

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC DEVELOPMENT

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October 26, 2017
Start: 12:30 p.m.
Recess: 12:54 p.m.

HELD AT: 250 Broadway - Committee Rm.
14th Fl

B E F O R E: DANIEL R. GARODNICK
Chairperson

COUNCIL MEMBERS: Vincent J. Gentile
Julissa Ferreras-Copeland
Karen Koslowitz
Donovan J. Richards
Inez D. Barron
I. Daneek Miller
Joseph C. Borelli

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

2 [sound check, pause] [background comment,
3 pause] [gavel]

4 CHAIRPERSON GARODNICK: Good afternoon,
5 everyone. My name is Dan Garodnick, and I have the
6 privilege of chairing the Council's Committee on
7 Economic Development. I would like to thank my
8 fellow committee members and staff for joining us for
9 today's hearing. We're joined by Council Member
10 Borelli, Koslowitz and Johnson at the moment. We
11 expect to be joined by more members shortly. We are
12 going to be having a vote today on Introductions
13 1316-A, 1322-A and 1337-A. Today's hearing will
14 provide this committee with the opportunity to vote
15 on these three critical pieces of legislation, which
16 improve transparency on projects funded by the
17 Economic Development Corporation of New York City.
18 The city spends nearly \$2.8 billion a year on
19 economic development. These funds are dedicated to
20 laudable goals such as the creation of new jobs,
21 expansion of affordable housing, the improvement of
22 the quality of city neighborhoods or the refurbishing
23 of sites of cultural or historical significance among
24 others. While these projects are critical
25 expenditures, they also need to be subject to

2 oversight and scrutiny. After all, these are still
3 public dollars being spent here. Unfortunately, it's
4 not always clear where that money goes and whether or
5 not it achieves its intended objectives. The package
6 of bills before the committee today take steps to
7 improve transparency at EDC, and ensure the city tax
8 dollars are being spent most effectively. I
9 sponsored Introduction 1316-A, which would require
10 EDC to submit fiscal impact statements and job
11 creation estimates for EDC sponsored economic
12 development projects receiving financial assistance
13 from the city. Introduction 1322-A, sponsored by
14 Council Member Corey Johnson who you're going to hear
15 from in a moment would require EDC to report on its
16 efforts to recover funds from third parties at
17 default on Economic Development agreements. These
18 so-called club acts are an important part of ensuring
19 that taxpayer dollars are well spent. By tracking
20 the recovery of funds used in support of Economic
21 Development, we at the Council will be better
22 equipped to understand how effectively these funds
23 are being used. Finally, the Committee will be
24 voting on Introduction 1337-A sponsored by Council
25 Member Helen Rosenthal. This bill will require EDC

2 to submit a project description and budget to the
3 Council at least 30 days before an economic
4 development project agreement is executed. That will
5 give us at the Council advance notice of the
6 estimated costs of pending economic development
7 projects, and permit a response period from the
8 Council if issues should arise before a project's
9 commencement. I also understand that Introduction
10 1337-A acts as a bit of a legislative cleanup for our
11 hardworking colleagues and central staff and I
12 applaud their efforts at reducing unwieldy section of
13 the City Charter into several much more manageable
14 pieces. I want to thank my committee staff,
15 Legislative Counsel Alex Paulenoff; Policy Analyst
16 Nadia Johnson, and Finance Analyst Aliya Alli for the
17 work on the bills. I would also like to thank the
18 other members of the committee and my co-sponsors of
19 the bills and the prime sponsors for coming together
20 for this hearing today. I would now like to turn the
21 floor over to Council Member Corey Johnson who is the
22 sponsor of Intro 1322.

23 COUNCIL MEMBER JOHNSON: Thank you, Chair
24 Garodnick for the opportunity to speak today about
25 Introduction 1322. As you said, my bill to require

2 entities like the Economic Development Corporation,
3 which administer economic development benefits on the
4 city's behalf to report on their efforts to recover
5 benefits provided to projects, which default on the
6 agreement under which such assistance was provided.
7 That is to say if the city provides taxpayer money
8 under a set of terms, if those terms are not abided
9 then either the recipient of the money must fix the
10 situation the city takes the money back. It's an
11 arrangement we all agree to everyday. If you are a
12 consumer and you go into a store and you pay for
13 milk, discover that it's sour, you either receive new
14 milk or you get your money back. This is a common
15 sense bill that says corporations should not be able
16 to lie their way in taxpayer money without
17 consequence. I'd like again to thank you, Chair
18 Garodnick, the chair of this committee for your
19 leadership, and the other Council Members who have
20 leant their support on this bill, and I ask my
21 colleagues to please vote in favor of it. Thank you
22 very much.

23 COUNCIL MEMBER GARODNICK: Thank you very
24 much, Council Member Johnson, and we will stand in
25 recess and then call the vote. Thank you. [recess]

2 [background comment] Okay, thank you very much. We
3 are now going to call for a vote on the three bills
4 as discussed and we'll ask the counsel to call the
5 roll.

6 LEGAL COUNSEL: Good afternoon. This is
7 the Committee on Economic Development. Today is
8 October 26, 2017. The committee is voting on Intros
9 1316-, 1322-A and 1337-A. We will begin with Chair
10 Garodnick.

11 CHAIRPERSON GARODNICK: Thank you very
12 much and I vote aye. Thank you.

13 LEGAL COUNSEL: And now Council Member
14 Koslowitz?

15 COUNCIL MEMBER KOSLOWITZ: I vote aye.

16 LEGAL COUNSEL: Council Member Richards.

17 COUNCIL MEMBER RICHARDS: Aye.

18 Congratulations to my colleagues. I vote aye.

19 LEGAL COUNSEL: Council Member Barron.

20 COUNCIL MEMBER BARRON: I vote aye.

21 LEGAL COUNSEL: Council Member Borelli.

22 COUNCIL MEMBER BORELLI: I vote aye.

23 LEGAL COUNSEL: Thank you. By a vote of
24 5 in the affirmative, 0 negative and no abstentions,
25 the items have passed.

2 CHAIRPERSON GARODNICK: I appreciate the
3 dramatic pause, and [laughter] [pause] thank you.
4 The vote will be hold-held open for ten minutes.
5 Thanks to my colleagues, and congratulations to all
6 on the bills today. Thank you, and after that time
7 we will be adjourned. [pause]

8 LEGAL COUNSEL: Continuing the roll call
9 vote on Intros 1316-A, 1322-A, and 1337-A, Council
10 Member Gentile.

11 COUNCIL MEMBER GENTILE: With my thanks I
12 vote aye on all.

13 LEGAL COUNSEL: Thank you. The vote is
14 now 6 in the affirmative, 0 negative and 0
15 abstentions. [pause] [background comments]

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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 November 15, 2017