills to train them with the skills they need to create an online store and the Northwest Bronx entrepreneurship program to help daycare providers in the northwest Bronx grow their business. SBS also offers free direct assistance to new and existing small businesses through our network of seven business solution centers. So far in FY '15 the centers have served more than 45 hundred businesses. More than 26 hundred entrepreneurs attended one of our 25 different business courses,

more than 33,050 businesses to save more than 200 thousand illegal fees and the businesses were connected to more than 285 financing awards totaling more than approximately 15.8 million which represents a 20 percent increase in financing awards over the same period. Another pathway for economic opportunity that SBS is happy to partner with the council on support is the support to form and grow worker cooperatives. SBS is currently working with 11 organizations that receive 1.2 million in city council funding to provide education and training resources, technical, legal, and financial assistance to existing worker co-ops and those interested in forming. To support this overall initiative SBS created information, collateral including an informational one pager on work, worker cooperative that's distributed throughout our centers. We trained our business solution staff to refer businesses to council funded organizations. We created a Ten Steps to Starting a Worker Cooperative course that we are expanding citywide to our business solution centers. These organizations are providing important infrastructure to help this particular

business community grow. And the NYC business solutions team is working closely with them in the city council to support the service delivery. We share the council's commitment to supporting worker cooperatives as one powerful strategy to improve the economy and create good jobs. And we look forward to continuing this partnership. In honor of women's history month and the four million women and girls who live in New York City, a couple of weeks ago the first lady Chirlane McCray Deputy Mayor Alicia Glen announced We NYC; a first of its kind initiative to empower women through entrepreneurship across a wide array of sectors. This SBS initiative will help, will strengthen entrepreneurship in New York City and provide a path to economic security for low income women and families while also supporting economic development across the five boroughs. We NYC released a white paper on the state of women entrepreneurship in New York City we created an advisory board with public, private, non-profit, and philanthropic partners and started a comprehensive study to inform the initiatives work. Over the next three years SBS is committed to reaching five thousand women

entrepreneurs and small business owners and connecting them to business services and financing assistants. We will continue to build out these recently launched initiatives like small business first, expand upon the existing services offered through NYC business solution centers and the industrial providers to make sure that businesses have access to the resources they need to succeed. Also in our work ahead to support businesses prepare for future disasters SBS will launch business prep to provide businesses with individualized assessments to address their operational and physical needs in all of our efforts we, SBS supports entrepreneurs and businesses if they have the opportunity for economic self-determination. The last pillar is our work across commercial corridors. So we go beyond serving individual businesses to strengthening entire commercial corridors. This is our third focus supporting community based economic development organizations to foster the conditions under which local businesses can grow and thrive. We believe that grass roots organize commercial corridors are better for business. And SBS's

2 neighborhood development division supports business  
3 improvement districts, local development  
4 corporations, and merchants associations and other  
5 community based not-for-profits to revitalize and  
6 lead change at their neighborhoods. Today New York  
7 City has 70 bids, 46 of them outside of Manhattan.  
8 Since the start of the administration one bid has  
9 been established and one bid has been expanded and  
10 we are expecting two bids to come to the city  
11 council for approval on the coming weeks. NBD  
12 administers and provides oversight of the BID  
13 program and helps guide local steering committees  
14 made up of property owners, businesses, public  
15 officials, and other stakeholders through that  
16 process. NDD also works closely with a 70 member  
17 NYC BID association and individual BIDs to connect  
18 them to the appropriate partners in government and  
19 troubleshoot local economic development obstacles  
20 in the neighborhoods. Under this administration we  
21 have shifted the focus of the BID formation process  
22 to create more inclusive BIDs because we believe  
23 that when more people have a seat at the table BIDs  
24 are better able to meet the unique needs of their  
25 neighborhoods. Just like our neighborhoods BIDs in



New York come in many shapes and sizes. We are seeing increased local interest in BID formation among commercial districts that include not only retail and office businesses but mixed use and industrial manufacturing areas as well. The BID model can be an effective organizing tool to provide services in all types of commercial districts and the recently formed west shore BID in Staten Island and the soon to be formed south shore BID are perfect examples of the diversity of New York City's BIDs and how that model can support the city's manufacturing sector as well as small and less dense retail districts. We recognize that many commercial districts exist outside of BIDs. And to serve these areas we also manage our, the Avenue NYC program which is a competitive grant program that funds community based organizations to carry out commercial revitalization projects. The program is exclusively funded by federal CDBG grants, targeting investments in low and moderate income communities. The division is currently managing about 1.4 million in Avenue NYC grants for 52 projects across 39 organizations covering topics like merchant organizing, business attraction, and

2 retention and façade improvement. Outside of the  
3 competitive grant programs NDD also administers  
4 more than 110 city council discretionary grants  
5 totaling more than 1.6 million in local commercial  
6 revitalization initiatives carried out by CBOs in  
7 neighborhoods across the, across the city. In  
8 partnership with our colleagues at EDC we also  
9 administer the, a program called neighborhood  
10 challenge, a competitive grant program designed to  
11 encourage innovative and catalytic investments from  
12 BIDs and CBOs. This year SBS awarded together with  
13 EDC seven winning organizations with challenge  
14 grants of up to 100 thousand. Additionally NDD  
15 continues to provide dedicated organizational  
16 development and capacity building assistance to  
17 community based development organizations across  
18 the city. Last year we launched the neighborhood  
19 fellows program which pairs four second and third  
20 year law students with smaller BIDs seeking legal  
21 and government support. In 2014 NDD led nearly 20  
22 educational workshops on non-profit management and  
23 commercial revitalization that were attended by  
24 more than 230 not-for-profit leaders from over 65  
25 community based organizations. It continues of

2 course to provide oversight of the city's network  
3 of BIDs as it guides more than 20 community led  
4 efforts through the BID formation process. NDD also  
5 received and is currently reviewing nearly 110  
6 applications for the FY '16 Avenue NYC grants as a  
7 result of the enhanced outreach efforts the total  
8 number of Avenue NYC project applications received  
9 increased over 20 percent from 2015. Total  
10 applicant organizations increased by 12 percent in  
11 14 out of the 58 organization that submitted  
12 applicant, applications renew applicants to the  
13 program. As we continued to work in our housing  
14 neighborhoods across the city including those  
15 neighborhoods outlined in the mayor's housing plan.  
16 SBS is part of a team looking holistically at  
17 neighborhoods, not just additional housing capacity  
18 but the full host of infrastructure and city  
19 services that can support a neighborhood and the  
20 people, places, and local businesses that form the  
21 fabric of these communities. SBS is playing a  
22 critical role in supporting the Department of City  
23 Planning and conducting business engagement in the  
24 neighborhoods outlined in the Mayor's housing plan  
25 to ensure that the voices of businesses, local

stakeholders, and community based organizations are integrated into the planning effort. And finally I wanted to take a minute to talk about our community engagement strategy. Our community outreach over the past year has not been limited to neighborhoods featured in the Mayor's Housing Plan. We are committed to a robust community engagement strategy across the five boroughs to ensure that the development of our policies and our programs are informed by the diverse New Yorkers who we serve. Since the start of the administration we have made it a priority to ensure that stakeholder, to ensure stakeholder engagement, create feedback loops, and collect user input to understand and meet the needs of businesses, job seekers, and commercial corridors. For example we let an extensive stakeholder engagement process for small business first to ensure that all the relevant stakeholders are engaged from start to end. As part of that we launched an online we form to solicit information from program users and we'll be using that to build out an advisory board to create a continuous feedback loop. In 2014 we organized target outreach to the veterans community, the immigrant business

community, ethnic media, and soon SBS will launch a series of community forms as part of the We NYC initiative to connect women entrepreneurs two services to meet their needs and this is on top of the early 700 event, outreach events that we participated in any given year. So community engagement will continue to be a focus at SBS and we hope to continue partnering with the council, our community partners, and of course Chamber on the Go to reach New Yorkers that need our help. So in conclusion at SBS we're committed to fulfilling the mayor's vision for progressive diverse and economically thriving city with the support of the city council and our agency partners we will continue to work across the five boroughs to strengthen our neighborhoods, promote inclusive growth and improve the lives of hardworking New Yorkers. We have much work ahead of us but I do believe that we have an extraordinary opportunity to leverage all of our tools not only to create a strong and durable economy but also strong and durable businesses, families, and neighborhoods. Thank you for your patience this morning. And happy to take questions later on.

2 CHAIRPERSON GARODNICK: Thank you. I  
3 think we're going to hear from Mr. Kimball first.  
4 And before we o let me just note we've been joined  
5 by a number of our colleagues; Council Members  
6 Koslowitz, Menchaca, Ignizio, Eugene, and Dickens.  
7 Welcome to our colleagues. And with that Mr.  
8 Kimball it's all yours.

9 PRESIDENT KIMBALL: Good morning  
10 Chairman Garodnick, Chairman Cornegy, members of  
11 the committees on Economic Development and Small  
12 Business. My name is Kyle Kimball president of the  
13 New York City Economic Development Corporation and  
14 I'm really pleased today to join my colleague Maria  
15 Torres-Springer Commissioner of Small Business  
16 Services and testifying before you today. Together  
17 with our Chief Financial Officer Kim Vaccari our  
18 Chief Operating Officer Seth Myers and other  
19 members of my staff. I want to give you a brief  
20 presentation about what economic development means  
21 in this administration to us and specifically would  
22 like to detail how EDC has adapted itself to make  
23 itself an engine for inclusive growth that fights  
24 every day to attack income and equality which the  
25 Mayor has identified as one of the core challenges

facing our city and our economy. First I would also like to thank you for the kind words at the beginning. I will be here until June so I know that I'm not off the hook yet. And I assure you will demonstrate that in our... questions. We have a lot to accomplish in the next two months. I'm not going to let my foot off the accelerator. I will be back for executive... and really committing to, committed to making sure there's a smooth transition for EDC. So I'd like to start by providing you with the tangible sense of the work we have been doing. Over the course of the year since we last met EDC has directly generated 216 thousand jobs, catalyzed 26 billion in private investment, closed 13 deals to develop 672 thousand square feet of real estate transported over one and a quarter million people on our ace river ferry, generated more than 200 million in revenue from our citywide assets oversaw 600 thousand passengers out of Manhattan's two cruise terminals, placed over 500 candidates into local jobs through a hire NYC program in partnership with SBS, welcomed a record 1.5 million visitors to the amusement parks at Coney Island, 160 thousand square feet of incubator space

throughout the five boroughs have supported nearly 800 companies employing nearly 12 hundred people. We've accomplished all of this against the backdrop of an improving economy. Our unemployment rate has dropped from 7.9 to 6.5 percent. The city has added over 100 thousand jobs, many of them in good paying occupations. And the city now exceeds its pre-employment recession level recently eclipsing the four million total jobs mark for the first time in the city's history. While in many ways our city's economy is moving in a positive direction we continue to face serious headwinds. Unemployment is down considerably from recession era levels to a five year low. But at six and a half percent it still remains too high. And although we have consistently added jobs over the past several years we must remain vigilant that we are adding good paying jobs. Over 21 percent of New Yorkers live below the federal poverty line. And some reports put that number closer to 46 percent depending on your measure. More than half of New Yorkers are severely rent burdened and are infrastructure from transit to broadband and aging piers needs billions of dollars of investment to get to a state of good



repair. While the number of challenges we face are large particularly given the immense inequality in this city we have repositioned our economic development strategy to be focused on more robust and inclusive economic growth, growth that extends economic opportunity to New Yorkers across all five boroughs. For too long our city, our city focused primarily on driving economic growth but under this administration we are sharpening our focus on equity in the other side of the development coin. In practice this economic development strategy is guided by five key principals; one unlocking the full potential of our human capital by supporting quality jobs in providing access to skilled development, two investing in critical infrastructure across the five boroughs to support growth and connectivity, three leveraging our city owned assets to realize a double bottom line in catalyzing job growth and promoting innovation, four driving sustainable resilient growth by making it easier for businesses to start and grow and thrive in New York, and four growing New York City is a global capital for inclusive innovation and growth by strategically investing in emerging

sectors and encouraging traditional businesses to adapt to global disruption. One year into the de Blasio administration we have developed an economic development plan that strives to make New York City the global model for inclusive innovation and economic growth. Fueled by the diversity of our people and businesses and we are dedicated to strengthen the engines of the city's economy in connecting New Yorkers to the opportunities of that economy while also developing a dynamic and, and resilient neighborhoods. EDC has three main tools that we use to develop and execute this strategy. First we manage a wide range of capital constructions, projects on behalf of ourselves and on behalf of the city. It is through this group that most of the EDC's capital budget flows, second is our real estate in area wide development practice and it's through these groups that most of the project that you think of are developed, transacted and managed. And in addition to the large development transactions you normally associate with the EDC it is through this practice we also assist our sister agencies in rezoning or other, or other land use actions and are also

responsible for managing many of the city's major assets. A portfolio of approximately 80 million square feet across 150 properties throughout the five boroughs ranging from food distribution centers, large industrial operating properties, public retail markets, ground leases to developers of predominately office industrial and retail uses as well as cruise terminals, ferry landings, and other maritime properties. Third, I'd like to say that we serve as a think and do tank that makes strategic and pragmatic investments to diversify and strengthen our economy. Some investments such as our five borough network of 16 incubators directly address the daily needs of small businesses and entrepreneurs. Others such as the applied sciences initiative will have lasting impact over the long term transforming the economic landscape for generations to come. EDC is a self-sustaining and receives no operating funds from the city, it deriving revenues from our property management, financing fees, and land sale proceeds. Because of this unique structure EDC utilizes the revenue generated by our assets not only to make physical contributions to this city but also make

strategic investments that I just mentioned either on our own assists or to fund a broad spectrum of programs and services. Going forward we will be very focused on making sure that our assets are managed to a double bottom line, that they are financially sound but also socially responsible. We are ensuring that all city assets and investments establish and strengthen career pathways to enable low income individuals to, to remain in if not travel through the middle class. In addition to using our leverage and to expanding living wages we need to invest significantly in core city assets the support in middle class job growth and strengthen our economic physical and social resiliency. To that end I would like to give you a sample of the few of the projects under our purview that fall into the, the, the guiding principles that I talked about in our economic development strategy. First, human capital, it all starts with our people which is why I would like to begin with our efforts to develop the city's human capital resources. We are committed to using the city's powers and levers that as an investor or as a purchaser of goods and services to place people

2 into good jobs. At EDC we are doing that in all of  
3 our activities requiring the use of our hire NYC  
4 program which matches local labor and talent with  
5 jobs in local developments to the fullest extent of  
6 the law. We have also followed up on the other  
7 recommendation of career pathways that Maria  
8 mentioned through a program called best for New  
9 York. Rewarding, celebrating, and promoting good  
10 companies partnering with... lab which is pioneered  
11 world renowned assessment of bench marking  
12 effective workforce practices we are ensuring that  
13 companies in New York can be a best, not only for  
14 their bottom line but also for their employees and  
15 for New York City. By capitalizing on diversity an  
16 inclusion and measuring return on investment in the  
17 form of employee engagement and community wealth  
18 generation. Using Blabs [phonetic] assessment New  
19 York City businesses are now able to benchmark  
20 their practices and impacts on workers, the  
21 environment, and communities. They'll be able to  
22 see areas where they excel and areas where they  
23 could improve and we are currently investing in  
24 programs and tools to help businesses once they  
25 have identified those steps to take those next

steps turning those results into challenges and changes that improve their competitive advantage and quality of life. The more than 500 businesses that will compete for the assessment and commit to seeking ways to improve their practices will be recognized as competing to be best for New York City and you will see, soon see that logo in every business that takes the first step. At the end of the year with Blab and the community of certified B Corps the city will recognize participating businesses and celebrate those that are making concrete improvements. We also recently inaugurated the NYCHA Food Business Pathways Program. This is in partnership with Small Business Services, City and... Kitchen and NYCHA that provides a business accelerated program for food entrepreneurs living in NYCHA properties to start and grow food businesses across the city. After a ten week intensive business courts participants will formalize their businesses by obtaining free licenses and permits. They will then be eligible to receive free incubator space for five months as they work to operationalize what they've learned. All graduates will receive business coaching as

they compete the next steps in their journey as entrepreneurs. Of course human capital developments also take more proactive forms from concrete talent pipelines into vital industries to new skills training for New Yorkers. I would also like to highlight one of our programs that we are particularly proud of which is called Generation Tech. It's our successful entrepreneurship program for public high school students interested in computer and technology careers. Gen Tech is a summer program in which since its start 118 students mostly from Title 1 high schools have undergone an eight week coding boot camp where they learn computer and coding skills essentially from scratch. After that they receive mentorship from some of the leaders in the industry such as Microsoft, Google, and Facebook. Onto infrastructure. To help address our transportation needs as they intersect with economic development Mayor de Blasio recently announced that the city of New York is overseeing the greatest expansion of ferry service in New York City harbor in decades. The new citywide ferry service will build off the success of east river ferry and double the number

of landings from nine to 18 and increase the number of routes from one to six by the end of 2018. The citywide ferry service will provide transit connections to waterfront communities around the city and will unlock development in transit challenged areas as well as increase equity resiliency and economic impact for those neighborhoods. The first phase of the citywide ferry system will be rolled out in 2017. But in the coming fiscal year we will be settling, setting the fiscal, physical foundations of the system throughout all five boroughs. Meanwhile we are making major upgrades at Hunts Point Food Distribution Terminal in the south Bronx, the 329 acre cluster of wholesale markets that provides approximately 50 percent of the fruit and vegetables meat fish that are consumed in the five boroughs. The markets support 115 private wholesalers that employ more than 8,000 people. Today however aging infrastructure, high energy cost, a business model disruption, and business model disruption threaten the distribution centers future as both the critical element to the city's food supply chain as well as a major Bronx



2 employment hub. Environmental resiliency has also  
3 become a major challenge at the market. If  
4 Hurricane Sandy had hit 12 hours earlier or if... had  
5 been in high tide instead of New York Harbor, Hunts  
6 Point would have been flooded, the city would have  
7 lost power and food supply chains to the entire  
8 city would have been disrupted. To strengthen the  
9 wholesale markets and keep the food distribution  
10 center competitive Mayor de Blasio recently  
11 announced an investment of 150 million over 12  
12 years to modernize the buildings and facilities,  
13 activate underutilized space and provide space for  
14 dozens of small businesses to set up shop at the  
15 distribution center. These investments will not  
16 only enhance the capacity of Hunts Point but will  
17 also generate nearly 900 construction jobs and  
18 approximately 500 permitted jobs. And to enhance  
19 the market's resiliency the city recently committed  
20 25 million in capital upgrades to the center for  
21 major resiliency and upgrades and it... also matches  
22 a 20 million dollar allocation into Hunts Point  
23 through the Department of Housing and Urban  
24 Developments Rebuild by Design Program. These are  
25 just two of the major infrastructure upgrades that

we at EDC are initiating over the course of the forthcoming year. Third, double bottom line. Leveraging the city's own assets for, for bottom line development we need to continually and successfully modernize the Brooklyn Army Terminal, a city owned facility in Sunset Park that is a critical source of industrial jobs. Over the years EDC has transformed about 3.1 million square feet of the total four million square feet of raw space into a modern subdivided industrial canvas that is appropriate for modern industrial uses as a part of the community during Sunset Park Vision Plan. We are proud that the 3.1 million square feet already transformed is 99 percent occupied by more than a hundred companies that employ nearly 36 hundred people and that is home to a diverse uses ranging from manufacturing to medical laboratories. This administration has sought to use this vital asset far more strategically. Last year the mayor, and allocated 100 million in physical capital upgrades to BAT in order to redevelop 500 thousand square feet of light industrial space and building aid that had been vacant for a very long time. This includes nearly seven floors at about 70 thousand

square feet per floor which will open up over 1,000 new jobs when it's completed in the Fall of 2017.

This represents a tenfold expansion in the investment in bat in just the first year of the administration as compared to the entire 12 years prior. More importantly BAT is and will continue to be far more... than it has been. The bulk of new tenants are light industrial companies that create innovative properties an offer workers real skill building career pathways. In addition, in total and addition to employment from the construction the upgrades have sought to bring about, about a thousand new jobs to Sunset Park Community making a total of 36 hundred jobs. In the coming years employment at BAT businesses is expected to grow to a total of 6,000 quality jobs. Fourth sustainability and resilient business environment.

Building and resilient and sustainable business environment I partnership with SBS, and much of this work has already been covered by the Commissioner but I would like to talk about EDC's roll in this space. One of the primary challenges is that, that talented innovators face is affordable real estate. That is why business

incubators are so important. They provide affordable working space to New Yorkers with great ideas. They provide shared and collaborative environments and they offer business connections that young companies need to excel. EDC helps run a network of 16 incubators around the city that focus on areas like technology, culinary arts, bio science, new industry in the making media and the arts, and of course clean and resiliency technology. More than 160 thousand square feet of affordable space in all five boroughs enable entrepreneurs from all backgrounds seeking to launch or grow small businesses in a range of industries from culinary media, to media, to biotech to clean tech. These incubators we've launched currently support more than 800 companies and more than 13 hundred jobs. And we continue to expand our network. Over 180 companies have graduated from these incubators and companies have raised more than 170 million dollars. Over the coming year we will be expanding our network of incubators across the five boroughs to foster a business environment where any entrepreneur can afford to take risks and even fail along their path

to success. Finally inclusive innovation. If we get all these components right New York City will be a global capital of inclusive innovation and growth as I've said a number of times. After the recession we realized that the city's economy was too heavily dependent on the finance, insurance, and real estate sectors. So we began a major effort to diversify the city's economy away from these traditional sectors. One of the essential projects that came out of that process was the applied sciences initiative, a citywide series of programs to enhance technology as an economic force in the New York City and double the number of engineers in the five boroughs in less than a duration. This is done through a series of university partnerships including the... Flagship Cornell Technion, Applied Sciences Campus in Rosewood Island and several others. Since then tech has become the fastest growing sector in the city with nearly 18 percent growth over 10 years. Tech is the city's second largest source of city revenue producing more than 300 thousand jobs and 125 billion in annual output. And it is a sector that we are working to make sure it's accessible to all rungs of the economic

ladder. Similarly New York City's uniquely positioned to be a leader in life sciences, biotech, and healthcare. All of these assets come together in Manhattan's east side life sciences corridor which is anchored by some of the world's most prominent and academic medical centers and institutions. Major developments such as the Alexandria life sciences center on 29<sup>th</sup> street and CUNY's new Hunter College Science Building next to Memorial Sloan Kettering new ambulatory center on 73<sup>rd</sup> Street. We are now advancing two life sciences funding initiatives dedicated to growing early stage companies in New York City. Investments will begin this year and will be managed by top tier VCs who will salvaging a stronger presence in New York City to take advantage of the growing commercial opportunities for life sciences here. Advancing science, especially healthcare related scientific research it's not only going to look good for us as a society it's very good for New York City's economy. As you can see we are very focused on utilizing EDC's successful tool kit including infrastructure and capital construction, real estate development and asset management, strategic

2 programmatic investments, and repurposing them  
3 towards our goal of a more equitable city.

4 Stylistically this involves greater community  
5 orientation, the neighborhood based approaches to  
6 development taking a more comprehensive approach  
7 for revitalizing and transforming neighborhoods.

8 This is we, this new neighborhood oriented outlook  
9 will take into account community priorities related  
10 to affordable housing, transportation, education,  
11 and the people who live and work in these  
12 neighborhoods and other community specific needs.

13 One key example of this is the Jamaica Planning  
14 Initiative. Over the course of the next six months  
15 through, sorry over the course of six months  
16 through 2014 EDC in partnership with the DOT, SBS,  
17 Department of City Planning, and the borough  
18 president's office, HPD, and a number of other  
19 agencies throughout city government conduct an  
20 extensive outreach in Southeast Queens. We spoke to  
21 community groups, elected officials, local  
22 businesses, and others and we learned that the  
23 three priorities of the neighborhood including,  
24 included housing and transportation, commercial  
25 growth, and jobs. Out of that process we have

developed a Jamaica action plan which included a series of projects that improve livability for the residents of Jamaica all of which were informed by feedback that we receive from the community. Projects included the development of a mixed income and mixed use project at 168<sup>th</sup> Street Garage for which we have already released a request for proposals, programs to train and jumpstart the next generation of Jamaica entrepreneurs and food businesses and activate vacant sites in Jamaica's downtown with new housing and economic activity among dozens of other initiatives. These projects along with timelines and action plans for the implementation all came out of the dreams and ideas of local members of the neighborhood. The Jamaica Planning Initiative represents an EDC led model of community economic development that has proven not only successful but we believe replicable for EDC throughout the five boroughs. In conclusion EDC has engaged in the ambitious work of strengthening and diversifying our economy but we have a long way to go as we seek to increase opportunities for all New Yorkers. We remain committed to making New York City a global model for inclusive innovation and



equitable economic growth fueled by the diversity of our people and businesses with the continued support of and partnership with the city council I have every confidence that we will be able to leverage EDC assets even further so they can achieve these critical goals and I'm happy to answer your questions.

CHAIRPERSON GARODNICK: Great. Thank you very much and we're going to get right into it but before we do I wanted to note that we've been joined by Council Members Lander, Ferreras, and Miller. We're glad they're here. And we want to thank you both for your, for your testimony. I think you took us through an exposition of the general goals and priorities of your two agencies and I think now is the part where we get into some of the nuts and bolts about the budget. So let's, let's do that now. First my, my questions are primarily going to be for EDC in this first round of questions. And I know that my colleagues and my co-chair have questions as well. Mr. Kimball in the budget hearing that we held last year you had mentioned that EDC is running on a deficit. Does

2 that still stand and if so how much is that  
3 deficit.

4 PRESIDENT KIMBALL: So last year we  
5 projected a budget deficit of around 10 million  
6 dollars. That was right at the end of the fiscal  
7 year. We did end up the year with a positive fund  
8 balance. And that is because the, the budget that  
9 was passed for that particular year did not  
10 anticipate a couple of land sales. That was,  
11 included the last six months of the Bloomberg  
12 administration in which a number of projects were  
13 accelerated to, to closing that we did not foresee  
14 or budget that could have been closed in that  
15 fiscal year which... so we essentially accelerated  
16 some projects that would have been in out years  
17 further and which included a number of financial  
18 closings. So it was an aggressive year number one.  
19 Number two our agreement with OM, so there's a,  
20 there had been an agreement with OMB about how much  
21 EDC shares of land sale proceeds or administrative  
22 fees and that kind of thing. And that agreement  
23 expired and so we were able to recognize some  
24 revenue from land sales that we were, had not  
25 anticipated keeping. I would say that the fact that

we ended a year with a positive fund balance is, was an aberration. We tend to run the, the model at a slight deficit. And we are in, currently in conversations with OMB about what's the financial contribution EDC might make to the city. But that is not fully fleshed out.

CHAIRPERSON GARODNICK: The, the sales that you mentioned, is that, was that... south and the development rights of 50 West Street? Are those the ones that you're referring to?

PRESIDENT KIMBALL: I believe so and there's a couple of others... [cross-talk]

CHAIRPERSON GARODNICK: Okay. Let, let's talk about the determination of what portion of the operational expense for EDC is funded by revenue that you all are earning through various sources and what is flowing through SBS's budget.

Commissioner Torres-Springer had noted in her testimony that this year there's an amount of 56.4 million dollars that is dedicated to EDC. Last year you all had indicated that your total operational expense was 167 million dollars. Put that into this year's context for us as to what your total

2 operational expense is and you know how that  
3 relates to the SBS funds that are coming your way.

4 PRESIDENT KIMBALL: So as I mentioned in  
5 my testimony, so we do not receive any money from  
6 the city for operating expenses. We fund that all  
7 out of our own gross income to get to NET. We, the  
8 expense money that comes to EDC is typically for  
9 programs that we executing on behalf of other  
10 agencies. So that's not necessarily programs that  
11 we use for our own economic development programs,  
12 for example Graffiti Free is a program that we took  
13 over from Department of Sanitation and the  
14 Bloomberg administration and there's expense money  
15 that comes to us. So although we operate the  
16 program it is not something that we... And the  
17 delineation I'm making is expense money that's,  
18 another agency asked for versus expense money that  
19 we asked for. An so sometimes there is expense  
20 money that flows through us that another agency  
21 asked for.

22 CHAIRPERSON GARODNICK: What is the  
23 hundred, just so that we're comparing apples to  
24 apples the 167 million dollars that you had cited  
25

1 COMMITTEE ON ECONOMIC DEVELOPMENT JOINTLY WITH COMMITTEE ON SMALL BUSINESS 61

2 last year for fiscal '14 did that include the pass  
3 through funds or was that all for EDC?

4 PRESIDENT KIMBALL: Yeah that was... I'm  
5 sorry... yeah that was our own money. So the 167 for  
6 fiscal '15 that includes our contract expenses of  
7 about 80 million, our rent of about eight million,  
8 other general expenses around 13 million, and then  
9 around 54 million in personnel services.

10 CHAIRPERSON GARODNICK: Is that number  
11 the same... Was it the same for fiscal '15 as it was  
12 for fiscal '14?

13 PRESIDENT KIMBALL: It'll be a little  
14 higher for fiscal '15.

15 CHAIRPERSON GARODNICK: Can you give us  
16 a number on that?

17 PRESIDENT KIMBALL: Oh yeah sorry, sorry  
18 FY '15 is 155.

19 CHAIRPERSON GARODNICK: 155?

20 PRESIDENT KIMBALL: Yep.

21 CHAIRPERSON GARODNICK: And do you have  
22 a projection for fiscal '16?

23 PRESIDENT KIMBALL: Not yet. We have, we  
24 have not that, that budget, we will do that  
25 operational budget in May.

2 CHAIRPERSON GARODNICK: Okay. You noted  
3 that there is an agreement in which there's a  
4 portion of funds that are generated as revenue to  
5 EDC that are directed back to the, the general fund  
6 of the budget. This is a conversation which  
7 presumably is an EDC, OMB, EDC, Mayoral  
8 conversation. Can you share with us what that  
9 contribution was last year and what you foresee for  
10 this year?

11 PRESIDENT KIMBALL: So last year it was  
12 80 million. And we are foreseeing, we are budgeting  
13 it to be roughly the same for the next year but  
14 there is an ongoing conversation with OMB about  
15 what the number will be going forward. But it is  
16 not fully ironed out.

17 CHAIRPERSON GARODNICK: Okay let me go  
18 into the capital for a moment and then I'm going to  
19 defer to my colleagues and I'll come back after.  
20 The four year capital plan shows that there is a  
21 regular amount that is committed for the annual  
22 capital budget that is significantly lower than the  
23 amount that is projected to be needed in that, in  
24 that single year. For fiscal year 2014 EDC  
25 committed around 31 percent. For fiscal '13 EDC

2 committed 22 percent. For fiscal year 2012 EDC  
3 committed around 25 percent. You know we have a  
4 dollar amount of, I believe it's 870 million  
5 dollars that EDC has suggested. It will need for  
6 capital expenditures in fiscal year 2016 yeah 870  
7 million. Sorry it's 870 million for fiscal year  
8 '15. And if history is any guide EDC is only going  
9 to spend somewhere in the vicinity of I don't know  
10 25 to 35 percent of that money. You know my  
11 prediction here even if you were to go up to 35  
12 percent would be that EDC would be committing 304  
13 million dollars this year in fiscal year '15 and  
14 there is a budget that is be proposed to us of 870  
15 million dollars. Obviously this is not unique. EDC  
16 is not unique among agencies that do capital  
17 budgets, budgeting that have this problem. But  
18 can't you more accurately forecast your needs even  
19 for this current fiscal year that we are in where  
20 we know that even if my generous prediction is off  
21 you're still talking about you know a half a  
22 billion dollars' worth of differential for the  
23 public to digest.

24 PRESIDENT KIMBALL: So we, we have spent  
25 a lot of time internally and I have with my vice

2 president, our budget director. So we have spent a  
3 lot of time internally thinking about this question  
4 especially since the last budget hearing. And I  
5 would say that it's easy to... So we, I thought about  
6 how to answer this question and it's, it's very  
7 easy to blame it on the fact that there's just a  
8 lot of capital money that's flowing through EDC  
9 that we don't necessarily control or projects that  
10 we don't necessarily forecast, that kind of thing.  
11 But I actually thought about if there's an  
12 opportunity to look at the problem and see if  
13 there's an actual problem within EDC. So to look at  
14 a, so to, to not necessarily blame it on projects  
15 that are flowing through us, you know a DEP project  
16 for bioswale but something that we are actually  
17 doing capital, we are actually in control of.  
18 Because I want to make sure, I do think that  
19 there's a problem. I agree with you. But I think I  
20 would slightly say the problem is a different  
21 problem in that is that the, the money is, is  
22 difficult to spend and I think that is by design and  
23 I think that is a good check for the taxpayers. So  
24 the question is because if you think about going  
25 from money coming in, money coming into the budget



versus how it actually gets spent it has to be, the project has to be designed, it has to be contracted. I has to be registered twice by both OMB, by the controller. Then the work has to be done which takes its own time. And then it has to be invoiced. And then EDC, and that invoice has to be approved. And then they get paid. And that's really at the point of time where money sort of goes out the door. I would say the second is, I think the moment to really focus on is not committed but when the budget codes are, are given to the agencies. If this is truly a systemic problem I think that is where the true problem lies because when the budget codes are issued is when that is an indication of, that the, that the money has been borrowed by the city. So that's the moment of time where the city is paying interest on uses of capital funds but there may or may not be a project that's in, in the works. So I've actually to, to address this I've actually thought of an example that I think is the true problem that we are truly I think at fault for, have doing our part and we have a suggestion for how to deal with this. And this is a conversation we're having with OMB. I

2 just felt it was better to agree with you that  
3 there is a problem and also show you where exactly  
4 the problem is. So in the case of Brooklyn Army  
5 Terminal we were allocated a hundred million  
6 dollars for the renovation of Brooklyn Army  
7 Terminal. And that was split across three years FY  
8 '15, '16, and '17. 14 million was given to us at FY  
9 '15. They were given to us in May but the, because  
10 they were allocated in the out years in 15 instead  
11 of 14 we had to wait until the fall to ask for a  
12 CP. So that got us to October. Then we had to RFP  
13 for a construction manager which we did. And then  
14 of course that CP had to be registered by the  
15 comptroller. So even though the money was in the  
16 budget in the spring it wasn't really in our, in a  
17 way we could actually use it until the fall. And  
18 that is when the budget codes were issued so that  
19 means the city has actually borrowed the money. And  
20 we are now in April and we are still in the process  
21 of contracting with a designer to actually do the  
22 work. So we have contracted with a construction  
23 manager but we also have to do the process of  
24 design. So what would have been better is if we had  
25 said well, and that is, that is somewhat of a

2 function of us trying to push as hard as we can but  
3 things don't necessarily always line up. Two, we  
4 were lucky in that situation that the CP took two  
5 months. Normally it takes a little bit longer. So  
6 in that, so what I would diagnose in that problem  
7 is that there is an issue but it's not necessarily  
8 because the money, we're, people are just sitting  
9 on the money or not necessarily accurately  
10 forecasting. It's really a reflection of, of  
11 bullish hopes that we can spend it in 15 but in  
12 reality because of the way things line up it's  
13 probably would have been more realistic to put that  
14 14 million in FY '16. So the, what we have, what we  
15 would propose I think as a way to actually deal  
16 with this and there, there are a number of, of  
17 other examples where it just didn't work out for  
18 one reason or another from design, contracting  
19 perspective whatever. Because there is so much  
20 money flowing through, capital money flowing  
21 through EDC. And I can turn over to Elizabeth... but  
22 we think that the way to solve this, and we are  
23 actually in conversations with OMB right now about  
24 this is to do multi-year CPs. Because what happens  
25 now is, so if I have a hundred million for BAT. And

2 it's given to me in three different fiscal years. I  
3 have to go back to OMB each and every time to get,  
4 and has to get registered by the comptroller each  
5 and every time to actually spend that money. And so  
6 the whole cycle starts over again when in reality  
7 what you would like me to do is just get the  
8 hundred million out the door as quickly as  
9 possible. And so I can turn over to Elizabeth now  
10 but that's, we think that having multi-year CPs  
11 that recognize that, that a hundred million for BAT  
12 is not necessarily three discreet projects but one  
13 project spread out over three years. It was, is a  
14 fundamental shift I think, we think will correct a  
15 lot of the problems that you're identifying. Sorry.

16 COMMISSIONER TORRES-SPRINGER: Thank you  
17 Kyle and Chairs. In addition to the multi-year CP  
18 issue that Kyle just mentioned EDC is taking a very  
19 close look at the commitments that we should be  
20 making and the projects that have stalled. And so  
21 as a consequence in order to better project what  
22 we're able to... [cross-talk] this year we are  
23 carefully looking at our budget and making better  
24 projections with our budget. So in concert with OMB  
25 we are asking to push significant portion of

2 funding from FY '15 into '16 and from '16 into '17.

3 And when I mean significant I mean that we're

4 talking about moving roughly 60 percent of our

5 budget from this current fiscal year into next

6 fiscal year and another 40 percent from fiscal '16

7 and '17 essentially addressing the, the comments

8 that you're talking about. And being very

9 cognoscente that there are causes for delay in some

10 of our projects. Speaking directly to the, the

11 multi-year CP project that we're discussing with

12 OMB what we're talking about right now is we have

13 money in, in three fiscal years for something like

14 that. What we would attempt to do is go forward in

15 discussions with OMB and get the, their approval

16 for the hundred million dollars in year one but go

17 back to them with updates and additional signoff

18 for, during each of those different fiscal years

19 authorizing additional funding as needed being

20 again cognoscente that there are potentials for

21 delays in our project but ones that are, are

22 unforeseen. So if there's cause for delay in

23 finding the proper designer and then we would go

24 back to OMB and in close collaboration with them

25 find a good mechanism to move forward.

2 CHAIRPERSON GARODNICK: Thank you. And I  
3 think that, that makes a lot of sense. And if I  
4 understand it correctly by having multi-year CPs it  
5 would allow you to better reflect across a four  
6 year period where exactly things are likely to fall  
7 as opposed to having to get you know you're  
8 authorization every single time and requiring us to  
9 have this conversation every year I think that, I  
10 think that makes a lot of sense. And does that mean  
11 that you will be... when, when you mentioned that  
12 you're likely going to be moving around 60 percent  
13 of fiscal '15s capital commitment into 16 and 40  
14 percent of 16 and 17. Will you be doing that for  
15 the executive budget?

16 COMMISSIONER TORRES-SPRINGER: That's  
17 our proposal to OMB right now.

18 CHAIRPERSON GARODNICK: Okay great. One  
19 additional question for me and then I'm going to go  
20 to Chair Cornegy. This goes to the, the preliminary  
21 ten year capital strategy for EDC. We have a ten  
22 year proposal that totals 1.2 billion dollars. And  
23 the four year commitment, capital commitment is 1.6  
24 billion dollars. So that's obviously not right. Can  
25

2 you correct that for us and tell us what, what the  
3 story is there?

4 COMMISSIONER TORRES-SPRINGER: Sure.

5 The, it, it's a matter of what fiscal years we're  
6 looking at. The four year plan looks at fiscal '15,  
7 '16, '17, '18. The ten year looks at '16 through  
8 '25.

9 CHAIRPERSON GARODNICK: Right.

10 COMMISSIONER TORRES-SPRINGER: If we  
11 include 15 in the ten year then the, I guess it  
12 would be an 11 year span that we'd be looking at it  
13 increases to roughly, it's over two billion  
14 dollars. So I, I understand that it's very  
15 perplexing when you're looking at a four year  
16 that's higher than a ten year but if you include  
17 fiscal '15 which is the 870 million into the ten  
18 year then it, it goes to...

19 CHAIRPERSON GARODNICK: But do you think  
20 the two billion over ten year is, is actually  
21 fairly reflective of what EDC will, will spend on  
22 capital projects over that period?

23 COMMISSIONER TORRES-SPRINGER: It,  
24 spread across those fiscal years I think that  
25 that's accurate considering that we're looking at

additional large scale projects like BAT we're undertaking in coordination with other city agencies, affordable housing projects, at Cony Stapleton, Hunters Point South, and this is also meant to reflect the work that we're doing just to, for our own assets including things along the waterfront.

CHAIRPERSON GARODNICK: But isn't that an average of around 200 million dollars a year and you're already spending 300 plus now? So why are we assuming that you're going to be spending less money over the next ten years than you historically have over the past five?

COMMISSIONER TORRES-SPRINGER: Sure I, I think that if EDC could get additional funding it's a difficult proposal to put forward to OMB when we know that we're in competition with other city agencies with other mayoral initiatives. One of the things that we have to be fully aware of is that our budget is unfortunately or fortunately front loaded. So in fiscal '15, '16, '17, '18 we find the majority of what we have funded in our out year is, it really is to address maintenance and upkeep of our own assets. And so in those out years you're



2 going to be finding lump sums for our waterfront  
3 and owned assets. So while I think that it's fairly  
4 certain that the first four years will reflect what  
5 we're going to be doing the last several years of  
6 our commitment plan really is only meant to reflect  
7 what we think is going to be upkeep for our, our  
8 owned assets.

9 PRESIDENT KIMBALL: Or, or said  
10 differently we would like to have more money in the  
11 out years but believe me, but right now because  
12 the, the out years don't necessarily reflect... So  
13 what's in our budget now reflects actually in a  
14 turn what we actually think we're going to do  
15 whereas the out years don't necessarily reflect...

16 CHAIRPERSON GARODNICK: Right. I guess  
17 it goes to the question of what a, a ten year  
18 capital strategy is meant to be right? I mean it's  
19 not a, it's not a budget document. You can't  
20 actually say that you will have these dollars over  
21 the next ten fiscal years but the question is  
22 whether it's reflective of where you intend to go  
23 as an agency. And as you point out it really is not  
24 reflective of where you intend to go as an agency.  
25 It's more reflective of the minimum that you expect

2 to be able to support the projects that are already  
3 out. Is that fair?

4 PRESIDENT KIMBALL: Yep.

5 CHAIRPERSON GARODNICK: Yes. Okay. Thank  
6 you. Chair Cornegy.

7 CO-CHAIRPERSON CORNEGY: Thank you Chair  
8 Garodnick. So I just have I guess keeping in, in  
9 line with what's been going on we are going to  
10 focus on EDC for, for now. So I have just one  
11 question. But I want to have my disclaimer about my  
12 questions which I usually have at my hearings which  
13 is that my questions are with the sole purpose and  
14 intent of making us better to search small  
15 businesses like really, basically that simple. So  
16 for Mr. Kimball I wanted to know if EDC tracks what  
17 happens to businesses when they leave incubators  
18 and enter the private real estate market do you  
19 assist in any way with preliminary lease agreements  
20 and subsequent lease agreements?

21 PRESIDENT KIMBALL: I think we could do  
22 a much better job of this and this is something  
23 we've actually been working on because we  
24 traditionally in the past have not necessarily... so  
25 whether or not we have competition winners or

2 people coming out of Incubators we have not  
3 necessarily helped them take that next step. And we  
4 do believe that that is something we could do, be  
5 doing a lot better and we definitely have  
6 intentions of working better with the companies  
7 coming out of incubators for step out space. It is  
8 something, it's a, I agree that we don't... in terms  
9 of self-criticism feel like we don't do enough for  
10 the companies coming out of our incubators and we  
11 would like to do more.

12 CO-CHAIRPERSON CORNEGY: Well in, in  
13 some areas but in particularly the areas around  
14 lease agreements which we've seen are, are, are  
15 ballooning incredibly so if, if at some, if in some  
16 way EDC can be responsible to some degree in  
17 assisting in that process I think it sets  
18 businesses up to be successful over the long run.  
19 So I'd, I'd like to see that happen. And anything  
20 I can do or the office can do to help facilitate  
21 that I gladly would.

22 PRESIDENT KIMBALL: Sure. And we, we  
23 agree that's... what we call a, we call it a step out  
24 space. So you're going from the incubator to a  
25 larger space but you, you're not necessarily able

2 to conform to the standards that the real estate  
3 community needs to see from you like a seven year  
4 lease or a great credit. And, but we agree that  
5 that is something we need to be doing better.

6 CO-CHAIRPERSON CORNEGY: Thank you that,  
7 that was my only question for, for EDC so... I can  
8 jump around? Alright so... So Commissioner I do have...  
9 my disclaimer holds for you as well. I have so many  
10 questions but I'd like to just start with IBZs  
11 because that's where you started. As in last year's  
12 preliminary budget no funding has been included for  
13 the agency's program to support businesses  
14 operating in the city's industrial business zones.  
15 How can a city support the manufacturing businesses  
16 and workers without funding from the city? That's  
17 number one. And if funding is completely cut what  
18 services would be lost, have you identified what  
19 services would be lost without that funding as a  
20 result of eliminating the funding? Are there plans  
21 to put this funding back in the executive fiscal  
22 2016 budget and will the contract deliverables for  
23 providers be revised to reflect this change. So  
24 clearly I believe and I know many of my colleagues  
25 believe that IBZ program is an essential support

for industrial and manufacturing businesses in our city which provide excellent jobs to New Yorkers. I'm sure we'll hear today from IBZ providers who understand that their businesses need more, more security and support, not less. We hope to see recognition of their importance in the fiscal year 2016 executive budget just as the importance of the jobs was acknowledged in the administrative, in the administration's career pathways report so...

COMMISSIONER TORRES-SPRINGER: So of course we at SBS and across the administration believe that the services provided by the IBSP providers are critical to the overall goal of supporting industrial manufacturing across the city which is approximately 15 percent of jobs, really good jobs critical to different neighborhoods. What we have based on experience over the last few years we know that the problem that needs to be solved is one about identifying sustainable, predictable, and sufficient funding for the organizations in delivering these services. So it's an issue that we are actively working on. And our hope is that by the executive budget we'll be able to really craft a solution that addresses that overall problem,

predictable, sufficient, sustainable, and we'll of course be working with the city council in devising that particular solution over the course of the next few weeks.

CO-CHAIRPERSON CORNEGY: Thank you. I'm sure that some of my colleagues are going to have more in depth questions as it relates to IBZs. I wanted to briefly touch on, in this first round of questioning on the MWBE disparity study. So 1.6 million is added to the budget in fiscal year 2015, 70 thousand in fiscal year 2016 and to 2018 for a study to guide the agency on how to increase agency utilization of resources and to influence legislation and policy. Can you provide the council with more specifics of the study including the methodology. And will the methodology deliver it in any significant respect from the last disparity study which concluded that there was a reduced number of MWBEs in the city. How does the agency plan to use the study to reduce market barriers and improve competition on city contracts for minority and women owned business enterprises. I'm sure you're aware the troubling allegations or fraud in the MWBE program which focuses on non-MWBE business

fraudulently presenting themselves as MWBEs. So the funding allocated for the disparity study we believe is critical as we look at the entire program and ensure that it is accomplishing all of its intended goals and is a powerful tool for us to tackle inequality. A, the disparity study for the MWBE program really represents the legal underpinning of the program for based on Local Law 1 there's a requirement in that law for a regular analysis of an update. But we've taken in the administration of the opportunity given that it's time to do that update to do a full disparity analysis. And what that essentially means is that we will be through the study and we release the RFP recently, we'll be getting responses April 9<sup>th</sup> and hope to start the full study soon thereafter and it's to be, it's a very intensive study so our expectation it'll be completed by '16. It, what it does is it looks at the availability of MWBEs in, in the market as compared to their utilization in city contracting. So to the extent that there's a disparity between those two numbers what that provides us with is the legal basis to make the types of changes adjusting goals where if the, the

2 data bears that out in order to reset the program  
3 and to correct that particular disparity. So we  
4 think it's very critical for us to do this so that  
5 we're sure that the, the data is accurate about the  
6 availability of MWBEs across different categories.  
7 Specifically it releases the methodology we've  
8 asked through the RFP the different respondents to  
9 propose rigorous methodologies and will be basing  
10 the selection partly on that to make sure that it  
11 is as robust as possible. But to give you a sense  
12 of the types of issues we're going to look at  
13 we'll, we've asked the consultants to look at the  
14 relevant geographic market relevant industry  
15 classifications if any of those need changes as I  
16 mentioned before in estimation of MWBE  
17 availability, public sector utilization, then the  
18 look at the disparity ratios between those two  
19 numbers, importantly they'll also help us look at  
20 additional obstacles to contract opportunities  
21 analyzing public and private sector data and any  
22 evidence information that they can gather related  
23 to discrimination. What's important here is that as  
24 the study is being conducted over the course of the  
25 next several months we've made, we're very



committed to ensuring that outreach on this particular study is robust. Because it's important as you can imagine to get a very accurate count of the availability of, of MWBEs in different categories. So as I, we will be working and will hope to get the support of the members of city council to, as we, as we undertake the study to ensure that we are doing the right outreach to the different groups that support MWBEs and this is important to us. Why, this will take a while so just to, to be very clear we know that we can't wait for that, the results of the study to be very aggressive in terms of the MWBE program. So in the meantime we're pursuing a whole range of initiatives that help us make the certification process earlier, build the capacity of MWBEs and there's funding in the budget as mentioned earlier to expand those programs and really hold agencies accountable to the utilization goals which we know is extremely important. So there's a, both a short term and medium term and a long term strategy to ensure that we are being as aggressive as possible in the use of this tool to combat inequality. So I'm glad you mentioned the certification process

2 because I don't, I don't need the study to come  
3 back to tell me that there's some you know  
4 difficulty barriers even in the application  
5 process. So I'm, I'm glad to see that you're  
6 interested in preliminarily streamlining that  
7 process to get MWBE or potential MWBEs prepared for  
8 contracting. So that's good to hear. Just lastly on  
9 the topic of the alleged fraud. I wanted to know if  
10 you could tell me a bit about what SBS currently  
11 does to verify that businesses attempting to  
12 certify as MWBEs actually warrant that status and  
13 I'm also interested in who actually has a  
14 responsibility for confirming that information and  
15 what resources currently are allocated to this work  
16 including budget and staffing. So like who, who's  
17 set up to determine based on the applications if  
18 someone actually fits that status. And this isn't,  
19 this is directly in relationship to the alleged  
20 fraud.

21 COMMISSIONER TORRES-SPRINGER: Yes I, I  
22 understand and let me start by saying I'll, I'll  
23 ask Kerri Jew our Deputy Commissioner for economic  
24 financial opportunity to also add that the  
25 integrity of the program is extremely important to

2 us because we, to the extent that there is any  
3 doubt about that it, that is not just something  
4 that is negative for the agency but ultimately  
5 undermines what we're trying to do in terms of  
6 supporting MWBEs and getting them contracts. And so  
7 we are, we have a number of different checks along  
8 the way to ensure that there is integrity in that  
9 verification process. And so it's a balance. On the  
10 one hand we want to streamline the process with,  
11 for instance we have the certification, we have an  
12 online portal to make that easier. But as you're  
13 flagging we need to streamline while at the same  
14 time ensuring that the proper safe guards are there  
15 to avoid fraud. We've been working very closely  
16 with the DA's office to ensure that we're taking  
17 all measures and I'm going to ask Kerri to talk  
18 more specifically about the spot audits and other,  
19 and other measures that we have to ensure  
20 integrity.

21 KERRI JEW: So we have a lot...

22 CO-CHAIRPERSON CORNEGY: Identify  
23 yourself.

24 KERRI JEW: I'm sorry Kerri Jew Deputy  
25 Commissioner of the Division of Economic and

2 Financial Opportunity. The MWBE certification  
3 reports to my business unit and we have, we have  
4 five certification analyst and a deputy director  
5 reporting to an assistant commissioner. So we are  
6 fully staffed in terms of being able to process the  
7 applications. We also conduct... so not only do we  
8 collect the paper applications which require tax  
9 documentation, capitalization documentation, proof  
10 of licenses if that's necessary, resumes of  
11 principals. We also then upon the first look at the  
12 documentation we also look at whether the business  
13 needs a field visit, a site visit to ensure that it  
14 really does what it purports to do.

15 CO-CHAIRPERSON CORNEGY: That's, that's  
16 a, that's a judgment or determine... that's a  
17 judgment call. That's not something that's  
18 automatically included. A site visit is not  
19 something that's automatically included in the  
20 certification process.

21 COMMISSIONER TORRES-SPRINGER: Correct.  
22 The site visit is not included for every single  
23 business that, that we certify but there's some  
24 businesses where it may not be necessary. A lot of  
25 times it's necessary in the construction industry

2 where there might be equipment that's necessary to  
3 perform the services that the business alleges and  
4 we need to go out to visit the site to make sure  
5 that the equipment is actually there or that there  
6 is proper facilities to house the equipment or  
7 supplies.

8 CO-CHAIRPERSON CORNEGY: So you would,  
9 so in the past or currently you only do it as it  
10 relates to equipment not checking the, the validity  
11 of the certification of the company you know what I  
12 mean. So it's not, so right now you, you would only  
13 do it if there was some flag that potentially they  
14 had documented some equipment.

15 COMMISSIONER TORRES-SPRINGER: Not  
16 necessarily. That's, that's in instance where we  
17 would do a site visit. There are other instances  
18 where in the application... we look at each  
19 application specifically and each business  
20 specifically. So it, it depends on that the  
21 application, the documents reveal and if the  
22 documents reveal something that make us think that  
23 perhaps the eligibility criteria isn't really being  
24 truly met by whoever's purporting to be the, the  
25 business owner then we would go...

2 CO-CHAIRPERSON CORNEGY: ...like, like I  
3 guess for, for me to determine whether they  
4 actually are minorities or, or women...

5 COMMISSIONER TORRES-SPRINGER: Correct.  
6 So... [cross-talk]

7 CO-CHAIRPERSON CORNEGY: ...as, as  
8 principal.

9 COMMISSIONER TORRES-SPRINGER: Yes so  
10 correct. So for example if there is an instance  
11 where it's, it's a woman business owner we, you  
12 know we see a lot of 51 49 percent women business  
13 owner, maybe husband wife. And we think that  
14 perhaps the alleged woman business owner is not in  
15 control of the business. We might pay a site visit  
16 in order to ensure that she's actually present or  
17 that the people who are working there know who she  
18 is and, and if they say they don't then obviously  
19 that causes more red flags and, and more  
20 requirements for documentation.

21 CO-CHAIRPERSON CORNEGY: So is, is  
22 capacity the reason as, that's not a normal  
23 practice? Is, is just the agency's capacity to not  
24 send to every site visit the reason that that's not  
25 done?

2 COMMISSIONER TORRES-SPRINGER: It's not  
3 necessarily just capacity, it's necessity. There's  
4 some businesses for example if you're a sole  
5 proprietor in a profession where there's a license  
6 required. So you know if you're, if it's an  
7 attorney and it's a sole proprietor woman and she  
8 can prove that she has a law degree and is admitted  
9 by the bar then probably we wouldn't need to pay a  
10 site visit. And her practice is probably a business  
11 where you don't necessarily need to have a whole  
12 lot of space and you can operate without it. So it,  
13 it depends.

14 CO-CHAIRPERSON CORNEGY: So just lastly  
15 would, would you, do you think you'd benefit from,  
16 from some generalization for standardizing... if it's  
17 all construction companies, if it's all  
18 restaurants, if it's all... as opposed the, the  
19 seemingly arbitrary way in which you're doing,  
20 you're doing it presently.

21 COMMISSIONER TORRES-SPRINGER: I, I  
22 don't think that how we're looking at certification  
23 criteria is, is arbitrary right now. We do have  
24 standards. We have eligibility criteria that  
25 everybody obviously know about through the

2 application process. I think that there are  
3 specific circumstances that might raise different  
4 red flags and, and different reasons why we may  
5 look more closely or require different  
6 documentation. Sometimes when all of those things  
7 are spelled out very specifically my concern would  
8 be that companies who are sort of trying to get  
9 around the requirements then have a road map as to  
10 how they might get around the requires so we do  
11 walk that fine line.

12 CO-CHAIRPERSON CORNEGY: Thank you. I'm  
13 sorry. I lost my co-chair temporarily so I'd like  
14 to defer right now to Council Member Dickens  
15 representing the wonderful village of Harlem.

16 COUNCIL MEMBER DICKENS: Thank you so  
17 much Chair. Thank you Chair Cornegy and I want to  
18 thank my colleague Council Member Menchaca for  
19 allowing me to ask the question so that I can get  
20 to land use to vote which of course in the  
21 effectiveness as we've always been we have one  
22 hearing in city hall and one at 2:50. I want to  
23 thank Kyle Kimball, President Kimball for his years  
24 at EDC and the work that you've done. We have not  
25 always agreed with everything. But you have done



very well in the last years to try to be effective at and, and reasonable in, in whatever EDC was doing in, in our districts. So I just wanted to say thank you even though we used to fight. I want to thank our, I want to thank our commissioner also, Torres-Springer for being here with her staff to, to give testimony but I have a question... just... small questions. And one is on that disparity study, the what is it 1.6 million is it that's going to be spent for this... Because every administration seems to come up with its own disparity studies. So I'd like to find out first what is this disparity study going to show that's any different from the ones that have been done in the past, that's one, still dealing with the disparity study. Two, will the disparity study come out with the real issue which is that New York City does not pay timely to the vendors that do get contracts so so therefore the, what happens is the small businesses that get contracts, they get nice pretty contracts, nice, nice dollar amounts and they go out of business. So I'd like to know if there's anything that's going to be done about those two things and Local Law was, 1 was very

2 important at the time that it was, was, was, was  
3 past was very important. But there's absolutely no  
4 teeth in it which means that there, that today  
5 there, with the criteria about capacity and the  
6 need and the this and the that it really has not  
7 been of any assistance for MWBEs. And lastly, I  
8 know this is a lot...

9 COMMISSIONER TORRES-SPRINGER: It's  
10 okay.

11 COUNCIL MEMBER DICKENS: Last, but  
12 you're great so I know you... Lastly the, the other  
13 thing is that, that what SBS, because you are kind  
14 of charged with protecting the small businesses.  
15 The report cards have been significantly low  
16 because right now we banter around MWBEs but I'm  
17 talking MBEs. I'm talking about economically  
18 distressed businesses. I'm talking about that,  
19 that, that now when you look at a report card of  
20 the various city agencies that when we talk about  
21 minority businesses M, MWBEs white women get a  
22 significantly higher number of contracts than  
23 anybody else; Asians, even Latinos, and black  
24 businesses get usually somewhere around two  
25 percent. So I, I raise this issue because of my

2 concern about the disparity that's within the  
3 disparity. Because that's what it's about.

4 COMMISSIONER TORRES-SPRINGER: Thank you  
5 for those questions. All of these are issues that  
6 we are, that, that we are part of our overall  
7 effort in the administration to make sure that the  
8 MWBE programs as strong as possible so I'll take  
9 each of those, each of the questions in turn. In  
10 terms of this particular disparity study so Local  
11 Law 1 requires an update, this is different because  
12 as opposed to just doing an update we're doing a  
13 full disparity study which will allow us based on  
14 data today about the availability of MWBEs really  
15 thinking about whether any of those goals need to  
16 be reset. And so to your points earlier about  
17 whether some goals are lower or higher we need to  
18 conduct this disparity study in order to then take  
19 any action in the future to adjust, adjust the  
20 goals. The, in terms of payment this is, we've  
21 heard this issue not just from MWBEs but across  
22 different and, businesses that contract with the  
23 city. We know that the Mayor's Office of Contract  
24 Services is actually looking at every step of the  
25 procurement process to figure out how to make the

types of changes that make that process which is now, which is quite long and onerous and ultimately means time and money for businesses that do work with the city to streamline that. And so that, the, the issue of payment as part of that overall look, as it relates to the report card I assume you're referencing the controller's report cards for the agencies. So let me just say on the report cards we absolutely share the comptroller's desire to make sure that, that MWBE program is as robust as possible and that agencies are held accountable which should be noted about the report cards is that unfortunately the, the, the data that is being used on those report cards, there are two areas that are problematic. The first is that it looks at payments versus awards, it looked at payments versus awards and the second is that it only looks at prime contracts and not subcontracts. So essentially by using that, that data agencies are are, are being graded on, on issues for which today they really don't have much control. So contracts that were signed several years ago for which payments are being made for now or not including subcontracts which are subject to the program and

2 the prime contracts are subject to low bid which is  
3 a state procurement issue. And so it's, while we've  
4 been working with it, the comptroller's office and,  
5 and as I mentioned share the, the desire to make  
6 sure we're pushing as hard and we're accountable  
7 but the, the grades we don't think accurately  
8 reflect agency's efforts to really use what's  
9 within their control to increase utilization.  
10 Having said all of that we're laser focused on  
11 bringing all of those numbers up. And so all of  
12 the, the New York term measures I mentioned before  
13 are part of that and the disparity study will help  
14 us in the long term determine whether those goals  
15 need to be changed.

16 COUNCIL MEMBER DICKENS: Alright.

17 Because you are correct that the process for  
18 getting paid is long. However even after it, it,  
19 they've gone and looked to see if you've actually  
20 done the work and they posted on the computer which  
21 is the usual way, they post on the computer, you  
22 can go on, the vendor can go on and see if they've  
23 been approved for payment and from that point it's  
24 all downhill.

25 COMMISSIONER TORRES-SPRINGER: Mm-hmm.

2 COUNCIL MEMBER DICKENS: That's the  
3 first thing. The second thing is when we talk about  
4 capacity with, with, as it result, as, as we're  
5 talking about SBS you know MWBEs are never going to  
6 grow into capacity unless they become prime  
7 contractors. As long as they remain subcontractors  
8 they will never be given the opportunity. And by  
9 the way there are agencies that will extend to them  
10 a loan with low interest on their own money. And  
11 there are ways that the federal government is  
12 looking at and I suggested this over the last ten  
13 years that I've been in, in office of looking at  
14 other ways that would allow a vendor not to go  
15 under but to either have a, a... I can't remember the  
16 name of it but a credit card of sorts I order not  
17 to pay for their own personal expenses or get paid  
18 for themselves but to be able to pay for the  
19 vendors that they get their supplies from.

20 COMMISSIONER TORRES-SPRINGER: So we...  
21 [cross-talk]

22 COUNCIL MEMBER DICKENS: Excuse me,  
23 which would prevent them from being put in the red  
24 and not being able to get items on, on credit. So I  
25 mean there, there are ways that, that, that the,

2 even the federal government is looking at and has,  
3 is even trying and implementing and we have been  
4 very you know we're in the, in the 19<sup>th</sup> century, in  
5 the 21<sup>st</sup> century.

6 COMMISSIONER TORRES-SPRINGER: We  
7 actually have a program called the upfront capital  
8 program which helps to, which addresses that  
9 particular issue, an upfront capital program which  
10 where we work with provide that initial kind of  
11 working capital to MWBEs for the very point you  
12 just mentioned and it's certainly something that we  
13 are as part of the overall strategic plan for the  
14 MWBE program we'll continue to look at to see how  
15 it can expand.

16 COUNCIL MEMBER DICKENS: Thank you so  
17 much Commissioner.

18 COMMISSIONER TORRES-SPRINGER: Thank  
19 you.

20 COUNCIL MEMBER DICKENS: And thank you...

21 PRESIDENT KIMBALL: Thank you.

22 COUNCIL MEMBER DICKENS: ...President  
23 Kimball.

24 CO-CHAIRPERSON CORNEGY: So I'm going to  
25 let this round continue and I'll come back on the

2 second round but my co-chair has, has returned. So  
3 Council Member Carlos Menchaca representing the  
4 wonderful borough of Brooklyn.

5 COUNCIL MEMBER MENCHACA: Brooklyn's in  
6 the house. Good morning everyone. Thank you to  
7 Commissioner and our, our president EDC Kyle  
8 Kimball. I wanted to first go back to the, and do a  
9 little bit of follow-up on IBZ if we could. Then  
10 we're going to talk a little bit about adult  
11 literacy and how it connects to current pathways  
12 and then end with ferries and some questions on  
13 ferries. So let's go back to the, this budget dance  
14 that we're in second, second year in, in this, in  
15 this administration. And I'm really looking for a  
16 little bit more of an explanation. There's a  
17 growing concern and pretty solid concern many  
18 council members about this report our IBZs. When I  
19 think about the future of our manufacturing  
20 districts it really comes down to those on the  
21 ground forces that will be able to plan for the  
22 future and to protect those zones. How difficult is  
23 it to bring those dollars into, into the budget.  
24 And you mentioned kind of future conversations but  
25



2 I'd like to kind of hear about what exactly is that  
3 hurtle.

4 COMMISSIONER TORRES-SPRINGER: So and,  
5 an President Kimball please chime in... I miss  
6 something... So the, the IBZ contracts, the work that  
7 IB, SP, the providers do it's part of course of an  
8 overall set of investments initiatives that support  
9 industrial manufacturing in New York City. As the  
10 mayor mentioned a few weeks ago we are as an  
11 administration working on a comprehensive plan that  
12 we hope will be, we hope to announce soon. And so,  
13 but the, the piece as it relates to the IBSP  
14 contracts we know and, and lament the fact that it  
15 is, that there has been a budget dance, it is not  
16 our intention. As I mentioned before as part of  
17 that overall plan that the thing that we are trying  
18 to fix or solve for as it relates to those  
19 contracts is how to structure that work so that it  
20 is sustainable, sufficient, and predictable. And so  
21 that will be part of the overall plan and, and our  
22 hope is to be able to talk more specifically over  
23 the course of the next few weeks.

24 PRESIDENT KIMBALL: No I think, I think  
25 the Commissioner's right. We are trying to find a

way to, we, we care deeply about the, the IBZ, we think they provide critical services, want to find a way for this to be in addition to the budget dance of course if you talk to any of the, any who I think are represented here today it's very difficult to get reimbursed themselves going back to actually something that Inez said. So in addition to sort of the budget dance you were talking about we want to find a way for the day to day existence of the IBZ service providers to be more sustainable and easier to, to process. So we, we think in the coming weeks that will be a lot clearer.

COUNCIL MEMBER MENCHACA: Great. And I just want to point out that... And, and I'm just remembering and reflecting upon last year's budget conversations we were also in the waiting game for kind of clarity on administrative goals and leadership. And so here we are again. And what I'm hoping is that we don't fall into that same situation where we are leaving behind in a lot of ways these local manufacturing leaders and, and non-profits that are doing the good work and maintaining through that pressure that we're seeing

in the city for growth in our affordable housing plan which is something we all support. But it's creeping in in a lot of ways into our industrial business zones and having strong IBZs on the ground is going to be important. So I just need the two of you to know that that's important. And Karen, or Council Member Karen Koslowitz who had to leave really wanted me to just reiterate the, the kind of... these allow for changes like Long Island City and Mas beth [phonetic] to be combined. That's something that she was not very happy about. So the strengthening of our zones is important in the future. And so if we are talking about weeks great. If not we'll be back again in a few months. Let's move over... or a few weeks. Let's move over to the adult literacy conversation, something a lot of us are passionate about. As chair of the immigration committee we're listening to those advocates and people on the ground that are needing that gap to be filled for adult literacy and English language learning where... and there is I believe an allocation for literacy in executive commitment for 500 million or... No so how, how does, how does the commitment for workforce incorporate the adult

2 literacy conversation? And I'll pause there and  
3 I'll ask a follow-up.

4 COMMISSIONER TORRES-SPRINGER: So I'll  
5 let Jackie, our DC for Workforce Development add if  
6 I've missed anything. The, the career pathways  
7 report as I mentioned earlier it is all about  
8 completely repositioning the workforce, public  
9 workforce system. The 500 million dollars that you  
10 mentioned before represents all of investments not,  
11 certainly not just SBS... [cross-talk]

12 COUNCIL MEMBER MENCHACA: Right.

13 COMMISSIONER TORRES-SPRINGER: ...across  
14 different agencies into public, in, into the  
15 workforce system. And it, what it, it does not do  
16 because that's in the work of the, of  
17 implementation is, is chart specifically what that  
18 means for different communities. Having said that  
19 we are at SBS right now in the middle of that work  
20 to ensure that the larger goals of the career  
21 pathways framework mean something to different  
22 communities of on the ground whether low skilled  
23 communities, immigrant communities, and trying to  
24 make those recommendations real and how we actually

deliver programs. And, and so what that means..

[cross-talk]

COUNCIL MEMBER MENCHACA: Do, do we have the numbers just to, to kind of understand the, the kind of comparison to this 500 million kind of pot and, and... [cross-talk]

COMMISSIONER TORRES-SPRINGER: For, for workforce development we...

COUNCIL MEMBER MENCHACA: For adult, for adult literacy components to, to kind of bridge the gap for non-English speakers.

COUNCIL MEMBER MENCHACA: Do you, do we have that?

UNKNOWN FEMALE: I don't, I don't, it's not a significant portion of our portfolio. It's, it's other agencies and I don't think it, I'm, I'm not aware of it. I don't, I don't know we could certainly get back to you.

COUNCIL MEMBER MENCHACA: Okay. That, that would be great because I think the numbers that we're seeing right now it's at the two to three million which is I think of great concern for us when we think about the workforce of the future, when we think about who's coming into the

manufacturing district... opportunities... I'm thinking about Sunset Park of course. But we're not unique at all across the city. And so I think if we're still there I think that's concerning. And let's figure out how we can, how we can really understand the need on the ground and, and work together to kind of get to that you know adequate number of dollars... [cross-talk]

COMMISSIONER TORRES-SPRINGER: Yes. And so one of the major recommendations of the report which we are in the process of trying to operationalize and it gets to your question what does it mean for us to spend more across the city on training whether those are the bridge programs, the contextualized programs that are, that are valuable to the types of communities that you are mentioning. And so that it, something that we're very committed to and we'll, we'll, you'll see investment in that not just from our agency but across different ones over the course of the next few years.

COUNCIL MEMBER MENCHACA: Great. So we'll, we'll work, we'll work together more on that. And then the final question Mr. Kimball on

our ferries the... It sounds like the... just went out last Friday and looked at some of the sites that were chosen. Just kind of curious about some of the other kind of usual hotspots like Atlantic Basin and... city and some others that were, were included. How did you get to the list of ferry locations?

PRESIDENT KIMBALL: So the RFP for the operator will actually go out this coming Friday. And in that, and I have our, my Chief... Officer Seth Myers who is spearheading this effort. So we did a citywide ferry study for a number of, a number of years ago. And that process included a lot of community outreach and discussion. Where we are now is that we have picked where we think we can put a ferry service up very quickly in 2017. So that's the first and primary goal. The second is, and there, that's, will largely consist of places where landings currently exist.

COUNCIL MEMBER MENCHACA: Mm-hmm.

PRESIDENT KIMBALL: One. And then two, and the, today's bonus word is the word bathymetric. So we will be doing, we will be doing geo, geotechnical and bathymetric studies which essentially dictate where at high and low tide no

matter what a boat can land. And so, so on one we've picked a system here where we feel like we can get a system up running very quickly number one. Number two it's where boats can land. And number three there was a community outreach process but we are about to go into what's called an environmental impact statement that assesses the landings that we are considering. And that itself will have a robust community process as part of that. And the EIS studies, a no build scenario which includes the existing east river ferry service...

COUNCIL MEMBER MENCHACA: Mm-hmm.

PRESIDENT KIMBALL: ...and then layers on and tests the environmental impact of these different landings. And so that's where you will have some look at. Now on Atlantic Basin in particular one of the reasons we have, we have taken a look at and considered it one of the reasons we have potentially ruled it out is that because they, it's a no wake zone inside of the, the basin which was, would significantly slow down the headways of the boat, because the boat would have to go a fairly long distance both in and out at very slow speeds on its way out to the



rockaways. So it would really slow down the route. Number two is when the Queen Merry is in town at Brooklyn Cruise Terminal you are not permitted to enter Atlantic Basin for security reasons. So for, just a couple, just it's more logistical than anything that Atlantic Basin we didn't think made sense. But we will obviously continue to look at through the EIS process where in Redhook makes the most sense. And we will be largely, the first and foremost just determined by where you can physically put a boat with high frequency and then two layering on what the community would like to see.

COUNCIL MEMBER MENCHACA: Great. So thank you and, and it sounds like the community process will allow...

PRESIDENT KIMBALL: Yes.

COUNCIL MEMBER MENCHACA: ...potentially even changes in the locations or...

PRESIDENT KIMBALL: Sure. What we have picked in terms of the, the ferries map that we have, we have chosen neighborhoods outside of where existing ferry docks are we are, we, the, the dots on that map represent neighborhoods not necessarily

2 as somebody said longitude and latitude of where  
3 the dock will go.

4 COUNCIL MEMBER MENCHACA: Great and this  
5 obviously presents an opportunity on the  
6 transportation side for, for a community but has a  
7 lot of implications on job opportunities. And so  
8 this is, this is a great opportunity for us to kind  
9 of connect the dots on all of those pieces as we,  
10 as we move forward on many many fronts. So thank  
11 you, thank you both.

12 CHAIRPERSON GARODNICK: Thank you  
13 Council Member Menchaca. Now Council Member Lander.

14 COUNCIL MEMBER LANDER: Thank you very  
15 much to both of the co-chairs and to the president  
16 and the commissioner. I really appreciate the focus  
17 and attention you've brought to this model of  
18 inclusive growth. And of course Kyle I really want  
19 to say what a pleasure it has been...

20 PRESIDENT KIMBALL: Thank you.

21 COUNCIL MEMBER LANDER: ...to work with  
22 you for... [cross-talk]

23 PRESIDENT KIMBALL: I'll be back...  
24 [cross-talk]

2 COUNCIL MEMBER LANDER: ...several years  
3 now and while... [cross-talk] like a few others I did  
4 enjoy some of the more combative hearings of the  
5 past. You've really been a delight to work with and  
6 I really appreciate it and I look forward to seeing  
7 you know what you do next and to continuing to work  
8 with you in the years to come.

9 PRESIDENT KIMBALL: Thank you.

10 COUNCIL MEMBER LANDER: So thank you for  
11 all your leadership. So I am going to follow my  
12 colleagues on the industrial set of issues. And I,  
13 I'm really not going to ask a question, they've  
14 asked a question and I, I really, I think all  
15 you're doing in so many areas is great. I'm moving  
16 the city forward to address the issues of  
17 inequality. But I have to say this is just a, this  
18 has to go down now as something that's a problem. A  
19 year ago at the preliminary budget hearing when you  
20 cut the IBZ providers you told us by the executive  
21 budget hearing a year ago that there would be a new  
22 plan and a solution and a program and we saw  
23 nothing. We restored the money as a result of the  
24 budget dance and here we are a full year later. So  
25 that surely fails the test of predictable and to

zero them out again. And you know if it were just the budget dance I would feel a little differently about it but I really feel like what we've done, I love all the investments in the city assets. I think the BAT and the navy yard. But we are badly neglecting the manufacturing and industrial and maker work that takes place on privately owned land. And in that year not only have we failed to give predictability but the questions that relate on the zoning size, on the housing plan, and the lack of the ISPs and a broader industrial plan have got along with skyrocketing land prices in manufacturing zones that have undermined manufacturing businesses. So I, I, you know I mean you gave the answer already. And meanwhile the council back now in November put out our proposal on the zoning side to go in concert with our proposal on the industrial solutions providers. It's too long and it's having a negative impact on our industrial and manufacturing businesses. So you know I, if you have more to say than what you said in response to the Chair Cornegy or Council Member Menchaca I'm, I'm glad to listen but I just want you to hear the urgency that the council feels

2 about this in relation to the industrial solution  
3 where... relationship to the zoning and land price  
4 and land use and displacement issues. And just in  
5 relationship to truly having an investment in a  
6 sector that is doing a really good job of advancing  
7 inclusive growth and that we have to do better by.

8 PRESIDENT KIMBALL: The, the only thing  
9 I would say is I would insert by reference the  
10 point we love the work that the IBZs are doing. We  
11 would love to see a greater linkage between the IDA  
12 and the IBZs because right now there's not a  
13 tremendous linkage and there should be. And so we,  
14 we would like to see that happen. I would just  
15 submit that as, as great as the work they're doing  
16 and as important the work there is doing it's not  
17 everything. The IBZ providers are not everything.  
18 And we do have a number of programs that we  
19 separate and apart from this conversations that are  
20 going on around land use and IBZ providers and the  
21 overall broader framework of industrial policy... we  
22 have a number of programs where EDC is committing  
23 its own you know nearly three or four million  
24 dollars of its own balance sheet to make sure that  
25 we're seeing entrepreneurial growth in industrial

2 sectors. I would like to see greater partnership  
3 with the IBZs and I again think that they do great  
4 work and, and we care deeply about what they're  
5 doing. But I would just say it's, it's not  
6 everything. And it, and it should not be seen as a  
7 reflection of our priorities.

8 COUNCIL MEMBER LANDER: So I, I said a  
9 year ago at the preliminary hearing if you're  
10 saying you're going to present a broader and  
11 thoughtful plan for how to preserve manufacturing  
12 that's attentive to the what takes place you know  
13 on privately owned land and all the issues they're  
14 facing and you'll do some restructuring of how we  
15 spend our dollars in that way we'd be glad to talk  
16 about it rather than have a budget dance fight  
17 about the current contracts. But, I just, I'm going  
18 to flag again that was a conversation a year ago  
19 and we're no closer to having that from you so...

20 PRESIDENT KIMBALL: We are, we are  
21 closer... it just, it doesn't, may not be hourly  
22 apparent let's just say that.

23 COUNCIL MEMBER LANDER: That's fine. And  
24 then I'll just say though what I said to the, to  
25 Chair Weisbrod at the Planning Commission hearing.

We asked him this question. He said we hope to have something to announce in a couple of weeks. On the one hand we are, it's urgent and we want to see it. On the other hand we've been asking to have a dialogue for a year. So I hope you don't make an announcement in a couple of weeks. I hope what there is is some dialogue with this council and with the providers is there room for change, there's room for change but we got to get to it so anyways... enough said and I, I appreciate your head nodding, I'll take it as agreement. Thank you.

Second I was excited to see in both the higher NYC and the EDC side and the new first look approach on the SBS side for making sure that where we do business or provide investments we make sure that those folks give a first look to New Yorkers, especially those coming through our workforce development system. Can you say a little more about that? Are there resources in this budget that are dedicated to expanding that on either of your sides? What can we expect to see?

COMMISSIONER TORRES-SPRINGER: So this is one of the cornerstones of the career pathways framework and I know Council Member it's, it's one

2 that you have been discussing and supporting. It,  
3 it happens in 66 jurisdictions across the country  
4 and we saw no reason why we couldn't explore it in  
5 New York to make sure we built something here that  
6 did a couple of things simultaneously. One is to  
7 the extent that a business is being done with the  
8 city that we provide targeted population residents  
9 a first opportunity for those jobs. But also to  
10 deliver a very good service to employers,  
11 businesses, and to the contractors so that it is  
12 not something that is seen as a burden or a  
13 requirement but something that's a real service to  
14 them. And we think we can accomplish those two  
15 goals effectively. We are working with a whole slew  
16 of agencies that do contracting to determine the  
17 specific guidelines and for our first look program  
18 where we're looking expansively on all the  
19 different types of contracts, goods, services,  
20 infrastructure as well as the economic development  
21 levers through agencies like EDC leases  
22 developmentals [phonetic] so we can attach this  
23 particular requirement. And our hope is the, over  
24 the course of the next few months will be able to  
25 share specific guidelines with agencies, do the



2 type of outreach, make sure everyone knows and  
3 start implementing. In general in terms of the  
4 resources we hope to leverage that the Workforce 1  
5 system as opposed to creating something... [cross-  
6 talk] to the extent that additional resources are  
7 needed either on compliance or otherwise we will,  
8 we will seek those in order to make sure it's  
9 successful.

10 PRESIDENT KIMBALL: And one thing I  
11 would say from the EDC side is, and I, I want to  
12 James Katz to have a moment to talk about this is,  
13 one of the innovations we've seen is, we've put in  
14 place is again leveraging the, the tremendous  
15 amount of capital that is or is not flowing quickly  
16 enough through the budget. We feel like that's a  
17 real opportunity to drive innovation with respect  
18 to workforce. And so we've created a employment  
19 opportunities program that leverages our capital  
20 construction dollars to hire targeted populations.  
21 And so far we've piloted that on Hunters Point  
22 south that has been successful. I'll let James Katz  
23 talk a little bit about that program.

24 JAMES CATZ: So building upon the  
25 success of the Hire NYC program with which I know

2 you Councilman Lander are particularly familiar  
3 and, and played a formative role we have begun to  
4 think about opportunities to not just think about  
5 permanent jobs through our development work but  
6 also to think about the construction pipeline as  
7 well both with respect to things that EDC builds on  
8 its own using city capital and with respect to  
9 public private development projects. And so in  
10 November, I believe it was November we rolled out  
11 something we're tentatively calling the Employment  
12 Opportunities Program in connection with an EDC  
13 Capital Project at Hunters Point South in Queens.  
14 It's about a 100 million dollar capital investment  
15 project, unlock infrastructure and in turn build  
16 affordable housing. And in connection with that RFP  
17 we ask respondents to come back with a plan for the  
18 hiring of targeted populations in connection with  
19 the construction of that infrastructure. We have  
20 selected off that RFP. In fact we selected a  
21 respondent who we thought set forth the, the best  
22 sort of framework for local engagement and outreach  
23 to reach those goals and we're continuing to refine  
24 that program. We are also rolling it out with  
25 respect to public private development on all of the

2 affordable housing deals going forward under the  
3 housing plan is included in the 168<sup>th</sup> street garage  
4 RFP that Kyle referenced in his remarks in  
5 connection with the Jamaica Action Plan and we'll  
6 also be included in future RFPs.

7 COUNCIL MEMBER LANDER: Great. Thank  
8 you. And look forward to continuing the  
9 conversation. It's very encouraging to see that  
10 rolling forward in the way that you, and there you  
11 have it so thank you. And my final question like  
12 Council Member Manchaca's is around ferries. So I,  
13 you know I like this drawing, this map that you  
14 have but I will notice that you've... [cross-talk]

15 PRESIDENT KIMBALL: Do you see anything,  
16 do you see anything missing?

17 COUNCIL MEMBER LANDER: You've moved  
18 Governor's Island actually away from Brooklyn and  
19 toward Manhattan making it appear that it's in the  
20 middle of the harbor which I just challenge you to  
21 look on the real map, it's not where it is. It's  
22 right next to Brooklyn. I understand bathymetric  
23 [phonetic] is that what you said? The...

24 PRESIDENT KIMBALL: Bath, Bathymetric.  
25

2 COUNCIL MEMBER LANDER: Bathometric

3 okay. So the good news is we already have all the  
4 ferry terminals that we need and the dots are  
5 already on the map to provide service from Brooklyn  
6 to Governor's Island on a regular daily basis like  
7 its provided from Manhattan. Governor's Island has  
8 become just a magnificent resource. It's got the  
9 Harbor High School which used to be in Brooklyn but  
10 now is very difficult for Brooklyn kids to get to  
11 because they have to go to the battery marine  
12 terminal in the morning to get to school, the art  
13 scene there is booming. There's economic  
14 development opportunities. Last year for the first  
15 time it was open seven days a week. But it's not  
16 that accessible... [cross-talk] except by a ferry  
17 that the Governor's Island Alliance pays for on  
18 just Saturdays and Sundays in the summer. So this  
19 is just a great opportunity. It's so easy just to  
20 adjust this map and the plans to get service from  
21 Brooklyn to Governor's Island. Have you looked at  
22 what it would cost? There is obviously some cost  
23 involved so that we can figure out how to get  
24 there.

2 PRESIDENT KIMBALL: Yes we have, so we  
3 have considered Governor's Island. I wouldn't say  
4 that we have ruled it out. We are considering how  
5 to, whether or not, how to and whether or not,  
6 whether or not and how to add Governor's Island to  
7 a commuter service. And I think the word Commuter  
8 Service is the key phrase because on one hand there  
9 are a number of students who are going there and,  
10 and I don't want to minimize the, the commute  
11 problems they probably have getting there. On the  
12 other hand we're trying to build a citywide network  
13 that has the right amount and it's a, it's a  
14 science about getting the boats moving through the  
15 harbor quickly out to Redhook and the Rockaways. So  
16 there are no bathometric issues, there are no  
17 GeoTech issues. It's really just a question of  
18 whether or not it makes sense as part of a citywide  
19 ferry service now versus later when there are year  
20 around uses or commercial uses on Governor's Island  
21 versus working with Governor's Island to have their  
22 own... model. I mean that's just a, we're very  
23 committed to working with Leslie to do that. So  
24 it's just really more of a science. It was not a,

2 it sort of fits with the citywide ferry service as  
3 opposed to meeting its own bespoke [phonetic]...

4 COUNCIL MEMBER LANDER: ...ferries now had  
5 a bespoke approach but we appreciate your openness.  
6 You know we put up a petition on this yesterday. A  
7 thousand people in a day signed that petition so  
8 there's real appetite and from everywhere I have to  
9 say I expected it from kind of Cobble Hill and  
10 Carrol Gardens and Brooklyn Heights but a whole  
11 bunch of my Borough Park Residents who are there  
12 all the time responded there's a hunger and I just  
13 think these things are going to go together, the  
14 economic development and the access to Governor's  
15 Island are going to come from people seeing it as a  
16 place they can get to so... You're right it needs its  
17 own model. It's not the same as every other  
18 destination in the harbor because of its unique  
19 circumstances but it would be great if we could sit  
20 down and, and look at more details that, and what  
21 it would take to get there.

22 PRESIDENT KIMBALL: Sure.

23 COUNCIL MEMBER LANDER: Thank you. Thank  
24 you to both chairs.  
25

2 CHAIRPERSON GARODNICK: Thank you  
3 Council Member Lander and now on to Council Member  
4 Miller.

5 COUNCIL MEMBER MILLER: Good afternoon.  
6 Thank you to our co-chairs and the commissioner and  
7 President Kimball thank you for being here this  
8 afternoon and I have some very brief questions. Two  
9 for your respective agencies and, and there's been  
10 a lot of talk about the services that you are being  
11 delivered by your respective agencies and, and in  
12 particular the MWBEs, what I would like to speak to  
13 is your outreach in how are you addressing these  
14 issues with communities that are most impacted and,  
15 an those targeted, targeted communities that are  
16 most in need what has been your outreach to these  
17 communities thus far?

18 COMMISSIONER TORRES-SPRINGER: The, the  
19 issue of community engagement and outreach is very  
20 important to us as mentioned that the philosophy  
21 that we are trying to embrace in the agency is that  
22 outreach cannot be just a one off thing, that it  
23 has, we have to engage people throughout the  
24 process of say building a program that it has to  
25 happen repeatedly, that we have to involve the

people who were trying to serve whether they're job seekers or businesses in the development of programs. And so over the course of the last year I mentioned a couple of examples of how we're doing this. So one we, we certainly do the traditional events. And so over 700 outreach events we've done across the five boroughs and through the different divisions at SBS that's one way, a more traditional way. But as we've developed some of these newer programs whether it's the Small Business First on regulation, expanding our immigrant services, this new program that we're doing to help women owned businesses we've had, we're doing more extensive outreach in the communities gathering stakeholders, getting their ideas. And, and then of course we partner on initiatives like Chamber on the Go because as, as we know for a lot of small business owners. They need to, they want to, they spend their time... their business. And so we have to go to them, meet them where they are. And so that's been a very good model. I believe 600 businesses have been served over the course of the last year by Chamber on the Go and we look forward to working on those types of initiatives. And to the extent that



2 there are other ways we can improve outreach we're  
3 very committed to that.

4 COUNCIL MEMBER MILLER: So I, I  
5 appreciate that it's, it's, it's, and it's  
6 certainly it's, it's really needed. So when you  
7 start talking about partnering with stakeholders as  
8 to, even developing programs moving forward I'd  
9 like to see a little bit more of that and let me  
10 just go on the record and say that I am also in  
11 support of, of total funding of the IB, IBZs. And  
12 which is, which kind of speaks to that local  
13 outreach and engagement as well. I think they kind  
14 of have a finger on the post of local businesses  
15 and industries that are specific to communities  
16 that may be lacking on a citywide level and that we  
17 should engage them in, in further... I know that we  
18 have specifically logistics out by JFK that have a  
19 difficult time in retaining employees because of  
20 the skill set that's necessary. And certainly  
21 there's something that I have spoken to with my  
22 local development corps and, and IBZs that, that  
23 are really familiar with that and I think that that  
24 dynamic has been lost in the process. So I, you  
25 know I'd just like to add my two cents in that and

if, at the very least hope that you are speaking with them and providing them with assistance and, and moving forward on that. And so then I kind of want to leave with some of the public private projects that we're talking about and then I'll just say very specifically that as it pertains to our local 168 street RFP that we're now, I know that you received some, our input from my office as to what we thought it should like and, and if, if, if it was a little over zealous we meant every word that, that was in there. But, but as it pertains to that and we're talking about the, the jobs program as it was related one of the things that we talked about was a project of labor agreement with the trades unions that provided interne opportunities and ultimately careers that provide benefits can sustain those same communities and we would hope that the administration could become more intimately involved in those agreements so, because it's very important to our community and I think that potentially there are several hundred union jobs that could be produced through the projects that are upcoming in South Jamaica for that community. And I will definitely provide any

assistance that I can and look to partner with your agencies in, in doing so.

PRESIDENT KIMBALL: One thing I would say is the program that James Katz just mentioned, the employment opportunities program although the RFP that we put out does not, it's silent with respect to the issue of, of PLAs because we want to make sure we get a wide range of responses and then sort of triangulate into a winning bid for Jamaica. One thing we are, language you will see in that, you RFP is the employment opportunities program that James Katz mentioned where we are asking them to, and we will award business to people who are, have the best plans for reaching out and hiring targeted populations for the construction jobs. So we are the, the program we, that James mentioned we tried out on Hunters Point South we are, we have integrated and we'll continue to integrate into RFPs and 168<sup>th</sup> was one of the first ones.

COUNCIL MEMBER MILLER: Okay and, and, and that's... my... and I just want to say that they, the... opportunity to work with you has been a pleasure and I...

PRESIDENT KIMBALL: Thank you.

2 COUNCIL MEMBER MILLER: ...I personally  
3 have learned a few things about business and I  
4 appreciate that look forward to working with you in  
5 your future endeavors.

6 PRESIDENT KIMBALL: Thank you.

7 CHAIRPERSON GARODNICK: Thank you  
8 Council Member Miller. Let me note that we've been  
9 joined by Council Members Barron and Richards. And  
10 let me jump back in with a few questions for EDC  
11 and that I know that my co-chair has some questions  
12 for SBS. We also have some members of the public  
13 who are here to testify today. Mr. Kimball let's  
14 just talk about a few specific projects for, for a  
15 moment which some of them you mentioned in your  
16 opening. Willet's Point we have in the preliminary  
17 capital budget 150, 145.4 million for fiscal 2015  
18 to 2019 with a, and not surprising 114 million of  
19 it in fiscal 2015 for Willet's Point. Can you give  
20 us an update as to what has been completed in the  
21 time frame of the project and where things stand?

22 PRESIDENT KIMBALL: Sure. So we have  
23 been working on this on a number of fronts. So  
24 first we have been working on... the phase one area  
25 working with a group of tenants called the sunrise,

Sunrise Cooperative which is Sunrise Cooperative which is a group of 36 tenants. One of the things we learned in the, in the last, last ULERP process was that these companies that are there exist or are, are on organic level and that it made sense for them to relocate as a group. And so we have spent the last year and a half or so finding them a new location, working with their, a new landlord. We hired them an owners rep to create a new facility and have signed an agreement with them to move them to, as a group to a new facility. So we are now down now to one remaining business with which we do not have an agreement. What's remarkable about that process is that we have acquired the land necessary for the phase one project without the use of eminent domain. So we have, we have negotiated privately with just about everyone we, we have needed to, to do that. So that's been one big focus of ours. Second is the offsite infrastructure that we've been working on as well as working with the joint venture. They are in the, in the process of litigation on, on the project. So that's holding us up a little bit. But those are the main three things that we have

2 accomplished in the course of the year. Am I  
3 missing anything? Okay.

4 CHAIRPERSON GARODNICK: Is that, is the,  
5 is the project on target? I mean I know you  
6 mentioned litigation that's slowing things up a  
7 little bit. I, I don't have the precise tie frames  
8 as to whether or not EDC is hitting its marks here.  
9 But can you give us a sense as to these various  
10 phases when you... [cross-talk]

11 PRESIDENT KIMBALL: Sure.

12 CHAIRPERSON GARODNICK: ...expect to, to  
13 complete them?

14 PRESIDENT KIMBALL: Sure. So phase 1A is  
15 the environmental remediation. The things, the  
16 project doesn't really kick off until the JV  
17 that's, it's... sterling and related close on the  
18 land. And they will not close on the land until all  
19 of the litigation is settled. So that has certainly  
20 delayed us. We originally see phase one as being  
21 their environmental remediation component. Nothing  
22 happens in terms of the redevelopment project until  
23 the site is remediated of the 23 acre portion. And  
24 that process has not yet begun but will begin once  
25 the, the, the JV is able to close on the land. And

2 in that project will, after the remediation then  
3 you will have their hotel and the retail, the  
4 recreational space. And once that is completed, so  
5 once the site is remediated and then the project's  
6 completed the begins phase two which is, which is  
7 the willets West which is the retail destination  
8 component on the current parking lot. So phase one  
9 which is the remediation and the smaller project on  
10 Willet's East is, the timeline for that is, was to  
11 have been 2014 to 2018. And then, then there's  
12 phase 1B. In addition what's also taking place that  
13 I forgot to mention is that we, everything sort of  
14 gets keyed off of the ramps at the Vanwick and the  
15 grand central expressway. And that process is  
16 supposed to be completed in 2021 to 2024 in terms  
17 of the ramps being completed. But what we're doing  
18 right now is the design process. So there's, those  
19 ramps have to be designed in order to be built and  
20 that process has started, and some progress.

21 CHAIRPERSON GARODNICK: Okay. Jumping to  
22 Hunts Point, something that you did mention in your  
23 testimony it, earlier this month the mayor  
24 announced a 150 million dollar investment in the  
25 Hunts Point food distribution center over 12 years.

2 Give us a sense on the scope and timeframe of the  
3 various projects that are anticipated under this  
4 funding including whether we're, I should not say  
5 whether, when the funding will be reflected in the  
6 capital budget. Tell us what you can about the  
7 scope and time frame of the 150 million dollar  
8 allocation.

9 PRESIDENT KIMBALL: Sure. So it's a 150  
10 million across 12 years, across the three different  
11 markets. There is the breakdown of, of the 150 is  
12 not, we have in our minds what it looks like but we  
13 want to make sure that we work with the markets and  
14 the Hunts Point community to make sure that that  
15 makes sense and that process is underway. Second  
16 there is a, a separate resiliency project that is  
17 comprised of about 45 million of city and federal  
18 money also which has to be a design, has to be  
19 designed and there has to be sort of robust  
20 community input. So between those two, between  
21 those two things you know it's going to be, and we  
22 also have to separately work out release renewals  
23 for fish, meat, and produce. So there's a business  
24 deal on the back of that that also has to be done  
25 across those three markets. So I'm going to turn it



2 over now to Julie Stein who is our expert on Hunts  
3 Point who can go further into the timing.

4 JULIE STEIN: So what's... [cross-talk]  
5 for the Hunts Point food distribution center at  
6 Kyle mentioned is a cluster-wide investment to  
7 modernize the cluster to keep it both competitive  
8 and attractive now and into the future. So we're  
9 looking at investments in the three markets  
10 themselves in addition to other vacant land and  
11 properties that we have in order to increase the  
12 number of industrial food uses that we have there  
13 both for the expansion of existing companies as  
14 well as attracting new entrepreneurs in earlier  
15 phases of their company's play cycle. So we're  
16 looking at this as a phase process. It's a very  
17 long process but we want to make sure that we're  
18 maintaining business continuity so that the  
19 businesses are not being displaced while the  
20 facilities are being modernized which is why the,  
21 excuse me, plan calls for the 150 million to be  
22 spent over the course of 12 years.

23 PRESIDENT KIMBALL: ...to the larger theme  
24 of the question about the timing right now we don't  
25 even know how much we're going to spend on each

2 market let alone what the project is or what the  
3 timing of it is.

4 CHAIRPERSON GARODNICK: Got it. So this  
5 is the very very...

6 PRESIDENT KIMBALL: The very very  
7 beginning...

8 CHAIRPERSON GARODNICK: ...concept for  
9 this project.

10 PRESIDENT KIMBALL: Correct.

11 CHAIRPERSON GARODNICK: Correct. Okay.  
12 Back to the ferries. Just a few follow-ups there,  
13 you obviously had some questions from some of my  
14 colleagues on decisions that were made. But I  
15 wanted to talk specifically about budget related  
16 questions on, on the ferries. We have a 2016 budget  
17 before us and can you share with us what in the  
18 2016 preliminary budget is allocated for  
19 construction related to the ferry terminals,  
20 ferries themselves.

21 PRESIDENT KIMBALL: Yeah so if there's a  
22 dollar in the budget that I would tell you that's  
23 going to be spent on time it will be the 55 million  
24 dollars for the ferries which is being allocated  
25 across... And right now it is not, there is, there is

2 a placeholder in the budget for the different  
3 ferries but it's not necessarily, it's just sort of  
4 evenly allocated. We are working with OMB to get  
5 more global solutions so we have a little bit more  
6 flexibility because some landings will cost more  
7 than others. But we are very focused on getting  
8 that 55 million dollars spent for the construction  
9 of the ferries.

10 CHAIRPERSON GARODNICK: And the, and the  
11 55 million dollars is for, is for what exactly?

12 PRESIDENT KIMBALL: It's for  
13 construction of ferries, some property acquisition,  
14 so there are some places where we actually have to  
15 acquire property to have a functioning ferry dock...

16 UNIDENTIFIED MALE: For the most part  
17 the, the 55 million dollar will, dollars will cover  
18 design services, the procurement and fabrication of  
19 barges and gang weights for the landings. There may  
20 be a piece where we work out access agreements but  
21 I don't think that's likely to use the capital  
22 funds. And then it will in some cases pay for the  
23 expansion of existing ferry landings.

24 CHAIRPERSON GARODNICK: Okay now and  
25 you, you have the, the diagram that you, that you

have in your, in your presentation... The 55 million dollars for design, procurement, access, property acquisition etcetera is that the amount necessary to activate the whole thing or is that for a subset perhaps the plan 2017 piece what, what is that for?

PRESIDENT KIMBALL: To activate the 2018 plan, the 2017 plan and the 2018 plan.

CHAIRPERSON GARODNICK: So it' for both?

PRESIDENT KIMBALL: Mm-hmm.

CHAIRPERSON GARODNICK: Okay. And the cost of operations, we've had hearings on this subject before. The, the cost for the city to operate this, let's say that even, if you wanted to break it down any way you want the, the complete plan, the 2017 plan what is the, what is the city subsidize, subsidy provide for, for the ferry service as anticipated? What would be the cost for somebody who wants to use the ferry? Is the, is the cost determined by the distance that somebody's going to be travelling? How exactly... and you know share with us what, what has been already determined on this plus the, the subsidy?

PRESIDENT KIMBALL: The only thing that has been determined is that it'll be 275 no matter

2 where you're going. And, and we have an internal  
3 vision or idea. We certainly molded it as to what  
4 we think it will cost the city. We are not really  
5 seeing that information publically because we are  
6 about to go into an operator RFP process and we  
7 don't really want to show our hand in terms of what  
8 we think it's going to cost. We want that market to  
9 come back to us and tell us how much it should  
10 cost. And so we will choose based on obviously the,  
11 the best quality of service and the lowest cost to  
12 the city. We do think there will be a cost to the  
13 city. We are not, do, we do not think are, that we  
14 are hopeful that we'll minimize the cost. We do  
15 fundamentally believe that public transportation  
16 like this does have to be subsidized on some level.  
17 We are going to be very creative to find other ways  
18 to pitch the offset, what the cost might be to the  
19 city but we do think this is a, a net cost to the  
20 city to, to bolster the transportation network. But  
21 we are not, we are not talking.. We can talk offline  
22 about what we think but we are not talking  
23 publically about... [cross-talk]

24 CHAIRPERSON GARODNICK: Well the city  
25 for the east river ferry service as it existed, as

2 it exists my memory was that we were subsidized in  
3 something of the ballpark of around four million  
4 dollars a year. I, I don't know if that number is...

5 PRESIDENT KIMBALL: It's come down. Right  
6 now it's a, we're subsidizing about two dollars a  
7 trip.

8 CHAIRPERSON GARODNICK: Two dollars a  
9 trip.

10 PRESIDENT KIMBALL: Yeah. And it was  
11 originally around four. But the, the service was  
12 much more popular than we expected to be at, we're  
13 hopeful that's the same with the citywide... we tend  
14 to model in a very conservative basis. On the other  
15 hand the Rockaway ferry was as expensive as we  
16 thought it would be. It was a little, a little less  
17 expensive but in, in the ballpark. It was, it was  
18 the same. But none the less we felt like on the  
19 citywide level it made sense... Because you, you will  
20 have cross subsidy across the, across all the  
21 routes.

22 CHAIRPERSON GARODNICK: And how... I'm  
23 sorry the, the subsidy that was around four and  
24 became two per ride per passenger per ride the,  
25 what, did that go down just because the, there were

2 so many more people taking advantage of it than  
3 expected is that, that's what it was.

4 PRESIDENT KIMBALL: That's correct.

5 CHAIRPERSON GARODNICK: Okay.

6 PRESIDENT KIMBALL: And it's a, it's a  
7 higher fare as well than the fare that we are going  
8 to be putting in place for...

9 CHAIRPERSON GARODNICK: I see. \$2.75 is  
10 less, is, is...

11 PRESIDENT KIMBALL: \$2.75, I think it's  
12 \$5.00 now on the east, yeah \$4.00 on the weekday,  
13 five, \$6.00 on the weekend and a dollar for your  
14 bike on the east river ferry service so this is...

15 CHAIRPERSON GARODNICK: So this will be  
16 less... [cross-talk]

17 PRESIDENT KIMBALL: This will be less.

18 CHAIRPERSON GARODNICK: ...than what it  
19 being charge... We'll, we'll... is your anticipation  
20 that the, the charge for the east river ferry also  
21 will come down to \$2.75?

22 PRESIDENT KIMBALL: It is not our  
23 anticipation because their contract ends... there is  
24 a bit of a temporal issue between the two because  
25 their contract ends in 2018, 2019 sorry and so

2 they're, they're... unless we are... So right now we're  
3 assuming that it doesn't come down. We are  
4 obviously open to having conversations with the  
5 current operator as to how east river ferry service  
6 might fit into an overall citywide plan. But we are  
7 assuming that there will be a wraparound system to  
8 the east river ferry service until 2019.

9 CHAIRPERSON GARODNICK: Is the...

10 PRESIDENT KIMBALL: Because they have a,  
11 they have a contract to expire... [cross-talk]

12 CHAIRPERSON GARODNICK: Is the thought  
13 that these ultimately become an integrated one fare  
14 system?

15 PRESIDENT KIMBALL: Yes we are leaving  
16 open the possibility in the RFP that it's either a  
17 number of different operators operating the  
18 different routes or there's one, the main thing we  
19 are going to be focused on is that it looks and  
20 feels and the experience of a ridership is that  
21 it's one system, whether or not it's independently  
22 operated it will look and feel like one system.

23 CHAIRPERSON GARODNICK: Good. That makes  
24 sense. Okay I want to, I want to go, I want to go  
25



2 to Chair Cornegy and, and then we'll, we'll move  
3 onto our colleagues.

4 CO-CHAIRPERSON CORNEGY: Thank you so  
5 much. So I, I feel like President Kimball you said  
6 you'd be here 'till June right? I feel like...  
7 [cross-talk]

8 PRESIDENT KIMBALL: That's right.

9 CO-CHAIRPERSON CORNEGY: ...we spent an  
10 inordinate amount of time getting at you as if you  
11 were leaving tomorrow so I'm going to shift the  
12 conversation a little bit back to Commissioner  
13 Torres-Springer just for a second.

14 PRESIDENT KIMBALL: Sure.

15 CO-CHAIRPERSON CORNEGY: So a couple of  
16 questions I had. One in relationship to Small  
17 Business First. I've heard you mention you know  
18 obviously one of my favorite programs which is  
19 Chamber on the Go a couple of times. I was curious  
20 as to how you've worked together in terms of  
21 outreach and whether or not that outreach would  
22 continue once the, the 21 members I believe it is,  
23 the 21 new hires for small business first, do they  
24 supplant or accentuate some of the outreach  
25 services... found through Chamber on the Go?

2 COMMISSIONER TORRES-SPRINGER: Mm-hmm.

3 So our intent is to make sure that Chamber on the  
4 Go... [cross-talk]

5 CO-CHAIRPERSON CORNEGY: I don't think  
6 your mic...

7 COMMISSIONER TORRES-SPRINGER: Our, our  
8 intent is surely to make, to ensure that Chamber on  
9 the Go and the Small Business First initiatives are  
10 complimentary as part of an overall effort to get  
11 information to businesses across the five boroughs  
12 both on the support side and the proactive services  
13 that help them in their bottom lines but also to  
14 navigate government. And to the, the, the staff  
15 that's, that will be added through Small Business  
16 First represent there are about 11 for instance who  
17 are small business compliance advisors and these  
18 are the individuals who will be cross trained the  
19 different requirements, different agencies. They  
20 will work with businesses one on one and in their  
21 stores, in their restaurants, in their place of  
22 business to help them comply with rules and  
23 understand what all the, the, what all of the  
24 different requirements are. The additional staff  
25 that make up the balance of the total will be

2 client managers who will be located in, once the,  
3 the new one stop and with other agencies. And so  
4 the, well again one on one basis helps small  
5 businesses. The, the whole biz to connect all of  
6 these resources certainly with the, with Chamber on  
7 the Go so that to the extent that staff from  
8 individuals who are part of Chamber on the Go are  
9 in neighborhoods that they know and can make  
10 referrals to all of the other services that are  
11 available through small business first. And so  
12 we'll work with you very closely to make sure that  
13 there's no duplication and that we are leveraging  
14 each of these new resources effectively. And also  
15 you know I am a, a huge proponent as you know of,  
16 of team play and, and, and interagency  
17 collaboration. But I also have been around long  
18 enough to have a little bit of concern that it  
19 could potentially inadvertently lead to some  
20 duplication of services. What, what is SBS doing to  
21 ensure that that doesn't happen?

22 COMMISSIONER TORRES-SPRINGER: So we  
23 are, all of the agencies who are part of the  
24 initiative they...

2 CO-CHAIRPERSON CORNEGY: There are about  
3 15 different agencies. The tenants that were part of  
4 the initiative 10 have received funding through the  
5 preliminary budget for different activities. They  
6 will all be part of the of course implementation of  
7 each and every one of these initiatives. There'll  
8 be a point person in each of the agencies who are,  
9 who will be working closely with us in the Mayor's  
10 Office of Operations. It is an initiative that is  
11 lead essentially by Deputy Mayor Alicia Glen and  
12 Tony Shorris and so we'll make sure that there is  
13 accountability there. And, and our work moving  
14 forward is to help coordinate. And so because we  
15 have the representation of different agencies on  
16 the day to day basis on the implementation we'll  
17 work very hard to make sure there's no duplication.  
18 I, I know that there's a risk but we're, our eyes  
19 are wide open and would, would, we'll definitely  
20 make sure we try to avoid it.

21 CO-CHAIRPERSON CORNEGY: And then lastly  
22 back to the MWBE piece. And I, I regret that I let  
23 this whole round go and I didn't kind of expound on  
24 this particular question which is, it, it seems...  
25 you know I just need to wrap my head around the way

2 that SBS in the application process makes a  
3 determination on the race of a potential primary in  
4 a business for the MWBE program.

5 COMMISSIONER TORRES-SPRINGER: So we  
6 will, I think what might be useful is after this we  
7 can provide much more detailed, like the step by  
8 step process to give you both a sense of the, the  
9 rigor and integrity that we take very seriously to  
10 ensure that when we're certifying we're certifying  
11 the right, the businesses. But at the same time of  
12 course we want to streamline that. But Kerri are  
13 there, can you talk about this... [cross-talk]

14 CO-CHAIRPERSON CORNEGY: It, it, it's  
15 just funny because when you, when you talk about,  
16 when you talk about omen that, that's pretty  
17 obvious to, to be able to determine. I'm just, I'm  
18 just, I just need to wrap my head around race and  
19 how you can actually, what are the identifying  
20 factors of the principal being the race that they  
21 say they are...

22 COMMISSIONER TORRES-SPRINGER: Well we  
23 may ask for a birth certificate or other  
24 documentation like that but we can go into specific  
25 detail. I mean it, it does get quite complicated

2 sometimes as you might imagine but that's why these  
3 determinations have to be made on a case by case  
4 basis.

5 CO-CHAIRPERSON CORNEGY: I mean  
6 especially in a city like New York. I could imagine  
7 it would be incredibly difficult...

8 COMMISSIONER TORRES-SPRINGER: Exactly.

9 CO-CHAIRPERSON CORNEGY: If we all, we  
10 all you know don't come from one particular...

11 COMMISSIONER TORRES-SPRINGER: No, and  
12 you...

13 CO-CHAIRPERSON CORNEGY: So it's, it's  
14 difficult to determine and I, that's, that's why I  
15 been sitting here for the last two hours before I  
16 asked the question trying to determine in my mind  
17 whether I could figure out a way that that would  
18 happen so I'm just curious.

19 COMMISSIONER TORRES-SPRINGER: It, it is  
20 definitely something that is far more complicated  
21 than you might imagine on, on its face and we could  
22 have a discussion offline about the, the specifics  
23 of it.

24 CO-CHAIRPERSON CORNEGY: I welcome that.  
25 Thank you.

2 CHAIRPERSON GARODNICK: Thank you. We're  
3 now going to go to Council Member Richards.

4 COUNCIL MEMBER RICHARDS:; Thank you.  
5 And sad to see a good friend leave. Got a chance to  
6 know you for a few years now and I'll, I'll wish  
7 you well in your new endeavors. And thank you  
8 Commissioner Maria Torres-Springer for being here.  
9 And thank you. Just have a few questions Mr.  
10 Chairman. Thank you for your kindness. I wanted to  
11 go onto ferry service for a minute and I did hear  
12 obviously I think if I heard correct there's going  
13 to be 55 million dollar, a 55 million dollar pot to  
14 speak of expansion and...

15 PRESIDENT KIMBALL: Yeah the, yes.  
16 That's right. Of capital for, for the... [cross-talk]

17 COUNCIL MEMBER RICHARDS: So I often  
18 brought this up in particular about the Rockaway  
19 ferry and it's like an old song now. You know 65  
20 percent of the residents in the Rockaways live on  
21 the Eastern end of the peninsula and we have no  
22 access to the ferry. So the question I have is, has  
23 there been any thought about expanding the ferry to  
24 the eastern end where majority of the population  
25 lives as well. And I know ridership was a huge

2 issue with the Rockaway Ferry at least according to  
3 your agency very early on. And there's a way to  
4 obviously fix this issue by ensuring that majority  
5 of the population who lives on the eastern end of  
6 the rockaways has access to good transportation. So  
7 has there been any thought around expanding the  
8 ferry or at least ensuring that there's a way for  
9 people on the eastern end to get to the ferry?

10 PRESIDENT KIMBALL: Sure. So yes we have  
11 done a ton of work. One problem that, so the ferry,  
12 we are likely to put the ferry in the same place  
13 it was at each one, \$108. Having said that I, I  
14 personally have pushed the team here to see if  
15 there is a Far Rockaway solution. I am told that  
16 the boat itself does not fit under the MTA bridge.  
17 And I could assure you that in 60 days that I have  
18 remaining that I will verify that with myself  
19 because I actually, I, I question that. But I have  
20 been told that at high tide a boat cannot fit under  
21 the MT bridge. There is an ocean, you could look at  
22 an Oceanside solution but it's the strong  
23 recommendation of our engineers that it's not safe  
24 for swimmers to have an Oceanside solution that you  
25 need to have baseline solutions for your ferry



service. And it also changes the, the whole trajectory of things. And so what we think is the most likely solution to connect Far Rockaway to a beach 108 solution is we are asking the RFP respondents to propose how they would run shuttle services to effect it, it around... at, at a lot of the different landings how they would run shuttle services to connect other parts of the neighborhood to, with, with the rockaways in mind how they would connect other parts of the neighborhoods to, to the ferry service. So short of, short of my entire team being wrong that it doesn't fit under the bridge that's probably the most likely solution that we'll see in the rockaways as a ferry service because we are, we do want to make sure that folks in the far Rockaways have access to the, to the ferry.

COUNCIL MEMBER RICHARDS: Well I'm no engineer, I'm not a team member but DEP tugboats fit under that bridge.

PRESIDENT KIMBALL: Right. I...

COUNCIL MEMBER RICHARDS: They consistently use...

2 PRESIDENT KIMBALL: I promise you we  
3 will, I will, I, you have my word that I will have  
4 verified this myself that the boat doesn't fit.

5 COUNCIL MEMBER RICHARDS: Okay. Okay no  
6 problem. I wanted to go into the...

7 PRESIDENT KIMBALL: I promise you... I,  
8 the, I drive my team crazy on this point.

9 COUNCIL MEMBER RICHARDS: Thank you. I  
10 really appreciate it. And not only that. We have a  
11 Marina there. You're going to have a whole new  
12 community that's proposing to come online... [cross-  
13 talk] at least two or three thousand more residents  
14 in the 80s in particular so there are several  
15 location, I know they looked at 67<sup>th</sup> but in the 80s  
16 there's a marina up there already. You know I, I  
17 think we can figure this out. But I thank you for  
18 certainly pushing your team.

19 PRESIDENT KIMBALL: Yep.

20 COUNCIL MEMBER RICHARDS: This question  
21 is for Madam Commissioner Maria Torres-Springer. So  
22 last year we made a great announcement on the, the  
23 Rockaway economic advancement initiative that the  
24 mayor and,, and yourselves have proposed for the  
25

2 Rockaways. And I just wanted to get a status update  
3 on that.

4 COMMISSIONER TORRES-SPRINGER: So we're  
5 very close in selecting the vendor. We ran a, an  
6 upper pyramid to identify the vendor for that  
7 initiative. And so very shortly I'll be reaching  
8 out to you to talk about that particular process so  
9 we could start delivering those services as soon as  
10 possible. But we're close.

11 COUNCIL MEMBER RICHARDS: Okay. So by  
12 the summer we should...

13 COMMISSIONER TORRES-SPRINGER: For sure.

14 COUNCIL MEMBER RICHARDS: Okay. And the  
15 my last question for you was I know that we also  
16 made an announcement about 15, I believe 15 million  
17 dollars for business corridors in particular for  
18 the Rockaways last year? Am I correct? Was it for  
19 business? I don't know if it was the business  
20 acceleration program. I don't remember exactly. But  
21 I know the Mayor had announced that he was  
22 allocating 15 million towards business corridors  
23 that wanted to get an update on where we're at in  
24 that process.

2 COMMISSIONER TORRES-SPRINGER: Yeah I  
3 believe that's part of the infrastructure  
4 investment and so we'll, I will unless... [cross-  
5 talk]

6 PRESIDENT KIMBALL: I think I might have  
7 the answer...

8 COMMISSIONER TORRES-SPRINGER: ...Kyle  
9 Kimball knows...

10 COUNCIL MEMBER RICHARDS: Yeah.

11 COMMISSIONER TORRES-SPRINGER: ...we can  
12 talk to Dan Zarrilli of ORR would have the latest...

13 PRESIDENT KIMBALL: Yes. Yeah so there  
14 was 15 million for the targeted infrastructure and  
15 resiliency improvements which include Beach 108<sup>th</sup>  
16 and Mott Avenue. And that's being at complimented  
17 with 8.2 million from the New York rising. And  
18 that's storefront upgrades to water management,  
19 open space, and that's, that's what, that's what's...

20 COUNCIL MEMBER RICHARDS: So it's  
21 contingent on New York Rising? So that money is...  
22 [cross-talk]

23 PRESIDENT KIMBALL: It's meant to be  
24 complimentary to... [cross-talk] ...on, it's there  
25 supposed to be a one program...

2 COUNCIL MEMBER RICHARDS: Okay gotcha.

3 And when will we see movement in particular on that  
4 or...

5 PRESIDENT KIMBALL: That I don't know  
6 for sure unless one of my team members know I can,  
7 I can get back to you this afternoon.

8 COUNCIL MEMBER RICHARDS: And then the  
9 last question... so Addabbo I know we got it for  
10 Addabbo Health Center in particular... and it's okay  
11 if you get back to me on these if you don't have  
12 the exact answer today on this. So I know that an  
13 RFP was issued in which you guys awarded Addabbo  
14 Health Center the RFP in particular for expansion.  
15 I wanted to get an update on where we're at with  
16 that. I know that it's going to cost them or  
17 they're going to have to raise a particular amount  
18 of money on this as well?

19 PRESIDENT KIMBALL: Yeah.

20 COUNCIL MEMBER RICHARDS: Is the city  
21 also kicking in any funding?

22 PRESIDENT KIMBALL: As far as no we, as  
23 I am not aware of money that the city's kicking in.  
24 I happen to be on the board of NYCHA with Beatrice  
25 Bird is on the board of Addabbo. And so we have

2 been playing, we've been in very close touch about  
3 the financial concerns about the Addabbo and  
4 thinking through how to raise money for it. But we  
5 did execute a contract on November 2014 and the  
6 fundraising is sort of one of the next major  
7 components.

8 COUNCIL MEMBER RICHARDS: Alrighty  
9 [phonetic] that's my question. Thank you Chairs.

10 CHAIRPERSON GARODNICK: Thank you  
11 Council Member Richards. You all have been here for  
12 a very long time. Let me just do a few cleanups and  
13 then we're going to go to the public. So thank you  
14 for your patience and for your willingness to, to  
15 give us answers today and also for any follow-ups  
16 that we need to do here. For Mr. Kimball on the  
17 evaluation of projects to which we've committed  
18 benefits between EDC and IDA. We had a whole  
19 hearing on the subject of the way that EDC  
20 evaluates projects and if needed steps are taken to  
21 secure or claw back benefits if beneficiaries  
22 failed to meet certain performance benchmarks.  
23 There were specific dollar figures that were  
24 attributed to claw back back when we had our  
25 hearing more or less a year ago. Can you give us a

2 sense as to what EDC has, has done relative to  
3 clawing back moneys that were, you know were given  
4 to people under a condition that they perform and  
5 that you know those those, that was not actually  
6 happening.

7 PRESIDENT KIMBALL: So the, there's,  
8 this is a complex answer. So that on the IDA side  
9 of things there are two types of companies that we  
10 give benefits to, one of the small manufacturers  
11 and one are the large commercial businesses. The  
12 commercial businesses, those are the large  
13 packages, what you would call cooperate retention  
14 or growth deals. We, for the most part stopped  
15 doing those. With the exception being Jet Blue that  
16 I can think of and so the question of claw backs  
17 has really kind of gone away in some ways because  
18 most of the companies that we have remaining deals  
19 with have lived up to their commitments but we've  
20 also just generally done much fewer of those deals  
21 for things to go wrong. And third the times that  
22 I've talked about are times when we had a  
23 retraction in the overall economy. In this case we  
24 had expansion of the economy so it's much easier,  
25 they are all employment targets. So it's been I

think easier for companies to, to keep their targets. But we have in the past when companies have not met their target so their stated goals or their obligations on those commercial retention deals we have gone back and taken back benefits from the companies like, from companies like Feiser [sp?] and Bank of America we have, we have taken back, benefits back. On the land sale side of things we have also, also all of which have milestones in them. We have taken properties back from people with whom we've closed. We have litigated for a number of years to get those properties back when they are not able to meet their commitments. And probably the most famous one that's being returned around very quickly is the coin exchange in Harlem. There's also the Tasty Bakery in Harlem where we spent a number of years in litigation to take the properties back after we had sold them and we successfully had done that. And we are in the process of being more aggressive about that in a number of different properties around the city in this process. So I would say on the corporate retention side it has not generally been a problem. We have a group of about 45 people



2 who chase down these companies every day to make  
3 sure that they are complying with the, the  
4 obligations that they have either in their benefits  
5 agreements or their development agreements. So  
6 we're, we're being very vigilant about this and are  
7 not afraid to take these properties back or, or  
8 recapture the benefits. But it has not, there have  
9 not been as far as I can remember a, there has not  
10 be a large re, claw back that we've had to do. If  
11 we, if there was one we would have done it but  
12 there hasn't been a large claw back we've had to do  
13 in a, in a while.

14 CHAIRPERSON GARODNICK: So because of  
15 the fact that there's not new large commercial  
16 corporate retention projects that are being done  
17 and the fact that all of the conditions it sounds  
18 like relate to employment and these entities have  
19 been hitting those targets you're saying that there  
20 have not been claw backs. But that's the reason...

21 PRESIDENT KIMBALL: There have been  
22 small ones or penalties but not anything of the  
23 large nature that we've seen in the past.

24 CHAIRPERSON GARODNICK: Okay my, my last  
25 question and this could be for EDC or SBS and it

relates to a report from the IBO in December which had projected that the city was going to add more than 257 thousand jobs in the next four years. A lot of them expected to be middle wage jobs particularly in construction, transportation, utilities, and administrative support services and things like that. And the IBO warned that there, that many of these jobs may ultimately be unfilled and as a result stifle economic growth and tax revenue because of the lack of skilled workers to fill those jobs. And so the question that I have for you all is whether we are in the process of a you know targeted sector based training process particularly for young people who are looking for entry level jobs training programs specifically for those sectors which have been identified and you know where that, where that stands.

COMMISSIONER TORRES-SPRINGER: The answer's yes. So it's part of career pathways. There are six industry partnerships. A lot of the sectors that you just mentioned constructional industrial and transportation healthcare technology and retail and food are also part of them but those sectors were chosen based specifically on

2 anticipated job growth but also where there are  
3 talent gaps. And so what these industry  
4 partnerships do essentially is you take, they pull  
5 together employers, academic institution, training  
6 providers and, and other important stakeholders to  
7 really figure out for that particular sector what  
8 are the specific needs that employers have today  
9 and in the future so that then we can as government  
10 make the right investments in training to connect  
11 people to those jobs. And so it's very much a  
12 sector focus it's, it's something that we're  
13 building on prior work that we've done in  
14 healthcare. And we feel confident that we can do it  
15 across the five other sectors in a way where those  
16 shortages can be filled by New Yorkers.

17 CHAIRPERSON GARODNICK: So thank you for  
18 that. And we had a hearing in this committee on the  
19 career pathways and we heard all about the industry  
20 partnerships and thought it sounded like a, a novel  
21 concept. And they were cited to be in the  
22 industries that you described; tech, manufacturing,  
23 health care, construction, and retail and food  
24 services. But as a follow-up to that in light of  
25 the IBO's report are there any industry

2 partnerships that are contemplated to take  
3 advantage of those areas that the IBOs specifically  
4 warned about which are transportation, utilities,  
5 administrative and support services or... how, how  
6 does that relate to the existing industry  
7 partnerships that was identified.

8 COMMISSIONER TORRES-SPRINGER: so on  
9 the, the industrial partnership we, we take a  
10 little bit of a broader view of that so industrial  
11 food transportation and a few other categories so  
12 it's not just pure industrial manufacturings so I  
13 think through, ideas through that partnership will  
14 address the issues or gaps in couple of those  
15 sectors. The larger workforce one system however it  
16 does place individuals into a more administrative  
17 jobs. So we'll take a look more closely at that.  
18 But the, the idea of the entire Workforce 1 system  
19 is certainly the shift is to better anticipate  
20 using data from employers where the growth might be  
21 across these different structures and try to fill  
22 that.

23 CHAIRPERSON GARODNICK: Okay so if, I  
24 understand you that the, the definition of those  
25 partnerships would likely include the categories

that I mentioned you, I think I heard you say that manufacturing would likely include transportation utilities for example.

COMMISSIONER TORRES-SPRINGER: Yeah.

CHAIREPERSON GARODNICK: Okay. And the, in terms of where things stand on the industry partnerships today where, where are we on that?

COMMISSIONER TORRES-SPRINGER: So two out of the six have our operating so the, the healthcare partnership is something that was started a couple of years ago. That's the New York alliance for careers and health. And we're looking to expand that as part of the larger career pathways framework. Tech talent pipeline was launched a year ago. And we recently announced the advisory board members, a number of employers from different types of technology firms, media, and finance. But importantly we've actually already started running programs. So for instance we expanded a program that, that's, our web development fellowship people with little or no coding experience, no college degree to provide them that boot camp so they can then now have these types of jobs. We expanded that to be focused on

youth. And so as we're building the larger set of initiatives we're implementing for the other four we are in the process of determining the full scope of those partnerships, identifying funding so that those two we can staff and then start to build out what the specific programs are.

CHAIRPERSON GARODNICK: You have a, do you have a timeframe as to when you expect to have those industry partnerships for the final ones in place?

COMMISSIONER TORRES-SPRINGER: We, we hope subject to, being able to, subject to funding to have staff hired for those by the end of this year. That's our hope.

CHAIRPERSON GARODNICK: By the end of the calendar year or the fiscal year?

COMMISSIONER TORRES-SPRINGER: That's right.

CHAIRPERSON GARODNICK: By the end of the calendar year.

COMMISSIONER TORRES-SPRINGER: Calendar year.

CHAIRPERSON GARODNICK: Okay. Alright well thank you very much. We appreciate your tie

today and your, your answers and, and we have a few follow-up items and we'll look forward to continuing the conversations about these between the preliminary and the executive budget and without a doubt we'll, some of these things will be incorporated in the city council zone responses. So we thank you very much. We have a, a couple of panels of members of the public who are going to come join us now. We'd like to invite them up. They are in the first panel Michael Brady of South Bronx overall economic development corporation, Andrea Diving of Southwest Brooklyn Industrial Development Corporation, Laura Imperially of Tully and Queens Chamber of Commerce, and Doctor Carry Goodman of the BID. And we're going to do a, set up a three minute look and we're going to get that going once everybody is settled and once we get started.

MICHAEL BRADY: Chairs Garodnick and Cornegy, members of the City Council...

CHAIRPERSON GARODNICK: Hold that, be one, for one second. Let me just see here I have four members of this panel and I think I'm maybe expecting one other. Okay we're all set. Go right ahead. Thank you.

2 MICHAEL BRADY: Chairs Garodnick and  
3 Cornegy, members of the city council thank you for  
4 the opportunity to discuss the needs of industrial  
5 manufacturing businesses throughout New York City.  
6 The south Bronx overall Economic Development  
7 Corporation SoBRO has been in existence since 1972.  
8 We... protect businesses and grow communities in the  
9 Bronx during the great decline and have shepherded  
10 the Bronx's development ever since. Currently SoBRO  
11 adds over one billion dollars annually to the  
12 economic vitality of the borough, employs over 200  
13 individuals and provides a holistic evidence based  
14 model for community and economic development. SoBRO  
15 operates four distinct divisions to create and  
16 implement solutions to society's most systemic  
17 challenges. These divisions include real estate,  
18 youth, and adult education, workforce development,  
19 and community and economic development. Community  
20 and economic development at the heart of our  
21 conversation this afternoon. SoBRO's community and  
22 economic development division has been nationally  
23 recognized and internationally branded as an  
24 evidence based program which gives voice to  
25 community and provides an incremental approach to



2 area development and business growth. With this  
3 model SoBRO has created, created hundreds of  
4 thousands of jobs, assisted in building over 10  
5 thousand businesses large and small provided vital  
6 entrepreneurial training skills, created the  
7 Bronx's first minority business development agency  
8 with the assistance of the US Department of  
9 Commerce providing nearly one billion dollars in  
10 financing and perhaps most importantly shaped the  
11 way we as a city approach land use and zoning as it  
12 pertains to industry, manufacturing and residential  
13 populations. Of note is our extensive work along  
14 the Harlem and East Rivers of which our mayor just  
15 committed 200 million dollars in infrastructure  
16 monies where we balance residential growth and  
17 historic industrial presence of vital manufacturers  
18 and job creators. Together these four divisions  
19 provide a viable and proven framework in empowering  
20 New Yorkers. This morning our focus is on  
21 industrial manufacturing businesses but we realize  
22 that this element cannot be benefit without a  
23 broader understanding of the other drivers of  
24 economic development, the afore mentioned  
25 principals. SoBRO administers all five industrial

business development zones in the Bronx Port Morris, Hunts Point, Eastchester, Zarega, and Bathgate. We are a community development corporation representing client portfolio of over, of over 3,000 industrial businesses which grow the Bronx and New York City's economy by providing over 75 thousand private sector jobs. I want this to be clear. Although I'm here for our, our Bronx folks industrial businesses aren't just a Bronx issue. They're not just a Brooklyn issue. They're not a borough issue. They're a New York City issue. And they're an issue that has not been dealt with. The EDC and SBS today came again a year later and said we don't have a plan yet and quite frankly that is not enough. SoBRO was heartened to read and create implementation plans when the speaker issued her report Engines of Opportunity. This report highlights what we in economic development consider best practices. Truly a mixed use development zones where distilleries can operate Next to New York Post where a manufacturer of US Military Uniforms can share a 120 year old factory with a state of the art art restoration facility. This is the face of 21<sup>st</sup> century, for 21<sup>st</sup> century industry. We must

2 shepherd historic industries and prepare, recruit,  
3 and train for industries of tomorrow. But what does  
4 it take? It takes a policy direction and execution  
5 to shape a long term sustainable approach to  
6 preserving and growing industry and manufacturing  
7 while taking into consideration environmental  
8 issues and potential residential encroachment. This  
9 administration must fund local development  
10 corporations and economic development corporations  
11 which have been administering sites for decades.

12 CHAIRPERSON GARODNICK: If, if you could  
13 wrap it up..

14 MICHAEL BRODY: I will wrap it up.

15 CHAIRPERSON GARODNICK: I know you got a  
16 couple more pages. We have it in front of us. But  
17 if you could just give a summary it would be great.

18 MICHAEL BRODY: Gotcha. I'll just do the  
19 last paragraph. These groups have grassroots  
20 knowledge, trust, and proven track record which no  
21 survey from the EDC or SBS can quantify. These  
22 groups are also underfunded. In the past SoBRO  
23 received early 300 thousand dollars annually to  
24 administer one industrial business zone. Now SoBRO  
25 administers five industrial business zones and

receives only 200 thousand dollars for all five.

Now I don't know about you but if I had one child on a set income that would do well. Two children would be a stretch but five children and a pay cut doesn't work. The industrial policy is broken and base lining organizations which have kept businesses in New York City and provided hundreds of thousands of quality jobs doesn't work either.

CHAIRPERSON GARODNICK: Thank you very much. Laura go ahead.

LAURA IMPERIALLY: Thank you very much Chair. Good afternoon Chairs Garodnick and Cornegy. Thank you for the opportunity to testify before you today in the Mayor's preliminary fiscal year and 2016 budget. My name is Laura Imperially and I am here today in several capacities. I am the Director of Government Affairs for Tully Construction and our affiliated manufacturing company Willets Point Asphalt. I also serve on the Board of Directors of the Queens Chamber of Commerce and I chair their industrial and manufacturing committee. I'm also Tully Construction's member representative at the General Contractors Association, the Southwest Brooklyn Industrial Development Corporation, and

2 the Brooklyn Chamber of Commerce. So I'm here today  
3 to speak on behalf of both Brooklyn and Queens but  
4 I'll focus my testimony on Queens. I'm here today  
5 to advocate for and request your support for the  
6 restoration and mayoral fiscal funding for the  
7 Industrial Manufacturing Business Policy in New  
8 York City. This would require a full restoration  
9 and an increase of funds to the Mayor's Office of  
10 industrial and manufacturing businesses and  
11 restoration of money to the industrial business  
12 solutions providers. In Queens we have noticed a  
13 steady increase in industrial and manufacturing  
14 businesses especially within our new member  
15 enrollment at the Queens Chamber of Commerce enough  
16 to warrant its own committee. Businesses such as  
17 food manufacturing, paper, and printing production  
18 metals, machinery and transportation equipment have  
19 found fertile ground in Queens and continue to  
20 flourish. Queens however is not the only borough to  
21 see this large expansion in the industrial  
22 manufacturing sector. All five boroughs of New York  
23 City have seen exponential growth in industry  
24 specialization particular to each borough. Doing  
25 business here in the city of New York and

succeeding is no small feat. The mayor's office in the past has provided direct support information and critical advocacy for thousands of well established businesses and startups. Revitalizing this office would also send a message that the administration truly understands the connection between workforce development, job creation, economic development, and affordable housing. It is critical to understand the intersection of these important areas. While manufacturing in the large scale kind has decreased numerous small entrepreneurial firms have taken root and continue to grow. In 2012 the industrial sector made up 10.7 percent of total gross city product. And as, as of August 2013 New York City's industrial businesses accounted for 13 percent of our employment figures and the trend is rising. Additionally industrial occupations provide a range of annual salaries from approximately 36 thousand to 88 thousand dollars. And in fact many of these jobs found in the heavy civil industry sector such as asphalt manufacturing are union jobs that provide a secure and stable pay and health benefits. These are the jobs... city should be promoting and protecting. These are well

2 paying jobs with low barriers to entry which  
3 provide economic stability and upward mobility to  
4 working families and in particular immigrant  
5 communities. I'm going to cut it short here. The  
6 IBZ providers from both the development and  
7 retention and production manufacturing and  
8 industrial service businesses that's improving  
9 neighborhoods at 19 IBZs around the city. In Queens  
10 alone they connect over 33 thousand, I'm sorry,  
11 3,300 industrial and manufacturing businesses to  
12 resources and opportunities to maximize their  
13 competitive advantage in the marketplace. Restoring  
14 these contracts is an essential part of Queens  
15 economy and the city's. We as a city cannot talk  
16 about the importance of a healthy economy and job  
17 creation while defunding a critical city program  
18 designed to do just that. Thank you and I'm  
19 available to answer any questions you may have.

20 CHAIRPERSON GARODNICK: Thank you very  
21 much for us and Dave I can only imagine that you  
22 are playing the role of Andrea right now so...

23 DAVE MEAD: I am playing the role of  
24 Andrea.  
25

2 CHAIRPERSON GARODNICK: Well done. Go  
3 ahead.

4 DAVE MEAD: Thanks for letting me  
5 provide comments today. My name is Dave Mead. I'm  
6 the executive Director of the Southwest Brooklyn  
7 Industrial Development Corporation. As an economic  
8 development corporation serving the neighborhoods  
9 of Redhook, Guiana, and Sunset Park SBIDC believes  
10 that strengthening New York City's base of  
11 industrial and, and manufacturing businesses is  
12 absolutely crucial to the goals of creating good  
13 jobs, developing career pathways, and healthy  
14 economy overall. Today I'm urging support for  
15 further efforts to strengthen the industrial  
16 business zone program and enhance the vital  
17 services that organizations like SBIDC offer the  
18 industrial business community in the local  
19 workforce. In Southwest Brooklyn we have one of the  
20 largest industrial business zones with close to  
21 2,000 businesses that we serve. And I'd like to  
22 share an example of the business we work with that  
23 typifies the struggles of a southwest Brooklyn  
24 industrial business. This business is a mechanical  
25 contractor that's been in full operation in Guianas



for close to 40 years. Business has over 80 employees. They're working to make the things that New Yorkers need to build new and renovate existing buildings and ageing infrastructure. Due to real estate speculation in the Guianas has business owners feeling pressure to leave the neighborhood. He's struggling to find affordable space for his growing business in Southwest Brooklyn, does not want to give up on his employees, nor the myriad of Brooklyn based clients by being forced to move outside of the state. So I'd like to highlight the, the good work that, that SBIDC does along with the other providers. And I, and I feel that we really support the businesses on two levels, the way in which business owners and their employees, your constituents notice it, it's in the technical assistance workshops, the one on one assistance with assembling loan and incentive packages, coordinating with city agencies to resolve issues helping him deal with ticketing and insurance problems and finding temporary permanent space. And a 2014 SPIDC provided over 400 unique business services for local employers. We also help businesses find and retain employees with our

workforce development programs. Over the past few years SPIDC's placed over 300 local residents in jobs and local businesses. Local employment opportunities, particularly those in the industrial manufacturing sectors are extremely important for the economic and social health of a waterfront working class neighborhoods of Southwest Brooklyn where poverty in these communities is already quite high and without a thriving business corridor many of the community residents would have little opportunity under the workforce at all. I do also think it's, it's important to note that our IBZ budget was cut by about 35 percent five years ago and since then we are serving more businesses, a larger territory, providing technical assistance, promote programs and initiatives and obviously have far less resource. I really do think by stabilizing and slightly increasing funding for industrial providers we better able to advocate and provide direct services to growing industrial base in the neighborhoods we serve. In closing while today even when there's a noticeable public and private investment in the industrial sector in Sunset Park there remains a rampant real estate speculation

2 that threatens to displace some of Brooklyn's best  
3 employers. SBIDC values Southwest Brooklyn's  
4 landscape of mixed uses and continued identity as a  
5 working waterfront we believe that a strengthened  
6 and stable IBZ program would elevate and support  
7 the vision along with the many diverse needs of the  
8 manufacturing sector citywide. Thank you for  
9 allowing me to provide comments today.

10 CHAIRPERSON GARODNICK: Great. Thank you  
11 very much. Doctor Goodman you're up on the small  
12 business initiative.

13 DOCTOR GOODMAN: There you go. That and  
14 clean up. By the way it's 11 days 'till opening day  
15 and I have opening day stickers to share with the  
16 council. As you heard from Commissioner Torres-  
17 Springer there are 70 BIDs across New York City and  
18 I think that she did a wonderful job of describing  
19 the way in which they serve our city but if you  
20 look at the back of my testimony you'll notice that  
21 almost two thirds of those BIDs operate on what I  
22 would consider shoestring budgets. Most of the BIDs  
23 in New York City starting with the ones on the last  
24 we just have a budget of about 53 thousand dollars,  
25 only have at best one employee. Some of them don't

have any offices. Some of them have to scramble in order to do anything that really corresponds to what she described as corridor building for businesses. So I'm really here today to urge the council to become a co-investor with the BIDs. As you know the BIDs are funded by the property owners in the area. And in my particular case for example the property owners along 161<sup>st</sup> Street provide 240 thousand dollars a year for us to do sanitation, do marketing, do troubleshooting for the businesses, and generally promote a cleaner and a friendlier atmosphere. I would love to see the council take up a special initiative. I call it here a small bidness [phonetic] initiative somewhat ironically. To provide co-investing for those small, small BIDs. There are 41 BIDs under a, a budget of 500 thousand dollars a year which is really an incredible challenge. If the city were to set up a matching program for example of \$1.00 for every two or three that comes from the assessment it would provide every BID, not just the Times Square Alliance and the Downtown Alliance and, and the big guys with an opportunity to fully service their communities. So I was the person who along with

former Council Member Jackson initiated the dropout prevention initiative in New York City some seven or eight years ago and you can see the enormous impact that that initiative has taken and I'm here to urge both of the chairs to speak with Speaker Mark-Viverito and consider the prospects of setting up an initiative expressly to help the small BIDs across the city. And I thank you for your time and your attention in this matter.

CHAIRPERSON GARODNICK: Great. We thank all of you for your presence here today and thanks for waiting too. Let me call up the...

UNIDENTIFIED MALE: Yeah I just wanted to ask Doctor Goodman how are you spelling small "bidness"?

DOCTOR GOODMAN: B I D N E S S.

UNIDENTIFIED MALE: Thank you.

CHAIRPERSON GARODNICK: Thanks everyone. The next panel will be DePaul Shaw from the Center of Court Innovation, Deborah Pollock of Communities for Health Food come on up, Bianca Bachman for, also for the Communities for Healthy Food Bed-Stuy, Lia Archwald from Evergreen and Margery Parker Jobs First NYC. And this would be the time if anybody

2 wishes to testify today but has not heard their  
3 name called at any point for you to immediately  
4 come and fill out one of these slips so that we can  
5 call you up because we are nearing the end of our  
6 hearing. With that it looks like we have our panel  
7 getting set. Go right ahead. You can start us off.  
8 We're going to go one into the next.

9 DEPAUL SHAW: Oh there we go. Good  
10 afternoon Chairs Garodnick and Chair Cornegy. My  
11 name is DePaul Shaw and I am the Director of the  
12 Midtown Community Court, a project of the Center  
13 for Court Innovation. Thank you for giving me the  
14 opportunity to speak today. I am here to urge the  
15 Committee on Economic Development and Committee on  
16 Small Business as they are considering the Mayor's  
17 proposed budget to support funding for the Center  
18 for Court Innovation as we continue to develop new  
19 and innovative approaches to create pathways out of  
20 poverty for individuals involved in the criminal  
21 justice system, reduce income inequality,  
22 strengthen communities through our partnerships  
23 with the business community. There are nearly 10  
24 thousand inmates in New York City jails at any  
25 given time, 10 thousand. Each with an annual

taxpayer cost of over 50 thousand. Close to 50 percent of those individuals will reoffend within a year of release and end up back in jail. The need for programs that work to prevent the cycle of recidivism by creating economic opportunities for these individuals is not only tremendously beneficial for them and their families but beneficial for the entire New York economy. This is why the Center for Court Innovation has developed programs like Up Next, a workforce development in... engagement initiative at the midtown community court. The Up Next program serves formerly justice involved unemployed non-custodial fathers and provides tools and resources for participants to successfully compete in today's job market and reconnect with their families. The program also provides opportunities for job support fellowships and transitional work through our partnerships with businesses such as Times Square Alliance. In Harlem the Harlem Justice Core is an intensive career development and service program for justice involved young people seeking employment, education services, and meaningful opportunities to serve their community. The Justice Core seeks to improve

the education and employment opportunities for core members, reduce recidivism and support community development in Harlem. Core members participate in community benefit projects to improve east and central Harlem and receive vocational educational training, internships, and job placement. The importance of our partnerships with organizations and business community like Time Square Alliance, Lincoln Square Business Improvement District, the Pitkin Avenue Business Improvement District and others which allow for job placement opportunities cannot be understated. These partners in the business community provide means for formerly justice, justice involved individuals to have productive lives free of criminal justice and we hope more businesses will recognize this crucial need. The city council's past support has been invaluable to the success for, of the Center for Court Innovation. This year the center is seeking the city council support continue our core operations that I've described as well as support for the critical expansions of new initiatives focused on youth diversion, police youth community relations, and enhanced access to equal and fair



justice for the city's most vulnerable citizens. The Center for Court Innovation looks forward to developing to work with the New York City council to strengthen neighborhoods and develop new ways to create economic sustainability among justice involved individuals that benefits all of New York City. We respectfully urge you to continue to support our work. And thanks again for the opportunity to speak.

CHAIRPERSON GARODNICK: Perfect. Thank you. Go right ahead.

LIA ARCHWALD: Hello. Thank you so much Chair Garodnick and Chair Cornegy and the entire New York City Council and Speaker Mark-Viverito for, for your stalwart and continued support of the Industrial Business Zone Program and the many thousands of industrial businesses citywide. And their hundreds of thousands worth of working class employees. I am not going to read my testimony today because I know you've heard me say it a dozen times over the past several years. I just want to say thank you. Thanks for your continue support both financial and philosophical of the Industrial Business Zone Program and the support that it

provides to manufacturing businesses. I want to thank you for pressing the past two administrations on the issue and ensuring their continued support for it. And, and I just want to make just a note about something that Kyle Kimball mentioned earlier when he said you know it's, it's not the only program in town for industrial businesses, and it's not, that is true. EDC in particular has a bunch of smaller programs that are generally speaking pilot programs competitions and they serve a handful of businesses on specific discreet projects that they have going on. The difference between that and what we do with the Industrial Business Zone Program is we touch the most amount of businesses citywide. We help all comers on a huge variety of issues; financing, workforce assistance, incentives, advocacy, and government navigation. So yes there are other programs that help you know a handful of businesses on specific issues but the industrial business zone program is the only one that helps a huge amount of them on a wide array of issues. So in closing you can read my neighborhood statistics. You've heard them before. Thank you again for your continued support of the program and

2 for your commitment to growing working class jobs  
3 in all five boroughs in New York City.

4 CHAIRPERSON GARODNICK: Thank you for  
5 that.

6 DEBORAH POLLOCK: Thank you Chairs  
7 Garodnick and Cornegy and Economic Development and  
8 Small Business Committee for considering this  
9 testimony, supporting Communities for Healthy  
10 Foods' request for city council citywide  
11 discretionary funding in the amount of 760 thousand  
12 dollars. I am going to read this testimony a bit.  
13 My name is Deborah Pollock and I'm the Director of  
14 Social Services for a community development corp  
15 called West Harlem Group Assistance also known as  
16 WHGA. I'm submitting this written testimony on  
17 behalf of a program called Communities for Healthy  
18 Food and West Harlem Group Assistance. Communities  
19 for Healthy Food is a new innovative approach to  
20 expand access to healthy affordable food in four of  
21 New York's economically challenged communities.  
22 This place based initiative integrates access to  
23 healthy and affordable food into every, every  
24 aspect of our comprehensive community development  
25 work. Through resident outreach, nutrition

2 education, and cooking classes creating newer  
3 improved healthy food outlets in generating food  
4 sector jobs a comprehensive evaluation of  
5 Communities for Healthy Foods is now underway with  
6 a food policy center at Columbia, at, Food Policy  
7 Center at Hunter College. The new, this new  
8 initiative was seeded originally by 1.6 million  
9 dollars from the Laurie M. Tisch fund and it  
10 addresses the interrelated issues of diet related  
11 diseases, poverty, unemployment, and it helps  
12 residents to live longer and healthier. Communities  
13 for Healthy Foods... list value as an effective  
14 community developer intermediary with strong  
15 neighborhood organization relationships in the  
16 ability to leverage capital and programmatic funds  
17 and as, as its track record as a facilitator  
18 convener and technical assistance provider there  
19 are four program partners; Cypress Hills, New  
20 Settlement, my partner to the left Northeast Bronx  
21 Housing Development Corp, and West Harlem Group  
22 Assistance and we are the only group in Manhattan  
23 to do this. We have chosen to do a healthy food hub  
24 in Harlem in one of our vacant commercial  
25 storefronts which was seeded with ideas from our

2 community. The basic our storefront has is a choice  
3 food pantry which is the only food pantry in the  
4 area and it allows people to learn not only about  
5 healthy food but to choose their own food with  
6 dignity from a food pantry. It allows them to learn  
7 how to cook, learn about fresh produce from our  
8 partners at Corban Hill, CSA and it allows people  
9 once again to have access to healthy foods which  
10 they really don't have in west and central Harlem.  
11 I urge you today to support our ask for 760  
12 thousand dollars to continue this support because  
13 our funding is about to sunset for the illumination  
14 fund and it's an extremely important project and  
15 its effects are felt citywide not only in Harlem  
16 and in Brooklyn but throughout New York City and  
17 it's a desperately needed program. Thank you for  
18 allowing me to testify.

19 CHAIRPERSON GARODNICK: Thank you.

20 BIANCA BACHMAN: Hi there. Thank you to  
21 to Chairs Garodnick and Cornegy and to the Economic  
22 and Small Business Committee Members for  
23 considering this testimony I'm also testifying for  
24 Communities for Healthy Food and I am Bianca  
25 Bachman and I'm the community's, a community

healthy food advocate for Northeast Brooklyn Housing Development Corporation also known as NEBHDCO. When I started this job in 2013 I kept asking the question why is it that Bed-Stuy has higher rates of diet related diseases than most other New York City neighborhoods and why are people eating the unhealthy food that they are. And as we did a neighborhood assessment as we spoke to community residents and local partners the answer became really clear. Good food in our neighborhood is really expensive and people don't have the well-paying jobs that they need to afford it. So we design communities for healthy food in Bed-Stuy to include more affordable food options and to create job and business opportunities. So in July of last year we took 18 community members through the Just Food community chef training and we now hire them to lead culinary courses and workshops. We pay them well, about 25 to 50 dollars an hour for most projects and this city council funding will enable us to further expand this program to create some part-time jobs for our community chefs. Also together with an organization called The Working World we are now implementing a 10 week cooperative

2 business incubation course for over 35 community  
3 members. In worker cooperatives workers own and  
4 control their businesses. Co-ops tend to create  
5 long term stable jobs and have sustainable business  
6 practices. And they're connected to and accountable  
7 to their own community. NEBHDCO is the community  
8 anchor for this project. Once this course ends on  
9 May 18<sup>th</sup> both NEBHDCO and the working world will  
10 work to establish a revolving loan fund and  
11 continue to support these new businesses with  
12 technical assistance and funding. We are also  
13 entering our second year of a paid internship  
14 garden program for teenagers. We pay our teenagers  
15 1,000 dollars for a 16 week program and we offer  
16 effective job, gardening, and cooking skills  
17 training and food justice education that will  
18 enable the interns to be better prepared to enter  
19 the workforce. Finally NEBHDCO is also been  
20 partnering with the Brooklyn Movement Center and  
21 community residents to start the Central Brooklyn  
22 Food Co-Op. And beginning last summer we worked  
23 with Harvest Home Farmers Market to open the Marcie  
24 Park Farmers Market on Marcie and Myrtle Avenues  
25 catering to low income residents. These new retail

2 outlets offer more job opportunities and create  
3 economic growth in our community. So in closing I'd  
4 like to also emphasize the critical value of  
5 economic development and small business projects in  
6 affecting food system change. The city council  
7 funding for Communities for Healthy Food will  
8 support this work and has the potential for real  
9 social transformation and community growth. Thank  
10 you.

11 CHAIRPERSON GARODNICK: Thank you.

12 MARGERY PARKER: Good afternoon  
13 everyone. My name is Margery Parker and I'm the  
14 Deputy Executive Director of Jobs First New York  
15 City. We're a non-profit intermediary focused on  
16 young adults and trying to connect them to the  
17 economic life of New York City. Thank you for the  
18 opportunity to address you. I was very encouraged  
19 by some of the questions I heard this panel ask to  
20 EDC and SBS which is why we are here. New York is  
21 at an envy of a point. In 2014 we added over 100  
22 thousand jobs, the biggest one year growth in  
23 recent history. This followed four years of  
24 spectacular job growth and the goose is still  
25 laying eggs. The IBO has projected that there'll be



257 thousand new jobs by 2018. A large share of them will pay somewhere between 50 and 100 thousand dollars in sectors like construction, transportation, utilities, administrative and supportive services, education, healthcare, and government. And most can be performed without a four year college degree so they can be bridges to the middle class jobs that we're missing for many individuals with limited education. But the IBO also warns that the labor market shortages may leave many openings unfilled ultimately depressing the city's economy. At Jobs First we think we could tap more than 300 thousand young adults to fill these jobs. They constitute 35 percent of the city's 18-24 year old who are not in school, not in work, or stuck in low wage jobs. But young adults in New York City have a very difficult time connecting occupation to where they are, education to occupation or even finding places to go through. It, it is enormous challenge. This morning or this afternoon when I got here I heard the SBS commissioner talk, answering the question, not quite answering the question about young adults that was posed by the panel. Jobs First has

proposed a comprehensive strategy to meet this challenge. It's centerpiece and it's the primary reason why we're here today is the creation of youth opportunity centers where most of the 35 percent of New York young adults live were out of work, out of school, or stuck in low wage jobs. These centers will connect them to education, training, work experiences, and services that will ultimately qualify them for these well-paying jobs. You may ask well there are network of non-profits around the city and I want to remind you that when the city faced a major challenge with higher unemployment amongst adults SBS created 17 Workforce 1 centers to move more adults into work. And we think the crisis with young adult deserves that kind of thinking, that these centers need to be created where young people 18-24, 18-26 as they keep redefining young adults can walk in, get assessment, get the right referrals, and so that it can connect to jobs. We are also advocating that there's a development of a virtual one stop web portal with comprehensive information concerning potential careers, sources of education and training and the organizations that can help them

2 to do that. The Council Member out in Bed-Stuy your  
3 district is ranked in the top three districts in  
4 Brooklyn with the highest number of disconnected  
5 youth. But it's not only Bedford-Stuyvesant. There  
6 are four or five communities in the Bronx. There is  
7 Brownsville which everyone knows... or East New York  
8 but there's Jamaica, there are parts in Far  
9 Rockaway. So the, the challenge here is that the  
10 crisis is so big that it deserves its own solution.  
11 And we're not saying it should be apart from what  
12 the city plans but it should be integrated into the  
13 plan moving forward. And so I'm here today to ask  
14 you to put pressure on the city to pay special  
15 attention to this particular crisis because the  
16 career pathways report does that.

17 CHAIRPERSON GARODNICK: Thank you. And  
18 thanks to all of you for your testimony and for  
19 your patience today. We appreciate your being here.  
20 Let me go to the next and final panel which  
21 includes Nancy Karen of the Business Outreach  
22 Center Network and Seth Bernstein Queens Economic  
23 Development Corp. Ms. Karen I note that your slip  
24 says Nancy Karen plus three so if others are going  
25 to be testifying please introduce them or, and

2 also... Yeah and everybody will need to, to fill out  
3 one of these appearance cards. Thank you. So we'll  
4 start with you Mr. Bernstein. Welcome.

5           SETH BERNSTEIN: Thank you very much.  
6 Thank you Councilman... the opportunity to speak here  
7 at the hearing. The mission of the Queens Economic  
8 Development Corporation is to... jobs. We do this in  
9 many different ways. Our programs impact thousands  
10 of people, many of them immigrants, women, and  
11 minorities who seek to achieve the... dreams and  
12 better the, provide a better life for themselves  
13 and their families. Just want to mention two of our  
14 programs that are very innovative. What is New  
15 York's premiere food incubator... Long Island City.  
16 We've served over 400 businesses in the last three  
17 years. 85 of them left the incubating going on to  
18 other, to permanent sites in Brooklyn, Manhattan,  
19 the Bronx, other parts of the region. Additionally  
20 we partner with a fortune society. We train people  
21 who have been incarcerated to get jobs in the food  
22 service industry and they're some of our best  
23 employees. It's a great operation, wonderful  
24 facility but it costs money to run. Unlike  
25 incubators that are tech incubators a kitchen is

2 expensive to run. We've had minimal city support,  
3 public dollars, and I want to continue this but...  
4 it'll be an issue if I, as the year goes on because  
5 the costs are very expensive. We're looking for any  
6 sort of public support to make this... this. Our  
7 second innovative program is a home improvement  
8 contractor dream program. We started this three  
9 years ago. We train people who are unlicensed  
10 handymen and women to take the citywide test,  
11 consumer affairs test to take the, to pass the New  
12 York City contractor, home contractor test. We have  
13 a 99 percent pass rate. Everybody takes and passes  
14 it. It's a great program. We've trained over 450  
15 people. They become legitimate home repair men and  
16 women and are on the radar, on the grid, pay taxes,  
17 create jobs. It's a great program. We receive  
18 funding for these programs through two city council  
19 initiatives; the Small Business and Job Development  
20 Financial... Program had, has let us to do this  
21 through counselling. We do counselling to over 15  
22 hundred individual each year and help them provide  
23 jobs and expand the business. Our counsellors speak  
24 Spanish, English, and Mandarin... innovative... closely  
25 sensitive to their work. Through the MWBE

2 Leadership Program we provided a full range of  
3 services including... on government contracting  
4 potential... city... for MWBEs and minority women  
5 business entrepreneurs to aid in the development of  
6 the business proposals. Today we want to make sure  
7 you increase the funding for these programs because  
8 without this funding we're lost. So we need your  
9 help with support. We've always appreciated it and  
10 look forward to continue support as we go along.  
11 Thank you very much.

12 CHAIRPERSON GARODNICK: Thank you. I  
13 don't know who you'd like to start with but...

14 NANCY KAREN: Thank you so much. I'm  
15 Nancy Karen, Executive Director of the Business  
16 Outreach Center Network and BOC Capital. And I've  
17 been asked by some of our city council members why  
18 don't we bring the businesses so we've done that  
19 today. So I'm going to be extremely brief and not  
20 really go through my entire testimony at all. But  
21 I, I do want to make three key points. I'm here to  
22 actually present BOC as an impactful and cost  
23 effective strategy to enhance business development  
24 resources for immigrant, minority, and women owned  
25 businesses. We've been doing this for 18 years and

we have a lot of fantastic assets to offer the city. We have centers in all, in all five boroughs and we've recently stepped up and taken over the BXL business incubator in Hunts Point in the Bronx and our loan fund is very innovative especially in the area of lending to MWBE contractors to enable their growth through city procurement. I'm going to stop right there. Aren't you glad? And I, I, I've, because much of my testimony has been echoed in the former testimonies and I strongly want to support what they've been talking about. I also want to say that the city has taken a much more inclusionary stance to economic development and small business development and is talking about using the tools that are in communities already like business outreach centers and I hope that that will, that expression of interest in doing so will be fulfilled I know when they talk about for instance the immigrant business initiative we are one of the providers but with 35 thousand dollar grant we're expected to serve Hispanic immigrants throughout New York City. So that's kind of a mismatch in expectations. I want to introduce Markos Mier [phonetic]

2 MARKOS: Good afternoon everyone. My  
3 name is Marko... and I represent the... rights  
4 cooperative, a for profit based on jointly the  
5 owner and... controlled by... primarily Latino and  
6 immigrant owned auto shops and other small business  
7 from Willets Point. The city of New York intends  
8 to... Willets Point for a retail hotel commercial and  
9 residential use. We are the committee... relocating  
10 from Willets Point and thanks to the dedication of  
11 the city Council Member Julissa Ferreras and with  
12 their system of the Urban Justice Center and BOC...  
13 we establish the cooperative... up our business plan,  
14 identify several potential... for our relocation and  
15 receive it funding through New York City EDC. But  
16 assistant was critical to forwarding our  
17 negotiation with the city and when we found a  
18 facility in Hunts Point BOC introduce us and a MDVE  
19 certify contractor who has taken a personal estate  
20 in our survival and successful relocation. BOC's  
21 help as to go through the loan process with the  
22 city since 2012. The result in getting our project  
23 underway this month differed and insured... our  
24 success. But with management the disbursement of  
25 funds from NYCDEC for our relocation and



construction cost provider contract complains.. and account maintenance of the construction project. In addition they will track budget.. and assist as an establishing an account system and identifying other source of funding. Mayor de Blasio.. FY 2016 budget has eliminated.. for the industrial business solution providers. As a business that has benefit from the, the, the.. technical a system and support. With, with respective to restore the funding to support a BOC network so they can continue offering their expertise and experience to some rights and other immigrants and.. owned business and then your city. Thank you for allowing me to testify this. And I appreciate it and give it to this organization whatever they need in order to help this community then we need then all the time. Thank you.

ERIC MENDOZA: Good afternoon. My name is Eric Mendoza. I'm the owner of... Contractor. Our company's located in Queens New York. I'm here today to express my support to especially BOC organization on their ISB programs that are run by, by them. We originally met BOC a few years ago on the need for financial support for grow our company

to a next level. After an intensive search for a financial support we were able to create a master plan with BOC to, to see how we can create a strategy to not only support the needs at that moment but only also to grow the company we're looking for. We encounter a real open door, a real pat of support from them not only for financial assistant but also for knowledge of all those program that the city offer to company like us. We are 100 percent minority company. We also hire pretty much 97 percent of our workforce is Spanish and other cultures and... but also we are in the middle of the industrial park that we also use 67 percent of our purchase by it goes to companies located in Queens. And 27 percent of them are also minority companies and, so in these case the strategy that they input in our company also help to project the cycle into their own community. And I really strongly urge the chairs and... where, wherever... in the city to give this organization the real support that they need to keep doing these amazing job. We encounter no, not too long ago the, the... program they, they using now. They run also to help our company to give an extra education to

2 people working for us. So some of the workers are  
3 ready in studies, are getting onto the inter-level  
4 or labor level already working into the management  
5 level which is actually help our company not only  
6 secure the existing jobs but also to give an  
7 incentive to future employees to working for us. So  
8 the, the badges that we, the loans that we getting  
9 from them was very useful since the first one that  
10 we have was years ago from the Sandy hit New York  
11 City we're loss an enormous amount of money and  
12 they were able to give us the assistant to get that  
13 loan, even, it wasn't a small loan but it was  
14 actually a very grateful receive for, for our  
15 company. And the other loans that we, they helping  
16 us actually help us to secure and help my company  
17 to grow to a level that we are, we, we're from 900  
18 thousand dollar company to five million and a half  
19 grow in the last year. Thank you very much.

20 CHAIRPERSON GARODNICK: Thank you.

21 DEBORAH MESLOW: Good afternoon. My name  
22 is Deborah Meslow and I appreciate you listening to  
23 the letter that I am reading to you from one of our  
24 companies which I am representing who could not be  
25 here in person. Dear New York City Council. I am

2 writing to convey my strong support for the  
3 excellent folks at BOC network. Ultraflex Packaging  
4 Corp, a manufacturer of flexible packaging in east  
5 New York employs 273 persons. We have been in  
6 business for 41 years. Faced with high energy cost  
7 taxation and other burdensome operating costs as a  
8 result of operating in New York we have been  
9 exploring relocating our operations to New Jersey.  
10 Deborah and Anthony have been exploring all options  
11 putting us in contact with a number of city and  
12 state resources and dedicatedly exhausting all  
13 efforts to keep us in Brooklyn where no city  
14 official or agency has stepped forward... have been  
15 fighting the fine fight keeping this issue alive  
16 before a number of people. Their work cannot and  
17 should not go unnoticed or unappreciated. What that  
18 small band of fighters for economic growth do is a  
19 model I wish the city and state agencies would  
20 emulate. These sentiments are not a casual effort  
21 to fund BOC network. It is a request that each  
22 decision maker ask a simple but important question.  
23 If not them then who will fight in the trenches and  
24 difficult terrain for business like ours. Who will  
25 help us get before the big office holders who do

2 not easily look our way. Who will make us feel like  
3 we do belong in Brooklyn when so many others can't  
4 be reached? Look at the facts. Look at the effort.  
5 Look at the service performed and ask if not for  
6 them then who will rise up and fight for us? Thank  
7 you.

8 THEODORE: Good afternoon. My name is  
9 Theodore Renz [phonetic]. First of all thank you to  
10 the distinguished committee of, the joint Committee  
11 of Small Business and Economic Development  
12 Committee. I thank you for the opportunity of  
13 speaking to you. My name is Theodore Renz and I'm  
14 with the... Local Development Corporation. We are a  
15 small non-profit in the Ridgewood Area of Queens  
16 servicing the economic interest commercial and  
17 industrial for Ridgewood and, and Glendale. And we  
18 work very closely in our industrial sector with  
19 BOC. And we urge your support of BOC as well.  
20 Ridgewood has a long tradition of manufacturing and  
21 it's for that reason that the Ridgewood LDC  
22 Community Board 5 local elected officials and other  
23 stakeholders fought for the inclusion of our summer  
24 industrial business area as a new IBZ which was  
25 recently incorporated in the IBZ program in 2013.

Currently the funding for the IBZ funding was not included in the mayor's budget and we urge that this program be reinstated at the 2006 level of four million dollars when there actually was an office that serviced all the IBZs throughout the city of New York. I needn't tell you manufacturing is very important to the community and to the city of New York. A diversified economic base is very important. It provides a true head of household jobs for, for citizens and in fact I, you should remind the mayor that when he ran he came out with a vision statement supporting manufacturing and the IBZ program. And it really, these jobs really provide for bridging the gap of the two cities. They provide true jobs for, for immigrants and for citizens. Again restore this program. I'm just going to paraphrase. I want to thank the City Council and in particular the speaker for putting together a wonderful report that you issued in, in November about reinvigorating the manufacturing sector. And I think many of the things... study I believe should be implemented. Wearing my other hat as, as also director of a small BID, the Myrtle Avenue BID in Queens my colleague Mr. Goodman,

2 Doctor Goodman spoke about a program to support  
3 small BIDs. I think that's also, I mimic what he  
4 said to you. And again I urge your support to  
5 reinstate the IBZ program.

6 CHAIRPERSON GARODNICK: Thank you very  
7 much. And I, I think that it's fair to say that  
8 there's considerable support in this council for,  
9 for the industrial businesses and ways to ensure  
10 that they're not... [cross-talk] the zones are not  
11 encroached upon. And so we thank you. And we thank  
12 all of you for your, for your testimony. With that  
13 we have reached the end of our hearing four hours  
14 later. And so we thank you all for your presence  
15 here. I want to thank my Co-Chair, the chair of the  
16 Small Business Committee Robert Cornegy for his  
17 thoughtfulness and for the very solid collaboration  
18 that we always enjoy as well as to Alia Ali, Alex  
19 Pollonoff, Adam Amete who have done considerable  
20 preparation in, in advance of this hearing. And  
21 with that we look forward to continuing these  
22 conversations with all of you and we stand  
23 adjourned.

24 [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 April 10, 2015