

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON LAND USE

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May 6, 2015
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HELD AT: Council Chambers - City Hall

B E F O R E:
DAVID G. GREENFIELD
Chairperson

COUNCIL MEMBERS:
Vincent J. Gentile
Annabel Palma
Maria del Carmen Arroyo
Inez E. Dickens
Daniel R. Garodnick
Darlene Mealy
Rosie Mendez
Ydanis A. Rodriguez
Peter A. Koo
Brad S. Lander
Stephen T. Levin
Mark S. Weprin
Jumaane D. Williams
Ruben Wills
Donovan J. Richards
Inez D. Barron
Andrew Cohen
Ben Kallos

Antonio Reynoso
Ritchie J. Torres
Mark Treyger
Vincent M. Ignizio

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

Maria Torres-Springer
Commissioner
Department of Small Business Services

Carl Weisbrod
Director and Chairman
Department of City Planning
New York City Planning Commission

Kyle Kimball
President
New York City Economic Development Corporation

Kelly Terry
Hunts Point Community Development Corporation

Amy Wong
Project Manager
Sims Municipal Recycling

Jennifer King
Co-Owner
Liddabit Sweets in Industry City

Mario Fichera
Chief Operating Officer
Visual Millwork and Fixture Corp.

Dan Wiley
Community Coordinator
Office of Congresswoman Nydia Velazquez

Anthony Drummond
Representing Brooklyn Borough President Eric Adams

Adam Friedman
Pratt Center

Juan Camilo Osorio
New York City Environmental Justice Alliance

Mercedes Narciso
Architect and Urban Planner and Member
Collective for Community Culture & Environment

Angel Martinez
Business Agent and Organizer
Teamsters Local 812 and Teamsters Joint Council 16

Adriana Scotti
Director of Industrial Policy and Development
Brooklyn Chamber of Commerce

Andrew Kimball
CEO Industry City, Sunset Park
Former CEO, Brooklyn Navy Yard

Toby Moskovits
CEO of Heritage Equity Partners

Brian Coleman
Greenpoint Manufacturing Design Center (GMDC)

Michael Brady
Director of Special Projects, Strategic Initiatives
and Governmental Relations
South Bronx Economic Development Corp. (SoBRO)

Jean Tanler
Director of Industrial Business Development
Business Outreach Center Network

Barika Williams
Deputy Director
Association for Neighborhood and Housing Development

Andrea Deverning
Director of Economic Development
Southeast Brooklyn Industrial Development Corp.
(SBIDC)

Caitlin Dourmashkin
Director of Planning and Community Development
Evergreen, Your North Brooklyn Business Exchange
EWVIDCO

Laura Wolf-Powers
Research Fellow at CUNY
Pratt Institute and University of Pennsylvania

Nina Rappaport
Architectural Critic, Curator, Educator and Director
of Director of Publications
Yale School of Architecture

Giovanina Tiarachristie
Urban Planner
Graduate Student at Pratt

Ting Ting Fu
Sunset Park, Brooklyn Resident and Advocate

Anna Orosco
UPROSE
Appearing for the following:
Elizabeth Yeampierre, UPROSE
Reverend Samuel Cruz, Community Lutheran Church
David Beltre, Sunset Park Business Owner

Jeremy Laufer
District Manager
Community Board 7

Pedro Estevez
President and Founder
United Auto Merchants Association

Deborah Masloh
Business Outreach Center (BOC)

Frank Celauro
Executive Director of Corporate Development
4C Foods

Marcella Van Leeuwen
Neighbors Helping Neighbors
Protect Our Waterfront Alliance

2 [sound check, pause]

3 CHAIRPERSON GREENFIELD: Thank you,
4 folks. We're actually just waiting for the Chair of
5 City Planning. His public meeting ran a few minutes
6 late, and he assures us that he's well on his way.
7 As soon as he arrives, we will begin. We generally
8 run things pretty promptly here. I will, though,
9 note that the President of EDC and the SBS
10 Commissioner did, in fact, arrive on time. So gold
11 stars for you two folks. Thank you.

12 [pause]

13 CHAIRPERSON GREENFIELD: Good morning,
14 good afternoon, actually. Welcome to the New York
15 City Council's Land Use Committee hearing on
16 industrial land use and zoning policy. I want to
17 recognize my colleagues who have joined us today,
18 Council Member Arroyo, Council Member Koo, Council
19 Member Lander, Council Member Weprin, Council Member
20 Treyger, Council Member Ignizio, also Council Member
21 Rosenthal and Espinal. We will, of course, recognize
22 more colleagues as they arrive. I want to thank City
23 Planning Commission Chairman Carl Weisbrod and
24 Economic Development Corporation President Kyle
25 Kimball, SBS Commissioner Maria Torres-Springer,

2 advocates and all of our colleagues for joining us
3 here today.

4 Industrial land use is an issue that City
5 Council has led on for many years. Last November, we
6 released our report *Engines of Opportunity*, outlining
7 the history of the manufacturing sector and
8 industrial land use policy in New York City. And,
9 proposing recommendations for new zoning tools to
10 establish the sufficient protections for the
11 industrial sector, a framework for more productive
12 development of employment centers across New York
13 City, and opportunities to potentially integrate
14 housing development with industrial uses only where
15 appropriate and feasible.

16 The core reason for holding this hearing
17 today is the continued significance of the industrial
18 sector to the economy of New York City. We want to
19 protect this industry while still allowing our city
20 to grow. This sector provides over 340,000 jobs in
21 New York City, accounting for nearly 10% of the
22 private sector workforce, and contributing over \$21.3
23 billion in annual wages. The average industrial job
24 in the outer borough pays \$61,000 compared to \$25,000
25 for retail, restaurants and hotels. In 22 out of the

2 51 City Council Districts, at least 10% of the
3 employed population works in the industrial sector.
4 These jobs are engines of opportunity that can launch
5 a family into the middle class. Industrial
6 businesses are also hugely important for supporting
7 the rest of New York City's economy. The
8 manufacturing businesses that remain in New York City
9 are those that have a special role in local supply
10 chains and markets. Food manufacturers deal with
11 highly perishable products, and must make daily
12 deliveries to markets throughout the city. Highly
13 specialized garment, wood, metal and stonework
14 manufacturers customize products that are essential
15 for the local arts and design industries as well as
16 the collection industry.

17 [pause]

18 CHAIRPERSON GREENFIELD: How you doing?

19 COUNCIL MEMBER IGNIZIO: [off mic]

20 CHAIRPERSON GREENFIELD: Yes, you are.

21 You can just lower it a little bit. I--I know.

22 Council Member Ignizio, I'd like to gloat about his
23 victory from last night. Congratulations.

24 The other industrial sectors of wholesale
25 trade, transportation and warehousing and utilities

2 are also critically important to the functioning of
3 the overall city economy. Wholesale trade provides
4 crucial underpinning for the entire local retail
5 economy of the city. Shipping companies like UPS and
6 FedEx need local sorting and distribution locations.
7 City government needs a place for essential
8 infrastructure functions like waste disposal and
9 recycling as well as garages and workshops for
10 maintenance vehicles, and tools.

11 At today's hearing, the Council hopes to
12 learn more about the Administration's plans and
13 gather feedback from the industrial business and
14 development communities and general public on the
15 proposals suggested in the Engines of Opportunities,
16 and any additional ideas on how to best achieve the
17 expressed goals. Specifically, the Council is
18 looking at several new tools that we have identified.
19 The first of which would be an industrial employment
20 district, which would be a new zoning district, which
21 reserves space only for industrial uses. The second
22 would be a creative economy district, which is a
23 combination of industrial space and commercial office
24 space that would significantly increase as-of-right
25 commercial density. And the final one of those tools

2 would be a real mixed-use district, which would be
3 new vertical mixed zoning--mixed-use zoning
4 designations that require a mixture of residential
5 development with commercial and high performance
6 industrial within new individual buildings.

7 We believe that these new tools would do
8 what we are setting out to do, which is protect the
9 industrial businesses, allow them to grow while at
10 the same time providing options and alternatives, and
11 allowing the city's economy to grow in other ways as
12 opposed to the focus that we have right now, which is
13 mostly on housing. And so we believe that by doing
14 this, and by bringing in these tools that we will
15 allow for a city that could grow and the 14% of the
16 city that is currently in the zone can, in fact,
17 continue to grow and to be successful. So we're
18 looking forward to hearing about the Administration's
19 plans. We have three of the leading lights in the
20 New York City Administration who are here to testify
21 today, and we are ready whenever you guys are. Who
22 would like to begin? Thank you, Commissioner.

23 COMMISSIONER TORRES-SPRINGER: Good
24 afternoon, Chairman Greenfield and the members of the
25 Committee on Land Use. My name is Maria Torres-

2 Springer, and I'm the Commissioner of the Department
3 of Small Business Services. I'm pleased to join the
4 Department of City Planning, Director and Chairman of
5 the New York City Planning Commission Carl Weisbrod,
6 and the New York City Economic Development
7 Corporation President Kyle Kimball to discuss the
8 Administration's efforts to support and grow
9 industrial manufacturing businesses in New York City.
10 As the Mayor has stated, this Administration is
11 committed to smart, inclusive five-borough economic
12 development growth. Growth that benefits all New
13 Yorker and keeps New York a city defined by openness
14 and innovation. Our efforts to bolster the
15 industrial manufacturing sector are central to this
16 strategy. New York City's I and M sector employs
17 540,000 people and accounts for 15.7% of the total
18 workforce, and 10.7% of gross city product. More
19 than 300,000 jobs in this sector in boroughs outside
20 of Manhattan, and over 80% of the workforce
21 identifies and minorities and 60% is foreign born.
22 The average wage in the sector is \$73,000 and
23 approximately 50% of the sector's jobs are available
24 to the individuals who do not have a college degree.
25 These statistics portray a sector that is not only

2 critical to the city's economy, but also offers
3 upward income mobility to so many New Yorkers. That
4 is why we are focused on ensuring that we are using a
5 broad range of tools to nurture and catalyze growth
6 in this sector.

7 Today, I will discuss SBS' plans to help
8 businesses in this sector open, operate and grow.
9 Then I'll talk about our efforts to train and connect
10 job seekers to opportunities in the sector. Chairman
11 Weisbrod will then discuss DCP's role in devising
12 land use policies to promote the economic vitality of
13 all of the city's business areas. And finally,
14 President Kimball will describe EDC's strategy for
15 utilizing its physical industrial assets, and an
16 array of programs to both catalyze job growth as well
17 as promote inclusive innovation. As you will hear,
18 we believe it is through a comprehensive set of tools
19 involving business support or course development,
20 land use and real estate that we will be able to
21 ensure not just the stability, but also the vibrant
22 growth of this critical sector.

23 So at SBS we seek to foster a thriving
24 equitable economy by connecting New Yorkers to good
25 jobs, creating stronger businesses and building a

2 fair economy. Supporting the industrial
3 manufacturing sector is a key focus of the agency
4 because, as I mentioned earlier, we know that often
5 jobs in this sector offer good wages with real
6 advancement and opportunities. We also know however,
7 that industrial manufacturing businesses face unique
8 challenges in New York City including increasing
9 competition, real estate pressures and a complex
10 regulatory environment. To support the growth of
11 industrial manufacturing businesses in New York, SBS
12 provides direct business support through our network
13 of New York Business Solution Centers. New York City
14 Business Solution Centers offer free business
15 services such as business education courses, pro bono
16 legal advising, recruitment services, training and
17 financing assistance across all five boroughs.
18 Critical to this network are the Industrial Business
19 Service Providers, or IBSPs, seven community based
20 not-for-profit organizations with whom SBS contracts
21 that serve nine different areas covering 21
22 industrial business owners. And provide tailored
23 assistance to industrial manufacturing businesses in
24 these areas.

2 In FY15, the Administration allocated
3 approximately \$570,000 to this program and, of
4 course, the City Council allocated approximately
5 \$830,000 for a total program budget of approximately
6 \$1.4 million. As I stated in SBS' preliminary budget
7 hearing several weeks ago, it has been the goal of
8 this administration to ensure predictable, dependable
9 and sufficient funding for this critical program. I
10 am pleased to announce that tomorrow Mayor de Blasio
11 will include \$1.5 million per year in funding for
12 IBSPs in the City's executive budget. That is more
13 than double what the Administration provided last
14 year. It is a significant increase from the previous
15 administration when the last year of the
16 administration the funding allocated to this program
17 was zero. And importantly, it is baseline funding.
18 Thereby, allowing for more predictability and better
19 planning for the use of these funds. With this
20 funding, our IBSP partners will be able to continue
21 to support businesses with services related to
22 financing, navigating government, selling to
23 government, incentives and more.

24 In addition, we believe there is an
25 opportunity now to do a few things.

2 First, improve data collection and
3 reporting on industrial manufacturing businesses that
4 the IBSPs serve in order to help inform future policy
5 and program decisions; two, significantly expand
6 outreach through more industrial focused educational
7 events and better feedback channels where industrial
8 manufacturing businesses can regularly share their
9 input about what works and what doesn't work about
10 these programs. And finally, with baseline funding,
11 we can plan more strategically for years to come on
12 how we can deliver quality business support to the
13 city's I and M firms. Our plan is to release an RFP
14 this summer for multi-year contracts with a goal of
15 starting the new contracts by July 2016. And in the
16 meantime, we will work to extend the current
17 contracts for the upcoming fiscal year.

18 IBSPs are crucial to support industrial
19 manufacturing businesses, but they are not the only
20 tools that SBS deploys. We are also exploring how we
21 can use the Business Improvement District model, the
22 BID model to better support industrial manufacturing
23 clusters. BIDs can be an effective way to provide
24 tailored services to a business community, and we
25 believe in some cases industrial areas may benefit

2 from a BID. For example, the Mayor recently signed
3 into law the West Shore BID, industrial BID to
4 provide sanitation and maintenance services,
5 streetscape improvements, and security services in
6 the Bloomfield and Chelsea neighborhoods of Staten
7 Island. The industrial BID model may not be right
8 for every industrial area, but it is a tool we can
9 consider to further support businesses in the I and M
10 sector.

11 We also understand that for many
12 businesses, New York City's regulatory environment
13 can be challenging. Through the Administration's
14 initiatives like Small Business First, we are working
15 to simplify that regulatory landscape that many small
16 businesses confront in opening and operating their
17 businesses. The 30 recommendations that are part of
18 Small Business First build on the work SBS is already
19 doing in our Division of Business Acceleration, and
20 which helps both new and existing businesses cut
21 through red tape. To further support the needs of
22 industrial businesses, the Division of Business
23 Acceleration or DBA actually expanded from the food
24 industry and began serving industrial manufacturing
25 businesses last summer.

Another key focus of SBS is ensuring that job seekers can access good jobs with family-sustaining wages and upward career mobility. This is a core service for the agency because it allows us to help businesses to access a well-trained qualified workforce. We achieve this by connecting New Yorkers to training and employment opportunities through a network of 16 Workforce Centers, including a center in Jamaica, Queens specifically focused on serving the industrial and transportation sector. Last year, for instance, we connected more than 2,000 individuals to jobs in this sectors. But, we know that we have a profound opportunity to do more in terms of workforce development.

As you might be aware, the Administration released the Career Pathways Report last fall, which is a blueprint for revamping the City's workforce development strategy away from rapid attachment toward more quality jobs with real advancement opportunities. The Career Pathways Report focuses on critical sectors of our economy to technology and healthcare for instance, and as part of this initiative, SBS committed to creating an industry partnership for the industrial manufacturing sector

2 that will coordinate businesses, training providers
3 and community partners to drive training and increase
4 quality placements in line with employers' needs.

5 I'm equally pleased to report that we
6 will be establishing this industry partnership this
7 summer, and that the Executive Budget will also
8 reflect resources to ensure that we are able not just
9 to establish this intermediary, but also provide
10 additional meaningful training opportunities in this
11 sector. The industry partnership will be critically
12 important to our workforce development strategy in
13 this sector. It will help shape policy, guide
14 training programs to maximize efficiency, and ensure
15 that the jobs generated by this sector, a sector that
16 is rapidly transforming given technological advances,
17 are filled by qualified New Yorkers. One example of
18 what will be coordinated by the Industrial
19 Manufacturing Industry Partnership are our customized
20 training program. As a more specific example,
21 recently the program awarded more than \$45,000 to
22 Manufacture New York to train workers in the fashion
23 industry. The workers that received the training
24 will see increased wages, and learn new skills to
25 help them in their current job and prepare them for

2 future opportunities. Since FY08, the customized
3 training program has provided awards to help more
4 than 110 industrial businesses and train more than
5 4,000 workers who received average wage increases of
6 approximately 13%. This is exactly what we need to
7 be doing more of, and what we are prepared to do.
8 That is understanding what businesses need,
9 connecting them with qualified candidates, providing
10 critical training for the New York City workforce,
11 and ensuring workers have access to good jobs with
12 family sustaining wages.

13 As I outlined in my testimony, we provide
14 a wide array of tools to help support businesses and
15 job seekers in the industrial manufacturing sector.
16 We are certainly committed to helping these
17 businesses grow, and ensuring that our workforce
18 benefits from that growth. And we're always working
19 to find innovative ways to expand our efforts. And,
20 look forward to working with the City Council and
21 community partners both as we implement the programs
22 I described, and develop new ones to continue to
23 support this vitally important sector. Thank you for
24 giving me the opportunity to testify. My colleagues
25 will now testify, and we'd be happy to take, of

2 course, any questions that you have after the
3 testimonies.

4 CARL WEISBROD: Good afternoon, Chairman
5 Greenfield and members of the Committee. I'm pleased
6 to be joining Commissioner Torres-Springer, and EDC
7 President Kyle Kimball, and to testify about the role
8 that the Department of City Planning has in Mayor de
9 Blasio's efforts to support and grow the City's
10 industrial sector. As the city's planning and land
11 use agency, City Planning's role is to devise land
12 use policies that promote the economic vitality of
13 all the city's business areas. Industrial areas are
14 the particular focus of the de Blasio Administration
15 because they are an important source of better paying
16 jobs for New Yorkers, particularly those who are not
17 college graduates.

18 This is a planning area where the City
19 Council has shown real leadership, and I want to
20 commend the Council and its Land Use staff on its
21 *Engines of Opportunity* report released last--late
22 last year. That report provides a strong basis for
23 cooperation between the Council and City Planning to
24 test new ideas regarding industrial land use policy.
25 A healthy industrial sector is needed to divert--

2 ensure a diversified economy that benefits all New
3 Yorkers. Finding the appropriate land use policy to
4 achieve this I know is a priority for the Council and
5 it is also a priority the Administration shares. At
6 the outset, I want to provide just a very brief
7 snapshot of the city's--the economic outlook for the
8 city. New York City has the most dominant
9 diversified urban economy in the world. And
10 moreover, our economy today is stronger than it has
11 been in my working lifetime, which now goes back
12 quite a ways.

13 In 2014, the first year of the de Blasio
14 Administration, we gained 120,000 private sector
15 jobs, the most in at least a quarter of a century.
16 And these jobs really cut across the spectrum; 25,000
17 professional and business service jobs; 33,000
18 education and health jobs; 11,000 finance jobs. And
19 the industrial sector also recorded small job gains
20 of a reversal of the long-term trend in which
21 industrial and manufacturing employment was in
22 decline. More than 50% of newly created jobs are in
23 sectors considered high paying or middle-class
24 earners. Economists expect the percentage of middle-
25 class jobs to increase in the immediate years ahead.

2 And while some new jobs pay less than we would wish,
3 we still need and want these jobs because they
4 support our thriving tourism, hospitality, restaurant
5 and retail industries among others.

6 As Mayor de Blasio has underscored, we
7 need to support the New Yorkers working in these
8 economically essential jobs by ensuring a living
9 wage, requiring a higher minimum wage, and providing
10 paid sick leave and family leave. We need to provide
11 a safety net for lower paid workers, and offer them
12 opportunities for skills training to quality for
13 higher skills and higher paying jobs. And I noted a
14 report today from the City Controller that our job
15 growth has continued to be strong in the first
16 quarter of this year. But in general, our economy is
17 more diversified than it's been in decades. And,
18 like the theory behind the diversified investment
19 portfolio, this will help cushion us against changing
20 market conditions and inevitable business cycles.

21 As the Mayor said at his recent ABNY
22 speech, the City is committed to maintaining and
23 enhancing its commercial--its industrial areas. One
24 critical commitment to this end is Mayor de Blasio's
25 objective to improve one of the city's most important

2 industrial areas, the Hunts Point Food Terminal in
3 the Bronx. The city will be investing \$150 million
4 over 12 years to modernize existing building and
5 infrastructure at Hunts Point, open new space to
6 small businesses, and make the site more sustainable
7 and resilient to coastal flooding. And all of this
8 I'm sure my colleague Kyle Kimball can speak to even
9 better than I can. Hunts Point currently employs
10 over 8,000 people, and this investment will protect
11 those jobs and position the site to create many more
12 jobs for New Yorkers in the future. And we will
13 continue to press for the transformation of the
14 Sheridan Expressway. Which includes providing
15 stronger, easier and more environmentally sound
16 vehicular access to the Hunts Point market, as well
17 as creating a boulevard that will provide community
18 access to the Bronx River. I know you join me in
19 urging the State Department of Transportation to move
20 forward with its environmental review of this
21 transformational endeavor. This is the kind of
22 infrastructure investment that promotes industry and
23 manufacturing, the surrounding, and a cleaner,
24 healthier environment.

2 The City is also committed to encouraging
3 land use patterns within the City's core industrial
4 and manufacturing areas. Core industrial and
5 manufacturing areas are concentrations with
6 proprietary city functions as well as other
7 activities that are generally not compatible with
8 residential use such as intensive truck, rail and
9 water transport. These are the city's most important
10 locations for industrial business activity and public
11 sector industrial facilities. They often feature
12 lower density and land intensive or water dependent
13 uses like vehicle fleet parking, concrete and asphalt
14 production or open storage yards. These functions
15 concentrated in the city's lower density M2 and M3
16 districts, as well as some low density M1 districts
17 that are generally far from mass transit. While the
18 kinds of businesses that dominate in the core
19 industrial and manufacturing areas often need to be
20 separated from residential neighborhoods, not all
21 manufacturing and industrial uses are total
22 incompatible with commercial and possibly even
23 residential use.

24 The Department of City Planning will also
25 explore new prototypes to mixed-use buildings and

2 districts that through incentives or zoning
3 requirements maintain and promote compatible
4 industrial or manufacturing uses over the long term
5 as new mixed-use districts are created. To me it
6 seems pretty clear that one size does not fit all.
7 The Department of City Planning is committed to
8 carefully studying the appropriateness of land use
9 changes at the neighborhood level. In some
10 manufacturing zoned areas more creative approaches to
11 allow a wider mix of uses that can stimulate
12 industrial and other kinds of employment in emerging
13 industries that are often hard to categorize, may be
14 desirable. In other industrial zones, land
15 intensive, high impact industry and housekeeping uses
16 such as school bus parking may require tighter
17 restrictions than what currently exist.

18 And virtually all areas will require
19 public and private capital investments to upgrade
20 infrastructure as well as privately owned facilities.
21 Private property owners in manufacturing zones who
22 wish to pursue zoning changes obviously have the
23 right to do so. I have said many times before this
24 committee that we will follow the Charter mandate to
25 certify applications when they are complete, whether

2 we think they're substantively perfect or not. Of
3 course, that does not mean that the Planning
4 Commission will ultimately support applications we
5 believe are not appropriate. But the Department is
6 also committed to working with private applicants to
7 help them craft applications that are sensitive to
8 the needs of industrial businesses and communities.
9 And we will urge such applicants to reach out to
10 their local council member, and to their local
11 community board. The ULURP framework we believe
12 continues to provide communities and elected
13 officials with the right mechanisms to ensure the
14 best planning outcomes possible.

15 One large area that presents a full
16 variety of manufacturing zoned context policy issues
17 and opportunities the North Brooklyn Industrial area,
18 which includes portions of the neighborhood of
19 Greenpoint, East Williamsburg, and Bushwick, some of
20 the fastest changing areas in the city. We're not
21 going to totally stop changes in this area, but we
22 can shape and channel change to provide the maximum
23 benefits to the city, to our businesses, and to the
24 workers they employ as well as to the North Brooklyn
25 community. Therefore, I am proposing today that the

2 Department of City Planning will undertake a
3 comprehensive land use and transportation study of
4 the industrial area--areas in the North Brooklyn
5 area. This large area located within Brooklyn
6 Community Districts 1 and 4 forms the largest
7 contiguous--a large contiguous block of land zoned
8 for manufacturing that ranges from precincts that are
9 heavily industrial to zones with a mix--a diverse mix
10 of commercial, industrial and residential uses.

11 Several new as-of-right commercial retail
12 and entertainment uses have opened within the M1
13 districts, particularly in the area near L-Train stop
14 on Morgan Avenue in response to increased demand from
15 population and economic growth in the neighborhood.
16 Several property owners have approached our Brooklyn
17 Office requesting rezonings to allow new residential.
18 While others have requested parking reductions or
19 higher FARs for new speculative office and light
20 industrial uses. In each instance, we have
21 encouraged the private entities to reach out to their
22 local council member early in the process.
23 Meanwhile, the heavy or heavy industrial area along--
24 along Newtown Creek and English Kills in North

2 Brooklyn continues to function as a stable industrial
3 area.

4 Most of the M and C8 zones in North
5 Brooklyn have not been studied since 1961. Also,
6 they were mapped at a time when employment was highly
7 concentrated in the manufacturing sector, and the
8 area was envisioned as a future location for low-
9 density industrial uses with significant parking.
10 North Brooklyn has great potential for more careful
11 considerations of the way the city treats its M
12 zones. Much of this area is what we would consider a
13 core industrial area where essential city services
14 and land intensive uses are located. Our study would
15 propose strategies to continue to maintain and
16 strengthen this core. In other limited discrete
17 portions, potential land use prototypes worth
18 considering as part of this study may include an
19 expanded commercial district that seeks to grow
20 employment and encourage new private development by
21 allowing a diverse mix of commercial uses. A new
22 mixed-use typology that seeks to balance residential
23 growth with the needs of existing industrial and
24 commercial businesses.

2 A planning framework for the area is
3 necessary to address competing interests and land use
4 conflicts as well as to allow for the orderly
5 development of the area in a way that allows for
6 future growth of the city that also meets the needs
7 of the local community and existing businesses.
8 Since the second half of 2014, there has been a
9 significant private sector interest in residential
10 and mixed industrial-residential development in the
11 area. The potential planning framework is further
12 complicated by the location of the strongest
13 industrial portion of the study area within the 100-
14 year flood plain making investment in new and
15 rehabilitated buildings much costlier. This work is
16 to support existing businesses, and help new ones
17 grow will require close coordination with the many
18 public and private stakeholders involved in the
19 city's industrial areas, including you, the City
20 Council and city agencies such ORR, OEM, EDC, SBS,
21 MTA, DOT and DEP. And, of course, we will undertake
22 this with due regard for other area wide planning
23 efforts affecting manufacturing and industrial areas.
24 We look forward to working with you closely on these
25 undertakings.

2 I also want to take this opportunity to
3 mention one of our ongoing studies. Many New York
4 City industrial areas including North Brooklyn remain
5 vulnerable to coastal flooding and storm events
6 presenting significant challenges for nearly 3,000
7 over 50,000 employees located within the flood zone.
8 Resilient industry is a FEMA funded study we are
9 conducting in partnership with the New York City
10 Office of Emergency Management that addresses the
11 economic, environmental and public safety risks
12 related to industrial activities located within the
13 flood zone. Incorporating the wealth of industrial
14 and resiliency expertise spread across New York
15 City's public, private and not-for-profits sectors.
16 Resilient industry will provide a toolkit of physical
17 operational and financial recommendations that will
18 protect New York City's industrial economy, its
19 communities, and natural resources from future floods
20 and rising sea levels. The study will also provide
21 and clearer understanding of the impact of Hurricane
22 Sandy on the city's industrial businesses, and any
23 public health environmental hazards that resulted
24 from flooding of the industrial areas. This is a

2 one-year study with a completion date targeted next
3 summer, summer 2016.

4 The industrial economy has been and will
5 continue to be of critical importance to our economy.
6 Zoning and land use mechanisms are valuable tools to
7 address the needs of this sectors, but they are only
8 one set of tools in a broader approach. You've
9 heard from Commissioner Torres-Springer, and now
10 you'll hear from EDC President Kyle Kimball on other
11 important elements of the de Blasio Administration's
12 strategy. And, I'm very happy to report that all of
13 us are working in a coordinated, mutually supportive
14 way to advance the health of this industry. We're
15 proud of our achievements today, and we are committed
16 to working in partnership with the City Council to
17 strengthen this sector. Thank you very much.

18 CHAIRPERSON GREENFIELD: Thank you, and
19 we're happy to hear about that coordination as well.

20 [pause]

21 CHAIRPERSON GREENFIELD: Whenever you're
22 ready, Kyle.

23 KYLE KIMBALL: Okay. Good afternoon
24 [coughs] good afternoon, Chair Greenfield and members
25 of the Committee on Land Use. I'm Kyle Kimball,

2 President of the New York City Economic Development
3 Corporation, and I'm pleased to join Carl Weisbrod,
4 Director of City Planning, as well as Commissioner
5 Maria Torres of Small Business Services in testifying
6 before you today on this important topic. Together
7 with members of my staff, I will supplement the
8 previous testimony and discuss our work to support
9 the industrial production sector.

10 As the city's primary vehicle for
11 economic development, we--EDC is committed to
12 creating jobs and dynamic and resilient
13 neighborhoods, and industry and manufacturing play an
14 important role in that strategy. EDC has a--had had
15 a longstanding commitment to supporting industrial
16 businesses, and on behalf to the city we manage a
17 variety of industrial assets around the five
18 boroughs. And run a number of programs to strengthen
19 the industrial community throughout the city ensuring
20 that New York's traditional economic engines have
21 space and workforce continue to grow, encouraging
22 promising emerging trends in the industrial sector.

23 Technology has radically disrupted the
24 manufacturing sector. The nature in businesses--and
25 the nature of and business and production are

2 changing. In addition to the more traditional
3 freight transporting energy intensive engines of
4 economic activity like waste management, cement and
5 asphalt production and heavy manufacturing, now we
6 believe production includes newer, lighter forms of
7 manufacturing from 3D Printing, the maker community,
8 culinary, biotech, clean energy, fashion design and
9 even--some would disagree with me--digital
10 technology. Not only do New Yorkers have a great
11 deal of diverse and talented skill sets, which are--
12 which we are seeking to fully unleash through
13 programs outlined in the Administration's Career
14 Pathways Report, but the city also boasts a large
15 number of physical assets that we are tapping in
16 order to develop this sector and help this sector
17 realize its full potential.

18 Between 2011 and 2012, while still
19 modest, the city's manufacturing sector its highest
20 annual growth in three decades. To support continued
21 growth in this changing industry, we manage a series
22 of 21 industrial business zones around the city that
23 ensure industry has the space to thrive, a host of
24 incentive and support programs to help businesses
25 grow in scale and a growing network of incubators

2 that provide support for entrepreneurs. And recreate
3 the environments from which companies like Liddabits
4 and Addafruit have grown.

5 I will begin by explaining our strategy
6 for our physical industrial assets before I describe
7 some of our programs for encouraging human capital
8 development in the industrial sector. In this
9 administration, our asset management strategy follows
10 a double bottom line approach heavily informed by the
11 Brooklyn Navy Yard model. What this means is that
12 instead of leasing to tenants that can simply pay the
13 rent, we are leveraging our own city assets--city-
14 owned assets not only to realize a strong fiscal
15 return for EDC, but also to make sure that we are
16 also catalyzing job growth and promoting inclusive
17 innovation.

18 I'm going to first use the example of
19 Brooklyn Army Terminal or BAT. At this large
20 industrial facility in Sunset Park it used to be
21 enough to lease to tenants that could simply pay the
22 rent to use the space for warehousing, but who
23 employed only a few people, or what I would call not
24 job intensive. Today, we are using this vital asset
25 far more strategically in leveraging the space for

2 more innovative and job-intensive uses from the
3 production of industrial springs for customers like
4 NASA, low voltage electronics and power technologies,
5 and even innovations in HIV vaccinations. The bulk
6 of new tenants are light industrial companies who
7 create innovative products and offer workers real
8 skill building career pathways as well as good wages.
9 BAT currently hosts over 100 companies that
10 collectively employ upwards of 3,600 people across
11 four million square feet of affordable space and
12 manufacturing--affordable office and manufacturing
13 space.

14 The Mayor's 2014 Budget allocated \$100
15 million in capital upgrades to redevelop 500,000
16 square feet of light industrial space in BAT Building
17 A. That includes seven floors of about 70,000 square
18 feet per floor, which will account for at least a
19 thousand new jobs when the upgrades are completed in
20 the fall of 2017. This is a tenfold expansion in the
21 City's investment in BAT in just the first year of
22 the de Blasio Administration as compared to entire 12
23 years prior. In the coming year, the deployment of
24 BAT businesses is expected to grow to a total of
25 6,000 quality jobs, and BAT is an acre for a broader

2 industrial renaissance in Sunset Park. Just a few
3 blocks north at Liberty View Industrial Plaza, which
4 was a mission-driven land--EDC land sale to Marvin
5 Schein for example, we partnered with Manufacture New
6 York to develop the Manufacturing Innovation Hub, an
7 innovate--innovative fashion manufacturing and design
8 space that helps to modernize New York City's
9 heritage fashion industry through 21st Century tech
10 innovations. The 160,000 square feet of research,
11 design, development and manufacturing resources for
12 New York's emerging designers and apparel
13 manufacturers will integrate new technologies,
14 provide affordable space and help traditional
15 companies adapt to global changes in the industry.
16 The Hub will house approximately 300 jobs for 20 to
17 30 businesses. Once fully developed, Liberty View
18 Industrial Plaza as a whole will house as many as
19 1,300 permanent jobs.

20 In the Bronx we are similarly positioning
21 the Hunts Point Food Distribution Terminal for
22 strategic and resilient upgrade that will support
23 economic growth and high paying jobs. The 329-acre
24 food distribution center in the Hunts Point section
25 of the Bronx is one of the largest of its kind in the

1 world. Local vendors from throughout the city were
2 moved to the Bronx and to facilitate refrigeration in
3 the 1950s. To consolidate supply chains, the Fulton
4 Fish Market was also integrated into Hunts Point in
5 2005, and the site supplies approximately 50% of the
6 city's meat, fish, and produce, and is currently the
7 most active industrial site in the Bronx with the
8 location advantage of highway and rail network
9 access.
10

11 As we strengthen supply chains from farms
12 in Upstate New York, rail freight will be the primary
13 conduit for that exchange. To that end, we at EDC
14 are currently upgrading the rail facilities at Hunts
15 Point replacing all tracks and connecting Hunts Point
16 to the National Freight Network. Developing a new
17 rail to truck facility, and creating a second track
18 for added capacity. To fortify the wholesale markets
19 and keep food distribution center competitive, Mayor
20 de Blasio recently announcement investment of \$150
21 million over 12 years to modernize the building's
22 facilities, activate underutilized space and provide
23 space for dozens of small businesses to establish a
24 presence at the distribution center.
25

2 These investments will not only enhance
3 the capacity of Hunts Point Food Distribution Center,
4 but will also generate nearly 900 construction jobs
5 and approximately 500 permanent jobs. As these
6 examples show, it is vital to maintain the physical
7 space and support for traditional industrial
8 activities that provide the living infrastructures
9 that keep the city functioning. But we also need to
10 support innovative and new production techniques so
11 that New York City remains the industrial powerhouse
12 through the 21st Century.

13 On the business support side, we have a
14 suite of initiatives to encourage smaller scale
15 industrial growth and transformation in this sector.
16 Our traditional industrial businesses are adapting to
17 new technologies and practices to increase production
18 efficiency, overall competitiveness while startups
19 driving these advancements are benefitting from New
20 York City's entrepreneurial talent pool, academic
21 research and access to markets.

22 As recently announced in the Mayor's One
23 NYC Report, the City will support the creation of
24 advanced--of an advanced manufacturing network. A
25 series of partnerships, programs and investments in

2 physical infrastructure to link traditional and
3 emerging firms to resources across the industrial
4 production ecosystem. As part of this network, the
5 City will also invest in state-of-the-art facilities
6 that house high tech equipment, affordable
7 workspaces, business support services and workforce
8 training program. The centers will help businesses
9 reduce their upfront costs by sharing high cost
10 technologies needed for innovation in today's
11 manufacturing sector such as 3D Printers and
12 robotics. Such investments will ensure that New York
13 City's manufacturing firms and workforce remain
14 competitive in the 21st Century economy.

15 Another way we support the burgeoning
16 maker community is through a program we call New
17 York's Next Top Makers. Next Top Makers challenge
18 makers--challenges makers, designers and engineers
19 from around New York City to come up with innovative
20 new products that have real commercial potential.
21 Six winners receive a customized 12-month studio
22 incubation program to turn their ideas into
23 marketable--into a marketable scalable product. Last
24 year's Next Top Makers went on to launch successful
25 kickstarter campaigns, land institutional purchase

2 orders, receive financial support from organizations
3 like UNICEF, and deploy products internationally in
4 post-disaster context. This year, one of our next
5 top makers, Holly Cohen, started as an occupational
6 therapist that works with disabled children. One of
7 her clients was suffering from a severe muscular
8 degeneration. He used to love playing video games,
9 but when his condition got worse, he was not able to
10 play any more and felt more and more isolated from
11 his friends and peers. In fact, 80% of physically
12 disabled people in the United States remain
13 unemployed even though they retain strong mental
14 acuity, and as a result are prevented from
15 contributing their full potential to society. So
16 Holly and her co-found John Schimmel created
17 Capacita, a game control that allows people with
18 physical disabilities to play video games. While the
19 immediate goal is to enable these individuals--
20 individuals to return to their hobby, the application
21 of this technology in the fields of medicine and
22 health care are limitless. A user can customize the
23 products so that physically handicapped individuals
24 are not left out of the digital age. Through EDC's
25 nest Top Makers Program, Capacita and the other

2 fellows are receiving the customized business support
3 they need to realize their full business and
4 manufacturing potential.

5 In conclusion, we look forward to
6 continuing to work with our partners in the field--in
7 the production economy as well as here in the City
8 Council as we continue to develop new projects and
9 initiatives to support the industrial and
10 manufacturing production sectors. And the economic
11 it yields to bring New Yorkers into the middle-class
12 like it did generations ago, as well as fuel the new
13 ear of innovation. Thank you for your time.

14 CHAIRPERSON GREENFIELD: Thank you all
15 for your testimony. Before I turn it over to
16 colleague, Council Member Espinal for some brief
17 remarks and questions, I want to just recognize that
18 we've been joined by Council Members Reynoso and
19 Palma, Kallos, Mendez, Levin, Richards, Menchaca,
20 Garodnick, Cohen, Barron and Rodriguez. Obviously,
21 this is a very popular hearing here in the New York
22 City Council. I just want to take the opportunity to
23 thank my the Land Use Division staff, especially Raju
24 Mann, the Director of Brian Paul, the Project Manager
25 for their work on the Committee Report and also the

2 *Engines of Opportunity* Report. I also want to
3 recognize the hard working Amy Levitan, Deputy
4 Director and the Corey [sic] the counsel and Don
5 Casey [sp?], who I think is actually counseling his
6 first hearing here as Assistant Counsel to the Land
7 Use Committee. And, with that, I will pass it over
8 to Council Member Espinal.

9 COUNCIL MEMBER ESPINAL: Thank you, Mr.
10 Chairman, for allowing me to speak at this very
11 popular hearing. It's a pleasure being here. I'm
12 here because I want to talk about rezonings. East
13 New York, which is the district I represent is
14 currently undergoing one of the first Mayor's
15 affordable housing rezonings, and it's adjacent to
16 the East New York IBZ, right. You know, as someone
17 who represents the IBZ, I believe industrial business
18 zones are places we can grow to create more diverse
19 jobs and good paying jobs. Especially at a time
20 where locally, well, where the consumer trend is to
21 buy local products, and Brooklyn being the forefront,
22 for example, Brooklyn Brewery, which is doing well
23 worldwide. I think it's important for us to invest
24 in these IBZs in East New York where the land is
25 currently fertile. There's not much going on. We do

2 have 4,000 jobs there, but I believe that if we're
3 going to bring in 7,000 units into a neighborhood, we
4 should look at least bringing 7,000 jobs. So, I'm
5 hoping we can work together in making sure that that
6 IBZ is looked at seriously over the next coming
7 months, and I just want to hear your thoughts on
8 that.

9 CARL WEISBROD: I just want to start by
10 saying, as you know, Council Members, we considered
11 the potential community development in our
12 neighborhood study in East New York. We've been
13 very, very careful about not as a zoning matter
14 directly looking at the IBZ because of its potential
15 as a source of new jobs. But, we have been working
16 very, very closely with the EDC and with--and with
17 Kyle Kimball to help invigorate that area. And I
18 think that probably Mr. Kimball can speak more
19 directly to it than I can.

20 KYLE KIMBALL: Sure, I think with respect
21 to the East New York IBZ, you know, we certainly had
22 a lot of conversations with you and the community
23 over time about attracting new businesses and good
24 jobs to East New York. And, I believe one of the
25 main tools we have to do that is first sort of

2 understanding--doing a really comprehensive look at
3 what's happening inside the IBZ in terms of the
4 buildings themselves. I think second--and we'd be
5 happy to work with you to continue that process, but
6 also making sure that the assets that the City
7 controls that we sort of walk the walk. And so, we
8 are making investments in our--in some of the asset
9 the City controls similar to the outline--the
10 strategy I just outlined in terms of a double bottom
11 line. A couple of the assets that we manage,
12 particularly the one on Powell--Powell Street, what
13 we call the East New York Industrial Building, to
14 actually put more job intensive uses inside. Because
15 I do think the key to a healthy industrial business
16 zone is really think about how to have job intensive
17 uses inside the buildings as well.

18 Second of all, we're working to upgrade
19 the signage so that the Eastern New York Industrial
20 Business Park itself has a greater and more visible
21 presence in the community. Because we also think
22 it's important--we've also heard that (1) we need to
23 have more job intensive uses in these areas, but (2)
24 it would help to have a better understanding of
25 what's happening inside a lot of these businesses,

2 and how they interact with the community. And so, to
3 the premise of making the East New York IBZ an even
4 better neighbor in that area is also part of our
5 strategy as well.

6 COUNCIL MEMBER ESPINAL: Well, thank you,
7 and I look forward to talking to you about that. You
8 know this is one of the first, or the first rezoning
9 happening in the city. And I'm sure other rezonings
10 are industrial business zones adjacent to those
11 rezonings. So I think we can set the stage here in
12 the model on how these rezonings should work, and how
13 they can benefit the local community. So, thank you.

14 CHAIRPERSON GREENFIELD: Thank you,
15 Council Member Espinal. Before I turn it over to
16 some other members, I'm just going to ask a few quick
17 questions and let folks know that we do everything
18 bigger better here in Land Use. Normally you get
19 three minutes. We give you 45% more. You get four
20 minutes on the first round to ask questions, and if
21 we have time we'll try to do a second round as well.
22 I wanted to specifically focus on one issue first,
23 and first just to provide some context for those
24 folks who are sitting here or who are listening at
25 home. And that is that the industrial economy in New

2 York City, of course, is very important. However,
3 over the last several decades we really haven't seen
4 appropriate zoning tools. And I want to be clear
5 we're not blaming this administration. It's really
6 something that's happened over the last few decades
7 to encourage the growth of industry. So for folks
8 who are not familiar, the industries permit a wide
9 variety of non-end uses as-of-right. For example,
10 hotels, retail, bar, clubs, self-storage. MX
11 districts allow residential as-of-right, and crowds
12 out job generating uses. And, the Industrial
13 Business Zone Policy the Bloomberg Administration did
14 not actually change the zone despite its name. It
15 sounds cool, I-B-Z, but it's simply we slapped a
16 label on it, and we didn't actually follow up from a
17 zoning perspective. And we're certainly encouraged
18 and excited by the major announcements that were
19 relayed here today. The one by the SBS Commissioner
20 about we appreciate you heeding the call of the City
21 Council. I can ensure you that my colleague, Antonio
22 Reynoso is very pleased at the \$1.5 million
23 designation. Not to worry. He's going to ask for
24 more regardless. Right, Antonio? Thank you very
25 much. But, we thank you for that, and we're very

2 encouraged Chair Weisbrod by your remarks on focusing
3 on Northern Brooklyn as a first--as a first step.
4 But in general it does seem, I will note,
5 Commissioner, I read it this morning in Queens. So
6 you have a leaky office there. You might want to
7 check for some holes. Chair Weisbrod actually
8 managed to hold onto his new until this morning. But
9 seriously speaking, we understand that in general the
10 focus of the city has been on housing, and we are
11 very concerned about specifically the industrial
12 uses. If you look at these zones, land prices and
13 rents are rising. Many businesses are going out of
14 business, and it seems to us at the Council the
15 existing zoning framework is failing to protect and
16 support the industrial sector. And that's why we
17 have encouraged, and we've actually proposed three
18 new tools in our toolbox. Specially, what we're
19 calling the Industrial Employment Districts; Creative
20 Economy Districts; and Real Mixed-Use Districts that
21 would allow to protect the core of the industrial
22 areas. But also for other areas to allow those other
23 areas to grow in a responsible way, and hopefully to
24 stem what we've seen. Which is the--the mad rush of
25 developers trying to figure out even in core IBZ

2 where they're actually beginning to pick up parcels
3 based on the idea that maybe they can actually rezone
4 it for something that we wouldn't agree with. So,
5 I'm curious about the specific proposal that we--that
6 we have set forth. Do you have any opinions on those
7 proposals in terms of the three proposals, the
8 Industrial Employment Districts, Creative Economy
9 Districts, and Real Mixed-Use Districts. And do you
10 share our concern about the fact that if you look at
11 the last few decades, areas that traditionally no one
12 ever thought would turn into anything else especially
13 40 years ago when the industrial economy had two and
14 a half or three times as many jobs as today. Where
15 now we have hotels and retail and bars and clubs and
16 self-storage is popping up.

17 CARL WEISBROD: So let me start by, as I
18 noted in my testimony, I was and I think all of us in
19 City Planning were--found a lot of common ground
20 between our thinking and the City Council's very
21 thoughtful report on *Engines of Opportunity*. So, we
22 do believe that there is a unique perhaps opportunity
23 to work together to address the challenges, Mr.
24 Chairman, you indicated. One of the reasons that we
25 selected North Brooklyn for a very intensive study is

2 because North Brooklyn in our view really is a, first
3 of all, very large industrial area. Second, contains
4 elements of all of the issues that--that you've
5 identified, and that *Engines of Opportunity*
6 identified. And, it really provides us I think with
7 an opportunity to really look intensively at--at what
8 changes would make sense, what changes wouldn't make
9 sense, where they would make sense, and the like.
10 One of the real--I have to say one of the real
11 challenges that we face is that there is a lot of
12 anecdotal evidence about what's happening in IBZs.
13 And there is not as much very, very detailed data as
14 we would like. And actually, one of the advantages I
15 hope of the increase in permanent funding that
16 Commissioner Torres-Springer announced is that
17 there's now an opportunity to get that data. So we
18 will have basis to make very rational and thoughtful
19 land use decisions. But, even in advance of that we
20 re going to start in North Brooklyn as really an
21 opportunity to focus on exactly the questions that
22 you raised, and that *Engines of Opportunity*
23 identified. And strategies that we do think
24 intuitively make sense, but we want to see how they
25 best can be applied into actions.

2 [background comment]

3 KYLE KIMBALL: Can I just say one thing--
4 the one other thing I would also add to that is, and
5 this is really just a question. It's not at all a--
6 it shouldn't be interpreted as a criticism or
7 anything of adverse report. [sic] But, I do think
8 that the--drawing a distinction between industrial
9 and creative economy, if you think about it on a
10 place based-- If you think about Sunset Park for
11 example, you have, you know, to the north of Sunset
12 Park, you have an existing cement plant. You have a
13 correctional facility, and then two blocks away you
14 have Marvin Schein, you have Industry City, which is
15 the creative economy. And then, just another bock
16 away you have what we hope to be a thriving
17 industrial court. I think there are places, and this
18 is a very placed-based approach when you think about
19 it. I think it's important to think that there are
20 different types of industrial economies. So I think
21 that that's a very important distinction. But on a
22 geographic basis, I think it's possible, very
23 possible for the industrial and creative economies to
24 co-exist in a very tight radius. And so, I'd be--I'd

25

2 be curious to see how it--how it applies on a block-
3 by-block basis.

4 CHAIRPERSON GREENFIELD: Yeah, we would
5 not disagree with you. I think what we were trying
6 to do with our report was just to clarify the
7 different kinds of industrial areas, and exactly what
8 would be appropriate in each area just so that we at
9 least have a starting point from a conversation to
10 understand exactly what you just said, which some
11 areas should just be completely industrial. Others
12 should be creative economy, and others should be
13 obviously mixed-use, and that's okay even if they're
14 two blocks apart. But we--we wouldn't want to simply
15 just throw them into--into one bucket, and we would
16 absolutely agree with that.

17 As a follow-up to this question, and then
18 I have one other final questions before I pass it
19 onto some members. Is that last June Deputy Mayor
20 Glenn submitted testimony to the Council's Economic
21 Development Committee where she indicated that there
22 was an interagency review to take a quote "fresh
23 comprehensive look" end quote, at the different
24 programs and services regarding the industrial
25 spaces. And we heard several times since from the

2 Administration that there quote, unquote "an
3 industrial plan that is coming soon." So the
4 question is, is there an industrial plan that is
5 coming soon? Is there not an industrial plan that is
6 coming is? Is it not coming at all? And if there is
7 a plan, will the land use zoning proposals be a part
8 plan. And I know the Administration loves to issue
9 plans and reports. So I would be shocked if there
10 wasn't one in the pipeline, but we'd love to know
11 what the timing of that is.

12 CARL WEISBROD: There is a plan in the
13 pipeline.

14 CHAIRPERSON GREENFIELD: Okay. Well,
15 that's good news. That's good news. Does this plan
16 or does the plan for this plan include land use
17 zoning proposals--

18 CARL WEISBROD: [interposing] Yes. Yes,
19 I--I know.

20 CHAIRPERSON GREENFIELD: --as part of t
21 his plan?

22 CARL WEISBROD: Yes, it is, I would say
23 it's--it's been the focus of--of intense
24 administration involvement. All of us have been
25 involved in it. It will include--I think it's fair

2 to say--areas that all of us or each of us are
3 involved in, and I--I do think that it is--You know,
4 the Mayor announced a couple months ago or at his
5 ABNY speech--I don't remember exactly when it was--
6 that there would be a plan that would be coming out,
7 and it--and it--this is a complicated area, and we
8 want to get it right. But, it is definitely in the
9 works, and we hope to see it finalized in the fairly
10 near future.

11 CHAIRPERSON GREENFIELD: And Chair
12 Weisbrod, you know that because you come to so many
13 of these hearings that my next question is always
14 going to be when can we expect this plan?

15 CARL WEISBROD: I'd say in the fairly
16 near future, Mr. Chairman. I couldn't give you an
17 exact date, but just to--

18 CHAIRPERSON GREENFIELD: [interposing]
19 And I know as Chair to--to expect that response as
20 well. That's okay, yes.

21 CARL WEISBROD: But I will--I will also
22 say that it--it's likely to include elements that we
23 are all engaged including some land use
24 recommendations.

2 CHAIRPERSON GREENFIELD: Great. So, you
3 know, we--we have not copyrighted the *Engines of*
4 *Opportunity* plan that we have issued. So feel free
5 to site for that plan and pick up some of those
6 tools. We'd be very, very happy to see that. My
7 final question.

8 CARL WEISBROD: [interposing] I have
9 embraced much of it, if not all of it, but I've
10 embraced a lot of it, and that's a lot in that. [sic]

11 CHAIRPERSON GREENFIELD: [interposing]
12 We appreciate that, and--and we seriously are
13 grateful for today's hearing, and the fact that there
14 is a significant investment from the city and the
15 dedication to looking at Northern Brooklyn, which we
16 hope from our perspective would be the pilot. This
17 isn't your exact words, but it's from our perspective
18 to have a pilot for the rest of the city to think
19 about these challenging issues. And to hopefully get
20 more data, and to try to have a serious plan.

21 CARL WEISBROD: Yeah, it's just--you
22 know, I think that just as Kyle Kimball mentioned a
23 lot of this really is place-based and, you know, our
24 economy and the manufacturing economy and the
25 industrial economy is changing greatly because of

2 technology and other factors. And so, in many
3 instances, one size really doesn't fit all and it
4 really does become a very place-based endeavor, and--
5 and it's--it's difficult sometimes because that
6 really does mean doing things on a retail rather than
7 wholesale basis. But, you can imagine, and I think
8 that *Engines of Opportunity* does recognize that uses
9 that promote certain kinds of manufacturing in some
10 areas are--would be abhorrent in other areas. And,
11 getting that exactly right becomes very, very place-
12 based, and so we don't just look at North Brooklyn as
13 a pilot. We look at it as this is an area where
14 we're intensively going to--because it has so many of
15 these factors, we're going to intensively look and
16 see what we can do to strengthen, restrict,
17 encourage. I mean there's a whole variety of tools,
18 some of which may be transferrable elsewhere, and
19 others may not.

20 CHAIRPERSON GREENFIELD: Absolutely, I
21 think we would agree with you. I think we would
22 agree with you. I think the reason I use the term
23 pilot is because effectively, and I want to be clear,
24 it's not your administration. You've only been here
25 for 16 months or so, but effectively by not updating

2 the zoning toolbox over the last few decades, we have
3 de facto created a zoning that encourages certain
4 things. So, for example, if you ask Council Member
5 Steve Levin I'm sure he's had his fair share of
6 hotels and bars and clubs and self-storage And he,
7 as one example, would like to see an updated
8 rezoning. So the reason I use the--the term pilot is
9 because what we really would eventually like to see
10 is a more comprehensive look because we understand
11 that there are challenges, and zoning is, of course,
12 a live product, right. It's always consistently
13 changing, but our concern is that by not having
14 updated--updating that zoning toolbox, effectively we
15 have essentially told developers here's what you
16 should do, which is go build hotels, retails, bars,
17 clubs, self-storage. And have them looked at others,
18 and really as a result we, in fact, believe that
19 we're harming the core industrial sector. We know
20 that you agree. It's just a point of clarification.
21 We're not--we're not--

22 CARL WEISBROD: And the only thing I
23 would amend is that it also as it encourages certain
24 kinds of activity, it discourages other kinds of
25 activity that might be quite beneficial--

2 CHAIRPERSON GREENFIELD: [interposing]
3 Absolutely, absolutely.

4 CARL WEISBROD: --to the manufacturing
5 sector.

6 CHAIRPERSON GREENFIELD: Office space is
7 a very large concern that many folks have brought. I
8 know people are chatting with you about, and we think
9 that has an appropriate space as well, that we'd like
10 to discuss and hopefully resolve. And then my final
11 question I guess, Kyle this is for you, is according
12 to the IBO from 2002 to 2013, the City invested over
13 \$500 million in many of the industrial areas that you
14 own in Brooklyn, the Navy Yard in Brooklyn, or the
15 terminal--the Hunts Point Terminal. Compared to less
16 than \$35 million on capital improvements in non-city
17 owned industrial areas. Now, certainly we understand
18 why the city would be more interested in investing in
19 their own properties rather than other properties,
20 but that does seem like a pretty significant gap.
21 We're wondering why do you think there's been such
22 little investment in non-city owned industrial areas,
23 and are there any plans to increase investments in--
24 in those areas to shore up those areas as well? And
25 certainly you've had great successes in all those

2 locations that you've discussed. But it does seem
3 like the non-industrial areas have been somewhat
4 underfunded.

5 KYLE KIMBALL: Sure. I haven't--I can't
6 sort of vouch for the numbers in the IBO Report. I
7 would say that the importance--and I also can't sort
8 of vouch for the decisions that were made by the
9 previous administration in terms of how capital
10 allocations were made in different areas.

11 CHAIRPERSON GREENFIELD: Even though you
12 were there?

13 KYLE KIMBALL: Even though I was there
14 [laughter] I was part of those decisions.

15 CHAIRPERSON GREENFIELD: A little
16 inconvenient, Kyle, but okay. [laughs]

17 KYLE KIMBALL: Having said that--

18 CHAIRPERSON GREENFIELD: [interposing]
19 Hold on. So now you're saying just to be clear.
20 This is newsworthy. Now, you're saying that now you
21 are part of those decisions whereas in the past you
22 were not part of those decisions?

23 KYLE KIMBALL: Certainly, we are part of
24 the discussions around--yes, around how to--

2 CHAIRPERSON GREENFIELD: [interposing]

3 Par of the discussion. Okay, that's fair.

4 KYLE KIMBALL: Part of the discussion--

5 CHAIRPERSON GREENFIELD: [interposing]

6 But I think that there--I think the IBO numbers even
7 if we don't vouch for the exact numbers, I think we
8 would all agree with the concept that there's been
9 massive investment in city-owned properties, but less
10 investment in non-city-owned properties. And I'm
11 just wondering what your thoughts are on that, and
12 whether there are plans to try to bring some
13 investments into non-city-owned areas.

14 KYLE KIMBALL: We have made a lot of
15 investments in things like Brooklyn Navy Yard because
16 or in--and now in Brooklyn Army Terminal because it's
17 a place where we can very much move the needle. And,
18 the--the model where so if you take--if you take what
19 the Brooklyn Navy Yard has done in terms of having a
20 holistic approach to industrial development from the
21 space to the programming, the community engagement as
22 well as the workforce development with the
23 surrounding community in the NYCHA developments, that
24 is a holistic system that is not just about sort of
25 industrial space. That is about really attacking

2 inequality at its very roots. And so we can--we can
3 very much move the needle with--with our city-owned
4 assets in a way that other developers may not be able
5 to do. So that's number one, and so it's--we believe
6 very cost-effective in terms of outlining our
7 economic development goals. In terms of your
8 question around bringing more to other areas--other
9 areas around the town, I can't necessarily comment on
10 the upcoming capital budget process. But I
11 understand the point, and I can get back to you
12 around whether or not there are plans to bring money
13 to other areas.

14 CHAIRPERSON GREENFIELD: Okay, great. I
15 mean listen, we--we're not questioning that you've
16 had great success in those very particular areas that
17 we've discussed the Navy Yard, the Army Terminal and
18 Hunts Point Terminal, but what we're pointing out is
19 that these three city-owned properties hold roughly
20 560 companies and fifteen and a half thousand
21 employees. And when look at the 20 IBZs including
22 the Navy Yard, we're home to about four and a half
23 thousand businesses and 117,000 jobs. We're not
24 questioning the success, we're actually asking to
25 spread the success beyond simply the city-owned

2 properties, and to look at these other areas even
3 though they're not city-owned to invest in that.

4 KYLE KIMBALL: I understand.

5 CHAIRPERSON GREENFIELD: But we thank
6 you, and we hope to get an answer before you leave to
7 your next fancy job.

8 KYLE KIMBALL: I hope so.

9 CHAIRPERSON GREENFIELD: Which is when,
10 again?

11 KYLE KIMBALL: I will be gone June 1st.

12 CHAIRPERSON GREENFIELD: June 1st.

13 KYLE KIMBALL: Yes.

14 CHAIRPERSON GREENFIELD: Okay, well,
15 that's not a lot of time then, Kyle.

16 KYLE KIMBALL: Yeah, but I will get back
17 to you as quickly as possible.

18 CHAIRPERSON GREENFIELD: Thank you.

19 KYLE KIMBALL: But the capital budget
20 will come out, too.

21 CHAIRPERSON GREENFIELD: I appreciate it.
22 So we will turn it over--we're going to start the
23 clock and we will turn it over to Council members to
24 ask some questions, and we're going to start with
25 Council Member Brad Lander.

2 COUNCIL MEMBER LANDER: Thank you, Mr.
3 Chairman, very much for convening this oversight
4 hearing in the Land Use Committee, and to your staff,
5 the Land Use staff for producing this the *Engines of*
6 *Opportunity* Report and thanks to all three of you.
7 It is great to have all three of you here. It does
8 suggest collaboration and focus on this issue. I'm
9 very enthusiastic, of course, about the funding
10 commitment for the industrial solutions providers,
11 which, you know, we were just speaking about at our
12 preliminary budget hearing. So it's great to know
13 that we've got partnership and support there. The
14 industry partnership also a really important
15 commitment to be working on real close in
16 collaboration. And also, Mr. Chairman, that you see
17 also the *Engines of Opportunity* Report as a strong
18 basis of cooperation. I'll just echo the chair's
19 encouragement to borrow it, as we have done in my
20 community our Bridging Gowanus Report where we
21 aligned quite a lot of our thinking in Gowanus there.
22 But I do think it's really important to really drill
23 down on just one area where I'm--I'm not 100% sure
24 we're sort of aligned kind of from an analytic and
25 partner framework. And I just want to explore it a

2 little further and it builds on the Chair's
3 questions. You speak to issues of compatibility and
4 appropriateness. I think we are persuaded that the
5 core problem is one of displacement from rent
6 pressures. That allowable commercial uses in
7 existing manufacturing, hotels, big-box stores, large
8 office, self-storage, night clubs from speculation
9 about possible conversion to residential either due
10 to individual applications or the administration's
11 rezonings have led to significant rent pressures,
12 rent increases, and displacement of business tenants
13 in those 20 IBZ. And that that's in many ways the
14 core problem for many of our manufacturers whether
15 more traditional or maker type uses. And that that
16 is the problem we really need in addition to many
17 others. I don't want to, you know, to focus on with
18 a real laser attention. That's why the industrial
19 employment district with the stronger protections,
20 and a range of the other recommendations. You know,
21 that's why we think even in a place like East New
22 York where you're not looking at rezoning for
23 housing, the industrial business zone. We actually
24 have to rezone it to apply these additional
25 strengthened protections. So I guess my questions

2 are on the--And we think t here is enough data. It's
3 always good to do more study. We think there's
4 enough data that core losses of manufacturing space
5 are related to that rent pressure and that, Kyle,
6 it's time for policy action. So I guess there's an
7 analytic and a policy question there. The other
8 question is do you share our belief that displacement
9 due to growing rents and rent pressure is a core
10 policy concern to be addressed in manufacture. And
11 that, we need policy tools to protect, if not
12 specifically, our version of the industrial
13 employment districts and the other zones we've looked
14 at sounding awfully similar.

15 CARL WEISBROD: Well, I would say--

16 [cheers/applause]

17 CHAIRPERSON GREENFIELD: Folks, folks, I-
18 -I thank you for your enthusiasm. In the Council we
19 actually have a rule that there can be no disruptions
20 including clapping. So we have the Council clap,
21 which is this. So if you're excited, you can do
22 this, and we can all see you, and we're excited, but
23 that way it doesn't interrupt anyone.

24 COUNCIL MEMBER LANDER: [laughs] You
25 won't displace anyone if you use--

2 CHAIRPERSON GREENFIELD: [interposing]
3 That's right.

4 CHAIRPERSON LEVIN: --jazz fingers.

5 CHAIRPERSON GREENFIELD: That's right
6 exactly. Thank you, Mr. Chairman.

7 CARL WEISBROD: Well, I would say, you
8 know, certainly rising land costs is an issue that we
9 face throughout the City of New York. We face it in
10 every sector, and we face it, as you all well know,
11 in the housing front.

12 COUNCIL MEMBER LANDER: [interposing]
13 Absolutely.

14 CARL WEISBROD: We face it on the
15 commercial front. We face it on the industrial front.
16 In some respects it's a product of the city's health.
17 In some respects, it's due to factors that are [bell]
18 more artificial and collateral. I do think that the
19 issues differ from industrial zone to industrial
20 zone, and some areas--certainly there are industrial
21 areas that are filled to the brim. And, we know
22 that--that commercial and manufacturing--
23 manufacturing and industrial firms are being squeezed
24 or can't expand. There are other industrial zones
25 that are--have very, very, very large vacancy rates,

2 and where pressures from other uses are not causing
3 the increasing, we believe, in the increase in land
4 costs. And, by the way, where there are no pressures
5 to transform those areas into residential areas.

6 I mean a property owner in those areas
7 that have a--are speculating on a change in zoning to
8 permit residential I think would be largely barking
9 up the wrong tree. We have in the 16 months of the
10 de Blasio Administration I'd be surprised if we've
11 rezoned 50 acres out of--out of more than 20,000
12 acres. So I understand the land costs are a big
13 issue. It's one issue. It's an important issue, but
14 it's--it's one of--of several issues. And at the
15 same time, that I also recognize that there are uses
16 that are permitted in certain manufacturing zones
17 that will pay higher rents than traditional
18 industrial or manufacturing companies will pay. In
19 some areas that's a conflict. In other areas, those
20 kinds of uses depending on the use, may further the
21 growth of the manufacturing and industrial sectors.

22 There are uses that are incompatible on
23 economic grounds--I'm not even thinking about
24 environmental or operational grounds--in certain
25 areas that would be quite compatible. And, in fact,

2 help drive the engine of further manufacturing and
3 industrial growth in other areas. So, that's why I'm
4 saying that in my view, one size doesn't fit all
5 here, and to sort of do a broad brush and say we're
6 eliminating all these following ten uses in all
7 manufacturing zones would be a mistake. And there
8 are areas where we should and I've said the same
9 today that there are areas that should be tightened,
10 and there are areas where perhaps we have to come up
11 with more creative approaches. It--there are--we
12 have a lot of anecdotal evidence. But, in truth,
13 except for areas that have been pretty intensively
14 looked at, Gowanus certainly being one of them, we
15 don't as an area that has been intensively looked at--
16 we don't have as much data as we should about what's
17 causing certain things in certain areas. So, I do
18 think we have to do this.

19 COUNCIL MEMBER LANDER: Mr. Chair, can I
20 ask a small follow-up questions, and then I'll try to
21 get a second one, too.

22 CHAIRPERSON GREENFIELD: Yes, one brief
23 follow up.

24

25

2 COUNCIL MEMBER LANDER: Thank you. This
3 and this really just follows up with Council Member
4 Espinal's questions around East New York.

5 CARL WEISBROD: Yes.

6 COUNCIL MEMBER LANDER: I mean it seems
7 to me that's the first place, you know, where we're
8 going here, and it seems to me that you're developing
9 a long-term plan for East New York that's going to
10 have a long impact over a substantial period of time.
11 So, it doesn't make sense to say we're going to
12 rezone in East New York outside of the industrial
13 zone, but not apply stronger industrial protection--
14 land use protections to the East New York IBZ.
15 Because thus to date, we haven't seen those
16 displacement pressures when we're unleashing a set of
17 forces that will allow substantial development in
18 East New York. So, are we looking at including the
19 IBZ in the rezoning in order specifically to apply
20 land use protections thinking proactively about what
21 the consequences are going to be about rezoning. So
22 we protect it rather than leave it alone. Go ahead
23 and do the rezoning of the core commercial and
24 residential areas. And just cross our fingers that
25 we have unleashed a set of forces that might then do

2 in that area what we're seeing in a lot parts of the
3 rest of the zoning--

4 CARL WEISBROD: [interposing] Yeah.

5 COUNCIL MEMBER LANDER: --you know,
6 that's consistent with the Council's request and our
7 scope of the EIS to ask that we look at this. And so
8 I hope that that is being seriously considered.

9 CARL WEISBROD: I would say that in terms
10 of the--looking at the rezoning in East New York, we
11 are not at this point anticipating looking at
12 rezoning in the East--East New York industrial IBZ.
13 And that's why, and Mr. Kimball can speak to this
14 more directly than I can. That's why a host of other
15 strategies on revitalizing that IBZ making it
16 perfectly clear that we have no intention of rezoning
17 for residential in the IBZ, but there's an
18 opportunity to strengthen that IBZ as a manufacturing
19 and commercial manufacturing and industrial area now.
20 Now, I would just say that, you know, we could expand
21 any area of study to a much larger area, and we would
22 actually get very little done because if we adopted a
23 strategy that is fortunately not for the most part
24 applied in New York but is applied elsewhere where

2 everything is connected to everything else, we would-
3 -

4 COUNCIL MEMBER LANDER: [interposing] To
5 be fair, this is a very specific request, and I'm not
6 going to speak for Council Member Espinal, you know,
7 in his district. But, if the East New York rezoning
8 and the Council asked this in its scoping doesn't
9 consider these issues, because I don't fear that
10 vitality over time is going to be the problem in East
11 New York IBZ. And if we are not thinking about
12 addressing protections from hotels, big-box stores,
13 large footprint office, self-storage facilities,
14 night clubs, all the uses that we've seen as an area
15 does get investment, and the undermining effects they
16 could have on that business zone, I think we'll be
17 making a big, big mistake.

18 CARL WEISBROD: Well, I would--I would
19 just say--and I really should have Mr. Kimball
20 respond further--that at the moment those pressures
21 don't exist in the East New York--

22 COUNCIL MEMBER LANDER: [interposing] Not
23 to day, to be sure.

24 CARL WEISBROD: --which has--which has a
25 huge amount of vacancy, and so, we do need jobs in

2 that IBZ for sure. And the East New York community
3 has made it clear and Council Member Espinal has made
4 it clear that jobs in the IBZ are a very high
5 priority. But--but to expect those jobs to be
6 generated by zoning changes in that IBZ as opposed to
7 other kinds of strategies, at this point I think that
8 is (a) unrealistic, and (b) if those pressures
9 actually existed or developed some time in the future
10 we could certainly come back and revisit it. We're
11 hardly saying that we would never look at
12 strengthening the East New York IBZ. But at the
13 moment, my view is that there are other strategies
14 that will revitalize that IBZ.

15 COUNCIL MEMBER LANDER: I'm past my time,
16 Mr. Chairman. I'm confident that other members will
17 pick up this line of questioning.

18 CHAIRPERSON GREENFIELD: I--I appreciate
19 it. I would just--I would just say that I think it's
20 important that--and I think that's an important line
21 of questioning. I do--there is limited time. I do
22 want to encourage members to focus on the--the bigger
23 picture not simply East New York or other communities
24 that may come up. Folks have interest in many
25 different areas. That includes an industry city and

2 other areas. I assure that you that this committee
3 and the relevant subcommittees will hold exhaustive
4 hearings on all of those proposals. And so, I think
5 that for the limited time that we have, I would just
6 recommend that we just focus on the bigger picture
7 policy questions. And to that--to that end, I
8 actually wanted to throw out a question on that. And
9 that is that is this administration continuing the
10 commitment of the previous administration to quote,
11 unquote "maintaining IB areas--IBZ areas as
12 industrial?" And what is--if there is that
13 commitment, what does that commitment actually mean
14 in practice?

15 CARL WEISBROD: I assume by industrial
16 you mean industrial and manufacturing?

17 CHAIRPERSON GREENFIELD: Yes.

18 CARL WEISBROD: Yes. I would say as a
19 general principle the answer is yes that there would
20 be a very high bar to introducing residential use
21 into these IBZs, an extremely high bar. We have
22 gotten requests and private applications on the
23 periphery of some of these IBZs. Some of them have
24 been supported by the local community, by the local
25 Council members. And some of the offer opportunities

2 for new approaches that would benefit both the
3 manufacturing and industrial areas so that we are
4 looking at those. But as a general proposition, I
5 would say we are certainly--it's hardly--it's the
6 very opposite of open season on IBZs.

7 CHAIRPERSON GREENFIELD: I appreciate
8 that, and the reason I'm asking is because I think
9 this refers to some of what Council Member Lander was
10 referring to before. Which is that there is
11 increased speculation on many of these areas,
12 especially and including within some, although not
13 all of the IBZs. I've actually found, and I'm not
14 trying to pick on anyone, but I found that brokers
15 tend to increase the speculation. I've even seen
16 some sheets that go out. This is an area that will--
17 is about to be rezoned, will be rezoned, and
18 obviously we know that's not the case. And so, a
19 very--a very clear statement on--on the
20 Administration's behalf that we are committed to the
21 industrial and manufacturing uses I think would be
22 helpful in hopefully tamping down that speculation.
23 Because that speculation leads to obviously higher
24 costs and higher rents that push out many of these
25 uses.

2 CARL WEISBROD: I would say any broker
3 who is out fanning the flames of, you know, some area
4 wide significant rezoning of an IBZ is really
5 spreading false rumors.

6 CHAIRPERSON GREENFIELD: I appreciate
7 that. Thank you, Mr. Chairman, and with that, we'll
8 turn to Council Member Reynoso and reset the clock.

9 COUNCIL MEMBER REYNOSO: All right, thank
10 you, Chair. I just want to thank you guys for being
11 here. Thank you for the \$1.5 million. I do have
12 some questions about the \$1.5 million, and hope that
13 the City Council can continue its support when we get
14 into the nitty-gritty. Chairman, I hope you are with
15 me supporting the maintenance or expansion of the
16 clubs.

17 CHAIRPERSON GREENFIELD: [interposing] As
18 a member of the Budget Negotiating Team I assure you,
19 you have my support.

20 COUNCIL MEMBER REYNOSO: Awesome. There
21 you go. Permanent IBZs. Is there any support to
22 codifying the IBZ designations into the zoning
23 itself. That--that deals with speculation. It will
24 get rid of the speculation in knowing that this is a
25 permanent regulation. [sic]

2 CARL WEISBROD: I don't actually, you
3 know--the IBZs today are--cover a variety of
4 manufacturing districts and 1 and 2 and 3 districts.
5 And to--to codify in some way the IBZs are
6 essentially tax incentive drive redacts [sic]. So,
7 it's really the underlying rezoning that area, the
8 zoned areas that we look at as opposed to IBZs as
9 some sort of zoning district.

10 COUNCIL MEMBER REYNOSO: All right. So I
11 just wanted to say that in doing so, especially in
12 North Brooklyn, I just want to say the previous
13 administration actually allowed for the Loft Law to
14 apply to only North Brooklyn, which I think is
15 definitely a political issue. But in doing so
16 continued to threaten the viability of the industrial
17 business zones long term, and also started hurting
18 the IBZ through speculation. We even have folks
19 spending over \$29 million on properties within the
20 IBZ, assuming that you guys are going to rezone it,
21 and it's going to go to residential. And I want to
22 encourage all of the developers to keep buying
23 property in North Brooklyn because you're going to
24 lose all your money, because we're not going to be
25 rezoning the IBZ. It's going to be there for

2 businesses, and it will always go for businesses.

3 [applause]

4 CHAIRPERSON GREENFIELD: Folks, folks,
5 once again, we--we-we do the wave.

6 COUNCIL MEMBER REYNOSO: I just wanted to
7 give you the history of what's happening in North
8 Brooklyn. I'm glad that you're doing the study. I
9 think it's very important that this study gets done
10 because what's happening there is that we see that
11 the increase in jobs is not at pace with let's say
12 the private sector jobs outside of the IBZs. It's
13 because it's the--the lack of investment that the
14 City of New York has done in these parts of our
15 communities is second to none. We're talking about
16 deteriorating streets that we can't--we can't
17 control. Broadband access and access to Internet is
18 almost non-existent in this day and age in the IBZs.
19 So, when we talk about how hard it is for a business
20 to thrive in these locations, outside of the places
21 where SBS or EDC is work or SBS or like the Navy
22 Yard, it's--it's terrible the conditions that you're
23 living in. And back then, they were doing that in an
24 effort to drive those businesses out. So that they
25 can eventually get to this point where they can

2 develop into residential. But these folks stood in
3 their property. They were able to maintain. With
4 the help of the industrial service providers were
5 able to really continue to be an industry that is now
6 on its pinnacle hopefully on that. And we're going
7 to continue to support it. I wanted to ask, these
8 groups around the M zones it's a huge issue for them,
9 for the folks there, of course. We've talked about
10 that before, but in your study is it specifically
11 going to address the use groups, and what we consider
12 threatens the manufacturing districts?

13 CARL WEISBROD: Yes. I mean--

14 COUNCIL MEMBER REYNOSO: [interposing]

15 What?

16 CARL WEISBROD: --we expect to be looking
17 at the whole panoply of land use issues, and in North
18 Brooklyn. And again, I think that one of the reasons
19 we selected it is because first it is a very
20 important part of the city's manufacturing and
21 industrial base. And second, because it is a very
22 big area that offers a variety of different issues
23 and pressures, all of which have been identified, and
24 all of which potentially have a--have the ability to

2 be guided by the framework that *Engines of*
3 *Opportunity* sets forth.

4 COUNCIL MEMBER REYNOSO: I'd like to
5 prepare a stack for round two, sir.

6 CHAIRPERSON GREENFIELD: You are first on
7 stack for round two, which will be two minutes of
8 questions, and with that, we're going to pass it to
9 Council Member Steve Levin.

10 COUNCIL MEMBER LEVIN: Thank you very
11 much, Mr. Chairman. Just following up on Chair
12 Greenfield's previous question, I think it's--I mean
13 I get that the--that the message going out to real
14 estate speculators is probably not going to happen,
15 likely not going to happen. Is there a--can you say
16 at this point on equivocally that the City of New
17 York will not approve a zoning change within an IBZ
18 in this administration?

19 CARL WEISBROD: No, because I would say
20 that we are certainly not in any way contemplating
21 wholesale area wide rezonings within IBZs. But there
22 are especially around the peripheries around IBZs
23 there have been private applications some of which
24 various Council Members have supported that would
25 because the IBZ boundary is inappropriate all of

2 those we're looking at, I would say those would be
3 for the most one-offs if we approve them at all. And
4 we haven't--I think with one exception a very small
5 exception approved only one in--in the de Blasio
6 Administration, a very small site. So I would say
7 that there could well be individual applications that
8 for a variety of reasons made sense from the
9 perspective of everybody. But we're certainly not
10 contemplating in any way any, you know, large area
11 rezonings of IBZs in any kind of significant fashion.

12 COUNCIL MEMBER LEVIN: Following up on
13 Council Member Lander's point before about the as-of-
14 right uses that are proliferating in IBZs, as you
15 know, I have the North Brooklyn IBZs where you have
16 multiple hotels, night life. I don't know if we have
17 the big-box stores there, but we have certainly a lot
18 of hotels. And, is there--is there a willingness on
19 the part of City Planning to con--to contemplate
20 requiring a special permit for those types of uses in
21 either that IBZ, or in other IBZs if there seems to
22 be significant support for such a measure. So I
23 would support, and I think my community board would
24 support, and I know that my IBZ provider would
25 support, and I think broadly the whole community

2 would support like having a special permit for a
3 hotel in North Brooklyn IBZs. Is that something
4 that--that this administration would--would be
5 willing to contemplate in a case-by-case basis?
6 Maybe--maybe it makes sense in a case-by-case. I
7 mean I think it makes sense in a citywide basis.
8 But, I'm assuming that you're not looking at that. So
9 is there a willingness to look at on a case-by-case
10 basis?

11 CARL WEISBROD: Well, I think there are a
12 lot of ifs and nays in your question. So, I would
13 say, you know, when we look at North Brooklyn because
14 it's part in your district and part in Council Member
15 Reynoso's district and I think part in other
16 districts as well, other council members. We look at
17 it pretty intensively and we see--we want to see what
18 make sense. And there may be things that we may be--
19 as I've said, we want to tighten and say, look this
20 is inappropriate because of a variety of factors.
21 It's undermining the success of the IBZ, and job
22 growth and job retention. And particularly
23 manufacturing and industrial job retention, and in
24 other areas maybe in the same IBZ saying this--this

2 may make sense because it's going to encourage job
3 growth and--

4 COUNCIL MEMBER LEVIN: [interposing]

5 Well, the hotels I mean hotels are a very specific
6 used. That's--that's a very specific use, and I
7 think that there are other types of uses as well.
8 There's like temporary, but hotels themselves are a
9 moneymaker that is--that is able to be done as-of-
10 right. I think it undermines an IBZ particularly in
11 an area that has--that--that's subject to speculation
12 at the moment. So in the North Brooklyn IBZ, and I
13 haven't studied the one around Morgan Avenue, but I
14 imagine that that's the case. The land value--the
15 prices are due to the speculation, due to the
16 brokers, due to just the economy as it is. But,
17 hotels are a much more lucrative way to develop than-
18 -than the other as-of-right uses right now. That--
19 that is helping to fuel the--the high land costs.
20 That's definitely a factor. It's not just the
21 possibility that they might get a rezoning, they
22 also--they have an as-of-right use that can make a
23 lot more money.

24 CARL WEISBROD: I understand what you're
25 saying, and I--as I said, I think, in fact, as we

2 look at North Brooklyn there are whole range of
3 issues to look at, and certainly--we certain
4 understand that the hotel issue is one that has come
5 up, and obviously it would be something that we would
6 take a look at as we looked at other things.

7 COUNCIL MEMBER LEVIN: Okay, thank you,
8 Mr. Chairman.

9 CHAIRPERSON GREENFIELD: Thank you,
10 Council Member.

11 COUNCIL MEMBER LEVIN: I'd like to go on
12 for a second round, please.

13 CHAIRPERSON GREENFIELD: All right, duly
14 noted, and congratulations on your recent wedding.
15 Mozzletoff.

16 CARL WEISBROD: Congratulations.

17 CHAIRPERSON GREENFIELD: You can wave for
18 that. That's wavetable right there. Council Member
19 Arroyo to be followed by Council Member Menchaca.

20 COUNCIL MEMBER ARROYO: Thank you, Mr.
21 Chairman. Thank you all for your testimony, and I
22 have questions. I'm going to do rapid fire because
23 three minutes don't---four minutes don't give us a
24 lot of time. So I want to--

2 CHAIRPERSON GREENFIELD: [interposing]
3 It's 45% more than the other committees.

4 COUNCIL MEMBER ARROYO: [laughs] So I
5 think to all of you, it's--I think it goes without
6 saying that protecting our industry zones in our city
7 is essential and critical to ensuring that we can
8 create the job opportunities that you are both so
9 strongly about. That we concur with. These jobs do
10 help people take care of themselves and their
11 families in a significant way. So, former
12 manufacturing buildings and factories being turned
13 into homeless shelters is a problem. Because the
14 jobs that those organizations have and what they pay
15 their workers is not nearly anywhere close to what a
16 manufacturing job can--can pay. So, I think your
17 sister agency DHS needs to be mindful of what our
18 mission here is today, and have a conversation about
19 protecting the zones. City Planning encouraging the
20 developers and property owners to talk to council
21 members and community is important. And that you
22 engage us much earlier in the process, as has been
23 done in the past. Because in the past what we've
24 done is reacted to something that we may have been
25 able to avoid becoming a very difficult situation.

2 And I think we can all attest to some experience in
3 our districts where City Planning could have
4 prevented some of the difficulties we have to clean
5 up with community all the time. And, I thank you for
6 the--the word on the Sheridan Expressway, and we
7 will--we're on--it's on our radar and we are working
8 jointly here in the Council and with our borough
9 president to make sure that the State invests in our
10 recommendations. They happen to be very sound, and
11 that we worked very hard on. So thank you for
12 putting that on the radar.

13 SBS, thank you for the additional money
14 for the providers. I'm concerned that RFPs don't
15 always yield the results that we are used to seeing
16 in our community, and that these providers are hard
17 working and they're doing great jobs with little
18 money. So you need to be strengthening the work that
19 they're doing, not taking away from what they're
20 doing. And \$150 million in 12 years is not a hell of
21 a lot of money for investments in our market. The
22 Hunts Point Food Distribution Terminal is singular.
23 But we have multiple markets there. So I don't know
24 how \$12.5 million a year is going to help these
25 markets, meat, produce and fish improve city-owned

2 land that we have failed, neglected for decades. And
3 EDC is not historically a user-friendly agency with
4 regards to the businesses that operate out of those
5 markets. The meat market this year is coming to the
6 Council for \$5 million. So I'm hoping that part of
7 that \$12.5 million that I divided the 150--could go
8 to that, and we can use that \$5 million to do a park
9 or something else in our districts. EDC. \$150,000.

10 KYLE KIMBALL: I'm sorry.

11 COUNCIL MEMBER ARROYO: What is it for?

12 KYLE KIMBALL: Is there-is there a
13 specific question?

14 COUNCIL MEMBER ARROYO: Yeah, I'm--

15 KYLE KIMBALL: [interposing] Okay.

16 COUNCIL MEMBER ARROYO: --\$150 million
17 for 12 years is that divided equally? What it's
18 intended for because your--your testimony only
19 references rail upgrades.

20 KYLE KIMBALL: Sure, so the rail upgrades
21 is a separate part of my--

22 COUNCIL MEMBER ARROYO: [interposing]
23 Okay. [bell]

24 KYLE KIMBALL: So the \$150 million is not
25 meant to be--when I say it's over 12 years, meaning

2 that it's in the budget over 12 years, but, it not--
3 it's not necessarily that it's a certain amount of
4 money each year over 12 years--

5 COUNCIL MEMBER ARROYO: [interposing]
6 Okay.

7 KYLE KIMBALL: --but there's--there are
8 associated capital projects associated with the
9 produce, meat and fish markets that they have brought
10 to us and asked us to fund.

11 COUNCIL MEMBER ARROYO: Okay.

12 KYLE KIMBALL: Recognizing--so it's not
13 a--(1) it's not \$150 million spread out over each
14 year. (2) It's related to specific projects with
15 which we've worked with the different markets on
16 funding that they have proposed to us and that we
17 have funded. (3) And it is significant more money
18 than certainly for a couple of the markets that have
19 been provided in the past. (4) We recognize at the
20 same time that this has to be. There are large-scale
21 renovations that have to be made at both produce,
22 meat, and in--some renovations at fish. And--but
23 that has to be in partnership with the markets
24 themselves. We had a deal with the produce market,
25 for example, that we were not able to complete in the

2 last administration, and that was a \$300--a \$350
3 million deal to renovate the produce market. That
4 was a partnership between the City, the market and
5 the state, and the federal government. We were able
6 to preserve the federal government component, which
7 turned into the rail upgrades that I mentioned. So
8 one hand we are very proud of the \$150 million we are
9 making there. I think that that is a huge step
10 towards the complete renovation of these markets. In
11 addition to the \$25 million that we're putting in
12 place for the rail as the resiliency upgrades as
13 well. But we also recognize that we have to do this
14 in partnership with the markets themselves, and with
15 the State.

16 COUNCIL MEMBER ARROYO: So, I--I just
17 want clarity on whether or not we need to be
18 concerned about the \$5 million that the meat market
19 has applied to us for, for next fiscal year. So I--I
20 would appreciate it if someone from your office can
21 contact our delegation chair, Council Member Palma,
22 and clarify that. Because we're in the middle of
23 deciding how we're going to spend our money for 2016,
24 and if you can pick that up, that would be awesome.

2 KYLE KIMBALL: I would say that we have a
3 very large project that has to be done in Hunts
4 Points that will take hundreds of millions of dollars
5 that it will take in terms of getting these markets
6 modernized and cold chain compliance, and able to
7 distribute food in an efficient modern way. So we
8 will take every dollar we can get from you, from the
9 State, from the federal government because we have a
10 lot of work to do at Hunts Point.

11 COUNCIL MEMBER ARROYO: Thank you.

12 CHAIRPERSON GREENFIELD: Thank you,
13 Councilwoman.

14 COUNCIL MEMBER ARROYO: Okay, I'll follow
15 up with him. Thank you.

16 CHAIRPERSON GREENFIELD: Thank you very
17 much. Council Member Menchaca to be followed by
18 Council Member Treyger.

19 COUNCIL MEMBER MENCHACA: Thank you,
20 Chair. Thank you so much and thank you all for--for
21 your testimony. I'm going to go back to your
22 testimony, and really kind of frame the question that
23 I have here. There was some talk about some messages
24 that you were sending that developers are barking up
25 the wrong tree if they're looking at some of our

2 industrial business zones. You talked a little bit
3 about zoning being not realistic as the only tool
4 that we can use to save these areas. And so, what we
5 all are trying to ask is in the comprehensive look at
6 our industrial zones, and I'll add a quick moment for
7 the District 38, we are consistently being requested
8 for time to review developer's plans for housing on
9 M3 zones that are incredibly--many of them are
10 absolutely ridiculous and out of any kind of context
11 and scope. But what we are all frustrated about is
12 that they are taking your words and lack of plan to
13 understand a framework that can give off the right
14 framework for protection for the IBZs. And so, what
15 is preventing you from today giving stronger language
16 about our IBZs for--for that protection and that
17 framework that's necessary. I'll go back to this
18 last piece that you mentioned, 50 acres out of the
19 20,000, you know, 20,000 that are--that are current--
20 I forget what the number was. But what's relevant
21 here is that any acre right now that is at risk
22 because of a possible mix is endangering every single
23 acre in the entire city. And so, what's preventing
24 you from doing that today without the report that's
25 pending?

2 CARL WEISBROD: Well, when I mentioned 50
3 acres, I was not referring to IBZs. I was referring
4 to all M zones in the city. So there are M zones
5 that are not in IBZs that I think probably by general
6 recognition people would say are no longer suitable
7 as M zones. But we've been very, very careful about--
8 --about all of that, and in 16 months to say losing 50
9 acres of--out of more than 20,000 I think is a fairly
10 good signal to the market that we are being
11 extremely, extremely careful in this area. That
12 said, I also said that we don't anticipate any major
13 significant rezoning of IBZs, but there are--I'm
14 certainly not going to say there will never be an
15 inch of an IBZ that conceivably could not be rezoned.
16 We'll look at it very, very carefully for the most
17 part where those will be, if not entirely will be on
18 the periphery of--of IBZs and perhaps in areas which
19 shouldn't have been part of the boundary in the first
20 place. But, all of those are being very, very
21 carefully looked at. Obviously, private applicants
22 have the right to do whatever, but that doesn't mean
23 that we have a right or an obligation to approve it.

24

25

2 COUNCIL MEMBER MENCHACA: I--I guess
3 what--all I'm saying there--that it's not working
4 clearly, and so we're getting a lot of pressure.

5 CARL WEISBROD: I would just say, Council
6 Member, if we--if we're talking about fewer than 50
7 acres in the past 16 months, and almost all of that I
8 would say the vast majority of it was the Astoria
9 Cove project in Queen in an area that had virtually
10 no jobs or very few jobs. I would say so far it is
11 working at least to the extent that you've not seen
12 any significant rezonings for whatever a developer's
13 plans are. [bell] I can't--I--I don't think I can
14 be clearer that we are not anticipating any
15 significant area wide rezonings, and anything else
16 we're looking at, at least in the terms of obvious
17 use on a case-by-case basis, and we're looking at
18 them very carefully. And obviously, they have a very
19 high bar, and we send all of them, and encourage all
20 of these private applications to go speak to their
21 local community, and to their local council members.

22 COUNCIL MEMBER MENCHACA: Second round.
23 I'll come back on--on some of the other pieces.
24 Thank you.

2 CHAIRPERSON GREENFIELD: Council Member
3 Treyger to be followed by Council Member Williams.

4 COUNCIL MEMBER TREYGER: Thank you, Chair
5 Greenfield for holding this very important and timely
6 hearing on the preservations and expansions hopefully
7 of manufacturing and industrial zones. And I was
8 commenting earlier to colleagues that it seems that
9 New York City our biggest manufacturing item seems to
10 be debt, and we need to certainly do much more than
11 that. I want, Chair Weisbrod, you mentioned before
12 something very important. You mentioned that
13 sometimes what one sector is working on isn't always
14 connected to everything else, and I couldn't agree
15 more. And the former educator in me is--compels me
16 to say as we're looking to preserve, which is a
17 critical need, and to expand manufacturing and
18 industrial zones, what are we doing as a city to
19 build capacity here at home to strengthen, build
20 pipelines from our schools to these manufacturing and
21 industrial zones? There are high schools that we
22 have in New York City. Take Grady, for example, in
23 Southern Brooklyn that children supposedly with IEPs
24 are building homes with their hands. But I'm not
25 sure if they're being connected to this emerging and

2 growing enterprise. We see--we hear about areas, and
3 the Commissioners know my--my interest in expanding
4 the culinary field as well. There's--there's a
5 school of food finance in Manhattan, about 400 and so
6 kids. Thousands on the waiting list. They're
7 partnering with 38 restaurants. I'm not sure if
8 there's a clear pipeline that we're creating to these
9 growing and emerging fields. What investments are we
10 making to make sure that as we look to preserve and
11 expand our manufacturing and industrial zones that we
12 are building human capital, that we are investing in
13 the talent in our city to be a part of those jobs
14 today and tomorrow. Because it will be a crying
15 shame that our economic engines become job programs
16 for New Jersey and Long Island and not for New York
17 City's children. So, I'd like to hear just some
18 thoughts about that.

19 CARL WEISBROD: This is really is for
20 Commissioner Torres-Springer so--

21 COMMISSIONER TORRES-SPRINGER: So,
22 Council Member, it's a very important question.
23 We're extremely focused on it. The investment that I
24 mentioned earlier behind an industry partnership
25 surrounding industrial manufacturing really addresses

2 that specific question: How do we ensure that not
3 only are we understanding the skills that are needed
4 by employers to grow the industry, but that we are
5 creating real pathways for New Yorkers, and starting
6 frankly from when they are young in order to access
7 those jobs. So the industry partnerships we're
8 making a commitment to establish that and add more
9 training dollars so that it's not just a matter of
10 fulfilling a job order. It's a matter of building
11 those pipelines. We're going to be bringing together
12 employers, academic institution and service providers
13 to figure out what it really means to make that type
14 of systems change. For sure, it will include better
15 partnerships with CTE schools across the City. It
16 will in other academic institutions, but it starts
17 with really understanding the needs of employers, and
18 not just in a generic way. But really asking them
19 the types of questions that gets us to good answers
20 about the skills that are needed for jobs in
21 industries that are frankly rapidly changing today
22 and into the future. And then, making sure that
23 we're investing training dollars, placement dollars,
24 every dollar really into workforce, into the right
25 types of programs.

2 COUNCIL MEMBER TREYGER: Just a quick
3 follow-up, Chair, and just the--I was very impressed
4 by my visit to the Brooklyn Navy Yard. A very
5 impressive operation. I was also impressed that they
6 are--and this was, I think, through the leadership of
7 I think through Steinhardt students as well. They
8 pushed and they worked with Brooklyn College to get
9 an annex bill to have a graduate film school right
10 there. And that's exactly the types of things we
11 should be looking to do, not just in one part of New
12 York, but everywhere else. To build and expand
13 investment and educational institutions to prepare
14 people for the future. Coney Island was rezoned
15 years ago prior to this administration. I am on a
16 mission to make sure that my constituents and
17 residents in my district are prepared for what's
18 coming on Coney Island because it will be a shame if
19 they're not. And I'll close by just saying the topic
20 of resiliency came up.

21 I am not questioning that there's a need
22 to have a resiliency study to protect certain
23 industrial zones, but I will say--and I'm not clear
24 on who's in charge of resiliency studies whether it's
25 Dan Zarrilli or EDC. That would be great to get some

2 clarity on that. But, my question is there's an
3 absence of a resiliency study in my opinion--in my
4 judgment of the Southern Brooklyn coastline. There
5 is one for the creek, but that's just for the creek
6 by from Canarsie to Sheepshead Bay to Manhattan Beach
7 to the Coney Island shoreline, I'm not aware of any
8 resilient study there to protect the residences and
9 the commercial areas there. And, I'd like to just
10 hear some comments and feedback, and I thank the
11 chair for his patience. [sic]

12 CHAIRPERSON GREENFIELD: [interposing]
13 Thank you, Council Member. We'll turn it over to
14 Council Member Williams. Then we'll start round two.

15 COUNCIL MEMBER WILLIAMS: Thank you so
16 much, Mr. Chair. Thank you for your testimony. I do
17 have an IBZ in my district. It's a wonderful store.
18 I believe it's called the Flatlands or Flatbush IBZ.
19 A shout out to some of them like American Paint,
20 Level [sic] Masonry down to Golden Crust and
21 Entenmann's Bakery. So my--I have a slightly
22 different concern. I definitely want to preserve the
23 jobs across the city. I think I'm not in danger yet
24 of that being taken away, although I want to preserve
25 it. I'm still not clear. Congratulations on the

2 money that you have extra. But I'm still not clear
3 what additional services I should be promoting and my
4 businesses should be getting besides the tax credits.
5 I understand that it should be things--they should be
6 getting extra attention where there's amenities,
7 maybe attention to the streets. None of that has
8 happened. Actually, some of those areas have some of
9 the worst streets that I have in my district. Maybe
10 because of the manufacturing and trucks going on all
11 over it everyday. When we had a--we also had a
12 shelter put in there, and we were trying to make the
13 area a little bit more beautiful, and I believe that
14 some of those things should have been done just by
15 the fact that IBZ was there. So, I'm trying to find
16 out what should they be getting. What kind of
17 attention they should be getting. We have extra
18 money I guess to give extra attention, and I'm not
19 sure that we've gotten the attention that we should
20 be getting before that money was there. So can you
21 please help me out.

22 COMMISSIONER TORRES-SPRINGER: Sure. So
23 the services that our IBSP partners provide there's a
24 range of them. They include access to capital,
25 training funds, helping the businesses navigate

2 government. For those who are interested in selling
3 to government services prepare them for that access
4 to incentives. So that's the--I think the regular
5 set of services that IBSP providers help us deliver
6 on the ground to--to businesses. With the funding,
7 with this additional funding and really from stable
8 funding over the years, what we hope this will enable
9 all of us to do is ensure that businesses in the IBZs
10 and in industrial areas actually know about these
11 services. So part of a study that we did found that
12 there are still too many businesses who don't know
13 about these services. And so, I think we have the
14 opportunity now to do a much better job of making
15 businesses aware of all that I mentioned. Two, if
16 they don't have the capacity to--to apply for these
17 types of services and there's more one-on-one
18 assistance that we can provide. And the third really
19 is to the points earlier about additional needs in
20 these areas be it infrastructure or otherwise, an
21 ability with the relationships with the IBSPs to get
22 more information about what are those things aside
23 what we are already delivering would make for more
24 vibrant, more successful, more thriving areas. And

2 so if there are capital improvements or otherwise,
3 we'd love to hear that information.

4 COUNCIL MEMBER WILLIAMS: So one is good.
5 I don't think most of our businesses there know that
6 they're IBZs. There's one that I could think that's
7 called for services that they probably could have
8 gotten through this if this was in existence. I'm
9 happy to do it, but if there's special services that
10 should be getting to help navigate government, they
11 should know about that. So, there is no additional
12 infrastructure or even beautification that's in place
13 for an IBZ area. It's really just the things you
14 just described? Is that correct?

15 COMMISSIONER TORRES-SPRINGER: As part of
16 the IBSP funding, that is--that is funding in order
17 to deliver these services, which is not to say, and
18 Kyle mentioned earlier that as part of the capital
19 budget that there--there aren't fund that are for
20 these areas. It's not something I can speak to,
21 [bell] but in general what we've tried to do with the
22 executive budget, and in particular the capital
23 budget, is ensure that we are advancing goals that
24 grow resiliency, equity. And, certainly ensuring
25 that industrial areas across the city have--are being

2 given-- We're looking at those areas through those
3 lenses as a real priority.

4 COUNCIL MEMBER WILLIAMS: Mr. Chair, I
5 just want to see if I can get a direct answer on it.
6 Besides the funding you mentioned, are there special-
7 -is there special attention paid by the city in any
8 way when it comes to infrastructure or beautification
9 when it comes to the IBZ areas physically.

10 KYLE KIMBALL: Sure. So, yes, and for
11 example I had spoken about East New York where we're
12 doing some signage and a number of different efforts
13 there. And the IBZ provider themselves have focused
14 on some beautification efforts. So, it somewhat
15 depends on the goals of the IBZ administrator
16 themselves, and they could coordinate capital asks of
17 your office or the city. But I don't believe it's a
18 standard one-size-fits-all policy to focus on
19 beautification within the IBZs. I--I--I could be
20 wrong.

21 COUNCIL MEMBER WILLIAMS: All right, I
22 would love to get--I don't know who the best person
23 is, but when the shelter came in, we had to pull all
24 the agencies together ourselves. And it sounds like
25 something that should have been already available in

2 some fashion. So, if someone can get in touch with
3 my office, I'd love to have a discussion about how to
4 make this work better. If there's a group--is there
5 an IBC person? Like who's the best person to reach
6 out to?

7 KYLE KIMBALL: We can reach out to your
8 office and coordinate it.

9 COUNCIL MEMBER WILLIAMS: Thank you.

10 KYLE KIMBALL: Thank you.

11 CHAIRPERSON GREENFIELD: Thank you, and
12 Council Member Treyger actually did want to just--in
13 answer to his last question, which was are you aware
14 if there are any studies in Southern Brooklyn that
15 are being done on resiliency? And if not, who would
16 be the person to speak to about that?

17 CARL WEISBROD: Yeah, it--it would be Dan
18 Zarrilli in the Office of Resiliency and Recovery.

19 CHAIRPERSON GREENFIELD: Okay, great.
20 Thank you. We're going to set the clock to two
21 minutes now for round two, and just for disclosure
22 there is not round three so make it good. We have a
23 lot of people who want to testify today. We want to
24 make sure that everybody has an opportunity. And
25 first we're going to have up Council Member Reynoso.

2 COUNCIL MEMBER REYNOSO: Okay, it's like
3 a Mike Tyson fight. There's no round three.
4 [laughter] I wanted to ask is there any attempt to
5 increase the opportunity for height within the
6 manufacturing districts outside of residential like
7 commercial and more manufacturing?

8 CARL WEISBROD: You know, I think it's--
9 it is. That's an issue that's come up, and it's an
10 issue that we would look at as part of our North
11 Brooklyn study as there are not just issues of
12 height, but potentially issues of increased FAR. I--
13 I--it--it certainly is--would be part of our study to
14 look at that issue. And I know that just in terms of
15 typology, and Mr. Kimball has talked about this a
16 bit, are there ways of thinking about vertical
17 manufacturing--

18 COUNCIL MEMBER REYNOSO: [interposing]
19 Yes, that's exactly what we're

20 CARL WEISBROD: --and, the other--

21 COUNCIL MEMBER REYNOSO: That's exactly
22 what we're talking about when--it's an opportunity
23 for manufacturers to possibly increase their space--
24 incur--have more income--

25 CARL WEISBROD: [interposing] Yes.

2 COUNCIL MEMBER REYNOSO: --come into
3 their property that brings about ULURP. And I--I
4 don't see that that's been explored so--

5 CARL WEISBROD: I--I think--yeah, I think
6 it's something that as we--as we do an intensive
7 study in North Brooklyn, it's something we'll take a
8 look at.

9 COUNCIL MEMBER REYNOSO: Thank you. Now,
10 two--two of the same questions. One is EDC said they
11 had a report coming out regarding this. I don't know
12 if maybe it was DCP. Someone had a report. We had a
13 hearing just like this before that it was supposed to
14 come out. We've had a hearing just like this, and we
15 were going to talk to council members--

16 CHAIRPERSON GREENFIELD: [interposing]
17 There was never a hearing just like this. [laughter]
18 This is the best hearing ever on this issue. Thank
19 you Council Member.

20 COUNCIL MEMBER REYNOSO: Yes, it was but
21 Council Member Menchaca, Council Member Cornegy and
22 myself feel that, you know, we've proactively
23 advocated for industrial businesses. We're told that
24 we were going to be reached out to by someone, and
25 I've yet to hear about any study and whether or not

2 they want our opinions. And two, the North Brooklyn
3 study is that going to take three years or four years
4 in which the speculation continued to be present?
5 Or, are we going to have a timely report the same way
6 that the City Council did it. Thank you very much.

7 CARL WEISBROD: It will be a timely
8 report.

9 COUNCIL MEMBER REYNOSO: Can you define
10 timely? I'm sorry, is that an opportunity? Is
11 timely--?

12 CARL WEISBROD: [interposing] Let me--

13 COUNCIL MEMBER REYNOSO: Timely in my
14 office is like two days so--

15 CARL WEISBROD: Well, it's not going to
16 be a two-day report, but we're going to--we're going
17 to start--we're going to start it as soon as
18 possible. We'll get back to you on the timing of it.

19 COUNCIL MEMBER REYNOSO: Do you still
20 have time? They're answering a couple of questions?

21 CHAIRPERSON GREENFIELD: We'd be happy to
22 have you answer to some of those questions, if you'd
23 like to.

24 COUNCIL MEMBER REYNOSO: Thank you very
25 much, Chair.

2 CHAIRPERSON GREENFIELD: Any other
3 questions specific?

4 COUNCIL MEMBER REYNOSO: EDC--I think EDC
5 specifically, but it could be more than one had a
6 study that they were doing that they said they were
7 going to reach out to Council Members. But from what
8 I gather--I don't know if Carlos Menchaca has been
9 called. I haven't been called--

10 CHAIRPERSON GREENFIELD: [interposing]
11 So we've asked--we asked before specifically about
12 the study. I'm not sure if you stepped out for it
13 [sic] but we asked before specifically about this
14 study. So I guess the follow-up question to that is
15 to clarify the Council Member's point is as part of
16 the study do you intend on reaching out to council
17 members with manufacturing districts. And if so,
18 when will that occur?

19 CARL WEISBROD: Yes. I mean the answer
20 is yes we will be reaching out to Council Members.

21 CHAIRPERSON GREENFIELD: In a timely
22 fashion?

23 CARL WEISBROD: In a very timely fashion.

24 CHAIRPERSON GREENFIELD: Okay. [laughs]
25

2 CARL WEISBROD: We will--we will be
3 discussing with the council members in North Brooklyn
4 of which there are three, I think, the--this study
5 and scope of it as we do it. And we're very
6 committed to doing it?

7 CHAIRPERSON GREENFIELD: The council
8 member is referring to the broader study, which we
9 discussed before, which was the one that Alicia Glen,
10 the Deputy Mayor referenced last June. And I think
11 that you discussed that you are, in fact, working on
12 I guess we will call that a plan.

13 CARL WEISBROD: [interposing] That's why
14 I don't--I don't think--[sic]

15 CHAIRPERSON GREENFIELD: [interposing]
16 So the exact plan--the request is that you reach out
17 to the council members and--

18 CARL WEISBROD: [interposing] I will have
19 to get back to you on it.

20 CHAIRPERSON GREENFIELD: Okay, great.
21 Thank you very much. Council Member Levin. Two
22 minutes begins now.

23 COUNCIL MEMBER LEVIN: Thank you very
24 much, Mr. Chairman. Mr. Kimball, I just want to ask,
25 in your testimony you referenced the Advanced

2 Manufacturing Network, and you said that the City was
3 going to be investing in state-of-the-art facilities
4 that house high tech equipment. By investing, can
5 you be a bit more specific? Does that mean actual
6 capital allocations, or what do you mean by
7 investing? Is there going to be a budget allocation?
8 Is that reflected in the Executive Budget of FY16?

9 KYLE KIMBALL: It should be reflected.
10 We think it's around \$20 million or so per center.
11 We anticipate about five of them around 30,000 square
12 feet or so around the city.

13 COUNCIL MEMBER LEVIN: Do we have
14 locations for those? That's a--those are FY16
15 allocations?

16 KYLE KIMBALL: I don't know if it's in
17 FY16, but as we--we are looking forward to it being
18 in the budget potentially.

19 COUNCIL MEMBER LEVIN: Is that a capital-
20 -is that a capital--

21 KYLE KIMBALL: [interposing] It would be
22 capital or depending on the location of facility if
23 it's capital, it would need to be expensed then
24 because a lot of these will probably be private

2 locations. But the locations to your question are
3 not identified yet.

4 COUNCIL MEMBER LEVIN: Okay.

5 KYLE KIMBALL: As far as I know.

6 COUNCIL MEMBER LEVIN: So if it's not
7 reflected in the 16's Executive Budget, is it going
8 to be reflected in 16's Adopted Budget? Or, how and
9 when will this be reflected in the budget?

10 KYLE KIMBALL: I think we're hoping that
11 it's in FY16 Adopted

12 COUNCIL MEMBER LEVIN: Okay.

13 KYLE KIMBALL: Yeah.

14 COUNCIL MEMBER LEVIN: And then the other
15 question about is the administration looking at
16 industrial financing for--for companies, small
17 companies, small industrial companies in any type of
18 financing mechanism akin to how HPD does affordable
19 housing? Is that something that's kind of on the
20 table as a way to support affordable space for
21 manufacturing companies?

22 KYLE KIMBALL: The idea of working
23 because, you know, one of the--one of the answers to
24 one of the questions earlier in terms of why we have
25 invested so much in city-owned space is because we do

2 feel like you can move the needle a lot more because
3 we are ourselves in many ways a not-for-profit
4 industrial developer. And we do believe that's an
5 important part of addressing the mathematical
6 questions that everyone is very concerned about in
7 terms of providing more affordable space. So it's
8 certainly one of the options we are considering.

9 COUNCIL MEMBER LEVIN: Okay, and then
10 just lastly, Mr. Chairman, about this study that the
11 Chairman just referenced and asked about before, you
12 know--

13 CHAIRPERSON GREENFIELD: [interposing] I
14 think we're calling it a plan.

15 COUNCIL MEMBER LEVIN: The plan.

16 CHAIRPERSON GREENFIELD: We just secured
17 it from the Northern Brooklyn study, yes.

18 COUNCIL MEMBER LEVIN: All, so okay the
19 plan, you know, it's--we--it's important for--for the
20 industrial business sector to have clarity from the
21 administration from the City so that they know what,
22 you know, what we stand for when it comes to
23 industrial business. Because, you know, we've--I got
24 an--I got an email in my inbox I think yesterday
25 about the one-year anniversary of the housing plan.

2 All right, so that was a year ago. We're almost--
3 we're almost halfway through the term her and if
4 we're going to have a plan, it's really got to be
5 out there and on the table so that there's a little
6 less anxiety. I think we're hearing anxiety from--
7 from industrial business, the industrial businesses
8 that we talk to and the--the representatives of the
9 industrial business sector. They feel anxious about
10 the fact that there is no plan yet. And so, you
11 know, when--when we say we're going to put one out,
12 and then it's like it is, but it's going to be--it's
13 in the hopper. It's--we--I think it's really
14 important for the sector to get more clarity from the
15 administration so that we know the timeline. And
16 when we say it's going to be out in February, it's
17 out in February. If it's not going to be out in
18 February you know why it's not out in February and
19 it's going to be out in June, you know. I mean I
20 think that that just would be helpful for the overall
21 sectors because we're hearing this kind of anxiety
22 and hand wringing about it. And--and it would I
23 think--the more clarity the better so my two cents.

24 CHAIRPERSON GREENFIELD: Thank you,
25 Council Member. Council Member Menchaca.

2 COUNCIL MEMBER MENCHACA: Thank you,
3 Chair, and also where we ended in saying that clearly
4 this is the same thing. It's not working. The
5 current flag we're raising in the air, is that enough
6 to heed the speculation? I want to talk about
7 another challenge that we're seeing on the ground as
8 well including the space for redevelopment for
9 manufacturing districts are sometimes on top of
10 environmentally contaminated areas. So developers
11 come and say, hey, we can't really do anything. The
12 city is not doing anything. There is no major flag
13 they're waving on the commitment to non-city-owned
14 spaces. We've seen a decrease in State funding for
15 this kind of remediation. We are in the Red
16 Hook/Gowanus[sic]Study, for example. There's a lot
17 of work and the same question comes up: Where is the
18 commitment from the city to make these places
19 specifically ground-up manufacturing development
20 happen? What would prevent you from making a major
21 contribution to that question and that issue?

22 CARL WEISBROD: Are you talking about
23 capital investment basically?

24 COUNCIL MEMBER MENCHACA: Investment
25 studies. I mean there's--there's some framework

2 that--that was already in existence that is dwindling
3 from the State. I'm talking about Brownfield
4 Remediation. I'm talking about ways that--that we
5 can get a level playing field for actual
6 redevelopment of manufacturing and not rely on
7 housing an commercial space. Which is what our
8 developers--our billion dollar developers are--are
9 looking at as the option, as the only option for--for
10 development.

11 CARL WEISBROD: I think we have to get
12 back to you on this. We have to get back to you on
13 the Brownfield question. I--I would just say, you
14 know, it's a challenge, a basic fundamental challenge
15 to the city is that really residential development
16 outbids everything in truth and so--

17 COUNCIL MEMBER MENCHACA: Wait, can you
18 say that again? What--what?

19 CARL WEISBROD: Residential development
20 in the city [bell] outbids everything not just
21 manufacturing, but commercial uses as well. And, on
22 the one hand--and--and outbids affordability, too.
23 So we understand on the one hand the need for
24 housing. It's a desperate need, and more
25 specifically, the need for affordable housing. But

2 we also understand that we need to accommodate other
3 uses as well. We are a city that is not only growing
4 people, it's also growing jobs, and we need to be
5 able to accommodate both, or we won't end up
6 accommodating any of the.

7 COUNCIL MEMBER MENCHACA: And the--the
8 final statement on that is the lack of clarity on
9 those challenges that we've just talked about is
10 going to allow for these developers to continue to
11 come back with plans that we're going to say no to,
12 but we need to do this together. Thank you.

13 CHAIRPERSON GREENFIELD: Thank you,
14 Council Member. Council Member Arroyo.

15 COUNCIL MEMBER ARROYO: Thank you, Mr.
16 Chairman. President of EDC, Mr. President. That
17 sounds nice, right? [laughs] I just wanted to give
18 you an update. My office is working with your staff
19 to get more information on the \$150 million
20 designated for the market in Hunts Point, and we are
21 also providing your staff with information about the
22 request that has come into the Council. So, how much
23 is needed to deal with the upgrades at the markets,
24 and how much of that is retrofitting for energy
25 efficiency or reduction in costs for energy? Wait, I

2 only have two minutes. And then, the other question
3 is for both SBS and EDC. Have the advocacy providers
4 been engaged in a conversation in the planning for
5 the plan to help identify the needs and-- They're on
6 the ground. They have some incredible insight that I
7 believe will be very useful to shape this plan in a
8 way that makes sense for us as a city. And how many
9 providers are going to be funded with the \$1.5? How
10 much funding are they going to get because today
11 they're severely underfunded? And this is not
12 because I'm smart. It's because somebody in the
13 audience is texting me this information.

14 KYLE KIMBALL: So I'll do the first
15 question. So the answer to your question in terms of
16 the overall picture, you know, it's certainly in the
17 hundreds--hundreds. It's really--and the reason I'm
18 not getting a very specific answer is not because--

19 COUNCIL MEMBER ARROYO: Hundreds of
20 millions?

21 KYLE KIMBALL: Hundreds of millions of
22 dollars. And the reason I can't give you a specific
23 number is that the interventions that we're talking
24 about in terms of overall redevelopment of produce or

2 meat are not even designed yet. In the last
3 administration the--[bell]

4 COUNCIL MEMBER ARROYO: So you're not in
5 the zone? [sic]

6 KYLE KIMBALL: [interposing] So in other
7 words, the produce market if we--if we end up
8 building a new facility, which--which is what we were
9 considering in the last administration, you know,
10 that will be--that's a facility not even designed
11 yet. And it's--the fundamental question is whether
12 or not it's a--a high cube design, which is one-box,
13 or if it's a redo of the existing five-finger design
14 at the produce market, for example. And that's just
15 something that's not designed yet. In the meat
16 market similarly it's a fundamental question of
17 whether or not you make strategic interventions on
18 specific buildings or whether or not you do a
19 fundamental redo of the meat market. Our approach
20 right now to the meat market is to construct some new
21 facilities, but not necessarily do a complete
22 reconstruction of the meat market. And that's been
23 in collaboration with the tenants there. In the
24 Fulton Fish Market, the--that's a little bit more
25 defined, and that is around a \$10 million project.

2 We--because of disruption that's happening in the
3 fish business model, they are taking--they need less
4 space. And so we are taking back some of the space
5 of their request, and putting up a demising wall
6 inside the building and using the remainder of that
7 facility for other food uses. And that's I think a
8 big relief to the fish market. It reduces their
9 rent, and it gives us the ability to reprogram that
10 space. So again, all of these are in many ways some
11 large interventions that need to be made. Some
12 strategic interventions that need to be made. We
13 believe that over time there will need to be hundreds
14 of millions of dollars invested in the produce
15 markets. We believe this is a good start, but we're
16 also recognizing that, you know, we need to work in
17 partnership with a lot of our different parents
18 around the city and the state and the federal
19 government to--to get these done. Because it is
20 critically important to our food system here in this-
21 -here in the city. And we're also looking at the
22 other parcels in the Hunts Point Markets that are
23 going to your Council Member's point around
24 Brownfield. We are working and making some
25 investments there to clean up some of Brownfields in

2 the Hunts Point Market so that we can actually re-
3 utilize those spaces. We're hoping to sign a lease
4 extension with Falador for them to make an expansion
5 in the Hunts Point Market, and doing a lot of
6 different interventions for beautification to Council
7 Member Williams' question. So in Hunts Point we've
8 got sort of the total package, but at the same time
9 we've got a lot more to do.

10 COUNCIL MEMBER ARROYO: Energy efficiency
11 stuff?

12 KYLE KIMBALL: I'm sorry, yes, and we're
13 also spending I think it's \$25 million or so on
14 energy efficiency upgrades because if in--you know,
15 we realized from our work on the resilience report
16 that if Connecticut Sound had been at high tide
17 versus the East River, it would have been a very
18 different impact on the Bronx, and particularly Hunts
19 Point Food Redistribution System. And so, we are--we
20 want to spend, you know, up to \$150 million or the
21 \$300 million or the \$500 million that eventually gets
22 spent at Hunts Point. It has to be done in a very
23 smart and resilient way so that the Hunts Point
24 markets can bounce back from any--our future of
25 climate change. And so, the investments we're making

2 are also meant to be done in a resilient way so that
3 you have on-site power production, and--and other
4 ways to make the peninsula more resilient.

5 COUNCIL MEMBER ARROYO: It was a-- Not
6 doing that?

7 CHAIRPERSON GREENFIELD: Well, Council
8 Member--

9 COUNCIL MEMBER ARROYO: [interposing] I--
10 I'm waiting for the answer--

11 CHAIRPERSON GREENFIELD: --the final
12 points, please. Yes.

13 COUNCIL MEMBER ARROYO: --and it's part
14 of my question.

15 KYLE KIMBALL: Which is what?

16 CHAIRPERSON GREENFIELD: What is your
17 final answer? Final question?

18 COMMISSIONER TORRES-SPRINGER: It's on
19 the IBSP contracts both in terms of funding and
20 participate--and participation and the plan. In
21 terms of funding, the--for FY16 it's \$1.5 million.
22 Last year, as you might know, it was \$1.4, which is a
23 mix of Administration and Council funding. But we
24 anticipate in the extension that the amounts are
25 likely to be the same. If--we would be happy to work

2 with the City Council to expand the program. If--if
3 the Council chooses to supplement this year's funding
4 for future years for the multi-year contracts, that
5 funding amount--the specific funding amounts again
6 will depend on what the total pot is. But as we
7 figure out the--the specific scope, which will be
8 much like it was before, but adding things that we
9 have heard from the IBSP partners would be more
10 helpful. So that they can deepen their work, which--
11 including better outreach, more marketing, et cetera.
12 In terms of their input into the plan, we have
13 certainly been in communication with all of the IBSPs
14 and we are--it's an open door for me and for my
15 colleagues. But, to the extent that there are
16 specific ideas and feedback, we are all ears.

17 CHAIRPERSON GREENFIELD: Thank you,
18 Council Member Arroyo, and now we'll move onto
19 Council Member Williams. And please don't do what
20 the more experienced council member does where she
21 asks 20 questions in two minutes. [laughs] But
22 synthesize and allow for the answers as well.

23 COUNCIL MEMBER WILLIAMS: Thank you, but
24 I can't make any promises.

2 CHAIRPERSON GREENFIELD: Well, whatever.
3 I expect nothing less from you, Jumaane.

4 COUNCIL MEMBER WILLIAMS: But thank you.
5 Actually, I don't--I don't think I have too many. I
6 am disappointed. I'm--I'm just learning about the
7 IBSPs and I was told who my IBSP is, which is kind of
8 disheartening to me because I'm a council member. I
9 think I have ears to the ground. If I don't know, I
10 know my businesses don't know. That's 100% and I do
11 some--I do a lot of work pulling--bringing some folks
12 together that the IBSP was probably funded to do. So
13 that's a little frustrating for me. I believe I was
14 told by my colleague that my providers is BOC
15 Network, and so I would definitely like more
16 information for them. I don't know what--if they're
17 supposed to be organizing the--the businesses. I'd
18 like to know that, and see how we can get this
19 information out. I still have my question. I
20 wasn't--I wasn't clear on whether or not there is
21 specific funding for things like beautification and
22 capital projects. Is there funding dedicated just
23 for IBZs and manufacturing areas? Or, do that have
24 to be cobbled together per area?

2 COMMISSIONER TORRES-SPRINGER: So, on--on
3 your first point, we'd be more than happy to make
4 sure to convene a meeting with you and members of
5 your team and business outreach centers so you know
6 what the services are. And as I mentioned earlier,
7 that we are together doing a much better job of
8 informing the businesses in your district about that
9 service. It's why we put in place the sustainable,
10 dependable funding to be able to do that in a more
11 robust way. And just to clarify, there is not
12 specific pot of funding for beautification of
13 projects in each of the--in the IBZs. But we are--

14 COUNCIL MEMBER WILLIAM: [interposing] Or
15 capital funding? As part of the capital funding.

16 COMMISSIONER TORRES-SPRINGER: There's no
17 specific pot, but I think as--as the chair mentioned,
18 as we look at all of these neighborhoods, if there
19 are specific needs, it's something that we will--
20 we're more than happy to look at in order to promote
21 the strength of the neighborhood.

22 COUNCIL MEMBER WILLIAM: Okay. [bell]
23 Just for me, I mean I think the tax credits are
24 great. Since I didn't know about BOC Network, I
25 don't even know what they did. I'm sure. I know it

2 looks like we called out a lot of the areas, which I
3 think is good, and we have to try to preserve them.
4 I'm just not sure what--what other services or what
5 other--what we're actually doing. It seems like in
6 my case we just have this nice area, but there's not
7 much attention being paid to it to make it a better
8 place for people to come and work, and to go the
9 distance. So, I'm hoping that we can do much better
10 moving forward on that. Thank you.

11 CHAIRPERSON GREENFIELD: And to add to
12 the second part of your question, Council Member
13 Williams, the President of EDC has promised us that
14 before he leaves he's going to get us an answer about
15 that particular issue, which is to increase
16 investments in non-city-owned industrial areas--

17 KYLE KIMBALL: [interposing] Yeah.

18 CHAIRPERSON GREENFIELD: --and we're
19 looking forward to that information. I have a bunch
20 of more questions, but I'm going to put myself on the
21 two-minute clock as well. So that all--everything is
22 even keel. What's that? The chair--the--the--my
23 colleagues we chair other committees. They say I'm
24 starting a bad precedent here, but there are many,
25 many people to testify, who want to testify. We just

2 want to make sure that we can get to them in a
3 reasonable time. So, I'm curious about this. You
4 know, recent press reports have indicated there's a
5 large trend of industrial companies that are leaving
6 the core parts of the city, especially in places like
7 Brooklyn. They're going to Long Island and New
8 Jersey primarily due to lower real estate costs. At
9 the same time, as the Chair pointed out, there are
10 some areas in the city that have high vacancy rates.
11 Perhaps parts of the Bronx or East New York, or areas
12 like Flatlands and Fairfield. Has there been any
13 thought process of trying to encourage these folks to
14 stay here in the city. And instead of jumping to New
15 Jersey or to Long Island to actually saying, hey,
16 look, we have other areas in the city that are, in
17 fact, vacant. Don't leave. Stick around over here.
18 Maybe we'll provide some sort of small incentive to
19 keep them in the city.

20 KYLE KIMBALL: Yeah, I mean we do have
21 those conversations all the time. They are a
22 company-by-company, case-by-case situation where we
23 are actively trying to find new space for a
24 traditional manufacturer in the city, and either
25 they're- And it's just sometimes there is space, and

2 sometimes there's not. We are working with one right
3 now who is a food manufacturer who is looking to move
4 to New Jersey. It's a family owned company, and the
5 real limitation is the very small amount of USDA
6 approved space for the production of food, and it's a
7 very competitive asset here in the city. And it's--
8 so we are working with them. We have incentives we
9 can give them, but in some cases, you know, it
10 remains to be seen whether or not we're successful.
11 Sometimes we're successful, and sometimes we aren't.

12 CHAIRPERSON GREENFIELD: Is this bill
13 advertised?

14 KYLE KIMBALL: [interposing] The other
15 thing that I--I would say is a lot of times, however,
16 we don't hear from the companies.

17 CHAIRPERSON GREENFIELD: That's what I
18 was just going to--I was just going to ask that
19 question. So is this advertised? Do companies know?
20 How can we get the word out there so companies know.
21 So, before they leave New York City they leave New
22 York City, they can speak to EDC and they may be able
23 to find you an alternative and actually can keep you
24 in New York City. So is there something we can do to
25 get the word out?

2 KYLE KIMBALL: Yeah, one thing I have
3 talked about with a number of the IBSP providers is
4 strengthening--because the incentives and the
5 conversation that we can have with companies in terms
6 of helping them stay and grow in New York City. In
7 many ways our best tools in the infrastructure are
8 the IBSPs who are actually in the--and the IBSP
9 providers who are in the IBZ areas who are talking to
10 companies and understanding. My real concerns are
11 about the companies that are not in IBZs. Those are
12 ones where we have to have someone rely on them to
13 come to us. And sometimes they do, and a lot of
14 times they do and we are able to provide incentives.
15 So I wouldn't say that there are--

16 CHAIRPERSON GREENFIELD: [interposing]
17 So I--

18 KYLE KIMBALL: --that it never works,
19 but--but that is certainly something I could look
20 into. [sic]

21 CHAIRPERSON GREENFIELD: [interposing] I
22 appreciate it. I'd like to recommend two things.
23 One is if you could maybe send a note to the 51
24 council members just to let them know about this kind
25 of work that you do. Many times especially outside

2 of the IBZs, the manufacturers or industrial
3 businesses will come, and will tell a council member,
4 you know, I can't do this any more. I've got to
5 leave, and as you've seen from first hand experience,
6 council members are just not aware of that. So just
7 to have them, and then they could connect them with
8 you. And the second thing I would ask is that some
9 of the providers had mentioned to us before the
10 hearing that they really-- While in some respects
11 cooperation is good with EDC and SBS in other
12 respects they'd like to see that cooperation
13 improved. And so I'd ask that you would at least
14 keep representatives from your respective agencies
15 here for that testimony so that you can have that
16 information, and you can actually work on that.

17 KYLE KIMBALL: Absolutely.

18 CHAIRPERSON GREENFIELD: Great. So, I--I
19 want to thank all of you for coming out here and for
20 testifying today. I think that in the five years
21 I've been in the Council this is the most robust
22 hearing that we've had on--on this topic, and we
23 certainly are grateful. And, we are, in fact,
24 grateful that this administration has take a holistic
25 approach. The Deputy Mayor and you folks who are

2 here today all of you are working together on this
3 same page to try to improve the situation to
4 strengthen the core of industrial and manufacturing
5 businesses. So I don't want you to think that it's--
6 it's all criticism. We certainly appreciate that,
7 and we do very much look forward to both the study
8 and the report, to use the Chair's term, in a timely
9 fashion. And when you've had some updates on what
10 that timing would be, we would certainly be very
11 grateful for that, and we thank all of you for your
12 hard work. And Kyle, we hope to be able to bust your
13 chops at least at a couple more hearings before you
14 formally leave the employ of the City of New York.
15 Thank you.

16 KYLE KIMBALL: Happy to do it.

17 CHAIRPERSON GREENFIELD: Thank you very
18 much.

19 COMMISSIONER TORRES-SPRINGER: Thank you.

20 CHAIRPERSON GREENFIELD: So, we're going
21 to--we're going to now--we're going to actually take
22 a two-minute restroom break for those of you who need
23 it. And I'm just going to announce right now the
24 first panel are going to be panels of small business
25 owners. You can come up and you can adjusted while

2 we're taking this two-minute break and that is Mario
3 Fichera, Jr. from Visual Millworks; Jared Pool from
4 Tri-State Biodiesel; Amy Wong from Sims Municipal
5 Recycling; Liddabit Sweets, Jennifer King. I hope
6 you've all brought some samples, and Kelly Terry from
7 the Point. If you could come up the five of you, and
8 we're going to take a two-minute break and then we'll
9 start at 2:40 p.m. And hopefully, we'll get this all
10 wrapped up before 5 o'clock. Thank you.

11 [pause]

12 SERGEANT-A-ARMS: Ladies and gentlemen,
13 please find a seat at this time. Please find a seat
14 and take all private conversations outside. Thank
15 you.

16 CHAIRPERSON GREENFIELD: Once again,
17 we're going to ask Kelly Terry, Jennifer King, Amy
18 Wong, Jared Pool, Mario Fichera, Jr. to please come
19 up.

20 [background comments, noise]

21 [gavel]

22 SERGEANT-A-ARMS: Quiet.

23 [pause]

24

25

2 CHAIRPERSON GREENFIELD: Okay. So I
3 think we're missing someone. Are you Jared or are
4 you Mario?

5 MARIO FICHERA: I'm Mario.

6 CHAIRPERSON GREENFIELD: You're Mario.
7 Jared had to leave. That's not a problem. Okay, so
8 we're going to—we're going to start off with your
9 panel. We are going to limit your remarks to three
10 minutes a piece, and we are going to limit questions
11 from council members to one question per council
12 member just so that we can keep the hearing flowing
13 relatively quickly. So we'll start from left to
14 right. If you can please introduce yourself and
15 start your testimony. Thank you very much.

16 KELLY TERRY: Okay. Thank you so much.
17 My name is Kelly Terry, and my statement is on behalf
18 of Point Community Development Corporation. We're
19 also a proud member of the New York City
20 Environmental Justice Alliance. I want to thank the
21 Chair and all the council members for drawing
22 attention to this very important issue, as well as
23 thanks to the administration who have announced
24 sweeping investments in the Hunts Point area. Hunts
25 Point is one of the city's six significant maritime

2 industrial areas housing some of our heaviest and
3 noxious uses along with our regional food hub, the
4 second largest FDC in the world. While we often come
5 before you to testify, about ways in which we need to
6 improve our industry, we are always intentional about
7 expressing our need to sustain and support a working
8 waterfront. And we are here once again to sustain
9 solidarity with our sister organization, UPROSE and
10 calling for a just industrial policy in New York
11 City.

12 Hunts Point still remains within one of
13 the poorest congressional districts in the nation.
14 According the Citizens Committee for Children of New
15 York, more than 59% of children coming of age in
16 Hunts Point live in poverty. In the recent
17 affordable housing we must not fall victim to the
18 unintended consequences that come with sacrificing
19 our industrial infrastructure that has historically
20 paved the way out of systemic poverty for generations
21 by creating and providing living wage jobs that
22 nearly double that of retail and service industry.
23 The average annual industrial sector wage is over
24 \$50,000 in contrast to the average retail wage, which
25 is less than 30. And New York City's industrial

2 workforce is also 80% people of color and over 60%
3 foreign born. The industrial sector is growing as
4 well. From 2013 and 2014, the city has added over
5 13,000 industrial jobs, and manufacturing employment
6 grew about 4%. By not committing to a firm and
7 progressive industrial agenda in the face of other
8 development, our city is enabling real estate
9 speculation and displacement of the very people they
10 are intending to help to its equitable development
11 framework.

12 Within areas zoned for industrial uses,
13 even within IBZs, many non-compatible uses are
14 currently allowed as-of-rights. We spoke about them
15 today, hotels, offices, entertainment spaces. These
16 uses support higher land prices than industrial
17 uses. Thus driving land prices up, and
18 manufacturers--manufacturers out of business. To
19 achieve real equity and justice, we know that the
20 strategy to create more affordable housing and
21 livable communities must be linked to preserving and
22 strengthening existing industrial fabric of our city.
23 We are asking the city to modernize the zoning
24 infrastructure to meet modern industrial business
25 needs, to create an industrial opportunity district

2 prohibiting incompatible uses. And increasing
3 allowing densities to support investment in business
4 development and expansion, and in workforce
5 development to encourage job growth and career
6 opportunities. And lastly, to prevent our remaining
7 industrial areas from falling prey to speculation and
8 encroachment. Thank you so much for your time and
9 consideration.

10 CHAIRPERSON GREENFIELD: Thank you,
11 Kelly.

12 JENNIFER KING: All right. Dear Council
13 Members, my name is Jennifer King, and I'm one of the
14 owners of Liddabit Sweets. We started the company in
15 Brooklyn in 2009, and we have just--

16 CHAIRPERSON GREENFIELD: [interposing]
17 Are these established with samples or not? [sic]

18 JENNIFER KING: I can't bring all. You
19 can come over to Industry City and get some samples.

20 CHAIRPERSON GREENFIELD: Okay, we're
21 going to have to visit that. I'm sorry.

22 JENNIFER KING: Yeah, just give us some
23 time. We've just hit our sixth year of business. I
24 am speaking today about an issue that is very
25 important to our company, but also to the city that I

2 live in and love. Manufacturing in the city was
3 never an issue that I thought important until I
4 started the company. Now, it's one of the most
5 important issues to me. I cannot list all the
6 difficulties facing small businesses, although I'm
7 sure you've heard about many. But one of the most
8 difficult facing small businesses is space. Space is
9 vital in New York, and protecting industrial zones in
10 the city will be a key factor for determining whether
11 businesses will grow and stay in New York City or
12 decide to leave. I love manufacturing in the city,
13 but I cannot say that we have not thought about
14 leaving considering the high cost of space and
15 production. Protecting existing industrial zones
16 will encourage business owners to stay. We built out
17 our factory last year in Industry City, and as we
18 grow, I can say that we will not pick areas that are
19 not protected outside of industrial zones.

20 Why? Because encroachment on industrial
21 zones and rent special--special--oh, special--will
22 drive up prices and drive businesses like mine out of
23 the city. This instability discourages any long-term
24 investment our company wants to make in New York City
25 as well as for many of our colleagues. Our company

2 is small, but we employ about 10 people, more in the
3 holiday season. Our employees are the backbone of
4 our company, and we decided early on in establishing
5 our company that paying a living wage and giving sick
6 leave and paid vacation was important to our beliefs.
7 Our employees love the city, and want to stay in the
8 city. Manufacturing jobs give people the opportunity
9 to stay where they are, and to build their
10 communities. As our company grows, we will be hiring
11 and creating more jobs, but more importantly, jobs
12 that will pay a good wage. This is not just a
13 concern for us, but for the many other small
14 businesses that we know, and please help us protect
15 our companies and promote growth in New York City.
16 Thank you.

17 CHAIRPERSON GREENFIELD: Thank you,
18 Jennifer.

19 AMY WONG: Good afternoon, Chairman
20 Greenfield and members of the City Council.

21 CHAIRPERSON GREENFIELD: I don't think we
22 can hear you. Are you sure the microphone is on. If
23 the red button will be active, and then just bring a
24 little bit closer to your props. [sic]

25 AMY WONG: Sorry.

2 CHAIRPERSON GREENFIELD: Thank you.

3 AMY WONG: So good afternoon, again,
4 Chairman Greenfield and members of the City Council.
5 Thank you for the opportunity to testify to day about
6 the importance of maintaining a viable industrial
7 zone within New York City.

8 CHAIRPERSON GREENFIELD: I apologize,
9 Amy. There's construction outside. Would you mind
10 bringing it a little big closer to you.

11 AMY WONG: I did.

12 CHAIRPERSON GREENFIELD: Pull it up.

13 AMY WONG: Is this much better?

14 CHAIRPERSON GREENFIELD: There you go.

15 AMY WONG: All right.

16 CHAIRPERSON GREENFIELD: Thank you.

17 AMY WONG: Better. Thank you. So, Tom
18 Outerbridge, the General Manager for Sims Municipal
19 Recycling cannot be here today. So he asked that I
20 testify on his behalf. My name is Amy Wong and I am
21 the Project Manger for Sims Municipal Recycling.
22 And, for those of you who do not know, Sims Municipal
23 Recycling manages 100% of the metal, glass, plastic
24 and a large portion of the paper generated by New
25 York City residents, and collected by the Department

2 of Sanitation. Sims Metal Management is the scrap
3 metal side of our company, and they handle more than
4 a half million tons per year of privately recycled
5 metal coming out of New York City. We perform these
6 activities at our facilities located in industrial
7 areas of Hunts Point in the Bronx; in Newtown Creek
8 in Queens, and in Sunset Park, Brooklyn. Recycling
9 operations are not optional services. The City
10 requires them in order to function properly. In
11 fact, enacting the ambitious waste management and
12 recycling goals set forth in the new One NYC Plan
13 will require more, not less, industrial scale
14 processing infrastructure. In addition to providing
15 essential services, industrial businesses can bring
16 good paying sustainable blue collar jobs. We more
17 employ more than 120 people at our New York City
18 facilities.

19 Positions range from unskilled laborers
20 to crane operators, welders and mechanics. We pay a
21 decent living wage with full benefits for all of our
22 employees. And, we are proud of the fact that many
23 of our employees are with us for many years, and have
24 worked their way up through positions of increasing
25 responsibility. At Sims, we have put out the world's

2 safest and most responsible recycling company. We go
3 to great lengths to minimize impacts on our neighbors
4 and the environment whether that be in the management
5 of storm water, or maximizing barge movement of
6 material or collaboration with local community
7 organizations. At our Brooklyn facility, we have
8 installed at 500 kilowatt solar ray, and the first
9 commercial scale winter bin [sic] in New York City.
10 Nevertheless, there is no getting around the fact
11 that ours is a heavy industry moving large volumes of
12 bulk material with large machinery. We encourage the
13 city to protect what remains of its industrial areas,
14 and to minimize the potential for conflicts with
15 other incompatible land uses. It is important for
16 maintaining a diverse and resilient economy, and it
17 is critical to keeping vital industries within the
18 city, and retaining some degree of city control over
19 its essential infrastructure. So, thank you again
20 for this opportunity and your attention to this
21 issue.

22 CHAIRPERSON GREENFIELD: Thank you, Amy.
23 Mario.

24 MARIO FICHERA: Good afternoon, Mr.
25 Chairman and members of the City Council. My name is

2 Mario Fichera. I am the Chief Operating Officer of
3 Visual Millwork and Fixture Corp. We established
4 ourselves in the city in 1934 by my grandfather. We
5 are a company that has mixed trades from welding to
6 carpentry to glass fabrication and plastic
7 fabrication. We employ roughly 50 people. Our wage
8 scale runs anywhere from \$10 for an apprentice to \$40
9 for a well skilled benchman. We're a union facility,
10 and we have found that over the years that barriers
11 of doing business [coughs] within the city has become
12 more and more difficult. As manufacturing sectors
13 within the city shrink, the ability to do business,
14 to move around, to get cargo in and out has become
15 almost impossible. Last year alone, we suffered and
16 paid in excess of \$30,000 in ridiculous summonses,
17 okay, and issues that no one else within this country
18 deals with. We are the most over-regulated, over-
19 watched and over-publicized in the entire country.
20 What I would like to see from this administration and
21 from the board is to help manufacturers move in a way
22 that they can be progressive, and they can be
23 competitive with the rest of the country. It's one
24 thing to talk about, you space, and how space is
25 going to be allocated and how it's going to be

2 maintained. It's another on how are we going to help
3 them be competitive. I to date in listening to some
4 of the conversations that we've had previously and
5 some of the testimony, I have never heard of anybody
6 having any discussion about companies and retentions,
7 you know, on how we're going to keep them, you know,
8 in our city. I thought that was one of the best
9 questions I've heard. But no one has ever approached
10 my business, okay, and talked about retention. To
11 grow in this city, you know, with the cost that
12 surround us and manufacture and be competitive with
13 the rest of the nation, I don't see how we can
14 accomplish that here. That's one of the biggest
15 things that we face.

16 CHAIRPERSON GREENFIELD: Thank you, very
17 much. We appreciate. I just want to point out that
18 while the Chair of City Planning and the President of
19 EDC and the Commissioner of SBS had to leave, they do
20 have senior representatives who are here. Can you
21 pick up your hands to just let folks know that you
22 are here. It looks like a representative from the
23 Mayor's Office. You picked your hand up, too. Thank
24 you very much. I just wanted people in the audience
25 to know that these testimonies are, in fact, being

2 heard not just by us, but by the appropriate agencies
3 and the Mayor's Office as well. I want to thank all
4 of you for your testimony. This is very helpful. I
5 think the point that you bring up, Mario, is a
6 separate point, which we should look at, which has to
7 do with the regulatory effects and the fines and fees
8 on small businesses in New York City. And we'd love
9 to have you follow up with my office to give us some
10 more feedback and information on that. It's not the
11 focus of this hearing, but it's something that we are
12 very concerned about in the City Council. And, I
13 want to thank all of you for your testimony. It was
14 very helpful, and we're going to ask you now to step
15 down, and we're going to ask representatives from two
16 elected officials to please join us. Daniel Wiley
17 from Congress Member Nydia Valazquez's Office and
18 Anthony Drummond from the Brooklyn Borough President
19 Eric Adams' Office. Thank you.

20 [pause, background noise]

21 DANIEL WILEY: [off mic] Thank you. Turn
22 on the button.

23 CHAIRPERSON GREENFIELD: Just if the red
24 button is glowing, that's how you know we can hear
25 you. Thank you. Whenever you're ready.

2 DANIEL WILEY: [off mic] Hello.

3 CHAIRPERSON GREENFIELD: It's still not
4 glowing.

5 DANIEL WILEY: Hello.

6 CHAIRPERSON GREENFIELD: There it is.

7 There it is. Okay. Thank you Chairman
8 Greenfield and Council Members Menchaca, Reynoso, and
9 Arroyo. Thank you for your fortitude in sticking it
10 through the end here. Congresswoman Velazquez wanted
11 to express her thanks to the City Council and its
12 Land Use Committee for doing such a great report.
13 For nearly two centuries manufacturing has been a
14 cornerstone of our economy, and we must continue to
15 build on this. With all the talk about the decline
16 of U.S. manufacturing, the truth may be lost on many.
17 The United States remains the world's largest
18 manufacturing economy. Here in New York City from
19 2010 to 2014, the industrial sector finally halted
20 its decades long decline. For this reason, we must
21 make promoting manufacturing a national, as well as
22 local priority, not an afterthought. This especially
23 holds true for New York where manufacturers are
24 looking to start up and expand. I've done a lot of
25 editing here to save people time. So these

2 manufacturers provide an important source of living
3 wage employment for communities across my district
4 including the neighborhoods of Woodhaven and
5 Ridgewood, Queens, Bushwick, Cypress Hills and East
6 New York and Sunset Park in Brooklyn. I applaud your
7 efforts to find ways of strengthening the industrial
8 business zones, and I commend Mayor Bill de Blasio
9 for providing funding for the City's industrial
10 business service providers. As well, my colleague
11 Congressman Gerald Nadler has worked to initiative
12 the Cross Harbor Freight Movement Study, which is
13 currently underway. And I want to point out the
14 importance of the Sunset Park Industrial Business
15 Zone as part of that operation. Port operations with
16 better rail and water connections in a distributed
17 network can reduce truck congestion, and improve the
18 environment and spur job growth. That's why I'm
19 working closely with my colleagues, Councilman Carlos
20 Menchaca and Congressman Nadler, and the
21 administration on the future of the South Brooklyn
22 Marine Terminal. We've also brought Federal Building
23 No. 2 into local use for 85% manufacturing jobs in
24 Liberty View, which is how it was rebranded. And I
25 would point out that that is memorialized in a deed

2 restriction. Sunset Park was the first industrial
3 waterfront--was the first industrial park in the
4 country integrating peers, roads, rail, multi-story
5 buildings and beehive of economic activity. That
6 infrastructure still exists there [bell], and it can
7 spur manufacturing job growth.

8 CHAIRPERSON GREENFIELD: Thank you,
9 Daniel. If you can just wrap that up, please.

10 DANIEL WILEY: Okay. Lastly, I would say
11 that in addition to making our industrial business
12 zones more productive, we also have to work with
13 local groups that are working on climate change to
14 make sure that they're resilient. They're here
15 today, and you'll be hearing more from them and the
16 New York City Environmental Justice Alliance, UPROSE,
17 and the Coalition to Protect Our Working Waterfront.
18 And also, Community Board 7 is here, and
19 Congresswoman supports everyone's efforts in this
20 regard. Thank you.

21 CHAIRPERSON GREENFIELD: Thank you,
22 Daniel. Anthony, it's all yours.

23 ANTHONY DRUMMOND: All right. Thank you
24 very much, Mr. Chair and members of the Council. My
25 name is Anthony Drummond, and I'm representing

2 Brooklyn Borough President Eric Adams, and I will be
3 reading his testimony for the record. As the
4 innovation economy grows globally and locally we need
5 to determine how to best nurture and enhance this
6 manufacturing based economy to drive growth. There
7 are five factors to consider as we look to redevelop
8 the areas where this economy thrives, the industrial
9 land uses. First, we must better prepare the local
10 workforce. To truly benefit the people of Brooklyn
11 and New York City, it is imperative that we prepare
12 them to participate in this new economy. This will
13 require an increase in STEM education in public
14 schools, renew and focus--renewing a focus on trades
15 schools and working with the private sector to
16 establish local job centers that offer training and
17 job placement. Given that these jobs pay 30% to 50%
18 more than their service sector counterparts and offer
19 greater wage mobility, this could make the difference
20 between a maker bubble and a maker movement.

21 Secondly, if industry and local
22 communities don't rise together, neither will truly
23 rise at all. This means we need to create an
24 environment hospitable to workers with limited retail
25 space as well as allocate space to academic

2 institutions that can benefit from proximity to an
3 innovative industrial sector, and will in turn
4 benefit local communities. This phase of
5 manufacturing has changed radically. So there is no
6 reason why zoning for manufacturing cannot also adapt
7 in a manner that is safe and responsible.

8 Thirdly, we must recognize that for many
9 emerging companies, the greatest barrier to economic
10 development and job creation is reliable and
11 affordable web connectivity. The infrastructure is
12 wholly inadequate or simply does not exist in many of
13 the waterfront communities we are targeting to grow
14 as well as similar in the neighborhoods like
15 Brownsville and East New York. Our city's broadband
16 and Wifi providers both big and small need to
17 expedite plans to bring all of our communities up to
18 speed. Further, the success of these communities
19 depends on affordable and worker housing near, but
20 not in these industrial zones. Our communities
21 around industrial zones have long been working-class
22 neighborhoods. We need to grow our options for
23 affordable and worker housing in these areas so
24 current residents can stay, and people moving for
25 jobs can find a place to live that is within the

2 budget. Finally, must--must--finally, more must be
3 done to do connect the workforce to these
4 manufacturing zones; better access to transportation;
5 Select Bus Services; ferry service, full build-out of
6 Bus Rapid Transit, as well as safer ways to bike and
7 walk to work is needed to ensure that workers at that
8 these new manufacturing businesses can commute
9 affordably, safely and quickly

10 CHAIRPERSON GREENFIELD: If you could
11 please wrap up your testimony.

12 ANTHONY DRUMMOND: I will just end it
13 right there.

14 CHAIRPERSON GREENFIELD: That's perfect.
15 Thank you very much, Anthony.

16 ANTHONY DRUMMOND: Uh-huh.

17 CHAIRPERSON GREENFIELD: I'm going to
18 turn it over to Council Member Menchaca. I'm sure he
19 wants to say something to the good Congress Member.
20 Council Member.

21 COUNCIL MEMBER MENCHACA: Thank you,
22 Chair. And I want to thank both the borough
23 president and the Congresswoman and the Congressman
24 for being such steadfast supporters. We know that
25 Land Use is a City Council issue, but this is all a

2 collective--a real collective effort on so many
3 levels--in so many ways. And Dan, I'll ask you a
4 quick question about--about the testimony, and you've
5 heard the testimony from the Administration, and how
6 important it is for this illusive timeline to get
7 shortened. How important is it from your perspective
8 that the flag gets waved in the way that it gets
9 waved to usher in a whole new way of thinking about
10 it and supporting our industrial business zones?

11 DAN WILEY: Well, I think--I think one of
12 the things she's most concerned about is that
13 manufacturing can't compete with residential use
14 changes where profit rules the day. And, you know, I
15 can assure you that the pressures do exist on places
16 where some say that they currently don't exist
17 because of all of the very ambitious initiatives that
18 the Administration is pushing. They're initiatives,
19 but they are going to bring pressures.

20 COUNCIL MEMBER MENCHACA: Well said.
21 Thank you.

22 CHAIRPERSON GREENFIELD: Thank you very
23 much and we'll thank this panel and thank you to the
24 borough president and the Congress member for their
25 support. We appreciate it.

2 ANTHONY DRUMMOND: Thank you.

3 DAN WILEY: Thank you.

4 CHAIRPERSON GREENFIELD: We're pulling
5 out a panel of advocates, and we're going to have a
6 panel of folks who are in the development community.
7 Then we're going to hear from some of the IBZs and
8 academics. So our next panel of advocates, we're
9 going to start with Juan Camilo Osorio, New York City
10 Environmental Justice Alliance. Evaletto [sp?]
11 Trinidad, I believe from El Puente; Adam Friedman
12 from Pratt; Mercedes Narciso from Pratt and Angel
13 Martinez from the Teamsters Joint Council 16. If you
14 could please join us and have a seat at the table.
15 And, if necessary, the sergeant will add an
16 additional chair because I think we called five
17 people, but I'm not sure that they're all here.

18 JUAN CAMILO OSORIO: This is the
19 testimony.

20 CHAIRPERSON GREENFIELD: Give your copies
21 of your testimony to the Sergeant-at-Arms, and he
22 will distribute it to us here. Thank you. So we're
23 going--we see Naches on the right. So we're going to
24 have you start first. If you could just please say
25

2 your name, and then your testimony, and please limit
3 your remarks to three minutes. Thank you.

4 JUAN CAMILO OSORIO: Thank you very much
5 for the opportunity of participating in this
6 important conversation. My name is Juan Camilo
7 Osorio and I'm here to testify on behalf of the New
8 York City Environmental Justice Alliance. Founded in
9 1991, NYC-EJA is a non-profit citywide membership
10 network linking grassroots organizations from low-
11 income neighborhoods and communities of color in
12 their struggle for environmental justice. We have
13 submitted a number of testimony, which I'm going to
14 summarize as follows: EJA has been a leader in
15 advocating for innovative strategies to build climate
16 resilient industrial waterfront neighborhoods while
17 protecting local industrial jobs, businesses, and the
18 communities surround them.

19 Our Waterfront Justice Project campaign
20 has resulted in updated waterfront regulations
21 improving the sustainability and resilience of the
22 significant maritime and industrial areas. Where we
23 have consistently emphasized the need for resources
24 to help local industrial businesses adapt to climate
25 change. Industrial waterfront neighborhoods are

2 being threatened by potential rezoning--zoning
3 changes that can lead to speculation and large scale
4 displacement of local jobs in low-income and
5 communities of color. North Brooklyn is an example
6 of the impact of such rezoning actions wherein 2010
7 the Latino population dropped 20% from 2000 in areas
8 adjacent to the waterfront with certain census tracts
9 losing up to 40%. All this triggered by zoning
10 changes to allow residential uses. New York City
11 needs a diverse economy that supports low-income
12 families protecting them from displacement pressures
13 created by gentrification.

14 Local industrial businesses are a
15 critical source of stable employment for those who
16 help--for those who depend on living wage jobs. But
17 in order to materialize the Mayor's commitment to
18 addressing inequality, the City needs to create and
19 materialize a comprehensive citywide industrial
20 policy prioritizing the needs of blue collar working
21 communities over real estate interests. The city
22 must also assess the needs of capacity--and capacity
23 of local industrial businesses to achieve cleaner and
24 safer industrial operations where both our workforce
25 and local industrial companies require a long-term

2 technical and financial commitment from the city to
3 be able to stay, keep growing and excel. We support
4 principles for industrial development and climate
5 resilience developed by our member organization
6 UPROSE for Sunset Park's Industrial Waterfront. And
7 highly encourage you to require the city to:

8 1. Ensure community control over
9 infrastructure and planning projects.

10 2. Protect the economic needs of long-
11 time residents, workers and businesses.

12 3. Expand blue collar and union career
13 track jobs.

14 4. Promote the development of maritime
15 dependent uses in our working water fronts and the
16 development of rail dependent uses in inland
17 manufacturing zones.

18 5. Protect land zoned for manufacturing;
19 and finally.

20 6. Incorporate climate adaptation and
21 resiliency building in New York City's industrial
22 development and operations.

23 NYC-EJA commends the City Council
24 Committee on Land Use for holding this important
25 oversight hearing, and we would welcome any

2 opportunities to discuss these issues in more detail.

3 Thank you. [bell]

4 CHAIRPERSON GREENFIELD: Thank you, and
5 thank you for staying within the three minutes.

6 Who's next?

7 ADAM FRIEDMAN: That was fabulous.

8 CHAIRPERSON GREENFIELD: It's a high bar.

9 No stress.

10 ADAM FRIEDMAN: It's a high bar. I'm
11 going to do my best. I'm Adam Friedman from the
12 Pratt Center. I'm going to whip through the Power
13 Point presentation that you have entitled *Building*
14 *Equity: New Land Use Tools for Housing and Jobs*.
15 And a I want to just start off by trying to answer
16 the Chair's question, which was addressed to EDC,
17 about you hear from companies all the time that are
18 getting squeezed out. Then you hear from City
19 Planning there's all this vacant land. So what's
20 going on? What's the schism there. I think the
21 answer is that the companies know what's going on in
22 the market, and they don't believe that area is going
23 to stay industrial. So, they're not going to invest
24 by moving there without knowing they don't have to
25 move again in five years. I was at a meeting at the

2 garment center last week in which the city to its
3 credit was pitching a relocation to Brooklyn. And
4 the contractors are saying we don't want to move
5 unless you can guarantee that the area is not going
6 to be rezoned or gentrified.

7 So, what is to be done about that? I
8 think that's the industrial employment districts
9 because they clearly signal to the market, to the
10 business owners and to the land owners what's going
11 to happen there, and they can price their property
12 accordingly. So, the first page manufacturing
13 provides good jobs. You've heard enough of this.
14 This is what the wages look like. This is the
15 coalition that's building around it. Let's go to the
16 next one because that's really the important one
17 about why affordable housing, the nexus between
18 affordable housing and wages. We all support the
19 Mayor's goals of creating more affordable housing.
20 But affordability really turns on two things. It's
21 what does the unit cost to build, and what are the
22 wages that the renter has to pay for that. And
23 different jobs have different wages, and this chart
24 analyzes how much a household that earns an
25 industrial wage has for housing costs versus how much

2 somebody in retailing has for housing costs. And if
3 you figure 30% of your income goes to rent, it shows
4 you the difference in what can be afforded and how
5 much more the city would have to subsidize the
6 household of the industry--of the retail wage earner.
7 When you figure it all out, and you do all the math,
8 it equals about \$100,000 per unit in additional
9 capital expense that the city would incur for
10 subsidizing the household of a retailer, and the next
11 page just gives you the details on that. You know,
12 why it turns out to be over \$100,000 more than the
13 industrial household can afford.

14 So let's go to what is page 4. Current M
15 Zoning is Inadequate. This is, I think the same
16 thinking behind the industrial and employment
17 districts that these non-industrial uses are
18 encroaching on the industrial areas, and essentially
19 gentrifying them and causing displacement.
20 Yesterday, the Furman Center released a study
21 concluding that 23% of the square footage of
22 industrial space had been lost just within the past
23 ten years. And there was a lot of debate that you
24 had earlier on that point. The next slide shows
25 [bell] some of the--an example--

2 CHAIRPERSON GREENFIELD: [interposing]

3 Since you made those fancy colored slides, we're
4 going to give you an extra two minutes, but please--

5 ADAM FRIEDMAN: [interposing] Excellent.

6 Thank you.

7 CHAIRPERSON GREENFIELD: --try to wrap it
8 up. Thank you.

9 ADAM FRIEDMAN: This is--this is part of
10 the North Brooklyn IBZ and it shows all the non-
11 industrial uses that are now cause displacement. And
12 imagine for a moment that you're a business there,
13 you're an industrial business, and you see the hotels
14 going up around you. You stop investing. You're not
15 going to buy new equipment because you think you're
16 out of there. And it triggers a spiral of
17 disinvestment, which leads to job loss. The next
18 page is just before and after a 10-year period to
19 show you what happened in that same area, and give
20 you an idea of on the ground what it looks like, what
21 it feels like the increase in commercial and non-
22 industrial uses. The next slide is about the current
23 MX zoning, and there was a lot of discussion about
24 mixed-use zones. This is one happened in one of the
25 North Brooklyn MXs. There's a significant increase

2 in housing, and 71% of the industrial jobs
3 disappeared. And what I heard the city saying, which
4 was not responsive I think to your questions about
5 the industrial employment districts was M2 and M3
6 areas, which are very intense industrial areas. And
7 where the city needs a parking lot or an asphalt
8 plant, that's where we'll preserve solid industrial
9 areas. Everything else is kind of being looked at
10 for mixed use, and I think that's very problematic,
11 and kind of the antithesis of the ID Proposal.

12 So, just to wrap up, we're strongly
13 supportive of the Council's Industrial Employment
14 District Proposal. We think it would encourage re-
15 investment and job creation because it encourages
16 security, and that's what companies need. And I
17 would increase density there, and the discussion
18 about financing tools should all be applied there to
19 have healthy vibrant industrial areas. Thank you.

20 CHAIRPERSON GREENFIELD: Thank you.

21 Thank you, Council members for this
22 opportunity to provide testimony today for this
23 important issue for the city. My name is Mercedes
24 Narciso, and I am an Architect and an Urban Planner.
25 I'm a member of the Collective for Community Culture

2 and the Environment, CCCE, which is a coalition of
3 women professionals that work together in an
4 interdisciplinary way on projects that further
5 economic resilience, cultural diversity, social
6 justice and environmental sustainability. I am also
7 an adjunct professor of Urban Planning at Pratt
8 Institute for the Planning Program, and a member of
9 the Board of Directors of UPROSE. I'm here to plead
10 for innovative policies and the stronger government
11 commitments to support the needs of industrial
12 businesses, workers and their communities.

13 Back in 2001, I was fortunate to have
14 worked as a Project Manager for the Pratt Center in
15 the preparation of a report called *Making It In New*
16 *York: The Manufacturing, Land Use and Zoning*
17 *Initiative*. And today I have to say that despite all
18 efforts cores issues then are the same issues now.
19 And I'm going to be very broad, and I'm going to be
20 very redundant in telling you the issues that you
21 have heard today over and over again, but why do we
22 need industrial land use policies? Because it's part
23 of the absence of a strong industrial policy for the
24 long forecasted demise of the industrial sector.
25 This sector not only has been resilient, but it has

1 also increased--added some jobs in the past year. I
2 mean many jobs. Because wages in the industrial
3 sector are better paid than in the retail sector,
4 though this contributes to decreasing income and
5 equality. Because jobs in the industrial sector for
6 a large number of people of color and foreign born,
7 this contributes to providing equal opportunity for
8 all New Yorkers. And because current industrial land
9 use policy is weak and favor market forces over
10 supporting and more equitable economy. So what are
11 the challenges? The rezoning of industrial land use,
12 residential--and residential MX districts have
13 replaced industrial businesses. Current zoning
14 regulations even in presumably industrial havens such
15 as IBZs, and the special American industrial area
16 allowed a large number of industrial uses as a right.
17 Thus, driving land prices up, and industrial
18 businesses out in the area under strong market
19 pressures. Most of manufacturing and the industrial
20 businesses and small and are tenants. And
21 environmental performance standard regulations, which
22 could contribute to increasing the symbiosis between
23 industries and neighborhoods is outdate, and the city
24

2 is unprepared for the impending impacts of climate
3 change.

4 So what the city needs to do, the city
5 needs proactive industry policies that integrate land
6 use strategies to overall economic development
7 policies seeking to be a more equitable development
8 and economy, and better zoning regulations to meet
9 current industrial business needs and environmental
10 challenges. Providing land stability needed for
11 industrial business growth to protect and support the
12 permanence and expansion of industrial business
13 tenants. And ensure accountability, enforcement and
14 oversight. Thank you.

15 CHAIRPERSON GREENFIELD: Thank you,
16 Mercedes. Angel, it's all yours.

17 ANGEL MARTINEZ: Hello, my name is Angel
18 Martinez. I'm a business agent and organizer from
19 Teamsters Local 812, and I'm here today on behalf of
20 Teamsters Joint Council 16, which represents thousand
21 of members working in industrial zones throughout New
22 York City. I want to start by thanking Committee
23 Chair David Greenfield and the City Council for
24 examining this important issue. New York's
25 industrial business zones are home to hundreds of

2 employers creating and building the city's blue
3 collar middle-class jobs. For the Teamsters alone,
4 there are thousands of jobs throughout New York City
5 that are located in the industrial and rely on the
6 areas like this to survive. Teamsters' manufacturers
7 employers include companies that are private
8 sanitation yards, concrete facilities, heating oil
9 companies, wholesale food, beverage and liquor
10 companies, pharmaceutical housing and air freight
11 trucking depots. These are just a sample of the
12 industry that Teamsters' Joint Council 16 represents
13 in the industrial sector. The Teamsters appreciates
14 Mayor de Blasio's recent policy developments that
15 recognizes environmental sustainability. It means
16 also protecting local industrial infrastructure.
17 Hunts Point Market, for example, is highlighted in
18 the Mayor's One New York City Report. They are one
19 of the largest food distribution centers in the
20 world, and in One NYC, the Mayor recognized the
21 importance of modernizing and upgrading Hunts Point
22 to create space for food and retailers, and
23 wholesalers serving the city while employing
24 thousands of teamster vendors.

2 The City Council's Report on Industrial
3 Land Use and Zoning Policy proposed the creation of
4 industrial employment districts to further strengthen
5 industrial zones. The creation of a special district
6 would protect these workers and ensure their
7 employers are protected as well as from being pushed
8 out or forced to relocate. Additionally, it would
9 add a special permit requirement for the incompatible
10 commercial and community facility uses such as large
11 retail, large offices that are unaffiliated with
12 industrial uses, hotels, bars, entertainment,
13 athletic venues and self-storage facilities. We need
14 to strongly protect manufacturing districts and the
15 Teamsters welcome new ideas and opportunities to do
16 so. Industrial zones are critically important to New
17 York City, not only for the products they provide but
18 also for the jobs they create. We look forward to
19 working with the Administration and the New York City
20 Council to further protect industrial zones and the
21 companies and the workers that rely on them. Thank
22 you for your consideration, and I'd just like to add
23 one word on this. Whatever doesn't help but hurts a
24 Teamster job should be a crime.

2 CHAIRPERSON GREENFIELD: All right, we
3 appreciate that.

4 ANGEL MARTINEZ: Thank you.

5 CHAIRPERSON GREENFIELD: Thank you very
6 much, Angel. I'll turn it over to Council Member
7 Menchaca.

8 COUNCIL MEMBER MANCHACA: Thank you,
9 Chair and thank you all for testifying today. I know
10 that we were on the steps earlier really advocating
11 as a community and coalition, and it's great to see
12 labor and all the organizations here that have been
13 fighting for such a long time for this moment. In a
14 lot of ways, we're at this crux of a--of a--of a
15 moment in our city, and it's going to require all
16 these sectors to come together with one voice, and
17 you did it today brilliantly. So I just want to say
18 thank you.

19 ANGEL MARTINEZ: Thank you.

20 CHAIRPERSON GREENFIELD: I want to thank
21 all the panelists. That was very informative and
22 certainly very helpful, and we obviously can use that
23 information going forward as we continue to advocate
24 on behalf of the industrial zones and areas in our
25 city. Thank you very much.

2 ANGEL MARTINEZ: Thank you.

3 CHAIRPERSON GREENFIELD: You are now
4 dismissed. I'm going to call up the next panel.

5 This is a panel of folks in the development and other
6 related communities, Adriana Scotti from the Brooklyn
7 Chamber of Commerce; Toby Moskovits, Chris Havens,
8 Andrew Kimball from Industry City, and Brian Coleman
9 from Greenpoint Manufacturing and Design Center.

10 [background comments and noise]

11 CHAIRPERSON GREENFIELD: Please give the
12 testimonies, if you have it to the Sergeant-at-Arms
13 who will distribute it to the Council Members. Then,
14 whenever you're ready, we can start from right to
15 left. I'm going to presume that you're Adriana
16 Scottie, and please bring the mic forward to make
17 sure the red light is on. Thank you.

18 ADRIANA SCOTTI: Can you hear me now.

19 CHAIRPERSON GREENFIELD: I can indeed.

20 ADRIANA SCOTTI: [laughs] Good
21 afternoon, Chair Greenfield and members of the City
22 Council and Committee on Land Use and guests. I'm
23 Adriana Scotti. I'm the Director of Industrial
24 Policy and Development at Brooklyn Chamber of
25 Commerce. We're a membership based business

1 assistance organization representing the interests of
2 over 2,100 member businesses. The Brooklyn Alliance
3 is a not-for-profit economic development organization
4 of the Chamber, which works to address the needs of
5 small businesses through direct assistance programs.
6 We applaud the New York City Council Committee on
7 Lands use for convening this oversight hearing that
8 seeks to discuss these challenges and opportunities
9 surrounding industrial land use. The question as to
10 why we need to preserve and protect our industrial
11 areas has become increasingly clear in recent years
12 especially in the context of jobs and opportunity for
13 advancement at that the sector offers. The creation
14 of high quality good paying private sector jobs in
15 New York City is going to depend on the growth--the
16 growth of our innovation economy, which now has come
17 to encompass a new age of manufacturing in Brooklyn.
18 A rapidly growing number of companies and
19 entrepreneurs are interested in making things here in
20 New York and they needs this space to grow and
21 thrive. So many regulations often undermine
22 manufacturing businesses and prevent the growth of
23 such businesses leading to the under-utilization or
24 warehousing of property for future investment. Many
25

2 of the neighborhoods throughout the five boroughs
3 that house the city's manufacturing hubs are being
4 considered for rezoning. So, we think it is
5 particularly timely to continue this conversation on
6 innovative land use and zoning tools to better
7 support this sector. So, in order to preserve
8 industrial manufacturing zones, there are a number of
9 strategies that can be implemented in the rezoning
10 and land use modifications to protect this sector
11 while keeping up with demands of today's real estate
12 market will serve to further preserve manufacturing
13 area--areas. The recent report public by New York
14 City Council *Industrial Land Use* proposes some of
15 these unique strategies that we think are needed.
16 The addition of a creative econ--economy district--
17 sorry--would be particularly effective in Brooklyn as
18 our economic growth as of late can be largely
19 attributed to an influx of new and creative firms and
20 the technology media and design sectors. All of
21 which often support some level of traditional or
22 advanced manufacturing. These mixed-use areas could
23 be particularly effective in places where retail and
24 economic uses could support the growth of the
25 innovation economy in large multi-story buildings

2 that have been vacant or currently house storage with
3 few jobs. The designation of industrial employment
4 districts to already existing manufacturing hubs
5 would be tremendously beneficial to existing
6 manufacturing spaces in Brooklyn including Industry
7 City, the Navy Yard, Liberty View Industrial Plaza
8 and the former Pfizer factory. Some of our
9 strategies have already been successful and
10 implemented in other major cities, which are San
11 Francisco, Atlanta, Chicago, Minneapolis were density
12 bonuses LEED restrictions have been implemented to
13 enhance these employment districts and encourage
14 preservation of jobs, creating an additional level of
15 regulator enforcement as well as attractive
16 environment for investment. However, based on
17 ongoing discussions and feedback with stakeholders
18 across the manufacturing sector, it is also clear
19 that in order to preserve and protect existing
20 manufacturing firms we need to enhance and fortify
21 the ecosystem that supports these firms. This
22 includes support for industrial providers, the
23 protection of incentive programs to offset the high
24 cost of operating here, and the continuous
25 improvement of infrastructure and amenities in the

2 manufacturing areas. The renewal rate, the
3 Relocation and Employment and Assistance Program is
4 especially important in this regard. So I conclude
5 by saying that the Council's Report is a good starting
6 point for a conversation on how zoning and land use
7 tools could better support the sector. And it is
8 crucial that we continue this conversation while
9 engaging stakeholders in this room at all level.
10 [bell] Thank you again.

11 CHAIRPERSON GREENFIELD: Thank you.
12 Andrew.

13 ANDREW KIMBALL: Thank you. Chairman
14 Greenfield, Council Members Menchaca and Arroyo,
15 distinguisher other Council members my name is Andrew
16 Kimball, and for ten years I've worked to transform
17 long under-performing industrial campuses on the
18 Brooklyn Waterfront bringing back good paying
19 manufacturing jobs in various industries. For eight
20 years I was CEO of the publicly owned Brooklyn Navy
21 Yard, and now play the same role at the privately
22 owned Industry City in Sunset Park. I am very
23 optimistic about the future of industrial policy in
24 New York City for three reasons. One, Strong
25 consensus that's emerging between the Administration

2 and the Council that we need to create good paying
3 manufacturing and industrial jobs here to strengthen
4 our communities and create pathways to the middle
5 class. Second, the rapid emergence of modern
6 manufacturing what is now commonly known as the
7 innovation economy, and the urgent need to support
8 the space needs of this sector that's so critical to
9 the city's future.

10 And three, the recognition that not one
11 size fits all when it comes to industrial zoning.
12 There must be a range of zoning strategies and
13 incentives to support this critical sector. I
14 particularly want to commend the City Council for
15 their nuanced and superb report on zoning. The 1950s
16 ears definitions of manufacturing no longer capture
17 the making that's happening today. The innovation
18 economy encompasses the broad range of businesses
19 that make physical, digital or engineered products
20 and encapsulates making in all its modern day forms.
21 New technologies allow for products to be designed in
22 spaces as small as 1,000 square feet for products
23 that once required factories many times that. Job
24 creation in the city's innovation economy out-paced
25 all other sectors from 2007 to 2013, creating

2 opportunities for people of all ages, skill sets and
3 backgrounds to move up the economic ladder. The two
4 examples in New York were massive multi-story
5 industrial campuses that have been converted into
6 innovation--into innovation economy hubs, the
7 Brooklyn Navy Yard and the Brooklyn Army Terminal.

8 The City of New York has strategically
9 subsidized these publicly owned facilities to address
10 decades of deferred maintenance leveraging private
11 investment and creating 10,000 good paying jobs.
12 These have been wise public investments. So why
13 hasn't the private sector invested more in under-
14 utilized multi-story industrial buildings to create
15 innovation economy jobs? The rents simply do not
16 support the deferred maintenance investment that are
17 a part of these buildings, and government isn't going
18 to nor should they invest enormous sums in private
19 facilities. As a result, from Sunset Park to Long
20 Island City the community is lined with low
21 employment storage facilities, and privately owned
22 multi-story industrial buildings. At Industry City,
23 the largest privately owned industrial facility in
24 New York with 16 multi-story buildings on 30 acres
25 are visionists to buck this trend. In late 2013, a

2 new partnership and management team came together to
3 begin a revitalization of a site that was 70% under-
4 utilized, suffering from \$300 million of deferred
5 maintenance including \$50 million of Storm Sandy
6 damage and home to 2,400 jobs.

7 Here's what we've done in 20 months:

8 Invested \$100 million to invest in a broad range of
9 deferred maintenance. Leased over 1.2 million square
10 feet of space the majority of to traditional
11 manufacturers and modern manufacturers, and I can
12 give you a wide range of examples. And created over
13 1,500 jobs partnering with many of the fantastic
14 local employment groups, some of whom are here today,
15 and CUNY City Tech. [bell] Finally, we've engaged
16 with the community in seeking feedback from direct
17 local stakeholders and tenants on a long-term
18 development vision. In 20 months, though, of good
19 news, we've only reduced storage space and vacancy by
20 5%. If we keep on this trajectory, it will take 30
21 years to renovate all of our buildings. Therefore,
22 March 9th, we announced a rezoning proposal that will
23 facilitate the conversion of Industry City's 70%
24 industrial under-utilized industrial space into high
25 employment innovation economy uses. In order to

2 cross-leverage that, the balance of the property
3 would blend retail including shop windows for some of
4 our manufacturing tenants, and spaces dedicated to
5 education and training serving a range of job types
6 and skill sets. Plus other amenities like two
7 business hotels that will go through a public
8 approval process to create an innovation economy
9 consistent. We believe with these changes, over 12
10 years we can drive a billion dollars off private
11 investment, cross-subsidize the deferred maintenance
12 and create nearly 20,000 jobs. There are a broad
13 range of other things we need.

14 CHAIRPERSON GREENFIELD: [interposing]
15 Thank you, Andrew.

16 ANDREW KIMBALL: And I'll end there.

17 CHAIRPERSON GREENFIELD: I'm actually
18 going to ask you. I'm going to ask you some
19 questions that will allow you to reflect the end of
20 your testimony, okay.

21 ANDREW KIMBALL: Thank you.

22 CHAIRPERSON GREENFIELD: Thank you.

23 Toby.

24 TOBY MOSKOVITS: Mr. Chairman, members of
25 the committee, Council Members Menchaca and Arroyo,

2 my name is Toby Moskovits. I'm the CEO of Heritage
3 Equity Partners. I'm a Brooklyn girl, Brooklyn born
4 and bred. My grandfather, Sam Schwartzman was a
5 Polish-Jewish immigrant, and could never have
6 imagined that his Brooklyn would one day be leading
7 the city, the region, and even the nation in so many
8 ways: Culture, fashion, food, and most importantly
9 for this conversation the resurgence of making in
10 America. My grandfather's life was the classic
11 immigrant success story, and he bootstrapped his way
12 through sorting fabric remnants in the 1950s and
13 19620s to a successful Army/Navy surplus business in
14 Williamsburg in the 1980s. For close to a hundred
15 years, Brooklyn was at the heart of the Industrial
16 Revolution and commerce in America. By the 1990s the
17 number of manufacturing jobs in the area had fallen
18 from 96,000 to less than 12,000, and manufacturing
19 percentages continued to decline until now.

20 The revival of entrepreneurship in
21 Brooklyn driven by technology created in maker
22 industries is reinvigorating manufacturing.
23 Technological innovation and resurging
24 entrepreneurial spirit and bringing making back to
25 our borough. There's a growing recognition that

2 while this resurgence offers a great opportunity, it
3 also has enormous challenges. There's a tremendous
4 need for new modern facilities to support today's
5 makers. Furthermore, the economic reality tends to
6 encourage the developers to focus on larger tenants,
7 making the office a maker supply crunch, and
8 particularly challenging for small companies and for
9 local entrepreneurs. While shared work space has
10 started to proliferate, we need a systematic solution
11 to create affordable, practical maker space tailored
12 to young growing companies in our communities. The
13 difference between the old and new economy jobs,
14 white collar and blue collar, education versus skills
15 continues shift. And by bring entrepreneurship deep
16 into our communities and our local neighborhoods, we
17 will encourage economic mobility and skills training
18 in a way that we have not experienced since the days
19 of the Industrial Revolution.

20 So what is the solution? The IBZs M1-2
21 zoning districts allow for development of up to 4.8
22 FAR with a community facility bonus. As we update
23 zoning to reflect the current definition of
24 manufacturing, we also should update the definition
25 of community facility in the M1-2 districts.

2 Subsidizes spacing for start-up companies for
3 entrepreneurial makers or community residents who
4 want to move their businesses from their living rooms
5 or garages to professional work spaces should also be
6 counted. This ties zoning to programs that foster
7 job creation and will encourage redevelopment of
8 makers space in our neighborhoods. We are once again
9 a borough of makers, artisans and creators, and let's
10 make this a tale of one city with one future:
11 Building businesses, communities and success one
12 neighborhood at a time. Thank you.

13 CHAIRPERSON GREENFIELD: Thank you very
14 much. Brian Coleman.

15 BRIAN COLEMAN: Good afternoon, Mr. Chair
16 and members of the committee. First of all, thank
17 you for allowing us to make our brief comments today.
18 I wanted thank you on the report, and I also wanted
19 to thank you on the great amount of time that your
20 staff sent--spent with GMDC going over some of the
21 issues that we're talking about here today. The
22 Greenpoint Manufacturing Design Center is 23-year-old
23 non-profit developer--developer of industrial space.
24 I've been lucky to run the organization for the last
25 12 years. We have built seven projects, three

2 quarters of a million square feet of industrial
3 space. We house over 120 businesses and those people
4 in--those business owners employ over 500 people.
5 Just last week, we had members of the Administration
6 and members of the City Council joins us as we opened
7 one of our new projects at 1102 Atlantic Avenue. A
8 project that we got off the ground, quite frankly,
9 with \$4 million of capital support from the New York
10 City Council.

11 So we thank you for that, and we've
12 already leased the building--the building is 80%
13 leased, and it's only opened a month or two. And the
14 rest of our portfolio is essentially 100% leased. So
15 there is very much great demand for manufacturing.
16 One of the things that came up at our opening last
17 week was people wanted to know what's next for GMDC.
18 Where's the next project? And, that's why I'm here
19 today because we really don't know where the next
20 project is. We've heard from a variety of people
21 today talk about their problems with the current
22 zoning. The current zoning is outdated. The current
23 zoning needs reform. Five years ago I may have sat
24 here and told you about how we're using buildings or

2 prospective projects to residential conversions both
3 legal and illegal.

4 That's still--they're still out there,
5 but now we're losing projects to office development,
6 straight office development. It defies logic how a
7 company like Kickstarter, for example, can come in
8 as-of-right without any--well, any issues with the
9 city at all, come in and convert an existing M1 zoned
10 building and make it an office building. It just
11 doesn't make sense. Just yesterday I received a
12 listing for a property on Wythe Avenue that was
13 outside of the 2005 rezoning. They're looking for
14 \$1,500 a square foot. That's obscene. The day
15 before that, I received a listing for an M3 zone--
16 zoned property on Scott Avenue in Brooklyn for over
17 \$300 a square foot. That's obscene. The market
18 needs to be controlled, and the market needs to be
19 controlled with new zoning, and frankly, we need you
20 to do that. Thank you very much.

21 CHAIRPERSON GREENFIELD: Thank you very
22 much. So, getting back to the first question that I
23 indicated, Andrew, I was going to ask you, you said
24 something that to me was somewhat contradictory in
25 your testimony, although, mostly I enjoyed it,

2 especially the parts where you complimented the City
3 Council on the outstanding *Engines of Opportunity*
4 report. But I think at one point you said that the
5 city should not be investing in these particular
6 areas, and then at the end you indicate that the city
7 should be investing I guess in things like sort of
8 infrastructure. So where--where does that sort of
9 balance go--

10 ANDREW KIMBALL: [interposing] Yes.

11 CHAIRPERSON GREENFIELD: --and as you
12 probably heard in my questioning--I imagine you were
13 here when I spoke to Kyle Kimball, President of EDC,
14 we actually are pushing the city to try to do
15 investments in these kinds of areas so that we can
16 maintain the core industrial zones. But also help--
17 help modernize the facilities in terms of the
18 conversations that you and Toby have been having as
19 far as trying to help the future of industry.

20 ANDREW KIMBALL: So let me be clear. I
21 agree with a 110%. If you look at the difference
22 between industrial growth say in South Brooklyn
23 particularly in Sunset Park compared to around the
24 Navy Yard and north. And even some of the
25 interesting modern manufacturing going on in places

2 like Dumbo, there's one big difference, and that's
3 the investment in the public infrastructure. What I
4 was referring to was on all these big industrial
5 buildings that are owned privately, I don't think
6 there ever will be the public dollars to go around
7 and invest directly in those buildings. So, at the
8 Brooklyn Navy Yard not only did they take--

9 CHAIRPERSON GREENFIELD: [interposing]
10 You mean like your window improvements.

11 ANDREW KIMBALL: Exactly.

12 CHAIRPERSON GREENFIELD: Okay.

13 ANDREW KIMBALL: That's right. So,
14 18,000 windows need to be replaced, 144 elevators,
15 \$30 million off electrical work. Government is just
16 not going to pay for those things. So what--Look, I
17 hope that we see a policy in place very soon that
18 says that we need more Brooklyn Navy Yards, Brooklyn
19 Army Terminals, Hunts Points. We need more GMDCs.
20 We need to clone Brian Coleman. But, if we don't get
21 the private sector involved in this kind of
22 industrial development, we're never going to see the
23 kind of job growth that we really need to see. New
24 York can capitalize on this innovation economy.

2 CHAIRPERSON GREENFIELD: Well, I think
3 that's exactly what we were referring to, which was
4 that we--we would like to see conversations taking
5 place between the private sector and the city and EDC
6 and talk about strategic investments that would, in
7 fact, firm up these core zones. And specifically,
8 protect the industrial manufacturing sector. Toby,
9 it seems like you have some thoughts on this question
10 as well.

11 TOBY MOSKOVITS: Well, I think to Brian's
12 comments, it's the public sector and the private
13 sector have to learn to work together. I think there
14 is room in the economy for kickstarters. There's
15 room in the economy for manufacturers. Specifically,
16 as it relates to North Brooklyn and the statements
17 made about studying this area, there are parts of
18 North Brooklyn where there are simply vacant
19 buildings--there are simply vacant buildings. The
20 sites that I purchased in the IBZ zones were
21 essentially empty, and this was Sun Built Rentals
22 picked themselves up. They moved to Maspeth. They
23 didn't want to be in the heart of North Williamsburg.
24 Another property I own is a scrap metal yard that
25 I've moved also into more of an industrial area. So

2 I think it's about figuring out how to allow the new
3 economy to co-exist with more traditional
4 manufacturing, which is happening in a very
5 aggressive way obviously in this city as well.

6 CHAIRPERSON GREENFIELD: Thank you, and
7 I'll limit myself to the same question as I set
8 forth, and I'll turn it over to Council Member
9 Menchaca.

10 COUNCIL MEMBER MENCHACA: Thank you
11 Chair, and so in the theme of public-private
12 partnership, and in the theme that we've been
13 building in this entire multi-hour hearing now, that
14 really points to one particular theme here. That the
15 Mayor's Office and agencies have yet to show the flag
16 that will send a strong message to the private
17 sector, the developers, they're not going to go there
18 right now for speculation reasons. Just give me a
19 sense from your perspective, and it could be the
20 Chamber or the city or whoever else wants to answer
21 this question. What is going to be needed for you
22 all on the private sector side to understand that
23 these--that this--that these zones are dedicated to
24 the report that we've put out, that the commitment
25 that we're making to this--to these zones. What is

2 the framework from your perspective that means that
3 we need to hear from--from the Mayor? Just bullet it
4 out. I want to get a better sense about what--what
5 you're thinking because it's an important voice in
6 this conversation. We're asking the Council, the
7 Mayor and advocates. And do, I want to hear from the
8 private sector what needs to be in that framework?
9 Just a hands-off, no housing and no degradation to
10 the commitment to manufacturing?

11 TOBY MOSKOVITS: I think it's this sort
12 of what you talk about the old fashioned carrot on
13 the stick. And I think, you know, and I'm not a
14 zoning expert and won't weigh in on the notations and
15 language as to what you can prevent. On the sties
16 I've purchased, we haven't looked at residential and
17 industrial areas. But I think without a zoning
18 density increase, the reality of economics become
19 very challenging. And that's, you know, independent
20 of pricing on specific properties being marketed, and
21 how closely they are to residential and speculation.
22 In order to encourage mass private sector investment
23 in the IBZ zones, there has to be a zoning density
24 increase from the M1-2, which is two times the lot
25 area. That could happen in a way that encourages

2 specific kinds of uses. But I think notwithstanding
3 Industry City where it's a renovation of existing
4 buildings to truly bring private sector capital to
5 create space for both light manufacturing, and in
6 certain areas heavy manufacturing, and certainly for
7 the high growth industries where there is a
8 tremendous amount of economic mobility. Within the
9 communities, there has to be spaces for these
10 companies to position themselves.

11 CHAIRPERSON GREENFIELD: Thank you. I
12 would point out that, in fact, the Engines of
13 Opportunity report that we were referring to is
14 actually available on the Council's website. It
15 does, in fact, discuss exactly that, which is in some
16 of the areas increasing the zoning as well. Anybody
17 else want to answer that question? Andrew, you
18 seem--

19 ANDREW KIMBALL: [interposing] Yeah, I
20 just--

21 CHAIRPERSON GREENFIELD: --please answer
22 that question.

23 ANDREW KIMBALL: --want to add that the
24 key thing in the report about one size not fitting
25 all is so important because what's appropriate in

2 Industry City is probably not appropriate between
3 Industry City and BAT and the rest of the IBZ.
4 There's a bit difference between six and eight-story
5 multi-story buildings that have sat there vacant for
6 50 years. And the lowest one and two-story mom and
7 pop industrial businesses. And those businesses need
8 to be protected. There need to be a set of rules
9 around those, and then there needs to be a separate
10 set that says, you know, the situation at Industry
11 City is something very different. And, we need to
12 figure out how to nuance the policy in that way.

13 CHAIRPERSON GREENFIELD: I want to thank
14 all of you on this panel for your dedication to the
15 cause, and for your testimony today, and with that we
16 will dismiss you and call up our next panel. Barika
17 Williams from ANHD; Elizabeth Luskin, Long Island
18 City Partnership; Michael Brader--Brady from the
19 South Bronx Overall Economic Development Corporation;
20 Caitlin--I don't know how to pronounce this last
21 name. Caitlin Dourmashkin perhaps from Evergreen.
22 Hopefully I got that right; Andrea Deverning from the
23 Southeast Brooklyn Industrial Development
24 Corporation; and Jean Tanler from the Business
25 Outreach Center in Corona.

2 [background comments]

3 CHAIRPERSON GREENFIELD: Give a copy of
4 your testimony, if you have it, to the Sergeant-at-
5 Arms and we will distribute it to the Council
6 Members, and you can just grab a seat. Whenever
7 you're ready. Thank you.

8 [pause, background comments]

9 CHAIRPERSON GREENFIELD: Council Member
10 Arroyo has made a special request that Brady go
11 first. So Brady will go first and then we will
12 continue from there.

13 MICHAEL BRADY: Thank you, Chair
14 Greenfield. Thank you Council Member Arroyo. I
15 appreciate that. Members of City Council thank you
16 for the opportunity to discuss the needs of
17 industrial and manufacturing businesses throughout
18 New York City. Thank you for the open communication
19 and previous participation in the formation of the
20 Engines of Opportunity. The South Bronx Economic
21 Development Corporation, SoBRO, has been in existence
22 since 1972. We were founded to protect businesses in
23 rural communities during the great Bronx Decline and
24 have shepherded the Bronx development ever since.
25 Currently, SoBRO adds over \$1 billion annually to the

2 economic vitality of the borough, employs over 200
3 individuals and provides a holistic evidence-based
4 model for community economic development. SoBRO
5 operates four distinct division to create and
6 implement solutions to society's most systemic
7 challenges. These include real estate, youth and
8 adult education, workforce development and community
9 economic development. Most important of these today,
10 and the reason why we're here is our Community and
11 Economic Development Division. SoBRO administers all
12 five industrial business zones in the Bronx: Port
13 Morris, Hunts Point, Eastchester, Zarega and
14 Bathgate. We are community development corporation
15 representing a client portfolio of over 3,000
16 industrial businesses, which grow the Bronx and New
17 York City's economy by providing over 75,000 private
18 sector jobs. Most recently in the past few months,
19 attracting McInnis Cement from Canada to Hunts Point
20 and negotiating with Karina's Yogurt to stay in New
21 York City and move to the Bronx.

22 I want to be clear about the message
23 here. Industrial businesses are not just a Bronx
24 issue. They are not just a Brooklyn issue. They are
25 not just a borough issue. They are a New York City

2 issue, and sadly, it is an issue that our
3 Administration has yet to move on. SoBRO was
4 heartened to read and create implementation plans
5 when the Speaker issued a report *Engines of*
6 *Opportunity*. The report highlights what we in
7 economic development consider best practices.
8 Additionally, we were heartened by the de Blasio
9 Administration's proposed increase in baseline in the
10 IBZ funding. However, it's not enough. The
11 Administration's--the Administration's proposal may
12 represent an increase in the Mayor's Commitment to
13 IBZs. But it does not represent an equitable
14 increase for funding for IBZ service providers in
15 relation to our contractual requirements. The
16 Administration must provide predictable, dependable
17 and timely--I really want to emphasize timely--
18 funding to local development corporations, CBOs and
19 economic development corporations, which have been
20 administering--administering sites for decades.
21 These groups have grassroots knowledge trust and a
22 proven track record, which no survey from the EDC or
23 SBS can quantify.

24

25

2 The Speaker's and the Mayor's reports are
3 aggressive, but they're not enough. SoBRO recommends
4 the following:

5 1. Equitable and realistic funding for
6 local development and economic development
7 corporations. New York City's commitment to
8 initiatives is realized in the money we put behind
9 it. Council Member Arroyo often says put your money
10 where your mouth is. SoBRO proposes a policy whereby
11 IBZ funding is determined by IBZ square footage, and
12 the ratio of existing industrial manufacturing
13 businesses to the reasonable projection of new
14 business in IBZ relative to the IBZ's available real
15 estate. It sound like quite the formula. [sniffs]
16 Prior to this--and this is a very important thing--
17 the NYCEDC must partner with Pratt or a similar
18 organization and local development corporations to
19 determine real time real estate data in every IBZ.
20 This data must be uploaded to a city database, and
21 maintained by local development corporations under
22 their IBZ contracts to--and be searchable by
23 potential industry tenants. This will provide a
24 valuable marketing tool when championing New York
25 City's ability to grow the industry. Again, being

2 predictable and dependable and sustained.

3 Additionally, the Administration must continue to
4 investigate IBIDs. However, the Administration must
5 realize that IBIDs are not the silver bullet to
6 industrial policy. IBIDs must work in tandem with
7 existing IBZ providers. SoBRO suggests a pilot
8 program of five IBIDs, one in each borough but with a
9 caveat that the IBIDs are not in place of city
10 funding for industrial business zoned, but rather in
11 addition to the aforementioned funding.

12 2. Ensure proposed rezonings preserve
13 local and commercial businesses. I'm sure our
14 colleagues will speak to that.

15 3. Implementation of the *Engines of*
16 *Opportunity*. Work with area local development
17 corporations over the next fiscal year to create IBZ
18 benchmark performance indicators. And develop long-
19 term plans to preserve and diversity industry. These
20 plans must also include rigorous environmental steps
21 to protect long-term health of employees and area
22 residents. In addition to managing our IBZs, SoBRO
23 manages the EPA contract for the Sheridan Expressway,
24 three state borough contracts in Hunts--in Porte
25 Marsh East River, Porte Marsh Harlem River, and

2 Eastchester, and the Real Estate Advisory Service
3 Contract for the State of New York.

4 4. Create clean energy corridors.
5 These corridors should encroach on the fringes of
6 heavy industry--industrial areas, and provide a
7 business environment to attract clean energy
8 companies and technology manufacturers with low or no
9 negative environment impact. These corridors become
10 buffer zones separating heavy industries from
11 decidedly residential areas.

12 Lastly, I want to thank the Council for
13 your aggressive work on this matter. It's been truly
14 a great sign to have so many advocates advocating on
15 our behalf. Thank you.

16 CHAIRPERSON GREENFIELD: Thank you very
17 much. You're up next.

18 JEAN TANLER: Hi, my name is Jean Tanler.
19 I'm the Director of Industrial Business Development
20 at the Business Outreach Center Network. Thank you
21 Chairman and Council for allowing us the opportunity
22 to speak today. I am here to--

23 CHAIRPERSON GREENFIELD: I'm sorry, is
24 Deborah Nelson--is she with the same organization?

2 JEAN TANLER: Yes, I think so.

3 CHAIRPERSON GREENFIELD: A different
4 organization?

5 JEAN TANLER: The same.

6 CHAIRPERSON GREENFIELD: The same
7 organization? Okay, so we're--we're going to let--
8 you can testify at a last panel if that's okay.
9 Thank you. Please continue.

10 JEAN TANLER: I'm here today to discuss
11 the need to modernize our Land Use Policies and
12 Zoning to meet the needs of New York City's
13 Industrial businesses. Just as Housing needs a
14 physical location, jobs need a suitable space. The
15 industrial sector in New York City is expanding and
16 demand for space is increasing. The City's current
17 zoning framework encourages encroachment on the
18 limited space and property available to accommodate
19 quality manufacturing and industrial jobs. An area
20 zoned for manufacturing and industrial uses, many
21 non-compatible uses are currently allowed as-of-
22 right. These uses can support higher land prices
23 than industrial manufacturing uses driving land
24 prices up, and driving industrial firms out of
25 business. Speculation drives instability and

2 instability discourages long-term investment in
3 businesses and in the city's workforce. Industrial
4 areas such as parts of East New York are threatened
5 by proposals to rezone them--rezone them. In turning
6 to the affordable housing goals, the New York City
7 Department of City Planning has proposed rezoning
8 manufacturing and industrial land in East New York to
9 mixed use or MX district. Because the real estate
10 market rewards residential and commercial development
11 over industrial, an MX district will lead to the
12 large-scale loss of industrial property and jobs in
13 East New York. Based on the City's proposed zoning
14 changes, approximately 35 manufacturing businesses
15 and a significant number of other industrial uses
16 will be threatened or displaced including long-time
17 businesses that have been there for generations.

18 We have witnessed industrial
19 manufacturing businesses that have been displaced or
20 can't find space. In Manhattan's Garment District, a
21 full service clothing manufacturing received an
22 NYCEDC grant to purchase a state-of-the-art machinery
23 for fusing and cutting. However, their lease will be
24 up within a couple years, and they are at risk of an
25 unmanageable rent increase. Their landlord currently

2 receives approximately \$41 per square foot from
3 promotional tenants in the building, and their rent
4 is \$24 a square foot. Having a location in the
5 Garment District with easy access to their client
6 base is vital to their survival. They cannot afford
7 a significant increase in their rent, and affordable
8 space within the Garment District is scarce. This
9 may drive them out of business.

10 A furniture manufacturer and
11 architectural woodmaker in East New York has been in
12 operation since 1986. They started their building or
13 they started their business in Williamsburg, but
14 moved to East New York in 2013 when their landlord
15 asked the existing tenants to leave the building so
16 they could build a hotel. They shared a mixed use
17 building [bell] in Williamsburg with office tenants
18 who frequently complained about the noise they made.

19 CHAIRPERSON GREENFIELD: Jean, I'm going
20 to ask you to wrap up your testimony, please.

21 JEAN TANLER: Sure. Just to outline
22 some suggestions, a proposal that we have. Again, to
23 create a--

24 CHAIRPERSON GREENFIELD: [interposing]
25 Very briefly.

2 JEAN TANLER: Okay.

3 CHAIRPERSON GREENFIELD: Thank you.

4 JEAN TANLER: Creating an employment
5 district, an industrial employment district, stopping
6 the rezoning of industrial land for residential uses
7 and other competing uses. Increasing allowable
8 density in industrial areas, and beginning the ULURP
9 process to update the city's zoning, and protect
10 industrial land use and jobs before any more jobs and
11 businesses are lost. Thank you.

12 CHAIRPERSON GREENFIELD: Thanks, Jean.
13 You're up next.

14 BARIKA WILLIAMS: Hi, my name is Barika
15 Williams. I'm the Deputy Director for ANHD, the
16 Association for Neighborhood and Housing Development.
17 Thank you, Chair Greenfield and to the Council as
18 well as the Land Use Committee staff, and for the
19 Speaker for their continued leadership on this issue.
20 ANHD is a more than 40-year-old membership
21 organization. We have more than 100 members across
22 the city, and while the Council knows us very well,
23 and most people know us in the affordable housing
24 group, it's important to realize the ANHD and our
25 community development groups. And that includes

2 thinking about the neighbor and the neighbor's needs-
3 -the neighborhood's needs in terms of residents,
4 employees and businesses. And so we are kind of
5 taking is perspective of thinking about not just an
6 affordable housing crisis, but the affordability
7 crisis in the city. And that includes not just the
8 housing prices, but also thinking about people's
9 ability to earn the incomes to afford those housing
10 units. And so we really come at this from the point
11 of no amount of housing is affordable without a job.
12 And so, we have to think about and balance both sides
13 of the equation and think about both aspects.

14 ANHD, the Pratt Center and many of the
15 IBZ groups and local housing groups have come
16 together to really think this through, and think
17 about what these industrial areas mean and their
18 value to local neighborhoods. The NYU Furman Center
19 just yesterday released the new State of the City
20 Report, which included data showing that over the
21 past 15 years or 10 years, since 2005 that the
22 average overall median income has only increased 2%
23 while the average median rent has increased 12%. So
24 that's an increasing gap over the time considering
25 they started from the same place. That goes to show

2 sort of where this imbalance is coming from . For
3 ANHD and our members we really see the industrial
4 sector as a key place for many of the local residents
5 to go to find jobs, to find the better quality jobs,
6 who are unemployed, who are under-employed. Wait.
7 Obviously, these are jobs that give them ladders of
8 opportunity, more opportunity for the middle-class,
9 but on average play more than the retail sector.
10 However, these are being threatened by the City's
11 currently induced policies. So we are really here
12 with everyone else to push and support stronger land
13 use policies, and a modern--modern set of policies
14 that address the current needs. Part of that being
15 the industrial employment districts, preventing mixed
16 uses. You know, discouraging real estate
17 speculation, not stimulating investment in
18 development, or stimulating investment in industrial
19 space and improve--imposing tougher fines and
20 increase enforcement on illegal conversions. We
21 really see this as a critical for neighborhoods
22 futures. Thank you.

23 CHAIRPERSON GREENFIELD: Thank you, and
24 we have your full testimony, which I read and it is

2 very comprehensive. So thank you for that. Next,
3 please.

4 ANDREA DEVERNING: Hello, my name is--

5 CHAIRPERSON GREENFIELD: [interposing]
6 Hello.

7 ANDREA DEVERNING: --Andrea Deverning and
8 I'm the Director of Economic Development at the
9 Southeast Brooklyn Industrial Development
10 Corporation, SBIDC. As an economic development
11 organization serving the neighborhoods--

12 CHAIRPERSON GREENFIELD: [interposing]
13 You aren't also SoBRO, are you?

14 ANDREA DEVERNING: No, no, we're not.

15 CHAIRPERSON GREENFIELD: Because I think
16 they have that name patented.

17 ANDREA DEVERNING: [laughs] I'm sorry.

18 CHAIRPERSON GREENFIELD: Trademarked,
19 right? Trademarked. Thank you.

20 ANDREAS DEVERNING: Yeah.

21 CHAIRPERSON GREENFIELD: Oh, actually it
22 is. I see a registered trademark right over here for
23 SoBRO. Well done. Thank you.

24 ANDREA DEVERNING: No, we're in Brooklyn
25 so Southeast Brooklyn Industrial or SBIDC is our

2 acronym, but we're not SoBRO, although we're
3 partners.

4 CHAIRPERSON GREENFIELD: Do you mind
5 pulling up the microphone a little bit closer?

6 ANDREA DEVERNING: Sure.

7 CHAIRPERSON GREENFIELD: Thank you very
8 much.

9 ANDREA DEVERNING: Okay. So we serve the
10 neighborhoods of Red Hook, Gowanus and Sunset Park,
11 Brooklyn. SBIDC believes that strengthening New York
12 City's base of industrial and manufacturing
13 businesses is absolutely crucial to the goals of
14 creating good jobs, developing career pathways, and a
15 healthier economy overall. Today I'm urging support
16 for efforts to strengthen the industrial business
17 zones, and create a stronger and viable citywide land
18 use mechanism that puts a stop to the instability in
19 this City's industrial sector driven by this real
20 estate speculation.

21 In Southwest Brooklyn we have one of the
22 largest IBCs with close to 2,000 businesses. We have
23 businesses on two levels. The way in which
24 businesses owners and their employees, your
25 constituents, notice it most is technical assistance,

2 workshops, one-on-one assistance with loans and city-
3 -and city incentive programs, and also finding
4 temporary and permanent space. In addition to
5 helping businesses coordinate with city space to
6 resolve issues.

7 In 2014, SBIDC provided over 400 unique
8 business services for local employers. We also help
9 businesses find and retain employees with our unique
10 workforce development program. SBIDC has placed over
11 300 local residents in jobs with local businesses.
12 Local employment opportunities, particularly those in
13 this sector are extremely important for the economic
14 and social health of the waterfront working class
15 neighborhoods. Poverty in this community is already
16 high, and without a thriving business sector, many of
17 the communities' residents would have little
18 opportunity in the workforce at all.

19 Of these services the assistance finding
20 industrial space is both affordable and suitable for
21 a new or expanding business needs is the most common
22 and less challenging. I'd like to share an example.
23 The business--this business is a mechanical
24 contractor. It's been in full operation in the
25 Gowanus for 40 years. It has over 80 employees

2 working to make the things that New Yorkers need to
3 build new and renovate existing buildings and aging
4 infrastructure. Due to real estate speculation in
5 the Gowanus, this business owner is feeling intense
6 pressure to leave the neighborhood. He's been
7 struggling to find affordable space, and he does not
8 want to give up on his employees nor the myriad of
9 Brooklyn based clients he has by being forced to move
10 out--outside of the state.

11 So, due to the real estate speculation
12 driven by encroaching non-compatible uses such as
13 hotels and self-storage, we hear from businesses
14 almost daily about real estate. Either businesses
15 that are being pushed out of other manufacturing
16 zones or businesses are already in Southwest Brooklyn
17 expressing this fear of being pushed out. So SBIDC
18 echoes this concern and emphasizes that along with
19 these businesses, jobs, really good paying jobs will
20 be lost as well. [bell]

21 So, in closing, while there's noticeable
22 public and private investment in the industrial
23 sector in Sunset Park specifically, there really
24 remains a significant and rampant real estate
25 speculation that threatens to displace Brooklyn's

2 best employers. So we really value Southwest
3 Brooklyn's continued identity as a working
4 waterfront, and we believe the strengthen and stable
5 IBZs would elevate and support that vision along with
6 the many diverse needs of the industrial
7 manufacturing sector citywide.

8 CHAIRPERSON GREENFIELD: Thank you,
9 Andrea.

10 ANDREA DEVERNING: Thank you for allowing
11 me to provide comments.

12 CHAIRPERSON GREENFIELD: We appreciate
13 it. Caitlin.

14 CAITLIN DOURMASHKIN: Hello. My name is
15 Caitlin Dourmashkin. I am the Director of Planning
16 and Community Development at Evergreen, Your North
17 Brooklyn Business Exchange, and you might have known
18 us as EWVIDCO. We represent the North Brooklyn and
19 Greenpoint-Williamsburg IBZs. It's imperative that
20 the city re-examine or advise the zoning code as it
21 relates to manufacturing and other industrial uses.
22 Real estate speculation is driving prices up to
23 astronomical levels in our neighborhood pushing out
24 otherwise thriving industrial businesses. And that
25 result is a loss of high quality working class jobs

2 in our community. North Brooklyn's industrial
3 businesses face many challenges. Over the past
4 decade company closures and job loss in North
5 Brooklyn and Greenpoint-Williamsburg have been
6 significantly and disproportionately higher than
7 losses in other parts of Brooklyn and queens. This
8 parity is the result of additional pressures on our
9 local industrial firms, i.e., residential conversion
10 and competing non-industrial uses. That said, even
11 with an uncertain economic future, industrial
12 business still value our community. There is a very
13 low vacancy rate in North Brooklyn, about 7%.

14 A quick walk down the streets of
15 Greenpoint-Williamsburg, the Greenpoint-Williamsburg
16 IBZ makes one of the key challenges to our companies
17 clear, the incompatible--the incompatibility of
18 development that is legal and as-of-right in M zoned
19 neighborhoods. Night clubs, office buildings,
20 upscale hotels and other commercial outlets that can
21 and do pay a high premium for real estate dominate
22 the southern portion of the IBZ. All of these uses
23 are acceptable--acceptable under current zoning. We
24 believe that the zoning codes should be reviewed and
25 refined to exclude uses that are not compatible with

2 manufacturing. Only a handful of industrial
3 businesses that locked in their leases for the long
4 term are able to withstand the rapid and massive
5 increases in real estate prices in Greenpoint-
6 Williamsburg. The impact also stretches much further
7 than the Greenpoint-Williamsburg IBZ. In the solidly
8 industrial North Brooklyn IBZ leasing prices that
9 were once \$12 to \$16 per square foot are now renting
10 at \$25 to \$35 per square foot. And I'd say
11 anecdotally a lot of those spaces are the smaller
12 spaces that our newer businesses keep looking for and
13 cannot find. Building sales prices have also jumped
14 from \$200 a square foot two years ago to an absurd
15 \$300 to \$600 a square foot today. This pricing is
16 purely speculative. Real estate sites frequently
17 note that pricing is based on potential rezoning to
18 R6. Even the most thriving businesses are unable to
19 afford it at these bloated prices. Ultimately,
20 growing firms will be forced to leave our community
21 and probably the city, taking their high quality jobs
22 with them. If we wish to keep these valuable jobs in
23 NYC, we must review and revise the zoning code to
24 allow industrial businesses to grow and prevent
25 competing incompatible uses from pushing them out.

2 Protecting and promoting our industrial sectors is
3 crucial to the city's overall economic development.
4 This sector provides close to 500,000 jobs making up
5 nearly 15% of the city's workforce, and contributes
6 \$1.7 billion in tax revenues. The manufacturing and
7 industrial sector is not only a strong component of
8 our economy, but a reliable source of jobs for many
9 fellow New Yorkers. Thank you. [bell]

10 CHAIRPERSON GREENFIELD: Thank you very
11 much, and I want to thank the entire panel for your
12 testimony. It was certainly very helpful, and we, as
13 you can tell, take your recommendations very
14 seriously especially about the speculative nature of
15 what's been happening. Certainly, we are going to do
16 the best that we can try to move forward the
17 proposals that we submitted in the *Engines of*
18 *Opportunity*. So thank you to this panel, and we're
19 going to call up our next panel now.

20 Our next panel is Laura Wolf-Powers, Nina
21 Rappaport, Jaffa Pool [sp?], Giovania Tiarachristie,
22 and Jenny Dubeman. And Deborah, you're--you're
23 welcome to testify at the later panel, but you
24 registered late. So it's not fair to folks. Okay,
25 thank you.

2 [background comments]

3 CHAIRPERSON GREENFIELD: Just tell me if
4 you're hear or not. Is Jenny here? No, Jenny.
5 Giovanni.

6 GIOVANNI: Here.

7 CHAIRPERSON GREENFIELD: Jaffa Pool.
8 Nina and Laura. Okay, Laura, we'll start with you
9 whenever you're ready.

10 LAURA WOLF-POWERS: Hi. Good afternoon.
11 My name is Laura Wolf-Powers. I'm currently a
12 research fellow at CUNY, previously at Pratt
13 Institute, and the University of Pennsylvania. My
14 research focuses not only the efficacy of economic
15 development strategies in urban areas, but also
16 specifically on the way that institutions that govern
17 economic development policy exert impact on growth
18 outcomes, and also equity and fairness outcomes.
19 It's on the issue of governance, and specifically the
20 way that the City governs and manages its portfolio
21 of industrial land and facilities that my testify
22 will focus today.

23 In 2005, which is now a long time ago, I
24 published an article about land use and zoning policy
25 in industrial real estate markets in New York during

2 the 1990s. I just gave a copy to the--to the
3 Chairman. I really want to thank the Land Use
4 Division for inviting me to testify. In that article
5 I called out the dilemma of how to govern the use of
6 sought after land in parts of the city that not only
7 are prime uses for manufacturing and industrial uses,
8 but are also attractive for commercial development
9 and luxury residential expansion. Sounds familiar.
10 This paper concluded that during the economic boom of
11 the middle and late 1990s, opportunist land purchases
12 and property development both inside and outside the
13 parameters of the zoning code accelerated the
14 shrinkage of job industrial enclaves the city had
15 identified as viable in the early 1990s. And that
16 article focused on Greenpoint-Williamsburg and North
17 Brooklyn, and in Long Island City. It called on the
18 city to rethink its property that approached economic
19 development to replace its overheated pursuit of
20 deals and the revenue--the revenue with a more
21 strategic plan for managing industrial development
22 and job creation.

23 I'm happy to say that under Mayor
24 Bloomberg the city made some progress in this regard.
25 Bloomberg acknowledged the New York City industrial

2 sector as an important engine of growth. He
3 designated IBZs, as we've heard. He also created
4 industrial desks at the Economic Development
5 Corporation, and the administration invested in the
6 Brooklyn Navy Yard, as we've also heard a lot of
7 today. And the Navy Yard Development Corporation
8 operates independently as a steward of this
9 incredibly important industrial asset.

10 So that brings us today--to today, and
11 the climate is very different now. Making is in.
12 Everybody is excited about boutique salsa and locally
13 distilled whiskey, and the Brooklyn Navy Yard as a
14 destination. But if you talk to the people at EDC
15 who manage industrial leases for places like the
16 South Brooklyn Marine Terminal, they will tell you
17 that in order to create and retain jobs, and to
18 support the unglamorous firms that bolster design and
19 tech sectors, our leaders in land use and zoning
20 still--still have to take a strategic approach. And
21 they sometimes have to take a stand on behalf of
22 unsexy, lower yielding land uses. Industrial land
23 that are publicly or privately owned represents a
24 portfolio of assets that needs strategy and
25 stewardship in order to thrive. And particularly in

2 order to thrive in a way that aligns with the Mayor's
3 commitment to decreasing income inequality and
4 providing opportunity to all New Yorkers. We are in
5 danger of going backwards and returning to a short-
6 sighted property-led mentality, and that is really
7 concerning. So in light of that in my [bell] no
8 seconds left, I am going to lend my endorsement of
9 the excellent recommendations that of the *Engines of*
10 *Opportunity* report. And also propose that the City
11 build on the success of the Brooklyn Navy Yard
12 Development Corporation by replicating mission-driven
13 management amenities like the one that presides over
14 the Navy Yard across the whole city. Thank you.

15 CHAIRPERSON GREENFIELD: Thank you very
16 much.

17 NINA RAPPAPORT: Hello. My name is Nina
18 Rappaport. I'm very pleased to be here, and I thank
19 you and your committee for holding this hearing, and
20 also for Kyle Kimball and Carl Weisbrod and their
21 current work. I am--my name is Nina Rappaport, and
22 I'm an architectural critic and curator, educator and
23 Director of Publications at Yale School of
24 Architecture. My project and kind of think tank
25 Vertical Urban Factory was initiated in 2006 with

2 architectural studio of the same name at Parsons
3 School of Design. And there, we looked at ways to
4 insert vertical factories in New York City on three
5 different sites. From there, I conducted research
6 and authored articles and curated a traveling
7 exhibit, which is now in Switzerland about this topic
8 of vertical urban manufacturing. This is all being
9 folded into a book that will be released this summer
10 with ACTAR. My project emphasizes--

11 CHAIRPERSON GREENFIELD: [interposing]
12 Available on Amazon.

13 NINA RAPPAPORT: Yes. [laughs]

14 CHAIRPERSON GREENFIELD: Okay, just
15 making sure.

16 NINA RAPPAPORT: My project emphasizes
17 the innovative design of the modernist factory and
18 contemporary factories in cities provoking the ideas
19 of urban manufacturing as a significant contribution
20 to urban vitality, which won't exist unless we allow
21 space for production, which has been a major thrust
22 of the discussion today. My research asks that the
23 flexible and flat economy of the global factory how
24 new urban manufacturing point the way to new models
25 for living and working in self-sufficient, diverse

2 and just ecological and economic urban systems, and a
3 return to local places of production. In
4 relationship to New York City and the importance of
5 maintaining industry in industrial zones, must--one
6 must also recognize the change in the definition of
7 industry, which Laura also mentioned. It's now
8 cleaner and greener and smaller in scale. So it
9 actually can be ubiquitous. But how can we encourage
10 manufacturing to take root in our city and thrive?

11 Zoning changes to me can't react fast
12 enough to economic change, and there needs to be
13 flexibility to allow for manufacturing and light
14 industrial uses in more places in the city and be
15 part of this urban density and mix. If this could
16 occur, we could both retain jobs so that when
17 factories do return from China there is increased
18 reshoring, and we still have workers and a space in
19 which to do the work. We now have zone manufacturing
20 in the way. Among many ideas to main manufacturing
21 spaces for industry in New York I'm highlighting a
22 few here that relate to the idea of vertical urban
23 factories. These are flexible factories, increased
24 industrial building height and centers for building
25 industry and mixed use in neighborhoods. We must

2 acknowledge this shift in scale with many of the
3 projects that we've been discussing today. But I
4 want to emphasize this idea that factories can be
5 taller and denser.

6 I would like to propose height increases
7 in manufacturing M1-1 and M1-4 zones so that they can
8 be multi-storied. In many areas this is possible to
9 increase the FAR, and encourage taller manufacturing
10 with bonuses for height that could then be perhaps
11 added to existing buildings as many of these are
12 overbuilt to begin with. Or, to add new buildings
13 for larger industrial use. [bell] Can I go on a--a
14 few minutes more?

15 CHAIRPERSON GREENFIELD: That's okay. If
16 you would just wrap up your testimony.

17 NINA RAPPAPORT: Okay. I believe there
18 could be incentives to maintain manufacturing in
19 cities, but also that factories can be disbursed.
20 There can be hybrid inclusive industrial zones, and
21 the mandatory inclusionary manufacturing concept.
22 Factories can integrate with neighborhoods, and--and
23 provide jobs for those who live nearby. So, in--in
24 short, by allowing taller and denser factories, mixed
25 in use, they can provide this hybrid making and

2 living in this dynamic city. Thank you for your
3 attention.

4 CHAIRPERSON GREENFIELD: Thank you very
5 much. Giovania.

6 GIOVANIA TIARACHRISTIE: Can you hear me.

7 CHAIRPERSON GREENFIELD: Yes.

8 GIOVANIA TIARACHRISTIE: Thanks. First I
9 want to thank everybody for sticking it out past the
10 fourth hour here. I'll be brief. Don't worry. So
11 good afternoon. My name is Giovania Tiarachristie,
12 and I'm an urban planner and graduate student at
13 Pratt focusing on affordable housing and economic
14 development. I've been working closely over the past
15 year with Make the Road in Bushwick, a predominantly
16 Latino and working class neighborhood to develop
17 strategies to maintain affordability and prevent
18 displacement. So we found the long time Bushwick
19 residents are getting priced out of their
20 neighborhood not just from the increasing rents but
21 also disappearing living wage jobs in the
22 manufacturing sector. As the city turns its focus to
23 affordable housing and decreasing inequities, the
24 protection, retention and proactive investment in
25 industrial land must be part of that conversation.

2 The industrial sector includes one in six workers in
3 Bushwick. Many of them in the spaces directly in the
4 district, or in the adjacent North Brooklyn IBZ. And
5 as we've discussed, this area is losing its
6 manufacturing spaces and its jobs to residential loft
7 conversions, bars, night clubs and hotels and in
8 general from landlords who are warehousing and
9 speculating on this land, salivating at the potential
10 for rezoning. No housing is affordable with a living
11 wage job.

12 CHAIRPERSON GREENFIELD: [interposing] A
13 new word usage there. I just want to note that.
14 Salivating. I haven't heard that today. So thank
15 you for adding that to our vocabulary here today.

16 GIOVANIA TIARACHRISTIE: No problem.
17 Like I said, no housing is affordable without a
18 living wage job. And the industrial sector, as we've
19 heard, pays on average double that of retail and
20 hospitality, and restaurant sectors. And they employ
21 workers with low educational attainment and low
22 English proficiency, providing opportunities to
23 immigrants who continue to be the life blood of the
24 city. Over 60% of New York City's manufacturing
25 workers are foreign born, and people of color

2 represent 81% of the industrial workforce of the city
3 especially men of color without college degrees.
4 Hispanic and Black males together make up the
5 majority of the industrial workforce. And thus,
6 preservation and retention in manufacturing land is
7 an issue of justice.

8 As the city allows night life,
9 restaurants, boutiques, bars, hotels and luxury
10 residential to be built on manufacturing zones, these
11 businesses and living wage jobs for the working class
12 in the city are being displaced. And as an urban
13 planner, it is my professional position that the
14 city--this critical part of the city's ecology must
15 be protected retained and supported. I'd also like
16 to add that as the special sector evolves to include
17 innovation in this new economy, we need programs that
18 proactively train and connect low-income communities
19 an people of color directly to these positions to
20 ensure that they're not left our of this emerging
21 field. And I hope that the Administration will
22 follow through with its commitment, and combat
23 inequality in the city by preserving these jobs that
24 have provided meaningful opportunities to generations
25 of New Yorkers. Thank you.

2 CHAIRPERSON GREENFIELD: Thank you,
3 Giovania. I hope the Administration will follow
4 through on that commitment as well. I have a couple
5 of questions for Nina and Laura. I'm wondering about
6 a couple of things that you said in your respective
7 testimonies. How much taller would you recommend
8 when you say you want to see taller buildings?
9 Right, it's always like a point of contention with
10 local communities. So, it seems like you've thought
11 a lot about this. I'm curious as to what your
12 perspective is.

13 NINA RAPPAPORT: Right. I'm not talking
14 about skyscraper factories, thought that would be a
15 very interesting typology. I--I mean the--like the
16 existing ones we do see now like what we see in the
17 Brooklyn Navy Yard six to ten stories. I--I envision
18 the idea of--of manufacturing on the upper--on the
19 ground floors, and then potentially also the mixed
20 uses with residential above. So that the residential
21 could be on the higher floors, and support the
22 manufacturing on the lower floors.

23 CHAIRPERSON GREENFIELD: Well, that
24 actually leads to my next question. Thank you very
25 much about mixed use. So, the mixed use industrial,

2 manufacturing, commercial, plus residential is not
3 super popular in North America to my knowledge. My
4 wonderful staff tells me we might have something
5 going up in Vancouver.

6 NINA RAPPAPORT: [interposing] Uh-huh.

7 CHAIRPERSON GREENFIELD: But, how--how
8 much has been studied on that particular issue and
9 the ability for all of these uses to co-exist
10 harmoniously, especially, you'll be looking at what
11 you're recommending, which is an eight to ten-story
12 building.

13 NINA RAPPAPORT: The way I've been seeing
14 it is if you think of a neighborhood like SoHo when
15 it was converting and being gentrified, at that time
16 there was manufacturing in the building along with
17 residents, and sometimes commercial space. So, I
18 think that this mix could be invigorating in the
19 city. Of course, it would be light manufacturing.
20 It would be small scale manufacturing. It wouldn't
21 be--it might be more than the maker culture that
22 we're talking about. Not a heavy, heavy duty
23 manufacturer. But it could have two elevators, which
24 they do now in places like the Garment District. And
25 in the Garment District now you have residential,

2 commercial and manufacturing. It's just not zoned as
3 such.

4 CHAIRPERSON GREENFIELD: Thank you.
5 Laura, do you have any thoughts on these questions,
6 or anything you'd like to share in this regard?

7 LAURA WOLF-POWERS: Specifically, with
8 respect to scale?

9 CHAIRPERSON GREENFIELD: The scale and
10 mixed use.

11 LAURA WOLF-POWERS: I think I would
12 depart from Nina a little bit in that I--I think that
13 the maker culture and the kind of modern chic
14 manufacturing while we should certainly welcome it to
15 our city, is not necessarily always going to be
16 compatible with traditional manufacturing uses. And
17 so, I was actually speaking earlier today to somebody
18 at EDC, and they--they really wanted me to emphasize
19 in this testimony that sometimes you, you know, the--
20 the really flashy businesses, the glamorous
21 businesses, the kind of businesses that--that Andrew
22 Kimball is trying to attract to Industry City those
23 may be paying higher rents, and we do want them in
24 our ecology. But, we also really need the--the
25 unsexy lower yielding businesses, the ones that

2 employ working class individuals, and the ones that
3 also particularly in the case of marine facilities
4 actually reduce vehicle miles traveled, and have an
5 environmental--create an environmental good as well.
6 So I just want to--want to say that while I embrace
7 the--the potential of the maker economy, I want to
8 signal that--that I think we need to be very careful
9 about embracing it so much that some of the more
10 classic manufacturing business never--no longer feel
11 welcome in the city.

12 CHAIRPERSON GREENFIELD: Great. Thank
13 you very much. Very informative, very helpful and a
14 wonderful rest of the day. We're going to call up
15 our Sunset Park panel, is what we're calling it.
16 David Beltre from Sunset Park Business Residents;
17 Anna Orosco from UPROSE; Elizabeth--I do not know how
18 to pronounce her last name--from UPROSE; Terry Hum,
19 Sunset Park Panel; Ting Ting Fu from UPROSE; Reverend
20 Dr. Samuel Cruz from the Trinity Lutheran Church,
21 UPROSE; I see Naphine [sp?] over here, and--Oh, here
22 we go, Jeremy Laufer from Community Board 7 in
23 Brooklyn.

24

25

2 CHAIRPERSON GREENFIELD: So I'm just
3 going to go through and note who's here and who's
4 not. Jeremy, are you here?

5 JEREMY LAUFER: I sure am.

6 CHAIRPERSON GREENFIELD: Thank you,
7 Jeremy. Jose, are you here?

8 FEMALE SPEAKER: [off mic] No, he's not
9 here.

10 CHAIRPERSON GREENFIELD: Jose is not
11 here. Okay, Anna, are you here?

12 FEMALE SPEAKER: [off mic]

13 CHAIRPERSON GREENFIELD: I'm sorry.

14 FEMALE SPEAKER: [off mic]

15 CHAIRPERSON GREENFIELD: You can do that
16 if you fill out a testimony form, please. Thank you.

17 FEMALE SPEAKER: [off mic] I'm here with
18 Anna Orosco. [sic]

19 CHAIRPERSON GREENFIELD: Oh, so you are
20 an addition. Okay, I got it. So Elizabeth is not
21 testifying. Very good. Is Tarry here? Tarry, very
22 good. Ting Ting Fu? Okay, Reverend Dr. Samuel Cruz.
23 Not here. Okay, Terry, why don't we start with you?

24 TARRY HUM: [off mic] Push the red
25 button?

2 CHAIRPERSON GREENFIELD: The red button
3 needs to be lit, and pull it a little bit closer to
4 your mouth, please. Thank you.

5 TARRY HUM: Okay, very good. Good
6 afternoon. Thank you, Chair Greenfield, for this
7 opportunity to comment on New York City's Industrial
8 Land Use and Zoning Policy. My name is Tarry Hum and
9 I'm a City University of New York faculty member at
10 Queens College and the Graduate Center. I have a
11 personal stake in strengthening and enforcing the
12 city's Industrial and Manufacturing Land Use Policy.
13 As new immigrants with no English language
14 proficiency and barely a high school education, my
15 parents found work in New York City's industrial
16 sectors that enabled them to support a family and
17 raise four kids. I grew up in Brooklyn--Brooklyn,
18 Sunset Park one of the city's few remaining working
19 waterfront neighborhoods. My family moved to Sunset
20 Park in 1974, and my father continues to live in the
21 neighborhood. My brother is Carl Hum, the first
22 Director of the Mayor's Office of Industrial and
23 Manufacturing Businesses. Our commitment to New York
24 City's Industrial and Manufacturing sectors is our--
25 is rooted in our family experience and--

2 CHAIRPERSON GREENFIELD: [interposing]

3 I'm sorry. I apologize. I have to ask where is Carl
4 home these days?

5 TARRY HUM: Washington, D.C.

6 CHAIRPERSON GREENFIELD: What's he doing
7 there?

8 TARRY HUM: He's an attorney with the
9 Advancing Asian-American Justice, a civil rights
10 group.

11 CHAIRPERSON GREENFIELD: Well, good to
12 know. Send him our congrats. Thank you.

13 TARRY HUM: I will. Okay. Our
14 commitment to New York City's industrial and
15 manufacturing sectors is rooted in our family
16 experience and continuing connection to Sunset Park.
17 For these reasons, I am also a member of the Protect
18 Our Waterfront Alliance. I will not reiterate the
19 data presented in the New York City Council's *Engines*
20 *of Opportunity* report.

21 CHAIRPERSON GREENFIELD: [interposing]
22 Well, we thank you for that.

23 TARRY HUM: Okay, which underscore how
24 critical industrial and manufacturing employment is
25 particularly for immigrant workers and workers of

2 color. And that average wages for industrial jobs are
3 high relative to retail and food services. Rather, I
4 wanted to direct my comments on the current Jamestown
5 Properties proposal for the massive industry city
6 complex in Sunset Park. I believe Jamestown
7 Properties' \$1 billion proposal, which includes a
8 rezoning and a \$115 million public investment
9 represents a catalytic project that will shift
10 decidedly away from working waterfront uses while
11 facilitating an increase in land values and
12 subsequent direct and indirect displacement of local
13 small businesses, their employees and residents.

14 Sunset Park is a vibrant working-class
15 Latino-Asian neighborhood. It is at a crossroads.
16 Although much diminished by the industrialization and
17 public and private disinvestment, Sunset Park's
18 waterfront is a large part of the Southwest Brooklyn
19 industrial business zone and continues to be a key
20 site for industrial manufacturing and small
21 businesses, many of which are immigrant owned. They
22 include auto repair shops, garment cutters, sewing
23 subcontractors, construction materials, suppliers,
24 and food manufacturers. The dominant presence of
25 city-owned and managed properties in Sunset Park's

2 extensive industrial maritime infrastructure
3 including the South [bell] Brooklyn Marine Terminal,
4 Brooklyn Army Terminal means that the city can do a
5 lot to protect and promote the neighborhood's
6 industrial future.

7 CHAIRPERSON GREENFIELD: If you could
8 please wrap up your testimony. Thank you.

9 TARRY HUM: Okay, I'll wrap up. Okay,
10 we--let's see, what's the important thing. Recent
11 news that Mayor de Blasio is considering a ban on
12 hotels as an as-of-right development in light
13 manufacturing zones would be a small, but positive
14 step towards protecting Sunset Park's industrial
15 waterfront. Sunset Park already has seven hotels
16 located in inland zones, and three more are in the
17 pipeline. So I just think that the City follow its
18 own findings and conclusions to promote Sunset Park's
19 working waterfront land uses and advance developments
20 that truly support the sustainable industrial
21 district that is job-intensive for local residents.

22 CHAIRPERSON GREENFIELD: Thank you,
23 Tarry. Ting Ting Fu.

24 TING TING FU: Good morning or good
25 afternoon, Chairman Greenfield and members of the

2 committee. My name is Ting Ting Fu. I grew up in
3 Sunset Park, Brooklyn. It's a community near and
4 dear to my heart--

5 CHAIRPERSON GREENFIELD: [interposing] If
6 you would, bring the microphone a little closer to
7 you. Thank you.

8 TING TING FU: My parents emigrated from
9 China, and were able to find work in this thriving
10 supportive community. Because of Sunset Park's
11 manufacturing zone, my mother was able to find work
12 close to home so that she could better take care of
13 me and my brother. But I am concerned about the
14 future of the residents, workers and businesses of
15 Sunset Park. Any new waterfront development needs to
16 be inclusive of Sunset Park's Asian-Latino and
17 working-class communities. We need a clear and bold
18 commitment from the City to persevering--preserving
19 industrial zoned land and reinvestment in the blue
20 collar industry. I urge this committee to consider
21 the following principles in order to ensure just and
22 incredible waterfront revitalization:

23 1. Protect the economic needs of long-
24 time residents, workers and businesses who face flat
25 wages, increasing rent and displacement.

2 2. Expand union jobs by guaranteed
3 career opportunities at all skill levels, career
4 advancement and income mobility.

5 3. Restrict any rezoning applications
6 that reduce land zones from manufacturing to
7 accommodate commercial and residential uses. And
8 prioritize more industrial and maritime firms that
9 rely on working the waterfront.

10 4. Protect the health and safety of
11 workers and residents by providing technical and
12 financial resources for climate adaptation, energy
13 efficiency and pollution prevention.

14 5. Respond to the local need for
15 climate adaptation, energy efficiency and pollution
16 prevention by helping local businesses and workforce
17 development--develop the capacity to provide these
18 goods and services.

19 These priorities have been well
20 established in our community for some time now.
21 Existing Sunset Park community based plans promote
22 industrial redevelopment, the retention of industrial
23 jobs and the reduction of environmental burdens on
24 the surrounding residential communities. Since Super
25 Storm Sandy, which have been--which had a devastating

2 effect on Sunset Park, climate adaptation and
3 resiliency had become very important issues to
4 consider. For this reason, Sunset Park represents a
5 great opportunity for local economic development that
6 preserves the community's current character, accounts
7 for change in climate, and contributes to a just and
8 sustainable economy. I thank the committee for
9 taking this crucial matter, and I'm grateful for the
10 opportunity to comment.

11 CHAIRPERSON GREENFIELD: Thank you very
12 much. Anna.

13 ANNA OROSCO: [off mic] Good afternoon.
14 I'm Anna Orosco. [on mic] Good afternoon, I'm Anna
15 Orosco. I am testifying on behalf to the Executive
16 Director of UPROSE, Elizabeth Yeampierre, and I'm
17 also speaking on behalf of Reverend Samuel Cruz, a
18 reverend at Community Lutheran Church in Sunset Park,
19 who was here and wanted to testify today, but had to
20 leave to go back for a service this evening. As well
21 as David Beltre, a business owner in Sunset Park, who
22 also was here earlier today, and was hoping to
23 testify, but was called back for business.

24 CHAIRPERSON GREENFIELD: Thank you.
25 Well, we'll note that we have all three of your

2 testimonies on record and you will read them all.

3 So, thank you.

4 ANNA OROSCO: Thank you, thank you. So
5 UPROSE is an environmental and social justice
6 organization serving the Sunset Park area. We've
7 been there for nearly 30--50 years. We have long
8 advocated for the development in our community that
9 reflects local needs including transportation, open
10 space, economic development, public health and
11 climate resilience. Advocacy around indus--
12 industrial retention is central to the work that we
13 do, and I thank you for the opportunity to comment.
14 Sunset Park is home to one of New York City's last
15 remaining industrial waterfronts and is home to
16 working class community of color. Manufacturing
17 offers employment prospects to local workers at all
18 skill and education levels, and is an important
19 provider of well paying jobs for those without a
20 college degree. The preservation and expansion of a
21 blue collar manufacturing base is crucial to the
22 Sunset Park economy. In much of New York City
23 industrial sector jobs pay twice the annual salary of
24 service sector jobs. However, the loss of blue
25 collar jobs and the displacement of working class

2 residents is a growing threat in Sunset Park. Our
3 industrial waterfront is under assault by proposed
4 rezonings and land speculation. We have already
5 begun to feel the effects of displacement including
6 rising costs of living, and the establishment of
7 boutique business inconsistent with blue collar
8 manufacturing. In response to these developments,
9 UPROSE has assembled Protect Our Working Waterfronts
10 Alliance, also known as POWA, a coalition comprised
11 of local residents, industrial businesses, labor,
12 housing advocates and civic leaders. The
13 displacement of blue collar residents and businesses
14 is devastating to communities. It must not be
15 allowed to occur in Sunset Park. Once gone, these
16 blue collar jobs will never return. In the last
17 year, major news outlets like the New York Times and
18 the Wall Street Journal have called Sunset Park City
19 the next SoHo, Dumbo or Chelsea, turning it as a host
20 for the creative economy. But, there is nothing
21 creative about displacement. These developments do
22 not emphasize the commitment to retaining and
23 expanding additional blue collar union jobs in which
24 communities like Sunset Park have long depended.
25 Sunset Park is also home to the city's largest

2 significant maritime and industrial area, and is
3 located in the storm surge zone. Climate change
4 poses a dramatic threat to our industrial zone and
5 adjacent residential communities. But, despite this
6 threat, our industrial areas also offer an
7 opportunity. Given the climate adaptation needs of
8 our community, the city and the region, we must use
9 these zones to generate and produce climate solutions
10 locally. Our community needs a bold commitment from
11 this community to preserve and re-invest these
12 industrial areas. Thank you for your consideration.
13 [bell]

14 CHAIRPERSON GREENFIELD: Thank you very
15 much. Jeremy Laufer.

16 JEREMY LAUFER: Good afternoon, Chairman
17 Greenfield and--well, you're the only one left. My
18 name is Jeremy Laufer, and I'm the District Manager
19 for Community Board 7--

20 CHAIRPERSON GREENFIELD: [interposing] I
21 am the Chairman, Jeremy, and the only one that
22 matters. Don't lie.

23 JEREMY LAUFER: --representing the Sunset
24 Park and community terrace sections of Brooklyn, the
25 community district in Queens, the Brooklyn waterfront

2 from the Gowanus Canal to the 65th Street Rail Yard.

3 For decades, Community Board 7 has recognized the

4 potential importance of our industrial waterfront,

5 and we have sought to protect it from housing and

6 other uses that could have a negative impact on jobs

7 and industry in the community. Our board is on plan

8 [sic] for its revival--revival, and the benefits that

9 a working waterfront with recreation and access

10 opportunities can provide to the local working-class

11 and poor community.

12 In December 2009, the City Council voted

13 to support Community Board 7's 197-A Plan: New

14 Connections, New Opportunities, culminating a 13-year

15 process it took our board to create the plan,

16 negotiate with numerous city agencies, at which call

17 for specific policies and infrastructure needs and to

18 see its approval through the City Planning Commission

19 and the City Council. Our plan calls for an

20 integration of public access and economic development

21 on the waterfront with far-reaching benefits for our

22 neighborhood residents. Our plan is often cited and

23 it's gratifying to read--or read references made in

24 various city and non-governmental proposals for a

25 waterfront community. However, it is important to

remember that this plan was approved in 2009, and a great deal has changed on our waterfront since. New business technology and investments; infrastructure improvements; Hurricane Sandy flooding and climate adaptations; a bankruptcy and a failure of a major RFP; changes to the Building Code; the opening of our waterfront park among other changes have all taken place since our plan was adopted. The document was a snapshot of what was occurring along our waterfront in 2009. For example, our plan extensively discusses the long-term contract Access Auto Group signed to create an auto port at the South Brooklyn Marine Terminal, a proposal that would have created three to four hundred jobs. At the time it was proposed in 2005, our board voted in favor of it as it seemed the best chance for revitalizing the Marine Terminal. Our plan did not contemplate the current reality being negotiated because reality in 2009 was a 30-year contract for the site. As conditions change, it is important that the Community Board remain a partner in discussion for the site's use. The 197-A Plan is a guiding document that is not always responsive to the changing economy.

2 Community Board 7 has voted on allowing
3 big-box retail at Liberty View Plaza to cross-
4 subsidize its industrial tenant. Continues to
5 advocate for the full build-out of our waterfront
6 park; lost and has been promised new ferry service;
7 fought against a housing facility on 2nd Avenue;
8 partnered with community-base organizations--thank
9 you UPROSE--to negotiate an agreement to reduce
10 emissions from power plants while increasing local
11 power production; achieved reopening of 29th Street;
12 and approved a section in the Brooklyn Waterfront
13 Greenway. These are examples of the new reality
14 along our waterfront, but our board took an active
15 role in each and every issue, and did not fall back
16 solely on its 197-A plan to--

17 CHAIRPERSON GREENFIELD: [interposing]
18 The last sentences, sir.

19 JEREMY LAUFER: In their report, the
20 ultimate--and ultimate approval of our 197-A Plan,
21 the City Planning Commissioner wrote: The Commission
22 applauds Community Board 7 for its comprehensive and
23 thoughtful recommendations backed by thorough
24 research. The Commissioner also commends the Board
25 for its 197-A Plan Committee for their collaborative

2 approach in developing a 197-A Plan responsive to the
3 concerns of community District 7's residents,
4 community organizations and businesses. Our board
5 has led and been recognized for its vision for the
6 preservation and reawakening of Sunset Park's
7 Industrial Waterfront, and deserves a seat the table
8 when we discuss how new businesses and infrastructure
9 will connect to impact the residents of Sunset Park.

10 CHAIRPERSON GREENFIELD: [interposing]
11 Jeremy, you guys are doing great work and we thank
12 you so much for the work that you are doing. As you
13 know, I have only one question for the panel. I'm
14 going to ask the question of Anna because she was
15 testifying on behalf of poor people. And I
16 specifically want to ask you question because I
17 noticed that you had to shorten your testimony about
18 the issue that you discussed, which is that you have
19 a concern that the Times, the Journal and others have
20 called Sunset Park the next SoHo, Dumbo, Chelsea, et
21 cetera. You are prepared to be not happy about this
22 designation. Specifically, your concern is the
23 traditional blue collar union jobs in the community
24 might get displaced. Can you tell us a little bit

2 more about your concern, and some of the suggestions
3 that you might have to prevent that from happening?

4 ANNA OROSCO: I think that maintaining
5 rezoning and securing the zoning to be industrial
6 zoning is a way to protect those blue collar jobs
7 that we're worried about losing. And it's comparing
8 Sunset Park, which is a working-class residential
9 area, and a working-class business area is something
10 that is of utmost importance to us. We are not
11 aspiring to be the next SoHo. SoHo is a fashion
12 industry and that's fine. There's a place for that
13 in New York City, and it's fine to belong there.
14 When we think about SoHo, we don't think about
15 working-class communities and raising families, which
16 is fine. But, Sunset Park is a place where we grow
17 up, and thank you Terry and Ting Ting for being
18 present and speaking on behalf of the Sunset Park
19 Community. I think that they can also speak to
20 preserving the Sunset Park community as a place for
21 residents to raise families, and to be able to work
22 locally, and not have to commute and leave the
23 families and have their time reduced at home.

24 CHAIRPERSON GREENFIELD: You want Sunset
25 Park to be Sunset Park.

2 ANNA OROSCO: Yes.

3 CHAIRPERSON GREENFIELD: I want to thank
4 all of you for your testimony. Jeremy, I want to
5 thank you for the work you do on behalf of the
6 Community Board. We do know the importance of the
7 Community Board and we recognize that Community Board
8 has played a key role in many of the conversations.
9 We look forward to continuing to get your feedback at
10 the community board. And I want to thank all of you
11 for coming out at UPROSE especially for bringing some
12 folks out here today because we're already heading
13 into the evening, and we will dismiss you we'll bring
14 up what is our last panel. Thank you very much.
15 Pedro Estevez, United Auto Merchants Association;
16 Julie Kelly, BLT Manufacturing and Garments; Frank
17 Celauro, maybe, from 4C Foods; Mario Fichera from
18 Visual Millwork, and Deborah Nelson from BOC. This
19 is our last panel. So I just want to make sure that
20 we've called everyone. If anybody has not yet
21 testified and would like to testify, please raise
22 your hand now or forever hold your peace. Did you
23 sign up to testify? I'm sorry.

24 [background comment]

25

2 CHAIRPERSON GREENFIELD: Okay. So, we'll
3 give you the opportunity to do so now. You can fill
4 out a slip and then you can be the last person to
5 join at the table. And let me just go through and
6 see who's here. Frank, are you here?

7 FRANK CIALUZO: [off mic] Yes.

8 CHAIRPERSON GREENFIELD: Thank you, Fran.
9 Julie. No Julie. Pedro, are you here?

10 PEDRO ESTEVEZ: [off mic] Yes.

11 CHAIRPERSON GREENFIELD: Thank you,
12 Pedro. Mario, are you here?

13 CHAIRPERSON GREENFIELD: Mario was on the
14 earlier panel. Okay. Deborah, you are here, and
15 then we will get that last slip filled out, and we'll
16 find out who is testifying. If you can just slide
17 over a little bit, Deborah, we'd appreciate that.
18 And, sir, we're going to begin with you. Thank you.

19 PEDRO ESTEVEZ: Good afternoon. My name
20 is Pedro Estevez. I am the president and founder of
21 United Auto Merchants Association. As I see, I'm the
22 only representative to the automotive industry, but I
23 have some concerns that I--I'd like to evoke. From
24 the good Jerome Avenue sector of the automotive
25 community that is scheduled to be the rezone, and all

2 these businesses that are housed there, over 200 of
3 them, are in a very tight situation right now. The
4 landlords are not renewing their leases. Their
5 leases that they have they're only given two years.
6 Those that have no lease, they're increasing the rent
7 to double the amount that they were paying, waiting
8 for the rezoning to sell their properties to a higher
9 price. If the rezoning takes place, the automotive
10 merchants in that are will not be able to renew their
11 licenses. That means that they will not be able to
12 operate. The inspector is already coming over and
13 giving them summonses and violations, and they are
14 paying a lot out of their pockets of these
15 violations. I would like to know are there any
16 alternatives being developed for those businesses
17 that are not going to be able to stay in their Jerome
18 Avenue sector? Take into consideration that there
19 are over 200 businesses there that they are small and
20 medium size. The small employing between two and
21 five employees, and the medium between five and ten.
22 These are higher wages paid with other related
23 compared to retail low wages that are planned to be
24 located there. It does not solve the problem of the

2 jobs. It solve the problems with jobs, but not the
3 improvement of medium income.

4 We have a plan. United Auto Merchants
5 have a plan to relocate all these businesses in need
6 of relocation by creating a hub in one of the IBZ
7 areas of Hunt Point--Hunts Point. Those businesses
8 would be able to establish the growing network of
9 business consisting of training, job creation and
10 quality services to all the New York City area
11 residents to provide a blueprint for others to
12 follow. We have implemented--we have been
13 implementing a business that will look exactly like
14 for the past nines to the auto related businesses
15 with a very good result. We have a three-step plan
16 that will--for relocating all these businesses that
17 create --that are creating jobs versus losing them.
18 We would like to work with the help of the honorable
19 City Council Maria del Carmen Arroyo, which is the
20 City Council, in order for us to negotiate to see how
21 we can recreate a center for the automotive community
22 in the--in the section of the--of--of Hunts Point.

23 What precautions have been taken,
24 referring to displacement, we don't know. This--but
25 these businesses are going to be replaced by

2 affordable housing. [bell] Are there--are there any
3 agencies and public officials reaching out to these
4 representatives of these auto businesses? Will there
5 be any dialogue between the business owners? And
6 last, but not least, what means of compensation has
7 been considered for these businesses that are going
8 to be displaced? We have made attempts to inform the
9 exiting related businesses that are in jeopardy, but
10 not solutions have been done because we have no
11 progress. Can we have some kind of assistance to
12 help these businesses? Thank you.

13 CHAIRPERSON GREENFIELD: Thank you,
14 Pedro. I appreciate your testimony. I just want to
15 also point out that as you referred to different
16 areas but as to Jerome Avenue, of course, we're going
17 to be working very closely with Council Members
18 Gibson and Cabrera, and there will be multiple
19 conversations and meetings and hearing on the
20 rezoning that is being discussed about that area. So
21 I just want to reassure you of that, certainly
22 appreciate your important testimony here today.

23 PEDRO ESTEVEZ: Thank you.

24 CHAIRPERSON GREENFIELD: Thank you very
25 much. Deborah.

2 DEBORAH MASLOH: Thank you. My name is
3 Deborah Maslow. I'm with the Business Outreach
4 Center, otherwise known as BOC. Obviously, I do not
5 have any formal testimony, but would like to speak
6 from my heart, if that's okay with you.

7 CHAIRPERSON GREENFIELD: It's okay with
8 me.

9 DEBORAH MASLOH: I am one of those afore-
10 mentioned IBSPs. I--and I'd like to thank you on
11 behalf of my colleagues, the Administration and the
12 Council for support of the program. I've been with
13 the IBSP--

14 CHAIRPERSON GREENFIELD: [interposing] We
15 in the Council support IBSP, just for the record.

16 DEBORAH MASLOH: Thank you so much.

17 CHAIRPERSON GREENFIELD: You're welcome.

18 DEBORAH MASLOH: I would like to tell you
19 that I've been with the program since the first day
20 of its inception in October of 2006, and during that
21 time I've with hundreds, actually maybe thousands of
22 businesses in the New York City area. The discussion
23 always comes around to the same point, how expensive
24 it is to manufacture, or have an industrial company
25 in New York City. Mario from Visual Millworks, who

2 spoke earlier, gave me permission to tell you that
3 what they do is they take at-risk lease [sic] and
4 they train them so they either work there or take
5 these new skills elsewhere and be middle-class
6 people. He's got a carpenter that started at \$15 an
7 hour who is now making over \$90,000 a year.

8 CHAIRPERSON GREENFIELD: How much?

9 DEBORAH MASLOH: Yeah.

10 CHAIRPERSON GREENFIELD: How much are
11 they making?

12 DEBORAH MASLOH: Over \$90,000.

13 CHAIRPERSON GREENFIELD: \$90,000, right?

14 DEBORAH MASLOH: And he started at \$15.

15 So these are very, very well paying jobs. And
16 there's--there's an upward mobility for these people
17 and they--a lot of them don't have college educations
18 and they don't--maybe they don't speak English that
19 well. But, they are people and they should be able
20 to have middle-class jobs and have good lives and
21 good families. And what's happening with the zoning
22 at this point is that industrial companies can't
23 afford to stay here. We see them leaving constantly.
24 When Mario bought his building in 1996, he paid \$28 a
25 square foot there in Woodside. It's now \$250 a

2 square foot. You can't manufacture and pay \$250 a
3 square foot. It doesn't work. So, if there's
4 anything that can be done to keep M zones--M zones.
5 Enforce what you can do there, and not have so many
6 things going in as-of-right. It would be wonderful
7 for these people, and I thank you very much.

8 CHAIRPERSON GREENFIELD: Thank you,
9 Deborah. We actually agree with you, which is why
10 we're having this hearing today. And I would
11 recommend that you read the report that we put out
12 *Engines of Opportunity* that actually discusses very
13 specific recommendations on how we can do just that.
14 So, thank you very much. Frank.

15 FRANK CELAURO: Mr. Chairman, with your
16 permission, I'd--I'd like to put two of our products
17 on the table so perhaps you would know--

18 CHAIRPERSON GREENFIELD: Sure.

19 FRANK CELAURO: --who we are, 4C Foods.

20 CHAIRPERSON GREENFIELD: 4C iced tea.

21 FRANK CELAURO: And bread crumbs.

22 CHAIRPERSON GREENFIELD: And bread
23 crumbs. I used to drink your iced tea a lot when I
24 was a kid.

25 FRANK CELAURO: Thank you.

2 CHAIRPERSON GREENFIELD: At my older age,
3 you know, the sugar got to cut back.

4 FRANK CELAURO: I believe you. I know.
5 We make plenty of Splenda based products for people
6 like us, you know.

7 CHAIRPERSON GREENFIELD: Oh, great.

8 FRANK CELAURO: [coughs] My name is Frank
9 Celauro. I'm the Executive Director of Corporate
10 Development at 4C Foods. 4C is in many ways the
11 epitome of the American dream. We are a family owned
12 and operated business started by my great grandfather
13 in 1935 out of the basement of a grocery store he
14 opened of emigrating to New York City from Italy. 4C
15 is currently in its 80th year of operations in East
16 New York, Brooklyn, and manufactures all the products
17 less than a mile from our great grandfather's
18 original grocery store. We manufacture bread crumbs,
19 grated cheeses, and a variety of powdered beverages
20 including ice tea mix and the Splenda based beverages
21 that I referred to

22 4C Foods employs 224 people. We recently
23 hired 40 new people, and went to a two-shift
24 facility, the majority of whom live in our
25 surrounding neighborhoods. We provide entry-level

2 jobs with room for growth and upward mobility, and
3 many of our employees have been us--with us for
4 upwards of 20 or 30 years. We open our doors to
5 people who are unable to avail themselves of a
6 college education, or who have recently emigrated to
7 this country, just as our great grandparents once
8 did. Through hard work, dedication and opportunity,
9 several of our employees who began as entry level
10 production workers have risen over the years into
11 supervisory roles with salaries commensurate with
12 their talent, dedication and loyalty. Of the report
13 711 manufacturing jobs in East New York, a third of
14 them are ours. We are very proud of that commitment
15 to East New York, to Brooklyn and to New York City.
16 However, with that commitment comes many challenges.
17 The most difficult challenge we face--we face is space
18 or lack thereof. We currently occupy 150,000 square
19 feet across 12 different buildings. With that amount
20 of space, which is by small--which is small by the
21 standards of most modern facilities, we somehow
22 accommodate 13 production lines, our offices and
23 warehouses. Several of our production lines actually
24 crisscross six different buildings before they end.
25 Creating various inefficiencies and bottlenecks

2 within our production areas. Due to a shortage of
3 available space and despite operating two satellite
4 warehouses in our immediate vicinity, we do not have
5 the ability to warehouse more than a week's supply of
6 finished goods. This hampers our ability to build
7 inventory, and we are typically forced to wait until
8 the day a product is due to--is to ship to
9 manufacture that product. Additionally, our
10 buildings are in such close proximity to each other
11 that truck drivers have difficulty backing in to drop
12 off or pick up goods. Despite these many challenges,
13 we manage to ship our products across the entire
14 country as well as internationally. We have an
15 attitude of adaptability and we owe a great deal to
16 our forefathers who generations ago paved the way for
17 our present success. [bell] It is our intention to
18 convey to the committee today how critical these
19 industrial jobs are. And notwithstanding the many
20 challenges of our present location, we hope to be
21 able to stay in New York for the next 80 years. I
22 wish to thank this committee for your time. Thank
23 you.

24 CHAIRPERSON GREENFIELD: Well, thank you,
25 Frank. I'm glad to hear that you guys plan on

2 sticking around. We certainly appreciate that, and
3 we'll check out some of those Splenda based products.
4 Marcella. Hello.

5 MARCELLA VAN LEEUWEN: Thank you for the
6 opportunity to talk. I am from Sunset Park, a long
7 time resident and also an advocate an organizer for
8 Neighbors Helping Neighbors, which is a tenant
9 advocacy group. We are part of Protect Our
10 Waterfront Alliance, a coalition currently in Sunset
11 Park.

12 CHAIRPERSON GREENFIELD: Ma'am, I'm
13 sorry, if you don't mind just please take the sign
14 down.

15 MARCELLA VAN LEEUWEN: Okay.

16 CHAIRPERSON GREENFIELD: The signs are
17 okay when you're sitting up there, but not when
18 you're testifying and sir, if you're done with the
19 4C, please take that down as well.

20 FRANK CELAURO: Absolutely. I'll leave
21 it here for you.

22 CHAIRPERSON GREENFIELD: Yes. Thank you.

23 MARCELLA VAN LEEUWEN: So, I'm here to
24 talk a little bit about what's happening in Sunset
25 Park, and this proposal by Jamestown. A couple of

2 thing that's important to understand is that
3 development should be safe and responsible, and
4 importantly, respectful to the community and its
5 needs. A few of the things that we mentioned was
6 that is important is that the community needs to
7 prepare. We need to prepare the community for the
8 local workforce, which means having them ready and
9 able to participate in the new economy. Things such
10 as STEM education, which you've heard, trade schools
11 and establishing local jobs centers with job--job and
12 training placements. In order for this development
13 to be successful, but the industry and the community
14 must rise together. Some of the things that are
15 happening is we're having issues with the
16 infrastructure. And that's something that Jamestown
17 also spoke about. We things like updated
18 transportation, web connectivity, to just name a few.
19 One of the other things that was mentioned was in
20 order for this project or for this to be successful,
21 it's going to depend greatly on the affordable
22 housing in the industrial zone. And also, making
23 sure that the residents also are able to remain in
24 their homes, and that's what I want to talk about and
25 that's what I want to focus on.

2 Currently, what's happening is--is Sunset
3 Park is predominantly consisting of immigrants where
4 English is not their first language, low education,
5 and also most of the residents are either at or below
6 the poverty level. There is huge harassment
7 pressures actually occurring right now, and they
8 already exist. And this is not including the
9 speculation of the rise in land values, and how our
10 neighborhood is rapidly being gentrified. Property
11 owners are using incentives and different forms of
12 harassment because what they want is to convert the
13 affordable double units that are currently located in
14 Sunset Park and make the market rates. Things that
15 we're seeing with tenants is baseless lawsuits; lack
16 of basic services; ignoring need of repairs. They
17 are going as far as threatening our residents with
18 calling immigration telling them that when their
19 children come home, they will not find their parents.
20 As a tenant advocate and organizer, there are times
21 that we cannot get legal representation for our
22 tenants and it's up to me to try and go and help.
23 We've been threatened in Housing Court that if the
24 property owners see us assisting the tenants, they're
25 going to go after them even more. [bell] Again,

2 this is prior to the billion dollar proposal that was
3 done, and this is only going to intensify. It's
4 important that we keep these things in consideration
5 particularly as was said before with the
6 neighborhoods changing the way that that we are,
7 Sunset Park is a predominantly working class
8 community, and we'd very much like it to continue
9 that way.

10 CHAIRPERSON GREENFIELD: Thank you,
11 Marcella. I love Sunset Park, too, even without a
12 sign. And for those concerns, I would very much
13 encourage you to reach out to your local council
14 member Carlos Menchaca and just apprise him of that.
15 Obviously, it's not the focus of our hearing today,
16 but certainly the things you're telling us are
17 obviously not acceptable, and we would want to make
18 sure that's not happening.

19 MARCELLA VAN LEEUWEN: I appreciate that.
20 He is well aware. One of the things that he did
21 mention is that's one of the big issues--

22 CHAIRPERSON GREENFIELD: [interposing]
23 Great.

24 MARCELLA VAN LEEUWEN: --in the
25 community, and this is a direct effect of what's

2 happening and the speculation. And this is before
3 any large projects are even coming here.

4 CHAIRPERSON GREENFIELD: I completely
5 understand. Thank you very much. Frank, I'm going
6 to ask you my one question because I'm always excited
7 when I have large local manufacturers. So talk to us
8 about some of the challenges that you have, and what
9 you would like to see in terms of changes to preserve
10 your manufacturing in New York City, and to make it
11 easier for you to expand your business?

12 FRANK CELAURO: [coughs] We have
13 determined that a \$10 million investment on our part
14 both in new machinery as well as a total renovation
15 of our facility would be necessary for us to stay
16 here. Without that renovation, we're going to have
17 to leave. So, we have reached out to BOC and to the
18 EDC and through BSD [sp?]program hope to get some
19 help from the--from the city and state. The
20 challenges are numerous, and, you know, I'm born in
21 New York, live in Manhattan. The problem is that
22 there's no intrinsic value to manufacturing in New
23 York when you ship globally. It's actually really
24 difficult to get trucks to agree to come here. We're
25 not able to use 53-foot trailers. You have to use

2 shorter trailers. That creates an incremental 2,000
3 truckloads I need to ship a year. Primarily, the--
4 the rise in cost of manufacturing has everything to
5 do with property tax to--You know, we're a union
6 shop. We pay very high wages. There's--there's
7 numerous things. I think that property taxes on
8 manufacturers could be reduced. I think that a--a
9 reasonable understanding of what the minimum wage
10 does to a manufacturer like myself needs to come
11 across to the City Council. For example if, as I've
12 read in the paper, if the minimum wages goes to
13 \$13.13, I'm out of business by Tuesday. So those 224
14 jobs that I currently have are gone, and that's not a
15 political statement. That's a fact. So, you know,
16 when it come down to it, that's--that's what I wish
17 to convey to this--to this committee and to yourself,
18 the Chairperson. Thank you.

19 CHAIRPERSON GREENFIELD: Thank you. I
20 want to thank you for your testimony. I want to
21 thank all of you for your testimony. It was very
22 helpful and appreciative and enlightening, and this
23 actually concludes the Committee on Land Use
24 Oversight on Industrial Land Use and Zoning Policies

1 COMMITTEE ON LAND USE

252

2 on May 6th, 2015. After five hours, I can say we're

3 hereby adjourned. [gavel]

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C E R T I F I C A T E

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



Date May 17, 2015