

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC DEVELOPMENT

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HELD AT: Council Chambers - City Hall

B E F O R E: PAUL A. VALLONE
Chairperson

COUNCIL MEMBERS:

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

James Patchett
President and CEO of New York City Economic
Development corporation, EDC

Kim Vaccari
Executive Vice President and Chief Financial
Officer of New York City Economic Development
Corporation, EDC

Lydia Downing
Senior Vice President of Government and Community
Relations at New York City Economic Development
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Robin Vitale
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American Heart Association

Jesse Laymon
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Employment and Training Coalition

Alex Camarda
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J.T. FALCONE Falcone
Senior Associate of Workforce and Economic
Development at JobsFirst NYC, Policy to Practice
Intermediary

Brian Cunningham
General Council for the Building Contractors
Association

Osman Ahmed
Chief Program and Policy Officer at the
Federation of Protestant Welfare Agency

Saduf Syal
Coordinating Director at the New York City
Network of Worker Cooperatives, NYC NOWC

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

Ruth Lopez
Worker Owner of Pa'lante Green Cleaning
Cooperative

Eric Kim
Small Business Project Manager at the Asian
American Federation

[gavel]

CHAIRPERSON VALLONE: Good morning

everyone, we're going to start our preliminary budget

hearing on EDC. Just take a moment to, to thank

everybody for coming in on time, thank you Mr.

President, Mr. Patchett and the rest of your team and

I thank our, our negotiations in working out

questions and working on the budget is exactly how

and I think what the city deserves so I'm excited

about today's hearing. Good morning everyone, welcome

to our today's budget hearing. My name is Council

Member Paul Vallone and I am happy to be the Chair of

the Council's Economic Development Corp. We're also

joined today by members Adrienne Adams and Robert

Cornegy Council Members today, others will be joining

us. Donovan Richard's son is not feeling well so

he'll be asking us questions from his phone. Today we

will be hearing from the EDC on fiscal 2019

preliminary budget which includes 4.1 billion in

preliminary capital commitment plan. I share the

Speaker's vision in ensuring that the city's budget

is fair, transparent and accountable to all New

Yorkers. One area in particular that we are bringing

a renewed focus to the city's capital program, for

the first time the council has established a subcommittee to focus exclusively on the capital budget process led by Chair Vanessa Gibson. The subcommittee will play an integral role in the next few months in our oversight of the proposed budget as we strive to reform the capital process. EDC is the city's primary agent for economic development and their principal mandate is to encourage investment and to attract, retain, and create jobs in New York City. As such this committee is interested in having a robust conversation about how EDC's budget as laid out in this preliminary plan connects to the larger job creation and economic development strategies of the city. The Mayor has pledged to create 100,000 good paying jobs over the next ten years and we are interested to hear how EDC will play a role in achieving this. The fiscal 20, 2019 preliminary capital commitment plan for NYC EDC which covers fiscal years 2018 through 2022 includes more than four billion dollars, this represents approximately five and a half percent of the city's total 80 billion preliminary capital plan for fiscal 2018 through 2022. Since EDC only committed 26.7 percent of its annual capital plan in fiscal 2017, the

committee is eager to hear how EDC plans to spend the 1.1 billion in fiscal 2018 that is currently reflected in the commitment plan for the fiscal year. The 4.1-billion-dollar capital commitment plan includes, lots of numbers going, 1.3 billion for fiscal 2018 '22 in capital funds such as the Neighborhood Development fund and the Industrial Development fund both of which we'll be taking a look at today. As the recipient of these funds are decided later the council is not aware of all the projects when the fiscal 2018 budget was adopted. We would like EDC to provide us with a step by step description on how these projects are selected and executed as well as how city council is involved in the process. In addition to the 4.1 billion and its preliminary capital commitment plan, EDC is also managing 581 projects and nearly 2.5 billion in capital projects for other agencies. The council would like to learn more about how EDC decides which agencies and which projects it will work on. As the Speaker has highlighted at the OMB hearing it is essential that the budget we adopt this year is transparent, accountable, and reflective of the priorities and interests of the council and the

1
2 people we represent. This hearing is a vital part of
3 this process and I expect the EDC will be responsive
4 to the questions and concerns of our council members.
5 I look forward to an active engagement with the
6 administration over the next few months to ensure the
7 fiscal 2019 adopted budget meets the goals the
8 council has set out. I'd like to thank once again
9 James Patchett for coming today and testifying. I'd
10 also like to thank all of EDC's staff who has worked
11 tirelessly with us to prepare for this hearing, we'd
12 like... we would not be able to analyze the city's
13 budget at such a detailed level without your
14 cooperation so thank you. I would also like to thank
15 both my staff and the staff of the finance division
16 for their tireless help in preparing this hearing.
17 So, let's just do our swearing in and then I'll let
18 you do your testimony. If you could raise your right
19 hand? Do you swear or affirm to tell the truth, the
20 whole truth and nothing but the truth in your
21 testimony today and to respond honestly to our
22 Council Member's questions?

23 JAMES PATCHETT: I do.

24 CHAIRPERSON VALLONE: Thank you very much
25 and good morning and welcome.

JAMES PATCHETT: Good morning. I only get to say I do at these hearings and at my wedding so... okay, once... okay. Good afternoon Chairman Vallone and members of the Committee on Economic Development. My name is James Patchett and I am President and CEO of New York City Economic Development Corporation which is known as EDC. I am pleased to be back before you to discuss EDC's fiscal year 2019 preliminary budget and the investments we intend to make to build a fairer city today and a stronger city tomorrow. I am joined by my colleagues Kim, Kim Vaccari, who's our Chief Financial Officer and Lydia Downing our Senior Vice President for Government Relations. After my testimony we're happy to answer any questions you have. EDC is a self-sustaining, non-profit organization that drives and shapes New York City's growth. We use city resources to create a bridge between city agencies, private businesses and local communities in three key ways. First, we own and operate over 66 million square feet of real estate, which we are constantly improving and upgrading to maximize economic impact. Second, we build neighborhood infrastructure to ensure that communities remain affordable and finally we invest

1 in growth industries to create good paying jobs for
2 all New Yorkers. Since our last hearing New York's
3 economy has continued to thrive, employment has
4 fallen for the past three months and now stands at
5 4.3 percent and the city has added almost 400,000
6 jobs since the beginning of the Mayoral
7 administration and overall private sector employment
8 is up 1.7 percent since December 2016. Wages have
9 also increased by roughly three percent during that
10 time giving more New Yorker access to basic needs and
11 improving their quality of life. However, right now
12 we cannot afford to rest on our laurels, some
13 economists caution that the US is in a pre-bubble
14 stage and that this will likely be a... there will
15 likely be a recession in the coming years and even
16 though the city's economy is booming too many York...
17 New Yorkers are being excluded from our unprecedented
18 economic prosperity. While the number of New Yorkers
19 living at the federal poverty level is roughly 20
20 percent, the number of New Yorkers who live, live in
21 or close to poverty jumps to over 44 percent
22 according to the Mayor's Office of Economic
23 Opportunity but EDC is working to level the playing
24 field by creating good middle class jobs, improving
25

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access to 21st century industries and making sure the city remains economically competitive in the future. We are all in on investing in neighborhood infrastructure and industry innovation to increase opportunity. Today EDC manage hundreds... manages hundreds of projects and a nearly seven billion-dollar ten-year capital plan. Our board approved budget for FY '18 is 857 million dollars, this is comprised of EDC's own funds, city capital and expense... city capital and expense. In FY '18 we have approximately 2.14 billion dollars in our capital budget for building new space for industrial companies and our assets in Sunset Park and for work on behalf of other agencies including the construction of Andrew Haswell Green Park in Manhattan. The FY '19 preliminary budget contains 200 million dollars... 201 million dollars in new city capital and expense funding. The funds allocated to EDC are critical for capital projects like the Brooklyn Army Terminal and Bush Terminal and expense funding like our Clean NYC and Graffiti Free NYC programs. NYC Ferry has been a banner project for EDC, we set out to provide a transportation alternative for those... for... alternative for those in

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2 communities that have lacked access to, to
3 traditional system and ultimately created a network
4 of landings and vessels that were wildly popular with
5 both residents and visitors. Since May of 2017, we
6 have served over three million people and are working
7 on launching additional routes this summer. Just last
8 week I was with the Mayor announcing the start of
9 construction on our new lower East side landing, we
10 are launching two new routes this summer. The Lower
11 East Side route will serve, serve nearly one million
12 riders annually and the Soundview route in the Bronx
13 will serve nearly 400,000. We've ordered larger
14 capacity vessels to meet this demand and will
15 continue working with the city and OMB to ensure we
16 have the necessary funding to continue this service.
17 Now I'm going to discuss EDCs progress on some of our
18 most exciting and high-profile projects and
19 initiatives starting with the administration's jobs
20 plan. Moving into the Mayor's second term we are
21 laser focused on creating new positions and
22 catapulting new industries to success. Last June city
23 hall released a ten-year plan titled New York Works,
24 which includes 25 initiatives to create 100,000 jobs
25 over the next decade. This plan makes significant

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2 investments in groundbreaking industries including
3 cyber security, life sciences and manufacturing. All
4 of these fields have high growth potential and can
5 keep our city on the cutting edge. EDC was tasked
6 with implementing the New York Works plan and has
7 since made notable progress on reaching this goal.
8 For cyber security we've committed to investing 30
9 million dollars in training, R and D labs and
10 business accelerators dedicated to early stage cyber
11 security firms that want to locate here, this
12 initiative will directly create 3,500 good paying
13 jobs and catalyze another 6,500 across New York's
14 industry. For the life sciences we released an RFEI
15 to find an organization to establish an applied life
16 sciences hub that will address unmet needs in New
17 York City's life science ecosystem, this will include
18 establishing a geographic center for life sciences
19 innovation, collaboration and expansion. And for our
20 creative and cultural sectors we are excited to move
21 forward with our plans to build the nation's first
22 publicly funded virtual augmented reality lab. This
23 six-million-dollar investment will create 500 jobs
24 and position New York as the center of this growing
25 industry as well as provide space for innovators to

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2 start and expand their companies. To create good jobs
3 for New Yorkers it is critical to have updated
4 functional real estate, to that end we are pleased to
5 have received significant investments for Sunset Park
6 including in the Brooklyn Army Terminal known as BAT
7 and Bush Terminal Park. We plan to use the 99 million
8 dollars allocated in the FY '19 budget to create 21st
9 century work spaces, attract new tenants and support
10 our growing manufacturing economy. Today there are
11 5,000 people working at EDC assets in Sunset Park, it
12 is our goal to at least double that number to 10,000
13 over the next ten years. Our ultimate goal is to
14 reach 20,000 workers on our sites, the number of
15 people employed in the area at the height of World
16 War II, it's a lofty goal but we are up for the
17 challenge. Since 2014 our 150 million dollars has
18 been committed to the Brooklyn Army Terminal, over
19 3.1 million square feet have been renovated including
20 555,000 square feet during this administration. A
21 host of other capital improvements have been made to
22 attract tenants including upgrading elevators,
23 boilers and other building infrastructure. This year
24 we also launched BAT's micro manufacturing hub, an
25 ecosystem for growth stage industrial firms to

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2 collaborate and grow within the campus. EDC is
3 targeting small firms that need between 1,000 and
4 5,500 square feet to operate their businesses. We'll
5 be... we will be creating clusters of micro
6 manufacturing firms throughout this site and
7 providing curated programming to facilitate
8 collaboration and growth. This includes speaker
9 series, business to business networking events and
10 campus wide tenant engagement events. We already have
11 a handful of tenants at the hub including a smoothie
12 company, a coffee machinery company and a fashion
13 production company and expect many more to follow
14 suit. For the phase five space we are tenanting with
15 anchor tenants up to 150,000 square feet per tenant.
16 There is perhaps no better time to celebrate BAT's
17 progress than in its centennial year which EDC will
18 celebrate this summer. North of that is the Bush
19 Terminal industrial campus, as part of the Sunset
20 Park vision plan EDC is working to transform this
21 long dormant site into a public resource with both
22 ample manufacturing and green space... green space.
23 Anticipated to open in 2020, the Made in New York
24 campus at Bush Terminal will focus on garment
25 manufacturing, film and media production and related

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2 services and industries. To ensure public
3 accessibility of this green space Bush Terminal Piers
4 Park is now open for the public to enjoy recreational
5 activities. In 2017 with support from Council Member
6 Menchaca EDC opened a second entrance to the park at
7 50th Street in the neighborhood. At a town hall
8 meeting this past December the Mayor announced the
9 six-million-dollar investment in the park to install
10 new lighting thanks to Council Member Menchaca's
11 advocacy. Given EDC's presence in Sunset Park it is
12 critical for us to prioritize community engagement
13 and ensure neighborhood residents can take park in
14 the local economy. Each quarter we convene the Sunset
15 Park task force with the Southwest Industrial...
16 Brooklyn Industrial Development Corporation, the task
17 force meets to discuss economic development,
18 infrastructure, workforce training and stakeholder
19 engagement. We are fully committed to this and all
20 other ways to connect residents with the increasing
21 number of jobs at our properties. To date close to
22 400 New Yorkers have been employed through the
23 Workforce One center at BAT. We expect this number to
24 grow significantly by the end of this fiscal year as
25 new tenants move in. Our commitment to engaging local

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2 communities in workforce development extends far
3 beyond Sunset Park, we have great... had great success
4 with Hire NYC, a program that first piloted at EDC
5 and has since expanded to other city agencies. Hire
6 NYC connects the city's local workforce economic
7 development projects by engaging local workforce
8 development organizations and recruiting with the
9 city's Workforce One system. This free business and
10 hiring service has been a tremendous boom to the
11 development community which is always looking for top
12 talent. EDC also has a long history of supporting
13 MWBEs and we are working to exceed the Mayor's goal
14 of 30 percent MWBE participation prior to the 2021
15 deadline. On projects like Coney West, Hunts Point
16 Meat Market, and East River Waterfront for example
17 EDC has obtained commitments representing 34 percent
18 MWBE utilization or 53.4 million dollars of the
19 155.7-million-dollar contract value and recently the
20 Mayor announced an additional 20 million dollars in
21 commitments for the emerging developer loan fund
22 which provides funding for new developers including
23 MWBE firms involved in projects throughout the five
24 boroughs. EDC also launched a summer internship
25 program for talented and dedicated students

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2 interested in pursuing careers in the life sciences.
3 These full time, ten-week paid positions are open to
4 students currently enrolled in a New York City based
5 college or university or New York City residents
6 currently enrolled in any college or university. We
7 have already secured 13 host companies for the
8 interns including Pfizer, Roche, BioHealthWays and
9 the New York Stem Cell Foundation and are hoping to
10 make 100 internship placements this summer. And
11 earlier this year New York University's Tandon School
12 of Engineering in partnership with the New York City
13 Cyber Command launched the new Cyber Fellows, an
14 affordable online master's degree in cyber security.
15 This program is a direct response to the Mayor's jobs
16 plan calling for 10,000 new cyber jobs in the coming
17 decade. Growing our cyber security industry is
18 critical to reaching our 100,000 jobs milestone. This
19 program will open the door for many New Yorkers
20 looking to join an exciting, growing, and high paying
21 industry. We also work closely with the Doe Fund, an
22 organization that works to break the cycle of
23 incarceration, homelessness, and poverty through
24 workforce development for our Graffiti Free NYC
25 program. This initiative provides no cost graffiti

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2 removal for effected commercial, residential, and
3 industrial properties throughout New York City, Clean
4 NYC provides sidewalk power washing to these
5 properties. In tandem both programs generate good
6 will throughout the local business communities and
7 help train, employ and rehabilitate segments of the
8 city's population that too often has trouble finding
9 employment. I'd like to spend the last few minutes of
10 my testimony talking about our efforts to make EDC a
11 more inclusive and effective organization. At a time
12 when there's a national reckoning on gender equity in
13 the workplace we've worked tirelessly to make our
14 company a place where everyone can succeed. Our most
15 recent workforce demographic analysis shows that EDC
16 has a 50 percent male and 50 percent female workforce
17 and the number of female managers has increased to 47
18 percent up from 40 percent in 2014. Last November we
19 announced EDC's first ever women's leadership program
20 which focuses on tackling the systemic barriers that
21 can hold women back and this April we will hold an in
22 person sexual harassment prevention training for the
23 entire company. We also have made great strides in
24 making EDC a more diverse organization that better
25 reflects the city's overall demographics. Since 2013

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2 the percentage of people of color on staff has
3 increased from 40 percent to 51 percent today. We
4 regularly review hiring metrics and processes and are
5 working to strengthen pipeline and summer internship
6 programs that help level the playing field. I am
7 proud to lead an organization that works to empower
8 every single employee and takes deliberate action to
9 close the gender and diversity gaps in the workplace.
10 Whether launching new ferry routes, investing in 21st
11 century industries or connecting New Yorkers to job
12 opportunities EDC is fully committed to building a
13 fairer city today and a stronger city tomorrow. Thank
14 you for your continued support and attention this
15 morning, I am happy to answer any questions you may
16 have.

17 CHAIRPERSON VALLONE: Thank you President
18 and CEO Patchett, we have been joined by Council
19 Members Carlina Rivera, Keith Powers, Peter Koo and I
20 think is our crew that we already had Council Members
21 Cornegy and Adams. So, lots of exciting stuff there,
22 I'm, I'm going to do kind of first round of questions
23 and then I'm going to turn it over because each
24 Council Member has exciting projects they want to
25 talk to you about in their districts and I think

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2 that's pretty much what our focus was at the first
3 hearing was getting an understanding of the scope and
4 breadth of EDC how the projects are determined, where
5 current projects are in certain Council Member's
6 districts and where future projects... [cross-talk]

7 JAMES PATCHETT: Uh-huh... [cross-talk]

8 CHAIRPERSON VALLONE: ...would be coming in
9 and I, I think your testimony covered a lot of that
10 so thank you for that. There's a lot of exciting
11 things that you had in there and I think the first
12 ones that you touched on, on page four when we were
13 talking about jobs... [cross-talk]

14 JAMES PATCHETT: Uh-huh... [cross-talk]

15 CHAIRPERSON VALLONE: ...you broke down
16 three sections of some new exciting... [cross-talk]

17 JAMES PATCHETT: Uh-huh... [cross-talk]

18 CHAIRPERSON VALLONE: ...job choices and
19 opportunities especially in the middle-class sector;
20 one was cyber security, one was life sciences and one
21 was creative and cultural sectors... [cross-talk]

22 JAMES PATCHETT: Uh-huh... [cross-talk]

23 CHAIRPERSON VALLONE: ...you're saying
24 investing over 30 million in training and, and I
25 think there's things we can flush out there, do you

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2 have some additional details or a timeline on your
3 expectation... [cross-talk]

4 JAMES PATCHETT: Sure... [cross-talk]

5 CHAIRPERSON VALLONE: ...for these?

6 JAMES PATCHETT: Yeah, absolutely. So, we
7 actually... we... the 30 million dollars is all targeted
8 for one central procurement that we're doing to
9 create a new, a physical space that will be our
10 center for cyber security that will be the prime
11 location for a lot of the training in R and D that
12 we're talking about and include a cyber security
13 accelerator. We have committed up to 30 million
14 dollars to that, we released a request for proposals
15 late last year for that cyber security initiative, we
16 had over 30 organization, organizations respond which
17 included, you know academic institutions across,
18 across the academic spectrum from the public
19 universities to the... to the well known private
20 institutions as well as out... institutions outside the
21 city, we had accelerators respond, we had some folks
22 who do sort of non-traditional court... course work
23 respond, we had workforce development organizations
24 respond so we really have a fantastic set of
25 responses and we'll be reviewing those over the... over

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2 the next couple of months and hopefully making a big
3 announcement about the future of this program this
4 summer.

5 CHAIRPERSON VALLONE: Do we have
6 locations determined yet or is that part of the RFP?

7 JAMES PATCHETT: That's part of the RFP,
8 we don't have any specific location identified at
9 this point.

10 CHAIRPERSON VALLONE: So, you're thinking
11 by the end of the summer we'll have... we'll have an
12 update on that?

13 JAMES PATCHETT: Yes, absolutely.

14 CHAIRPERSON VALLONE: That's, that's
15 great news and on the life sciences project same
16 thing, do we have a... [cross-talk]

17 JAMES PATCHETT: Uh-huh... [cross-talk]

18 CHAIRPERSON VALLONE: ...timeline for
19 there?

20 JAMES PATCHETT: So, we currently have a
21 request for expressions of interest out for our life
22 sciences hub which identified three different sites
23 in the city. One is Upper... on the Upper East side,
24 one is in Lower Manhattan and the third is in Long
25 Island City and we're also making it possible for

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2 proposers to suggest other locations in the city and
3 there's a... up to 100 million dollars in city capital
4 available as a part of that project. We... the, the
5 RFEI is open until May 17th so we'll be receiving
6 responses from that, you know this summer, I, I... and
7 we're hoping within... I would say... we... depending on
8 the process we may do a second-round solicitation
9 into an actual RFP but we're... I'm, I'm very anxious
10 to make a, a compelling designation in this within
11 the next year.

12 CHAIRPERSON VALLONE: I think this is one
13 of the examples where there was a lot of excitement
14 when you made the announcement... [cross-talk]

15 JAMES PATCHETT: Uh-huh... [cross-talk]

16 CHAIRPERSON VALLONE: ...and I think also
17 questions on how other communities or groups can get
18 involved so its... [cross-talk]

19 JAMES PATCHETT: Yeah... [cross-talk]

20 CHAIRPERSON VALLONE: ...open till May 17th,
21 the proposal?

22 JAMES PATCHETT: May 17th, yeah.

23 CHAIRPERSON VALLONE: So, maybe this is
24 an example of where you can flush out the process...
25 [cross-talk]

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2 JAMES PATCHETT: Uh-huh... [cross-talk]

3 CHAIRPERSON VALLONE: ...so how, how, how
4 is the... how are the communities engaged in such a
5 large project as this as to determine the, the three
6 sites that you've, you've, you've targeted which are
7 great sites but is there an opportunity if another
8 site is found in a... in, in... [cross-talk]

9 JAMES PATCHETT: Absolutely... [cross-talk]

10 CHAIRPERSON VALLONE: ...how can that, that
11 can be engages, how can community groups be part of
12 that... [cross-talk]

13 JAMES PATCHETT: Uh-huh... [cross-talk]

14 CHAIRPERSON VALLONE: ...how can we make
15 this as expansive as possible?

16 JAMES PATCHETT: Right, I know and it's a
17 great question, I appreciate that, I think, you know
18 the... we certainly worked with the, the communities
19 and the council members with the sites that have been
20 identified in the RFP, I think if there are... if there
21 are... if there are communities who have other
22 locations that they're aware of that they think could
23 be an exciting location for that we can absolutely
24 include those as part of the process. One of the
25 great things about using this RFEI approach is that

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2 it creates a great deal of flexibility for us so we
3 can if we... if we want to do a second, second step
4 procurement as I said add additional sites in if
5 people identify them, we can also if we have sites
6 that are referred to us we can suggest that folks go
7 evaluate them as a part of their proposals and we
8 also... you know we held a... an information session as a
9 part of this and we had over 300 attendees at our
10 offices this last week so there's clearly a lot of
11 engagement from people across the... across the city in
12 this and you know we'd be thrilled to have as much
13 engagement as possible.

14 CHAIRPERSON VALLONE: I guess there's an
15 opportunity there for communities... especially
16 community boards that would know of such a large-
17 scale project that may have properties... [cross-talk]

18 JAMES PATCHETT: Yeah... [cross-talk]

19 CHAIRPERSON VALLONE: ...that could be used
20 and the organizations that are looking to partner up...
21 [cross-talk]

22 JAMES PATCHETT: Uh-huh... [cross-talk]

23 CHAIRPERSON VALLONE: ...to find the spots.

24 JAMES PATCHETT: Yes.
25

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2 CHAIRPERSON VALLONE: So, so maybe we
3 could expand, you know Queens, Brooklyn all the
4 different boroughs have locations that the community
5 are eagerly awaiting... [cross-talk]

6 JAMES PATCHETT: Uh-huh... [cross-talk]

7 CHAIRPERSON VALLONE: ...to see what we can
8 do with this space... [cross-talk]

9 JAMES PATCHETT: Yeah... [cross-talk]

10 CHAIRPERSON VALLONE: ...Queens has Willets
11 Point, there's rail yards, there's... [cross-talk]

12 JAMES PATCHETT: Yeah... [cross-talk]

13 CHAIRPERSON VALLONE: ...there's many
14 places throughout the city that, that... and the
15 Rockaways, Councilman Richards and Councilman...
16 [cross-talk]

17 JAMES PATCHETT: Uh-huh... [cross-talk]

18 CHAIRPERSON VALLONE: ...Ulrich are, are
19 asking out there... [cross-talk]

20 JAMES PATCHETT: Yeah... [cross-talk]

21 CHAIRPERSON VALLONE: ...that we could
22 maybe partner up or we wouldn't know the groups that
23 are looking so... [cross-talk]

24 JAMES PATCHETT: Yeah... [cross-talk]

25

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2 CHAIRPERSON VALLONE: ...maybe we could
3 expand on how we can make that process a... [cross-
4 talk]

5 JAMES PATCHETT: Yeah... [cross-talk]

6 CHAIRPERSON VALLONE: ...little... [cross-
7 talk]

8 JAMES PATCHETT: ...happy to do that,
9 absolutely, yeah.

10 CHAIRPERSON VALLONE: Okay. The, the
11 Mayor had listed a full list of projects I guess
12 within his New York City jobs plan, do, do you have
13 the breakdown of the projects that EDC has within the
14 Mayor's plan or is the outline of the three programs
15 that you gave to us the complete list of those?

16 JAMES PATCHETT: So, there's... the, the
17 way that the, the jobs plan works is that there are
18 four, four different industries that we are
19 targeting. So, it's the technology industry, which
20 is... we've targeted 30,000 jobs; the life sciences
21 industry and health care industries which are 15,000
22 jobs; creative and cultural sectors which are 10,000
23 jobs; industrial and manufacturing which is 20,000
24 jobs and commercial development which is not an
25 industry but a mechanism for increase, increasing job

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2 opportunities is another 25,000 jobs. So, you know I
3 gave a few examples that are... that are initiatives
4 that were specifically sited in the Mayor's jobs plan
5 but by no means is it comprehensive, I mean in order
6 to achieve these... this objective we're going to have
7 to have, you know dozens and dozens of separate
8 initiatives.

9 CHAIRPERSON VALLONE: Well again there's,
10 there's the opportunity for some great collaboration...
11 [cross-talk]

12 JAMES PATCHETT: Oh absolutely... [cross-
13 talk]

14 CHAIRPERSON VALLONE: Could you expand on
15 the methodology on how those are determined and what
16 gets pushed first and... [cross-talk]

17 JAMES PATCHETT: Uh-huh... [cross-talk]

18 CHAIRPERSON VALLONE: ...or on the future
19 projects?

20 JAMES PATCHETT: Sure, so I think... I mean
21 it just... it, it, it is totally project by project so
22 in, in some cases like the... and I talked about the,
23 the Brooklyn Army Terminal in my testimony which is a
24 three million square foot campus in South Brooklyn,
25 we work... you know worked very closely with Council

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2 Member Menchaca, the Southwest Industrial Development
3 Corporation and others to talk about the future of
4 that campus and the potential for industrial jobs
5 there. In other cases like, you know the cyber
6 security initiative that was an idea that came out of
7 EDC as... in advance to the jobs plan and we announced
8 it as a... as a program but then, you know as we
9 advanced it and develop it we certainly will work
10 closely with the council as well as communities about
11 ways to make it as effective as possible.

12 CHAIRPERSON VALLONE: I think... I think
13 one of the criticisms I think is the... [cross-talk]

14 JAMES PATCHETT: Uh-huh... [cross-talk]

15 CHAIRPERSON VALLONE: ...council member's
16 involvement in the selection of the projects as...
17 [cross-talk]

18 JAMES PATCHETT: Uh-huh... [cross-talk]

19 CHAIRPERSON VALLONE: ...well as the
20 communities that will benefit or... [cross-talk]

21 JAMES PATCHETT: Yeah... [cross-talk]

22 CHAIRPERSON VALLONE: ...maybe miss out on
23 an opportunity... [cross-talk]

24 JAMES PATCHETT: Uh-huh... [cross-talk]

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2 CHAIRPERSON VALLONE: ...and I think these,
3 these are all such... I can't think of another non-
4 profit corporation that's working with the city that...
5 [cross-talk]

6 JAMES PATCHETT: Yeah... [cross-talk]

7 CHAIRPERSON VALLONE: ...has this amount of
8 impact... [cross-talk]

9 JAMES PATCHETT: Uh-huh... [cross-talk]

10 CHAIRPERSON VALLONE: ...throughout the
11 city and have such a, a... probably the lifeline that
12 we need... [cross-talk]

13 JAMES PATCHETT: Yeah... [cross-talk]

14 CHAIRPERSON VALLONE: ...as these so you'll
15 hear from the council, council member's questions
16 those type of concerns on flushing out these projects
17 and how we can make sure these job initiatives and
18 these job creations can be brought equally throughout
19 the city because, because there are certain areas
20 that are being used and there are many other areas
21 that are not.

22 JAMES PATCHETT: Absolutely and I...
23 [cross-talk]

24 CHAIRPERSON VALLONE: Just been joined by
25 Council Member Menchaca, your ears must have been

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2 ringing on your successful project that President
3 Patchett... [cross-talk]

4 JAMES PATCHETT: Yeah, I know... [cross-
5 talk]

6 CHAIRPERSON VALLONE: You were waiting
7 for that before you came.

8 JAMES PATCHETT: Well I think... yeah, I, I
9 absolutely hear you, I think... the, the... all I would
10 say about that is, you know is that... it's also not
11 just about where the... where the physical location of
12 any development is, its also critical to us that no
13 matter where something is located that it connects
14 New Yorkers from across the city and that's why it's
15 extremely important to us to work with, you know
16 workforce development organizations and educational
17 providers to be a pipeline for opportunities, you
18 know... I mean... you know I live in Central Brooklyn I
19 work in Lower Manhattan and I think that's obviously
20 true for a lot of folks. We want to make sure there
21 are job opportunities in neighborhoods like... you know
22 like Sunset Park as I was talking about before
23 Council Member Menchaca walked in but you know but
24 also across the city but in addition we real... you
25 know it doesn't... the job does not have to be in a

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2 community for us to be doing everything that we can
3 to ensure that people who live across the city have
4 those opportunities.

5 CHAIRPERSON VALLONE: Well I think
6 they're on, on... I guess you enumerated on page three
7 about the ten-year plan titled New York Works...
8 [cross-talk]

9 JAMES PATCHETT: Uh-huh... [cross-talk]

10 CHAIRPERSON VALLONE: ...so I guess that
11 would be somewhere that I think we need to jump onto
12 that timeline because we have a lot of new Council
13 Members, we have... [cross-talk]

14 JAMES PATCHETT: Uh-huh... [cross-talk]

15 CHAIRPERSON VALLONE: ...basically new EDC...
16 [cross-talk]

17 JAMES PATCHETT: Yeah... [cross-talk]

18 CHAIRPERSON VALLONE: ...Committee and I
19 think there is where we could have some increased
20 input... [cross-talk]

21 JAMES PATCHETT: Uh-huh... [cross-talk]

22 CHAIRPERSON VALLONE: ...on that timeline
23 before it gets unreachable before... [cross-talk]

24 JAMES PATCHETT: Yes... [cross-talk]

25

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2 CHAIRPERSON VALLONE: ...it goes to beyond
3 our reach, I would... [cross-talk]

4 JAMES PATCHETT: Of course, yeah, I would
5 love to... [cross-talk]

6 CHAIRPERSON VALLONE: ...that might be one
7 of the areas that we could look at for a future
8 hearing topic because there's such critical demand
9 now for jobs for our students and for our, our middle
10 class...

11 JAMES PATCHETT: Yeah, absolutely.

12 CHAIRPERSON VALLONE: In managing the
13 funds and the plans it seems like the industrial fund
14 and the neighborhood development fund... [cross-talk]

15 JAMES PATCHETT: Uh-huh... [cross-talk]

16 CHAIRPERSON VALLONE: ...are, are two funds
17 that are mentioned and one, industrial is in order..
18 created in order to help stimulate and subsidize the
19 creation of new high impact industrial real estate..
20 [cross-talk]

21 JAMES PATCHETT: Uh-huh... [cross-talk]

22 CHAIRPERSON VALLONE: ...and the
23 neighborhood development fund was a large project in
24 the 2019 plan such as the Harlem River Greenway Link,
25 can you explain the, the breakdown between the two

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2 how much of the budget they encompass within all...

3 over all EDC's budget and... [cross-talk]

4 JAMES PATCHETT: Uh-huh... [cross-talk]

5 CHAIRPERSON VALLONE: ...how those projects
6 are determined?

7 JAMES PATCHETT: Sure, so, so the
8 industrial development fund is, is about 41 million
9 dollars in city capital that's paired with funding
10 from EDC ourselves, we offer about 23 million dollars
11 to contribute to the fund and we anticipate that the
12 fund will also include about 86 million dollars in
13 private investments. So, projects for that fund are
14 selected in partnership with the ANHD, the
15 Association for Neighborhood Housing Developers, it's
16 a not-for-profit organization that's an advocate for
17 not-for-profit development organizations across the
18 city, it was originally primarily focused on
19 affordable housing but has... you know in the last few
20 years really focused on industrial development as
21 well so they are our partner, they are our sourcing
22 partner for identifying projects so they work in all
23 of the communities, I'm, I'm sure they have
24 relationships with most council members and they,
25 they do a lot of very community based work to

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2 identify opportunities across the city almost
3 exclusively with... almost exclusively with non-profit
4 developers as a part of this industrial development
5 fund. So, that's the sourcing mechanism for the
6 industrial development fund. For the neighborhood
7 development fund those projects... [cross-talk]

8 CHAIRPERSON VALLONE: So, with, with the
9 industrial... with the INF... so, then the, the scope of
10 the projects that are determined there, how, how are
11 those determined between your partners since one
12 third is your money and it seems like two thirds are
13 the partnership funding, how are those projects time
14 lined and figured out and when are they scoped and
15 how to they come to fruition?

16 JAMES PATCHETT: So, the... so, so ANHD is
17 our fund manager for, for intents and purposes..
18 [cross-talk]

19 CHAIRPERSON VALLONE: And we've been
20 joined by Council Member Rosenthal.

21 JAMES PATCHETT: Okay, yeah. So, so you
22 know ANHD works closely with the private sector and
23 developer for example we... the first project as a part
24 of that we did was in conjunction with an
25 organization that's called GMDC, Greenpoint

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2 Manufacturing and Design Center which is a, a fairly
3 well known non-profit development organization so the
4 way that that project came to fruition was ANHD
5 worked very closely with GMDC to develop their plans
6 for the project and recommended to us a level of
7 funding from the fund, the industrial developer fund
8 and then, you know subject to our approvals by our
9 board we had to provide funding to the... to the
10 transaction and... [cross-talk]

11 CHAIRPERSON VALLONE: So, does the board
12 determine then the list of projects and the priority
13 that they're taken?

14 JAMES PATCHETT: Well there's... yeah, so
15 sorry, there's, there's a... the... you know in that
16 circumstance there's also a public procurement or
17 request for expressions of interest that's a part of
18 this process as well so its subject to traditional
19 procurement requirements.

20 CHAIRPERSON VALLONE: Well I mean but
21 prior to gets to public procurement process how, how
22 is the decision made on a list of the INF projects, I
23 mean like any of the projects, I think we're just
24 trying to... [cross-talk]

25 JAMES PATCHETT: Yeah... [cross-talk]

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2 CHAIRPERSON VALLONE: ...find out... [cross-
3 talk]

4 JAMES PATCHETT: Well... sure... [cross-talk]

5 CHAIRPERSON VALLONE: ...and be involved at
6 the... [cross-talk]

7 JAMES PATCHETT: Sure, okay... [cross-talk]

8 CHAIRPERSON VALLONE: ...the beginning
9 planning... [cross-talk]

10 JAMES PATCHETT: Well, so... [cross-talk]

11 CHAIRPERSON VALLONE: ...phase... [cross-
12 talk]

13 JAMES PATCHETT: Of course, so I guess...
14 so, there is a... right, so with, with any of these
15 types of projects when we do... we set up a framework
16 for a, a program like the industrial development
17 fund, you know its not unlike affordable housing, we
18 work to develop a framework for this and then we put
19 out a procurement and then we follow the procurement
20 requirements to select individual projects so that is
21 you have to have a scoring system against different
22 metrics that we evaluate the projects against and
23 then we select the ones that are... that, that are...
24 best meet the criteria and then we always work very
25 closely with the local Council Members as a part of

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2 that when we've... when we completed the, the scoring
3 we will meet with Council Members and talk about the
4 top respondents and go through them and discuss, you
5 know if they're... make sure that we're being informed
6 by the... you know the local elected official about
7 what they would like to see in the project.

8 CHAIRPERSON VALLONE: So, I guess that,
9 that's the... not so much the critical part of it but
10 that's the component that, that is probably the least
11 involved with other council members and as, as a body
12 as a whole as to... [cross-talk]

13 JAMES PATCHETT: Uh-huh... [cross-talk]

14 CHAIRPERSON VALLONE: ...determining of the
15 projects and the interaction between an individual
16 Council Member and the EDC versus maybe the council
17 and the Speaker can be into... interactive with you in
18 determining the list of 2019, 2020, 2021 of projects
19 that we can excitingly work together on... [cross-talk]

20 JAMES PATCHETT: Uh-huh... [cross-talk]

21 CHAIRPERSON VALLONE: It almost sounds
22 like the projects are first determined by EDC and
23 then its brought to the individual Council Member for
24 input, I'm trying to see if we can maybe expand that
25 process and be included with EDC's decision process

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2 on, on the future projects that are going to come out
3 through EDC.

4 JAMES PATCHETT: Yeah, obviously very
5 happy to have that conversation with you.

6 CHAIRPERSON VALLONE: Okay, great, thank
7 you very much. What I'd like to do is some of the
8 Council Members we started right on time, Council
9 Member Adrienne Adams was first here so if you have
10 some questions and I, I think five minutes is kind of
11 fair for all of us, we all have exciting projects in
12 it but if we go over a little bit that's fine but we
13 have 13 members on the... on the committee so we'll try
14 to go through.

15 COUNCIL MEMBER ADAMS: Thank you Mr.
16 Chair. Good morning... [cross-talk]

17 JAMES PATCHETT: Good to see you... [cross-
18 talk]

19 COUNCIL MEMBER ADAMS: ...President
20 Patchett, welcome, welcome to, to you CFO Vaccari and
21 Senior Vice President Downing, welcome this morning.
22 Before I start my questions I just want to really
23 acknowledge and congratulate you on having a 50/50
24 percent workforce dynamic if only we could get there
25 in the council...

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2 JAMES PATCHETT: Right...

3 COUNCIL MEMBER ADAMS: ...hint, hint...

4 [cross-talk]

5 JAMES PATCHETT: Absolutely...

6 COUNCIL MEMBER ADAMS: Not yet... not yet

7 but that's an amazing dynamic and, and its terrific
8 to hear it, it's very refreshing to hear that.

9 Likewise, you're taking advantage of anti-sexual

10 harassment training and getting ahead of that in

11 April so congratulations to you on that forefront. As

12 you may or may not know I am the former Chairperson

13 of community board 12, Queens and over the years

14 we've sat in several presentations between EDC and

15 DDC collectively at the borough board meetings...

16 [cross-talk]

17 JAMES PATCHETT: Uh-huh... [cross-talk]

18 COUNCIL MEMBER ADAMS: ...so my question is

19 not so much on, on projects at this moment but just

20 to get, get a clarity or a clear understanding of the

21 relationship between EDC and the Department of Design

22 and Construction... [cross-talk]

23 JAMES PATCHETT: Sure... [cross-talk]

24 COUNCIL MEMBER ADAMS: can you expand for

25 us the relationship between the two agencies?

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2 JAMES PATCHETT: Sure, so, so EDC is a...
3 is a, you know 501 C-3 non-for-profit organization
4 that is under a master contract with the city to
5 perform certain work, DDC is the city agency. We, we
6 actually do relatively little work with DDC however
7 we do... we do certain projects on behalf of city
8 agencies that, you know in theory could otherwise be
9 performed by DDC so I'd say the main relationships
10 between EDC and DDC is when there are certain
11 economic development projects that fit our mandate
12 and our organizing documents we have the authority
13 under our... you know our organizing legislation and by
14 our board to perform certain capital development
15 projects that might otherwise be performed by DDC.

16 COUNCIL MEMBER ADAMS: Are there
17 currently any projects collectively that you know of
18 that you have in your wheelhouse right now with DDC?

19 JAMES PATCHETT: Any projects with DDC?

20 COUNCIL MEMBER ADAMS: With currently?

21 KIM VACCARI: We do a number of projects,
22 we collaborate with them on a number of projects...
23 [cross-talk]

24 CHAIRPERSON VALLONE: If you can just
25 state your... [cross-talk]

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2 KIM VACCARI: I'm sorry, I'm... [cross-
3 talk]

4 CHAIRPERSON VALLONE: ...name, I know we
5 all know but everyone else would like to... [cross-
6 talk]

7 KIM VACCARI: Kim Vaccari, I'm the CFO...
8 [cross-talk]

9 CHAIRPERSON VALLONE: Thank you... [cross-
10 talk]

11 KIM VACCARI: ...we collaborate with DDC on
12 a number of projects that we do, we can get you a
13 list of the actual projects that we're doing on their
14 behalf.

15 COUNCIL MEMBER ADAMS: Okay, thank you
16 very much. And I guess my final question in, in
17 another area, in taking a look at the preliminary
18 Mayor's management report it shows that EDC actually
19 closed five out of 17 violations in the first four
20 months of fiscal year 2018... [cross-talk]

21 JAMES PATCHETT: Uh-huh... [cross-talk]

22 COUNCIL MEMBER ADAMS: Do you know what
23 sort of violations these were, can you let us know
24 the nature of the remaining violations as well?

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2 JAMES PATCHETT: Uh-huh, so I don't... I
3 don't have a list of the particular violations in
4 front of me, I can tell you typically most frequently
5 those are violations from our tenants so another
6 words we're the landlord, we as I mentioned have 66
7 million square feet in the city so typically the
8 violations come because a tenant has gotten a
9 violation from some city agency. So, we, we don't
10 even... we don't necessarily even receive all of the
11 detailed information about it but we'll be happy to
12 provide a follow up to you with the specifics, I mean
13 I think obviously we, we, we take any issues, you
14 know very seriously that are related to life safety
15 and you know those are always remedied as quickly as
16 possible.

17 COUNCIL MEMBER ADAMS: So, you don't... you
18 don't directly get that information coming
19 specifically to you as it pertains to the violations,
20 you don't see a list and details and... [cross-talk]

21 JAMES PATCHETT: If its... I'm just... in, in
22 many cases those are tenant violations... [cross-talk]

23 COUNCIL MEMBER ADAMS: Okay... [cross-talk]
24
25

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2 JAMES PATCHETT: ...so that is, you know
3 like if we have a tenant who's an industrial company
4 and the, the... [cross-talk]

5 CHAIRPERSON VALLONE: And we've been
6 joined by... [cross-talk]

7 JAMES PATCHETT: ...yeah, it... [cross-talk]

8 CHAIRPERSON VALLONE: ...Council Member...
9 [cross-talk]

10 JAMES PATCHETT: ...and the sprinkler...
11 [cross-talk]

12 CHAIRPERSON VALLONE: Lander... [cross-
13 talk]

14 JAMES PATCHETT: ...yeah, right and there...
15 and... well and, and one... and they have an issue with
16 their heating system that is equivocal concern to the
17 Department of Buildings they'll... they will receive a
18 violation so that would be something that they would
19 receive directly, we typically will get a notice but
20 it's not necessarily... it's not our responsibility or
21 obligation to fix, some of them are related to EDC,
22 EDC directly but we can provide you a full list of
23 those...

24 COUNCIL MEMBER ADAMS: Okay, they're not
25 directly your violations per se?

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2 JAMES PATCHETT: Not, not all of them by
3 any... [cross-talk]

4 COUNCIL MEMBER ADAMS: Okay... [cross-talk]

5 JAMES PATCHETT: ...means.

6 COUNCIL MEMBER ADAMS: Alright, thank you
7 very much.

8 JAMES PATCHETT: Thank you.

9 CHAIRPERSON VALLONE: Council Member
10 Adams I think that's a great idea if we were to
11 require a notice of any violations, I think its only
12 fair that EDC know of any violations that... and maybe
13 we can join together on it. Council Member Cornegy,
14 yes questions.

15 COUNCIL MEMBER CORNEGY: Good morning,
16 thank you Chair. The fiscal 2019 preliminary capital
17 plan includes projects that receive funding from the
18 city council, this subset includes 123 projects with
19 a total value of 100.2 million, one of them is La
20 Marqueta Plaza Rehabilitation, can you just give us a
21 status, an update on that particular project?

22 JAMES PATCHETT: La Marqueta?

23 COUNCIL MEMBER CORNEGY: Yes.

24 JAMES PATCHETT: Sure, we are... you know
25 we've, we've, we've been working closely with the MTA

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2 on that project to advance it. As you know the, the
3 former Speaker was a big advocate of La Marqueta and
4 seeing it advanced quickly, we've been working
5 closely with the MTA, we have... we've broken ground on
6 the project, I'm not sure exactly what our completion
7 time line is but I'll get it for you while I'm
8 responding. We also were very fortunate as a part of
9 the East Harlem work to receive a 30 million dollar
10 investment in the city in the overall plan for La
11 Marqueta so that will involve work on not just La
12 Placita, which I think is the area you're referring
13 to but also a redevelopment of, of all of La Marqueta
14 and the relocation of a couple of different... of the
15 properties and a full, you know rehab of the market
16 itself.

17 LYDIA DOWNING: And my names Lydia
18 Downing, Senior Vice President for Government and
19 Community Relations. On La Placita specifically that
20 project is well underway, I think we expect that to
21 open in the coming months.

22 COUNCIL MEMBER CORNEGY: So, the reason I
23 asked is as, as the former Chair of Small Business
24 that was something that was incredibly important, it
25 was... [cross-talk]

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2 JAMES PATCHETT: Yeah... [cross-talk]

3 COUNCIL MEMBER CORNEGY: ...a Speaker
4 priority but also from a small business perspective..
5 [cross-talk]

6 JAMES PATCHETT: Absolutely... [cross-talk]

7 COUNCIL MEMBER CORNEGY: ...it was a
8 priority for... [cross-talk]

9 JAMES PATCHETT: Uh-huh... [cross-talk]

10 COUNCIL MEMBER CORNEGY: ...the council.

11 JAMES PATCHETT: Yeah, absolutely.

12 COUNCIL MEMBER CORNEGY: Thank you.

13 JAMES PATCHETT: Thank you.

14 CHAIRPERSON VALLONE: You caught me off
15 guard there Council Member Cornegy...

16 JAMES PATCHETT: He's quick...

17 CHAIRPERSON VALLONE: He was quick, I
18 love this whole... this whole hearing is flying. So,
19 Council Member Keith Powers you're next... [cross-talk]

20 COUNCIL MEMBER POWERS: Thank you..
21 [cross-talk]

22 CHAIRPERSON VALLONE: ...followed by..
23 [cross-talk]

24 COUNCIL MEMBER POWERS: I will... I will..
25 [cross-talk]

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2 CHAIRPERSON VALLONE: ...Council Member...

3 [cross-talk]

4 COUNCIL MEMBER POWERS: ...take his...

5 [cross-talk]

6 CHAIRPERSON VALLONE: ...Koo... [cross-talk]

7 COUNCIL MEMBER POWERS: ...three minutes

8 if, if you'll... [cross-talk]

9 CHAIRPERSON VALLONE: Dually noted...

10 [cross-talk]

11 COUNCIL MEMBER POWERS: ...allow it. I've

12 good... I have a couple of questions and since I do

13 have five minutes just, just to get quick updates.

14 So, you, you talked about life sciences and the

15 timing that was a question of mine, what happen...

16 after May 17th what happens to the sites that are

17 not... that don't get... just three sites which... what

18 happens to the sites that don't get selected?

19 JAMES PATCHETT: I mean I, I don't know

20 that it will be... that May 17th there will be sites

21 that are not selected, I mean I think when... yeah,

22 when... at, at the end of... at the end of the day if, if

23 any particular site is not a part of this RFP then,

24 you know particularly the one that's located almost

25 in your district... [cross-talk]

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2 COUNCIL MEMBER POWERS: In my district
3 almost... [cross-talk]

4 JAMES PATCHETT: Oh yeah and I think...
5 well I think this one is in her district, yeah but...
6 [cross-talk]

7 CHAIRPERSON VALLONE: I think there's a
8 joint district... [cross-talk]

9 JAMES PATCHETT: Its, it's all good...
10 [cross-talk]

11 COUNCIL MEMBER POWERS: That's correct...
12 [cross-talk]

13 JAMES PATCHETT: I love everyone. So...
14 [cross-talk]

15 CHAIRPERSON VALLONE: And we've been
16 joined by Council Member Levine... [cross-talk]

17 JAMES PATCHETT: But we'll... but I think
18 if... you know with... as it relates to that for that
19 particular site or any of them, you know we'd
20 certainly come back and want to have a conversation
21 about what the potential for it was, there are no,
22 no... there are no alternative plans for the public
23 health lab site or the site in East Harlem or the DOE
24 building in the event that there do not end up
25 becoming life sciences projects.

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2 COUNCIL MEMBER POWERS: Got it and can
3 you just give us an update on the... on... just switching
4 topics to ferry service... [cross-talk]

5 JAMES PATCHETT: Uh-huh... [cross-talk]

6 COUNCIL MEMBER POWERS: ...the Stuy...
7 Stuyvesant Cove ferry update... [cross-talk]

8 JAMES PATCHETT: Yes... [cross-talk]

9 COUNCIL MEMBER POWERS: ...on plans and
10 timing?

11 JAMES PATCHETT: Yeah, so we... well I
12 mean, right so we, we broke... [cross-talk]

13 COUNCIL MEMBER POWERS: Because I didn't
14 see it so I... I... [cross-talk]

15 JAMES PATCHETT: ...yeah, we broke... we
16 broke ground as I'm sure you've seen, we have the
17 cranes out there this morning, we've driving piles
18 into the East River, you know we... the, the
19 construction will take several months, and we are
20 still expecting and fully on target to open service
21 of both Soundview and the Lower East Side this
22 summer.

23 COUNCIL MEMBER POWERS: Got it, its this
24 summer?

25 JAMES PATCHETT: This summer.

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2 COUNCIL MEMBER POWERS: Okay, great,
3 thank you. And switching topics, we had the last
4 hearing and Dan Garodnick had here on the thousand
5 jobs plan the one question I didn't get to ask I
6 think last time is more of... was about update on... my
7 questions were about the update on the plans things
8 like... [cross-talk]

9 JAMES PATCHETT: Uh-huh... [cross-talk]

10 COUNCIL MEMBER POWERS: ...that, the
11 question I had that I, I didn't get to ask last time
12 was the job creation, the jobs that we're creating
13 ensuring that both we're looking at existing people
14 with... who need... [cross-talk]

15 JAMES PATCHETT: Yeah... [cross-talk]

16 COUNCIL MEMBER POWERS: ...skills upgrades...
17 [cross-talk]

18 JAMES PATCHETT: Uh-huh... [cross-talk]

19 COUNCIL MEMBER POWERS: ...and that we are
20 looking at folks to try to move people into the
21 middle class in addition... [cross-talk]

22 JAMES PATCHETT: Uh-huh... [cross-talk]

23 COUNCIL MEMBER POWERS: ...to just taking
24 people that are already there and, and, and... [cross-
25 talk]

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2 JAMES PATCHETT: Yeah... [cross-talk]

3 COUNCIL MEMBER POWERS: ...offering them a
4 new job what are the plans around ensuring that those
5 jobs go to folks that are, are... needs skills
6 training, how are we upgrading their skills training...
7 [cross-talk]

8 JAMES PATCHETT: Right... [cross-talk]

9 COUNCIL MEMBER POWERS: ...and things like
10 that?

11 JAMES PATCHETT: Well I think one of the
12 most exciting elements of the plan is our Apprentice
13 NYC project which is actually exactly targeted to
14 what you're referring to, I think... you know
15 apprenticeships are very interesting model, it's a
16 common model in the past but we're trying to
17 integrate apprenticeships into more and more
18 industries, you know we've... we're actually kicking
19 off with SBS so... the first round of internships or,
20 or... I'm sorry, apprenticeships are a part of the
21 Apprentice NYC program, so we'll be... people who
22 actually... who do not currently have the training and
23 are in lower skilled positions getting opportunities
24 to actually get full time jobs and simultaneous
25 training that's' provided for and paid... provided by

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2 and paid for by the city. So, its our goal to roll
3 out apprentice programs in as many of the industries
4 as possible so that we can ensure that people who are
5 from varying skill levels can get opportunities.
6 Another thing... another great example is in the... you
7 know the cyber security space I was refer... I was
8 talking about before, you know a critical element in
9 what we're looking for there is someone who has a
10 very flexible training model and one of the good
11 things about, you know computer science is that, you
12 know you just... you just need a computer to be able to
13 learn it and, and training and so we're looking for
14 people who are proposing models that, you know allow
15 people from any educational background to come in
16 learn the skills that are necessary and then we hope
17 to be able to provide the pipeline directly to the
18 jobs.

19 COUNCIL MEMBER POWERS: And, and, and I
20 would just note that I think we're... when the
21 apprentices were talking about jobs that are outside
22 of the 100,000 job goal as well I think but part of
23 the question also that I'll ask and I'll follow up
24 with you on is connecting the apprenticeships that
25 you're creating or, or the job creation that we're

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2 doing under that plan and the specific projects that

3 I think are listed in here... [cross-talk]

4 JAMES PATCHETT: Uh-huh... [cross-talk]

5 COUNCIL MEMBER POWERS: ...to folks that

6 need the jobs or need the skills up... training to do

7 that, I can follow up with you on that... [cross-talk]

8 JAMES PATCHETT: Okay, sure, of course...

9 [cross-talk]

10 COUNCIL MEMBER POWERS: ...offline. The

11 last question and I have 42 seconds on the clock, I

12 just wanted to get an update on the Greenway, I know

13 that we had kind of spoke about it... [cross-talk]

14 JAMES PATCHETT: Uh-huh... [cross-talk]

15 COUNCIL MEMBER POWERS: ...I'm, I'm, I

16 think I'm getting or I'm awaiting more information

17 just on cost updates... [cross-talk]

18 JAMES PATCHETT: Yes... [cross-talk]

19 COUNCIL MEMBER POWERS: ...any new

20 information you can provide to us on the alternatives

21 and the costing of it?

22 JAMES PATCHETT: So, yes, so you're

23 talking about the flyover, right?

24 COUNCIL MEMBER POWERS: The what?

25 JAMES PATCHETT: The flyover.

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2 COUNCIL MEMBER POWERS: Flyover, yeah...

3 [cross-talk]

4 JAMES PATCHETT: The bridge, yeah, sure.

5 So, we did... yeah, after our last conversation we did
6 go back and I pulled together a fairly detailed
7 analysis, we've also been trying to work with the
8 community to improve the original design so, so this...
9 you know this process started in 2009 and there was a
10 lot of community engagement at the time and I realize
11 obviously we've changed Council Members and changed
12 community boards and so we have to keep talking to
13 the community as a part of that. As a part of that
14 original process the 54th Street flyover was
15 identified as the, you know the best possible option
16 and we... well we did go back and look at the
17 alternatives as we had discussed, the real challenge
18 is the grade change so 54th Street is by far the
19 lowest of the alternatives as I'm sure you're aware.
20 If you go up to 57th Street its actually... you'd have
21 to have a ramp so the ramp at 54th Street would be
22 360 feet, it could be up as much as 700 feet long if
23 you were at 57th Street so every other location would
24 go, you know as little as 60 but up to as I said 340
25 feet longer into the neighborhood so we're talking

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about a ramp that, you know goes well out into the street and much further into the neighborhood in any other location and associated with that is a significant additional cost. We estimated that the cost would be, you know as much... as much as almost twice the cost if you went with some of the more extreme options but at a minimum 20 percent more expensive to go to the smaller one... to go to the... even the one that has the, the least... the smallest change which was at 55th Street. The... I guess the... but with that being said its simultaneously what we have done is we worked with the community in response to their consideration which I think we're... the concerns from the building at Sutton Place immediately to the North we've actually... the, the... originally the bridge was designed to go immediately basically next to the building, we've actually been able to locate it now 107 feet to the South of the building so providing a meaningful distance and the other thing that we have done is, you know based on the design we've been able to ensure that the, the, the actual bridge will be at least 12 feet below the lowest level of windows in that property. So, we have

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2 made significant improvements to the design in
3 response to the considerations.

4 COUNCIL MEMBER POWERS: Thank you, I'll
5 follow... I... in the... in the, you know concerns for time
6 here I'll, I'll talk with you guys, but I appreciate
7 you coming with some more information, thank you...
8 [cross-talk]

9 JAMES PATCHETT: Yeah, thank you and
10 we'll send you a letter also about... [cross-talk]

11 COUNCIL MEMBER POWERS: Yeah... [cross-
12 talk]

13 JAMES PATCHETT: ...all that.

14 COUNCIL MEMBER POWERS: Thank you, thanks
15 so much.

16 CHAIRPERSON VALLONE: Council Member
17 Powers I think that's a perfect example of projects
18 that we need to follow up on, inclusion especially
19 with Council Member Rivera, they're, they're a huge
20 impact to the city and our districts and what we are
21 doing is creating a list here so that EDC will get
22 back to us on all the questions that we have on these
23 and then we'll determine our future hearings and
24 topics based on that... [cross-talk]

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2 COUNCIL MEMBER POWERS: Yeah, I
3 appreciate it and I just want to note that EDC has
4 been responsive on this one but we... but we are
5 waiting for more information and I'm... and I would
6 appreciate if we'd, you know follow up as I think
7 they're expecting...

8 JAMES PATCHETT: Yeah, I just... I just
9 should, should note Chair Vallone... [cross-talk]

10 CHAIRPERSON VALLONE: Yes... [cross-talk]

11 JAMES PATCHETT: ...I mean we took the
12 Council Member staff and community members around for
13 a, a walk around in this community and Council Member
14 Power's acknowledges we've, we've met about it
15 directly, we have shared all this information
16 directly with his staff and we'll be providing a
17 formal written response so... obviously important for
18 oversight but I don't want it to be thought that we
19 weren't providing... [cross-talk]

20 CHAIRPERSON VALLONE: No, just that the
21 scope of these projects are so large... [cross-talk]

22 JAMES PATCHETT: Yeah... [cross-talk]

23 CHAIRPERSON VALLONE: ...that for five
24 minutes we're not going to be able... [cross-talk]

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2 JAMES PATCHETT: Oh of course, not in
3 this setting... [cross-talk]

4 CHAIRPERSON VALLONE: ...to... and I
5 appreciate... [cross-talk]

6 JAMES PATCHETT: Absolutely... [cross-talk]

7 CHAIRPERSON VALLONE: ...that, absolutely.
8 Do you... but you mentioned, and I think we were at the
9 board meeting and... [cross-talk]

10 JAMES PATCHETT: Uh-huh... [cross-talk]

11 CHAIRPERSON VALLONE: ...thank you for
12 that, there will be a future... [cross-talk]

13 JAMES PATCHETT: Yeah... [cross-talk]

14 CHAIRPERSON VALLONE: ...board meetings but
15 you... the board actually voted to include paid
16 internships.

17 JAMES PATCHETT: Yes... [cross-talk]

18 CHAIRPERSON VALLONE: So, that's... [cross-
19 talk]

20 JAMES PATCHETT: Uh-huh... [cross-talk]

21 CHAIRPERSON VALLONE: ...that was a
22 wonderful inclusion for our students to have... [cross-
23 talk]

24 JAMES PATCHETT: Exactly... [cross-talk]

25

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2 CHAIRPERSON VALLONE: How many, the
3 percentage, did you have the breakdown again on the
4 interns?

5 JAMES PATCHETT: Yeah, no it's actually
6 about a... about... [cross-talk]

7 CHAIRPERSON VALLONE: And that's this
8 summer?

9 JAMES PATCHETT: Oh, right well we're,
10 we're expecting about 100 interns this summer, we
11 don't have it all finalized so I don't know what
12 percentage are going to be... that... they'll all be
13 paid... [cross-talk]

14 CHAIRPERSON VALLONE: They're all going
15 to be paid?

16 JAMES PATCHETT: They're all paid,
17 they're all paid, these are in life sciences to
18 Council Powers your question... helping me out which my
19 colleague has wisely actually passed me a note to, to
20 point that out so we're on the same page. The... we
21 actually... as part of the life sciences effort we are
22 providing paid internships from people from a wide
23 variety of institutions including some high school
24 students to get in... a first opportunity in the life
25 sciences industry, they're paid and its either paid

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2 by the city or paid by the company, the larger
3 companies pay and otherwise the city picks up if it's
4 a smaller company and we're expecting to have over
5 1,000 interns total as a part of the program.

6 CHAIRPERSON VALLONE: So, also your
7 partners are providing... [cross-talk]

8 JAMES PATCHETT: Yeah, uh-huh, yeah...

9 CHAIRPERSON VALLONE: Do we have a total
10 number of the internships then between the partners
11 and yours?

12 JAMES PATCHETT: Well I think we're
13 expecting 1,000 total... [cross-talk]

14 CHAIRPERSON VALLONE: Just a 1,000?

15 JAMES PATCHETT: Yeah.

16 CHAIRPERSON VALLONE: I mean that's... okay
17 and we can... students now are coming into our offices
18 asking for opportunities this would be a... [cross-
19 talk]

20 JAMES PATCHETT: Yeah... [cross-talk]

21 CHAIRPERSON VALLONE: ...perfect time to...
22 [cross-talk]

23 JAMES PATCHETT: Absolutely, yes.

24 CHAIRPERSON VALLONE: That would be
25 great, so the next Council Member is Peter Koo

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2 followed by Carlina Rivera, so Peter, my brother from
3 Flushing.

4 COUNCIL MEMBER KOO: Thank you Chair
5 Vallone and thank you Mr. Patchett from the EDC,
6 thank you for your leadership especially at this... the
7 bubble stage.

8 JAMES PATCHETT: Uh-huh, free... [cross-
9 talk]

10 COUNCIL MEMBER KOO: As you mentioned...
11 [cross-talk]

12 JAMES PATCHETT: ...bubble stage, yeah...
13 [cross-talk]

14 COUNCIL MEMBER KOO: ...in your testimony,
15 yeah. So, my question is in my area we have Flushing
16 Commons which is one of the biggest projects in
17 Queens, you know... [cross-talk]

18 JAMES PATCHETT: Uh-huh... [cross-talk]

19 COUNCIL MEMBER KOO: ...and phase one is
20 done, there... my question is when are they going to do
21 phase two and then any changes from previous plan?

22 JAMES PATCHETT: Okay, so right I think
23 our expectation is that construction will start on
24 phase two this summer, which would mean that it would
25 be complete no later than 2022.

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2 COUNCIL MEMBER KOO: Due to start in the
3 summer?

4 JAMES PATCHETT: Yeah.

5 COUNCIL MEMBER KOO: So, any, any changes
6 from the previous plan like the tenants because
7 before they have a YMCA in there, is the YMCA still
8 in there?

9 JAMES PATCHETT: I mean according to my
10 notes we're still expecting there to be a 62,000
11 square foot YMCA as a part of the property... as a part
12 of the project but you know I, I just want to make
13 sure we're providing you with the best information so
14 why don't we provide you with a, a, a detailed write
15 up of what we anticipate the project will include to
16 make sure you have the most current... [cross-talk]

17 COUNCIL MEMBER KOO: Okay, so please
18 give, give my office an update on the... [cross-talk]

19 JAMES PATCHETT: Yeah... [cross-talk]

20 COUNCIL MEMBER KOO: ...phase two
21 development because... [cross-talk]

22 JAMES PATCHETT: Absolutely, happy to do
23 that.

24 COUNCIL MEMBER KOO: ...we are very
25 interested in that, yeah.

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2 JAMES PATCHETT: Yeah.

3 COUNCIL MEMBER KOO: So, my second
4 question is on the Willets Point development... [cross-
5 talk]

6 JAMES PATCHETT: Uh-huh... [cross-talk]

7 COUNCIL MEMBER KOO: ...previously you
8 announced or the Mayor that we... the city's going to
9 build 1,000 affordable housing there?

10 JAMES PATCHETT: Yes...

11 COUNCIL MEMBER KOO: So, is there any
12 senior housing included?

13 JAMES PATCHETT: Is there any senior
14 housing, I, I believe there is senior housing as a
15 part of the project, let me make sure... [cross-talk]

16 COUNCIL MEMBER KOO: Now its specifically
17 for senior citizens?

18 LYDIA DOWNING: Yes... [cross-talk]

19 JAMES PATCHETT: Uh-huh, yes there is, I
20 just don't have... [cross-talk]

21 COUNCIL MEMBER KOO: Like what's the
22 percentage?

23 JAMES PATCHETT: Yeah, I got to find it,
24 one second, sorry. The total project is 1,100 units
25 of affordable housing so one of the buildings is

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2 exclusively dedicated to senior housing, I'm not sure
3 of the exact size of the... of the... of that building at
4 this time but I can tell you there's a full building
5 dedicated to senior housing as a part of the project.

6 COUNCIL MEMBER KOO: So, who's going to
7 do the development, the city will pay for it or some...
8 [cross-talk]

9 JAMES PATCHETT: No, they... it will be...
10 it, it will... the development will be done by our
11 development partners which is a joint venture between
12 Sterling Properties and related companies, but it
13 will be funded under traditional HPD programs, so it
14 will be overseen by HPD. So, the... so, the total
15 number is 220 units that are senior housing.

16 COUNCIL MEMBER KOO: 220 senior citizens?

17 JAMES PATCHETT: Yes.

18 COUNCIL MEMBER KOO: So, you... do you know
19 the location of this place its right opposite of Citi
20 Field?

21 JAMES PATCHETT: Oh no, I know it's, its
22 immediately next to it, yeah.

23 COUNCIL MEMBER KOO: Right?

24 JAMES PATCHETT: Yes.
25

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2 COUNCIL MEMBER KOO: And the... behind and...
3 behind the... its in front of the river... [cross-talk]

4 JAMES PATCHETT: Uh-huh... [cross-talk]

5 COUNCIL MEMBER KOO: Right?

6 JAMES PATCHETT: Uh-huh... [cross-talk]

7 COUNCIL MEMBER KOO: So, so, so my
8 question is where are these families going to do
9 shopping, there's nothing there besides... [cross-talk]

10 JAMES PATCHETT: Right... [cross-talk]

11 COUNCIL MEMBER KOO: ...the Citi field...
12 [cross-talk]

13 JAMES PATCHETT: Right... [cross-talk]

14 COUNCIL MEMBER KOO: ...and there's no bus
15 stop there.

16 JAMES PATCHETT: Uh-huh, well there's...
17 you know we are going to be providing as a part of it
18 about 20,000 square feet of retail just in the
19 property so we expect that to be, you know hopefully
20 a grocery store and other... you, you know other, other
21 amenities that are needed for the community that are...
22 that'll be living right there and you know over time
23 depending on what the... you know what's determined as
24 a part of the community process hopefully we can

25

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2 develop more, more opportunities for shopping in the

3 neighborhood.

4 COUNCIL MEMBER KOO: Yeah because I worry

5 about the, the, the shopping... [cross-talk]

6 JAMES PATCHETT: Uh-huh... [cross-talk]

7 COUNCIL MEMBER KOO: ...the school... [cross-

8 talk]

9 LYDIA DOWNING: Yeah... [cross-talk]

10 COUNCIL MEMBER KOO: ...and... [cross-talk]

11 JAMES PATCHETT: Well there is... there is

12 a... [cross-talk]

13 COUNCIL MEMBER KOO: ...how they're going

14 to get... [cross-talk]

15 JAMES PATCHETT: ...school as a part of...

16 [cross-talk]

17 COUNCIL MEMBER KOO: ...how they're going

18 to get to the, the... there's no bus stop there and

19 there's only one subway... [cross-talk]

20 JAMES PATCHETT: Uh-huh... [cross-talk]

21 COUNCIL MEMBER KOO: ...stop there new Citi

22 Field so... [cross-talk]

23 LYDIA DOWNING: So, we'd also add Council

24 Member for the... [cross-talk]

25

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2 COUNCIL MEMBER KOO: ...you'll create
3 problems for them.

4 LYDIA DOWNING: Excuse me, I'm sorry. For
5 the senior housing in particular that's in one of the
6 later phases of the development plan and that's
7 specifically because we wanted to make sure that more
8 of that neighborhood is built out before we have
9 seniors moving in so the plan does include open
10 space, a school, affordable housing for a wide range
11 of incomes including senior housing as well as retail
12 so the plan is really to make a whole community
13 there.

14 CHAIRPERSON VALLONE: Well now that...
15 [cross-talk]]

16 COUNCIL MEMBER KOO: Thank you... [cross-
17 talk]

18 CHAIRPERSON VALLONE: ...you just opened
19 that Pandora's box that we call Willets Point can
20 you... the plan that's phase A, correct?

21 JAMES PATCHETT: What's that?

22 CHAIRPERSON VALLONE: That's phase A?

23 JAMES PATCHETT: That's phase one, yeah,
24 that's the first six acres out of 23 acres.
25

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2 CHAIRPERSON VALLONE: And that timeline
3 is for... when is... [cross-talk]

4 JAMES PATCHETT: So, so, right... so we're
5 expect... [cross-talk]

6 CHAIRPERSON VALLONE: I know we're still
7 trying to do some final... [cross-talk]

8 JAMES PATCHETT: Uh-huh... [cross-talk]

9 CHAIRPERSON VALLONE: ...preparation...
10 [cross-talk]

11 JAMES PATCHETT: So, right so we're...
12 right, so we're going to be... we expect to start
13 construction in 2020 on it.

14 CHAIRPERSON VALLONE: Start construction?

15 JAMES PATCHETT: Start... well, there's,
16 there's... we've had to do remediation on this sight as
17 I'm sure you can imagine, the site is fairly... [cross-
18 talk]

19 CHAIRPERSON VALLONE: But that's been
20 ongoing, I mean that's... [cross-talk]

21 JAMES PATCHETT: It has but we... it hasn't
22 been... it hasn't been remediated... it... we've been... we
23 have been doing remediation, we have been doing
24 clearing, we have to do environmental remediation
25

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2 because of, you know from the type of work that was
3 being done there... [cross-talk]

4 CHAIRPERSON VALLONE: Well first you had
5 to relocate many of the businesses... [cross-talk]

6 JAMES PATCHETT: Correct... [cross-talk]

7 CHAIRPERSON VALLONE: ...before you could
8 get to the land and that's what's going on... [cross-
9 talk]

10 JAMES PATCHETT: Yes, that's correct so
11 then the remediation has not been started.

12 CHAIRPERSON VALLONE: So, I, I think what
13 we're going to do, and Council Member Koo I think
14 we'll, we'll be that same page is Willits is going to
15 have its own hearing... [cross-talk]

16 JAMES PATCHETT: Okay... [cross-talk]

17 CHAIRPERSON VALLONE: ...I think what we'll
18 do is we'll flush out your vision... [cross-talk]

19 JAMES PATCHETT: Uh-huh... [cross-talk]

20 CHAIRPERSON VALLONE: ...and make sure that
21 community board seven and Francisco Moya and all the,
22 the surrounding Council Members are part of that...
23 [cross-talk]

24 JAMES PATCHETT: Yeah... [cross-talk]

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2 CHAIRPERSON VALLONE: ...I mean clearly
3 this committee and EDC is going to have the primary
4 focus on that, we want to make sure that the
5 community's vision for such a, a huge opportunity..
6 [cross-talk]

7 JAMES PATCHETT: Yeah... [cross-talk]

8 CHAIRPERSON VALLONE: ...at the foot, you
9 know we've expressed some concerns about putting a
10 school in a building and, and the park space what its
11 going to look like and the future and make sure that
12 all of the components of what... [cross-talk]

13 JAMES PATCHETT: Yeah... [cross-talk]

14 CHAIRPERSON VALLONE: ...the community
15 board asked for actually gets into that so... [cross-
16 talk]

17 JAMES PATCHETT: I would be very happy to
18 do that.

19 CHAIRPERSON VALLONE: Do you have an idea
20 on the formation of the, the task force that you
21 mentioned would be coming as to when that would first
22 meet and, and what the... what the vision, vision to
23 the task force is going to be?

24 JAMES PATCHETT: Right, so my
25 understanding is that, you know there's been ongoing

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2 discussions about it and that there's a... there's
3 going to be a meeting with city hall in the next
4 couple of weeks to finalize the task force.

5 CHAIRPERSON VALLONE: Okay, so just make
6 sure that we're coordinating on... [cross-talk]

7 JAMES PATCHETT: Absolutely, yes... [cross-
8 talk]

9 CHAIRPERSON VALLONE: ...that so we can
10 make sure that Council Member Koo and myself... [cross-
11 talk]

12 JAMES PATCHETT: I hear you, yep.

13 CHAIRPERSON VALLONE: And then we have
14 Council Member Carlina Rivera for some questions.

15 COUNCIL MEMBER RIVERA: Hi, good morning.

16 JAMES PATCHETT: Morning.

17 COUNCIL MEMBER RIVERA: Okay, the clock...
18 I'll speak quickly, a New York pace. So, a couple of
19 questions, so you mentioned the creative and cultural
20 sectors and six million dollars in augmented reality,
21 500 jobs... [cross-talk]

22 JAMES PATCHETT: Uh-huh... [cross-talk]

23 COUNCIL MEMBER RIVERA: ...so, do you have
24 plans in your capital budget to support existing
25

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2 creative and cultural organizations, I know this is a
3 new project but I... [cross-talk]

4 JAMES PATCHETT: Okay, right, right...
5 [cross-talk]

6 COUNCIL MEMBER RIVERA: ...want to know a
7 little bit about how you're investing in the existing
8 infrastructure of, of the creative and cultural
9 sector?

10 JAMES PATCHETT: Absolutely, so I think,
11 you know we... you know the... obvious... it's a... it's a...
12 it's a combined effort but we work very closely with
13 the Department of Cultural Affairs to provide funding
14 to a number of cultural institutions across the city
15 so we are constantly working closely with arts and
16 cultural organizations large and small, you know we
17 have... we have funding agreements with the... with BAM
18 in Brooklyn, with American Natural History... the
19 Natural History Museum, we have funding agreements
20 with a series of different theatre companies around
21 the city large and small, we take... you know we're
22 very... we really are believers in the existing
23 cultural institutions and their ability to expand and
24 how important they are to the... you know to what New
25 York City represents.

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2 COUNCIL MEMBER RIVERA: Alright, I have
3 some fabulous arts organizations in my neighborhood
4 that I'd love to talk to you about considering, you
5 have a seven-billion-dollar capital plan... [cross-
6 talk]

7 JAMES PATCHETT: Uh-huh... [cross-talk]

8 COUNCIL MEMBER RIVERA: ...so, in terms of
9 some of the projects that are near, and, in the
10 district, I wanted to ask a quick question about the
11 tech hub that's currently going through the ULURP...
12 [cross-talk]

13 JAMES PATCHETT: Uh-huh... [cross-talk]

14 COUNCIL MEMBER RIVERA: ...process... [cross-
15 talk]

16 JAMES PATCHETT: Yep... [cross-talk]

17 COUNCIL MEMBER RIVERA: ...how many jobs
18 are anticipated for the, the tech hub?

19 JAMES PATCHETT: I think, you know we're
20 anticipating hundreds of jobs as a part of the tech
21 hub.

22 COUNCIL MEMBER RIVERA: Hundreds?

23 JAMES PATCHETT: Uh-huh...

24 COUNCIL MEMBER RIVERA: Alright, how many
25 of them permanent?

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2 JAMES PATCHETT: I'm talk... I'm just
3 talking about permanent jobs, there's also would be
4 construction jobs created as a part of it.

5 COUNCIL MEMBER RIVERA: So, hundreds of
6 jobs... [cross-talk]

7 JAMES PATCHETT: I mean hundreds of
8 permanent jobs in addition to the construction jobs
9 that are created in... as a part of the program.

10 COUNCIL MEMBER RIVERA: Alright, so to go
11 to a project that's very close to my district, Essex
12 Crossing, how many jobs were estimated, and I guess
13 were ultimately created for Essex Crossing and how
14 many were local hires?

15 JAMES PATCHETT: I don't have those
16 numbers in front of me, sorry, you know that program...
17 that was a project from... it was originally from 2013,
18 I don't have the, the job creation numbers as a part
19 of Essex Crossing in detail but I'm more than happy
20 to provide those to you as a follow up.

21 COUNCIL MEMBER RIVERA: That would be
22 great. I know Margaret Chin has been overseeing that
23 project but you... [cross-talk]]

24 JAMES PATCHETT: Uh-huh... [cross-talk]]
25

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2 COUNCIL MEMBER RIVERA: ...mentioned Hire
3 NYC and connecting local workforce... [cross-talk]

4 JAMES PATCHETT: Yes... [cross-talk]

5 COUNCIL MEMBER RIVERA: ...to these jobs...
6 [cross-talk]

7 JAMES PATCHETT: Uh-huh, uh-huh... [cross-
8 talk]

9 COUNCIL MEMBER RIVERA: ...and in the last
10 oversight hearing that was something that was brought
11 up again... [cross-talk]

12 JAMES PATCHETT: Uh-huh... [cross-talk]

13 COUNCIL MEMBER RIVERA: ...so I just want
14 to make sure that you are connecting with these local
15 workforce organizations... [cross-talk]

16 JAMES PATCHETT: Right... [cross-talk]

17 COUNCIL MEMBER RIVERA: ...and of course,
18 you know we're happy to assist you with that.

19 JAMES PATCHETT: Right, I know... you know
20 as you know as a part of the tech training center one
21 of the critical elements is that there will be a
22 series of workforce development agencies that will
23 have an opportunity to have permanent space right in
24 your district as a part of that project and of course
25 those organizations that I know some of which you

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2 know very well will be working directly with the
3 communities as an opportunity to create and diversify
4 the tech sector so I think that's a really important
5 element of that project.

6 COUNCIL MEMBER RIVERA: So, I'm glad to
7 see you're MWBE goal as hopefully being reached prior
8 to the deadline, that would... [cross-talk]

9 JAMES PATCHETT: Uh-huh... [cross-talk]

10 COUNCIL MEMBER RIVERA: ...be great and,
11 and your diversity as Councilwoman Adams mentioned in
12 term... internally at EDC... [cross-talk]

13 JAMES PATCHETT: Uh-huh... [cross-talk]

14 COUNCIL MEMBER RIVERA: So, you mentioned
15 a women's leadership project what, what is that?

16 JAMES PATCHETT: That's an internal
17 women's leadership program actually Lydia is one of
18 our participants, it was a... it was a program we
19 developed internally, it's a... you know it's just a
20 career development program targeted specifically at
21 women because, you know I think as I mentioned we... at
22 the beginning... you know a couple of years ago we had
23 40 percent of our managers were women now we're at 47
24 percent obviously it should be at 50 percent and we
25 want to make sure that also we have women represented

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2 at all levels of leadership so I think it's just
3 incumbent on us to be investing and ensuring women
4 are fully supported in their careers.

5 COUNCIL MEMBER RIVERA: Okay. We talked
6 a... I guess that, that was... that was a broad
7 description... [cross-talk]

8 JAMES PATCHETT: Well I mean Lydia's been
9 in the program, you can talk about it.

10 COUNCIL MEMBER RIVERA: We, we can talk
11 about it Lydia after... [cross-talk]

12 CHAIRPERSON VALLONE: Well that's why
13 you're at such esteemed table next to you... [cross-
14 talk]

15 JAMES PATCHETT: Yes... [cross-talk]

16 CHAIRPERSON VALLONE: ...because clearly,
17 you're smart... [cross-talk]

18 COUNCIL MEMBER RIVERA: Because there's
19 some... [cross-talk]

20 CHAIRPERSON VALLONE: ...surrounded
21 yourself with.

22 COUNCIL MEMBER RIVERA: There's some
23 great projects and, and development academies that
24 exist so I'm sure you use some of those best
25 practices, I'm going to assume.

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2 JAMES PATCHETT: Okay, thank you... [cross-
3 talk]

4 COUNCIL MEMBER RIVERA: So, I want to
5 talk about H and H, you have some things here
6 including overseeing a billion dollars... [cross-talk]

7 JAMES PATCHETT: Uh-huh... [cross-talk]

8 COUNCIL MEMBER RIVERA: ...on terms of
9 projects at H and H, 26 projects in total...

10 JAMES PATCHETT: Uh-huh...

11 COUNCIL MEMBER RIVERA: So, how has your...
12 how have you been interfacing with, with H and H
13 throughout this process, you know historically the
14 council has faced some transparency issues in terms
15 of their reporting, so I'd like a little bit of
16 background on that and some information?

17 JAMES PATCHETT: Sure, so, so the, the
18 work that EDC is doing in partnership with H and H
19 is, is targeted towards the resiliency work, so it's
20 the funding that we received after hurricane Sandy,
21 the federal funding that was received and EDC took on
22 responsibility for completing resiliency work at a
23 variety of hospitals around the... around the city,
24 Coney Island Hospital is one of the largest ones,
25 we're making good progress out there but there are a

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2 series of projects all across the city and again
3 these are primary... these are responding to resiliency
4 issues at the hospital and federal standards to
5 ensure that the hospitals are, you know in the event
6 that there's another storm like Sandy that there are
7 not... there's not flooding, that they don't lose power
8 or that they're... that the, the generators are located
9 at levels where they're not going to be flooded by a
10 storm so, you know they're designed prime... the, the
11 design is done in close partnership with H and H, you
12 know driven by what H and H's designs and
13 reequipments are but we're, we're really doing it
14 based on the federal standards for resiliency.

15 COUNCIL MEMBER RIVERA: And Mr. Chair if
16 I could just ask one more question related to jobs?
17 So, you mentioned in your testimony that you're
18 invested in growing industries... [cross-talk]

19 JAMES PATCHETT: Uh-huh... [cross-talk]]

20 COUNCIL MEMBER RIVERA: ...however besides
21 the life sciences I find that this is not really
22 reflective of the health care industry in terms of
23 job creation in some of the programs that you
24 highlighted... [cross-talk]

25 JAMES PATCHETT: Uh-huh... [cross-talk]

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2 COUNCIL MEMBER RIVERA: ...so I would love
3 to hear a little bit more about how you're investing
4 in the growing industry of health care and those
5 jobs?

6 JAMES PATCHETT: Uh-huh, well I think...
7 the two things that I would highlight; one is the
8 really important partnership we have with SBS in
9 workforce development and training for health care
10 workers, that's one of our most successful training
11 partnerships where we... you know we partner to provide
12 best in class training services and get people from a
13 variety backgrounds into good quality and in many
14 cases union, union jobs and another thing that I
15 would highlight is our... a program we, we... a digital
16 health program that we run which is to... companies
17 that have new innovative ideas for health services we
18 create a forum for them to interface with the larger
19 health systems to present those opportunities to the
20 large... to the health systems and have an opportunity
21 to have their products taken up because we have a lot
22 of great small companies in New York City who are
23 developing interesting ideas but its very hard to get
24 into the hospitals and have those ideas implemented
25 so we provide a forum to bring those companies

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2 together with the hospitals to, to, to both innovate
3 our health care practices but also to get more small
4 businesses in New York supported.

5 COUNCIL MEMBER RIVERA: Thank you.

6 JAMES PATCHETT: Thank you.

7 CHAIRPERSON VALLONE: Thank you Council
8 Member. One, one quick follow up to the internship
9 Council Member Rosenthal mentioned so we'd love to
10 link those opportunities to our council so could you
11 provide to us the... [cross-talk]

12 JAMES PATCHETT: Yeah... [cross-talk]

13 CHAIRPERSON VALLONE: ...so we can get to
14 the students who are... [cross-talk]

15 JAMES PATCHETT: Yes... [cross-talk]

16 CHAIRPERSON VALLONE: ...reaching out to us
17 for summer opportunities?

18 JAMES PATCHETT: That'd be great, yeah...
19 [cross-talk]

20 CHAIRPERSON VALLONE: Great... [cross-talk]

21 JAMES PATCHETT: ...absolutely will.

22 CHAIRPERSON VALLONE: And, and following
23 up on Council Member Rivera's question about the
24 WMBEs, in, in your testimony you mentioned that you
25 want to exceed even the 30 percent... [cross-talk]

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2 JAMES PATCHETT: Uh-huh... [cross-talk]

3 CHAIRPERSON VALLONE: ...on page seven that
4 the Mayor has set a goal and I know we're only at 12
5 percent now so could you give us like a follow up on
6 how are you planning on getting to that great number?

7 JAMES PATCHETT: You said we're only at
8 12 percent?

9 CHAIRPERSON VALLONE: Yeah, currently
10 right now the city is running at 12 percent... [cross-
11 talk]

12 JAMES PATCHETT: Oh, oh the city, oh
13 okay, sorry... [cross-talk]

14 CHAIRPERSON VALLONE: Not you, yeah, the...
15 [cross-talk]

16 JAMES PATCHETT: ...well yeah... [cross-talk]

17 CHAIRPERSON VALLONE: ...city.

18 JAMES PATCHETT: Right, so... I mean so in
19 FY '18 we're optimistic that we will have 30 percent
20 commitment to MWBEs... [cross-talk]

21 CHAIRPERSON VALLONE: This '18?

22 JAMES PATCHETT: This year, commitments.
23 So, that's, that's, that's what we're trying to do
24 this year. So, we're... yeah, that, that... and we... and
25 we set a... we set a corporate goal... wide goal at the

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2 beginning of this fiscal year to try and hit 30
3 percent and Kim has been leading the charge on that
4 so we're, we're optimistic that we're going to get
5 there, we actually have our MWBE team here.

6 CHAIRPERSON VALLONE: So, does that
7 correlate also to the dollar amount of the projects...
8 [cross-talk]

9 JAMES PATCHETT: Uh-huh... [cross-talk]

10 CHAIRPERSON VALLONE: ...or... [cross-talk]

11 JAMES PATCHETT: ...that... just that is
12 based on dollar amount... [cross-talk]

13 CHAIRPERSON VALLONE: Based on... [cross-
14 talk]

15 JAMES PATCHETT: ...it's not, not based on
16 project amount, it is 30 percent... we expect it of our
17 commitments... we, we... of, of the dollars that we
18 commit to projects we hope... we plan and our goal to
19 hit 30 percent this year and year to date 24 percent
20 of our awards have been to MWBEs.

21 CHAIRPERSON VALLONE: Thank you, that's
22 encouraging and now Council Member Menchaca followed
23 by Rosenthal and Lander.

24 COUNCIL MEMBER MENCHACA: Thank you Chair
25 and welcome.

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2 JAMES PATCHETT: Good to see you.

3 COUNCIL MEMBER MENCHACA: Good to see you
4 too. I... actually I'm going to... I'm going to save my
5 commentary for the end, I'm going to go right into
6 the question... [cross-talk]

7 JAMES PATCHETT: Okay, please.

8 COUNCIL MEMBER MENCHACA: So, the, the
9 kind of... the, the, the bigger framework for New York
10 Works... [cross-talk]

11 JAMES PATCHETT: Uh-huh... [cross-talk]

12 COUNCIL MEMBER MENCHACA: The 100,000
13 jobs, I'm glad we already started talking a little
14 bit about that, a lot of that as presented is, is
15 connected to Sunset Park and Brooklyn Army Terminal...
16 [cross-talk]

17 JAMES PATCHETT: Uh-huh... [cross-talk]

18 COUNCIL MEMBER MENCHACA: ...and the
19 activation there... [cross-talk]

20 JAMES PATCHETT: Yeah... [cross-talk]

21 COUNCIL MEMBER MENCHACA: ...we're all very
22 excited about that, how, how can you track, and will
23 you be tracking that boost in jobs and kind of
24 capturing that with New Yorkers who aren't already in
25 middle class jobs and... [cross-talk]

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2 JAMES PATCHETT: Uh-huh... [cross-talk]

3 COUNCIL MEMBER MENCHACA: ...what I'm say...

4 I guess what I'm trying to get to is how many folks
5 are coming in from, from unemployment to jobs...

6 [cross-talk]

7 JAMES PATCHETT: Yeah... [cross-talk]

8 COUNCIL MEMBER MENCHACA: ...are we... are we
9 kind of shifting people... [cross-talk]

10 JAMES PATCHETT: Uh-huh... [cross-talk]

11 COUNCIL MEMBER MENCHACA: ...and will you
12 be track, tracking that really because this Mayor and
13 EDC and everybody's kind of focused on kind of
14 equality, equality for all... [cross-talk]

15 JAMES PATCHETT: Right... [cross-talk]

16 COUNCIL MEMBER MENCHACA: ...and access to
17 economic... [cross-talk]

18 JAMES PATCHETT: I mean it's, it's, it is
19 something of a challenge, I mean for a variety of
20 reasons and reasons the council has pushed, you know
21 you... we're somewhat limited in what we can ask people
22 about their employment, you know history and salary
23 history and other things so there's... it, it can be
24 challenging to gather data about what people's
25 previous income was so as it happens its challenging

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2 to track what their previous income was for important
3 other reasons but what we... we have a... we do have a
4 good... you know for the... for the folks who get
5 referred into jobs directly through our Sunset Park
6 workforce center we do have a reasonably good sense
7 of where they came from so we can... we can... we have
8 some data through that, I think it'll be really
9 important once we see this next phase come online all
10 of the jobs that are there because we... all of those
11 tenants will be required to source their job
12 opportunities through the workforce center so we're
13 going to see a big increase to the number of tenants
14 at Brooklyn Army Terminal who are getting jobs from
15 the workforce center and then I think we'll be able
16 to see a lot better data.

17 COUNCIL MEMBER MENCHACA: So, what I'm
18 hearing it's a challenge, it's not impossible and
19 you'll... you're already getting some data?

20 JAMES PATCHETT: We get some data, yeah.

21 COUNCIL MEMBER MENCHACA: Okay, so I, I
22 want to... I want to work with you to, to, to... [cross-
23 talk]

24 JAMES PATCHETT: Uh-huh, yeah... [cross-
25 talk]

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2 COUNCIL MEMBER MENCHACA: ...think about
3 that... [cross-talk]

4 JAMES PATCHETT: I would love to... [cross-
5 talk]

6 COUNCIL MEMBER MENCHACA: ...on how to... how
7 to remove those challenges where we can... [cross-talk]

8 JAMES PATCHETT: Uh-huh... [cross-talk]

9 COUNCIL MEMBER MENCHACA: ...how to get
10 private actors to act... [cross-talk]

11 JAMES PATCHETT: Uh-huh... [cross-talk]

12 COUNCIL MEMBER MENCHACA: ...to our...
13 especially since we're putting so many dollars...
14 [cross-talk]

15 JAMES PATCHETT: Of course... [cross-talk]

16 COUNCIL MEMBER MENCHACA: ...into this
17 investment and at the end of the day we, we, we want
18 to know that we have been successful... [cross-talk]

19 JAMES PATCHETT: Uh-huh... [cross-talk]

20 COUNCIL MEMBER MENCHACA: ...as a city and
21 so, so just because... [cross-talk]

22 JAMES PATCHETT: I understand... [cross-
23 talk]

24

25

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2 COUNCIL MEMBER MENCHACA: ...we're creating
3 100,000 jobs doesn't mean that we're actually having
4 good impact, positive impact... [cross-talk]

5 JAMES PATCHETT: Yeah... [cross-talk]

6 COUNCIL MEMBER MENCHACA: ...to our
7 neighborhoods so I just want to make sure that we can
8 work on that as a committee. The, the, the New York
9 Work... New York Works plan has a 1.4 billion dollar of
10 investment, will be... will you kind of delineate
11 portions of that to kind of human capital development
12 training, job training, basic, basic education?

13 JAMES PATCHETT: Oh yeah... [cross-talk]

14 COUNCIL MEMBER MENCHACA: Yes... [cross-
15 talk]

16 JAMES PATCHETT: Absolutely...

17 COUNCIL MEMBER MENCHACA: Okay, awesome
18 so it'd be good to kind of get that... [cross-talk]

19 JAMES PATCHETT: Uh-huh... [cross-talk]

20 COUNCIL MEMBER MENCHACA: ...afterwards and
21 get a better sense... [cross-talk]

22 JAMES PATCHETT: Uh-huh...

23 COUNCIL MEMBER MENCHACA: And then I
24 didn't see any, any mention of the BQX in the
25 testimony so I wanted to kind of check... [cross-talk]

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2 JAMES PATCHETT: Sure... [cross-talk]

3 COUNCIL MEMBER MENCHACA: ...I believe this
4 is a, a very important project for... [cross-talk]

5 JAMES PATCHETT: Yes... [cross-talk]

6 COUNCIL MEMBER MENCHACA: ...the Mayor and
7 I wanted to kind of see if there's anything that was
8 there that could help us understand that?

9 JAMES PATCHETT: Sure, I just don't... I
10 just don't have any new updates for you, I mean the,
11 the BQX... I mean as you know is a... is a very
12 complicated project, its about 17-mile project
13 crossing two boroughs, we've been doing a tremendous
14 amount of work over the last year doing the extensive
15 engineering analysis as well as doing borings into
16 the streets to determine exactly what utilities are
17 located where so we have an understanding of what
18 would need to potentially be relocated and what the
19 best route is, you know it's a big complicated
20 project so we just want to make sure we take the time
21 to get all of that analysis correct before we move on
22 to the next step. I didn't mention it in my
23 testimony, but we have been spending quite a bit of
24 time on getting that analysis finalized.

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2 COUNCIL MEMBER MENCHACA: So, time is
3 money... [cross-talk]

4 JAMES PATCHETT: Uh-huh... [cross-talk]

5 COUNCIL MEMBER MENCHACA: ...are you
6 tracking the kind of time that the agency is spending
7 on this project and is that something that you can
8 bring back to the committee and, and I'll... not just...
9 [cross-talk]

10 JAMES PATCHETT: Yeah... [cross-talk]

11 COUNCIL MEMBER MENCHACA: ...this committee
12 but really the committee that we're going to be
13 launching the task force... [cross-talk]

14 JAMES PATCHETT: Uh-huh... [cross-talk]

15 COUNCIL MEMBER MENCHACA: ...for the BQX
16 and that'll be for a different conversation... [cross-
17 talk]

18 JAMES PATCHETT: Sure, yeah... [cross-talk]

19 COUNCIL MEMBER MENCHACA: ...it'd be good...
20 I'm just kind of... [cross-talk]

21 JAMES PATCHETT: Yeah... [cross-talk]

22 COUNCIL MEMBER MENCHACA: ...offering that
23 as an opportunity to start... [cross-talk]

24 JAMES PATCHETT: Okay... [cross-talk]

25

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2 COUNCIL MEMBER MENCHACA: ...assembling,
3 it'd be good to understand the investment that we're
4 putting in... and I would... [cross-talk]

5 JAMES PATCHETT: Yeah, absolutely, happy
6 to do that, I mean we don't... just, just to preview
7 that we don't necessarily track what everyone is
8 doing by like moment by moment, how they're spending
9 their time on every individual project, but I hear
10 your point and I appreciate... we'll... we will be
11 prepared for that conversation.

12 COUNCIL MEMBER MENCHACA: Awesome and
13 then the second piece is, will, will we see anything
14 in the executive budget for the BQX, are you
15 anticipating some of that coming in this fiscal year
16 for this fiscal year negotiations?

17 JAMES PATCHETT: Right, well at this
18 stage, you know we've... to date EDC has funded
19 primarily our... of our own funding about... well about
20 three million dollars to deal... do the engineering
21 analysis and other things so it is conceivable that
22 we could continue out of our own funds for the
23 foreseeable future so it may not be anything in the
24 executive budget.

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2 COUNCIL MEMBER MENCHACA: And my final
3 comment Chair if I could I just want to say that
4 everything you testified on and the relationship that
5 we're building in the district is not only true but
6 encouraged in terms of further continuing building
7 relationships with Sunset Park... [cross-talk]

8 JAMES PATCHETT: Yeah... [cross-talk]

9 COUNCIL MEMBER MENCHACA: ...Sunset Park
10 is, is one of the largest portfolios that you have in
11 the... [cross-talk]

12 JAMES PATCHETT: Uh-huh... [cross-talk]

13 COUNCIL MEMBER MENCHACA: ...city and we've
14 already kind of seen a turnaround in community
15 engagement... [cross-talk]

16 JAMES PATCHETT: Uh-huh... [cross-talk]

17 COUNCIL MEMBER MENCHACA: ...that is really
18 unlocking all the potential that you're talking
19 about, so I just want to... I want to concur that
20 everything you said was true. I know he raised his
21 hand and everything... [cross-talk]

22 JAMES PATCHETT: Right, thanks... [cross-
23 talk]

24

25

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2 COUNCIL MEMBER MENCHACA: ...but as on the
3 ground we couldn't find a better partner with
4 President Patchett and his team.

5 JAMES PATCHETT: Thank you.

6 COUNCIL MEMBER MENCHACA: Thank you.

7 JAMES PATCHETT: Same.

8 CHAIRPERSON VALLONE: Thank you and now
9 Council Member Helen Rosenthal followed by Council
10 Member Lander and then Levine and then we have the
11 first round is finished.

12 COUNCIL MEMBER ROSENTHAL: Thank you so
13 much and welcome, great to see... [cross-talk]

14 JAMES PATCHETT: Good to see you... [cross-
15 talk]

16 COUNCIL MEMBER ROSENTHAL: ...you as
17 always. I'd like to start with following up on
18 Council Member Menchaca commending you for... [cross-
19 talk]]

20 JAMES PATCHETT: This is my favorite
21 hearing ever... [cross-talk]

22 CHAIRPERSON VALLONE: Yeah, that's always
23 the best... [cross-talk]

24 COUNCIL MEMBER ROSENTHAL: Yeah... [cross-
25 talk]

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2 CHAIRPERSON VALLONE: ...way to start.

3 JAMES PATCHETT: I'm due it once a week...

4 [cross-talk]

5 COUNCIL MEMBER ROSENTHAL: Then that's

6 going to be over I can get rid of it but all the

7 work... [cross-talk]

8 CHAIRPERSON VALLONE: Where's the button...

9 [cross-talk]

10 COUNCIL MEMBER ROSENTHAL: ...you're doing

11 around sexual harassment training, anti-sexual

12 harassment training. I'm interested in attending your

13 April training if that's possible... [cross-talk]

14 JAMES PATCHETT: Absolutely... [cross-talk]

15 COUNCIL MEMBER ROSENTHAL: ...its great,

16 you're always doing cutting edge stuff there...

17 JAMES PATCHETT: Yeah, be happy to have

18 you.

19 COUNCIL MEMBER ROSENTHAL: In a hearing

20 yesterday with the MTA and with DOT we talked about

21 how they're constrained in their bidding... choosing

22 bidders by not having enough competition and... you

23 know and the MTA I think they've... I don't know what's

24 happened or why and I'm not going to do that but have

25

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2 you... I, I see that you're looking at cyber security,
3 life sciences... [cross-talk]

4 JAMES PATCHETT: Uh-huh... [cross-talk]

5 COUNCIL MEMBER ROSENTHAL: ...creative and
6 cultural sectors but have you considered working with
7 agencies and noting which ones get more competition
8 compared to others and maybe stepping into that as
9 well? So, DDC now has started breaking its contracts
10 into smaller and smaller bite sized pieces... [cross-
11 talk]

12 JAMES PATCHETT: Uh-huh... [cross-talk]

13 COUNCIL MEMBER ROSENTHAL: ...in order to
14 encourage new firms to get into the market place, DOT
15 and DEP they're... those are monster contracts... [cross-
16 talk]

17 JAMES PATCHETT: Uh-huh... [cross-talk]

18 COUNCIL MEMBER ROSENTHAL: ...but they're
19 contemplating that as well... [cross-talk]

20 JAMES PATCHETT: Uh-huh... [cross-talk]

21 COUNCIL MEMBER ROSENTHAL: ...so would you
22 consider working with them to try to focus on the
23 fields that they are talking about in order to bring
24 more companies to market. For example, Polly
25 Trottenberg yesterday talked about road painting

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2 companies that, that was a scenario which didn't have
3 any competition... [cross-talk]

4 JAMES PATCHETT: Uh-huh... [cross-talk]

5 COUNCIL MEMBER ROSENTHAL: ...historically...
6 [cross-talk]

7 JAMES PATCHETT: Right... [cross-talk]

8 COUNCIL MEMBER ROSENTHAL: ...and they're
9 trying to build New York City firms and encourage New
10 York City firms.

11 JAMES PATCHETT: Right, yeah... no.
12 Absolutely, happy to... happy to have that discussion,
13 it's not something that had been brought to my
14 attention before this moment but I'm happy to talk
15 about... talk with them about it and talk with you
16 about it. Just, you know I will... just so you know we
17 are... we actually have... we pioneered a program called
18 Construct NYC that actually breaks down contracts
19 into contracts that small as a million dollars..
20 [cross-talk]]

21 COUNCIL MEMBER ROSENTHAL: Right... [cross-
22 talk]

23 JAMES PATCHETT: ...in order to encourage a
24 more... greater diversity in particularly on the MWBE
25 front.

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2 COUNCIL MEMBER ROSENTHAL: Yep, so if you
3 could look into that and... [cross-talk]]

4 JAMES PATCHETT: Uh-huh... [cross-talk]

5 COUNCIL MEMBER ROSENTHAL: ...let me know
6 I'd appreciate where there could... [cross-talk]

7 JAMES PATCHETT: Yes... [cross-talk]

8 COUNCIL MEMBER ROSENTHAL: ...be... knowing
9 where there could be collaboration... [cross-talk]

10 JAMES PATCHETT: Sure... [cross-talk]

11 COUNCIL MEMBER ROSENTHAL: I too am
12 interested in Council Member Menchaca's question
13 about the human capital investments... [cross-talk]

14 JAMES PATCHETT: Uh-huh... [cross-talk]

15 COUNCIL MEMBER ROSENTHAL: ...and am hoping
16 that you can sort of call out that information
17 regarding your investments in cyber security... [cross-
18 talk]

19 JAMES PATCHETT: Yeah, right... [cross-
20 talk]

21 COUNCIL MEMBER ROSENTHAL: ...life sciences
22 and... [cross-talk]

23 JAMES PATCHETT: Yeah... [cross-talk]

24 COUNCIL MEMBER ROSENTHAL: ...creative...
25 [cross-talk]

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2 JAMES PATCHETT: Yeah and I will just say
3 as a part of that, I mean in, in some ways we don't
4 know the, the, the exact numbers yet, I mean this...
5 one of the central elements of our cyber security
6 effort is around human capital development that's...
7 that is fundamental to our assess there, it's
8 probably the most important element of the program,
9 that's what we want to see, it will a little bit
10 depend on the responses that we get in, you know what
11 proposal... what, what people propose but that is to me
12 the central and most critical element of our cyber
13 security plan is developing a really, you know meaty
14 education and training program.

15 COUNCIL MEMBER ROSENTHAL: Do you work... I
16 know the answer's yes, but you work closely with CUNY
17 I assume... [cross-talk]

18 JAMES PATCHETT: Oh yes, very much so.

19 COUNCIL MEMBER ROSENTHAL: Okay... [cross-
20 talk]

21 JAMES PATCHETT: Yeah, they... we, we want
22 to see them as a part of these plans, absolutely and
23 they have some really... you know they're actually
24 thinking very innovatively about a lot of these
25 workforce issues.

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2 COUNCIL MEMBER ROSENTHAL: I think that'd
3 be really interesting to track over time... [cross-
4 talk]

5 JAMES PATCHETT: Uh-huh... [cross-talk]]

6 COUNCIL MEMBER ROSENTHAL: ...the growth of
7 the CUNY programs.

8 JAMES PATCHETT: Yes, great.

9 COUNCIL MEMBER ROSENTHAL: And sort of
10 connecting that to real jobs...

11 JAMES PATCHETT: Uh-huh.

12 COUNCIL MEMBER ROSENTHAL: And lastly,
13 again Carlos Menchaca and I have been working on
14 worker cooperatives in the city... [cross-talk]]

15 JAMES PATCHETT: Uh-huh, yes... [cross-
16 talk]

17 COUNCIL MEMBER ROSENTHAL: ...and the city
18 has via the city council... [cross-talk]

19 JAMES PATCHETT: Uh-huh... [cross-talk]

20 COUNCIL MEMBER ROSENTHAL: ...has invested
21 over three million dollars a year to organizations
22 that foster worker cooperatives and it's about seven
23 organizations... [cross-talk]

24 JAMES PATCHETT: Uh-huh... [cross-talk]

25

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2 COUNCIL MEMBER ROSENTHAL: ...and between
3 them they've created, I, I don't know the number off
4 the top of my... top of my head but they've created
5 jobs... [cross-talk]

6 JAMES PATCHETT: Uh-huh... [cross-talk]

7 COUNCIL MEMBER ROSENTHAL: ...by supporting
8 these worker cooperatives, is that something you
9 would consider EDC would consider a proposal to
10 invest in those companies that are creating jobs?

11 JAMES PATCHETT: Oh yeah, I mean I think...
12 I, I... you know as we've talked about it in the past I
13 think worker cooperatives are a very interesting
14 model for job development, we'd be happy to talk
15 about a way to, you know partner on a new program
16 around that and one of the great things about the
17 jobs plan is that it's a... you know it's a ten year
18 plan, it's a framework but its not... you know it's
19 not... we haven't delineated every job first part of
20 the plan so I think we're excited about, you know new
21 and different thing... areas we can invest in.

22 COUNCIL MEMBER ROSENTHAL: Oh, great so
23 I'm going to set up a meeting with whoever... [cross-
24 talk]

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2 JAMES PATCHETT: Yeah, great... [cross-
3 talk]

4 COUNCIL MEMBER ROSENTHAL: ...and bring the
5 worker cooperative... the... again the, the people who do
6 the work... [cross-talk]

7 JAMES PATCHETT: Yeah... [cross-talk]

8 COUNCIL MEMBER ROSENTHAL: ...of training.

9 JAMES PATCHETT: Yes.

10 COUNCIL MEMBER ROSENTHAL: Great, thank
11 you very... [cross-talk]

12 JAMES PATCHETT: Love to... [cross-talk]

13 COUNCIL MEMBER ROSENTHAL: ...much.

14 JAMES PATCHETT: Thank you.

15 CHAIRPERSON VALLONE: And, and now
16 Council Member Lander and then Council Member Levine,
17 thank you.

18 COUNCIL MEMBER LANDER: Thank you Chair
19 Vallone, I'll, I'll open by confessing that doing
20 battle with Seth Pinsky at some of these... those
21 hearings many years ago still is one of my fondest
22 memories of my time in the city council, but I think
23 for today I'm mostly going to join the chorus of...
24 [cross-talk]

25 JAMES PATCHETT: Okay... [cross-talk]

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2 COUNCIL MEMBER LANDER: ...partnership and
3 enthusiasm nonetheless. Like my colleagues I'm really
4 interested in the workforce development and Career
5 Pathways work... [cross-talk]

6 JAMES PATCHETT: Uh-huh, yes... [cross-
7 talk]

8 COUNCIL MEMBER LANDER: ...and I guess I
9 might just suggest Mr. Chair we really schedule a
10 hearing where we could drill down and focus on what
11 we're doing to make sure that all these jobs we're
12 creating we're doing everything possible we can to
13 help people move up into but its been asked about so
14 I'm not going to ask about it today. I'm enthusiastic
15 about the manufacturing investments... [cross-talk]

16 JAMES PATCHETT: Uh-huh... [cross-talk]

17 COUNCIL MEMBER LANDER: ...as you know that
18 you spoke about with Council Member Menchaca and
19 again I think it'd be great at some future point if
20 we could really do a drill down hearing on, on
21 manufacturing both in the public spaces like BAT and
22 the Navy Yard and also in, in private ones as well...
23 [cross-talk]

24 JAMES PATCHETT: Yep... [cross-talk]
25

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2 COUNCIL MEMBER LANDER: Congrats on the
3 ferry which really has had just extraordinary success
4 and I'm grateful of this budget as we talked about at
5 the last hearing does not include any potential
6 subsidies for Amazon.

7 JAMES PATCHETT: Yes, true... [cross-talk]

8 COUNCIL MEMBER LANDER: And I joined some
9 of my colleagues actually from Indianapolis and
10 Austin and Dallas in signing onto Richard Florida's...
11 [cross-talk]

12 JAMES PATCHETT: Uh-huh... [cross-talk]

13 COUNCIL MEMBER LANDER: ...mutual non-
14 aggression packed letter and feel good to be able to
15 do that from a city where the Mayor and the EDC
16 President have made that real so... what I want to
17 focus on in my couple of minutes today is on capital
18 projects management and your role there... [cross-talk]

19 JAMES PATCHETT: Uh-huh.

20 COUNCIL MEMBER LANDER: As you know the
21 council's putting a real renewed focus on that, we
22 have a new and separate subcommittee and we're really
23 trying to drill down a little. So, I guess for
24 starters just remind me, there are the set
25

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2 essentially super powers that EDC has a result of its
3 creation in state law... [cross-talk]

4 JAMES PATCHETT: Yeah, uh-huh... [cross-
5 talk]

6 COUNCIL MEMBER LANDER: ...that enable it
7 to do things that DDC and other city agencies are not
8 able to do and you do good management and there's
9 other reasons why people would want you to manage
10 their projects but I think people started asking
11 because of that so can, can you just remind the
12 council what some of those things are that you guys
13 are able to do in a way that are streamlined relative
14 to... [cross-talk]

15 JAMES PATCHETT: Sure... [cross-talk]

16 COUNCIL MEMBER LANDER: ...other city
17 agencies?

18 JAMES PATCHETT: Sure, well I think... you
19 know I, I, I will say... I, I can tell you what I think
20 is our most effective tool in this, I can't say
21 definitively whether or not it would be possible for
22 another agency under existing law to do it or not but
23 I think the most... the most effective thing that we do
24 is, is... under... we have the flexibility under
25 construction management contracts so what we do is

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2 we, we issue a competitive procurement for
3 construction managers at the outset, early on because
4 we know we're going to have a series of large scale
5 projects over time and then for particular projects
6 we competitively procure within that set of
7 construction managers that we have predesignated that
8 allows us to cut down the procurement time
9 substantially so we do the lengthy full procurement
10 process which is the same process that EDC or anyone
11 else does, we do that up front years in advance and
12 then we do a series of projects under that existing
13 umbrella as opposed to doing that years long plus
14 procurement for every project. So, then once we've
15 competitively procured for a set of contractors we
16 procure... we, we bid out within that set of
17 contractors for individual projects, I think that is
18 probably the single most meaningful tool that we have
19 in the way that we approach capital construction
20 that's distinct from other agencies.

21 COUNCIL MEMBER LANDER: Alright and I

22 guess and... you know this week may drill down on this
23 at a separate hearing with that... with that
24 subcommittee but there are some like as you guys
25 relate to Wicks Law, there's a few other state law

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2 issues that as... at least as I recall you guys can do
3 some things as a result of your authority standing, I
4 mean I guess my, my question's this and I'll just put
5 it out this way, I... sometimes when we step into this
6 question about how to get our capital projects
7 managed... [cross-talk]

8 JAMES PATCHETT: Yeah... [cross-talk]

9 COUNCIL MEMBER LANDER: ...as a city on
10 time and on budget we just accept the structures that
11 we already... [cross-talk]

12 JAMES PATCHETT: Yeah... [cross-talk]

13 COUNCIL MEMBER LANDER: ...and we
14 rationalize why you have this and DDC has this...
15 [cross-talk]

16 JAMES PATCHETT: Uh-huh... [cross-talk]

17 COUNCIL MEMBER LANDER: ...and the agencies
18 have that and then we think what could we do to
19 streamline and require one less approval... [cross-
20 talk]

21 JAMES PATCHETT: Yeah, right... [cross-
22 talk]

23 COUNCIL MEMBER LANDER: ...out of these 172
24 approvals and I've noted that we've taken a step back
25 and said maybe we should restructure the whole

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2 system, it feels to me like you actually run two
3 separate agencies, you run an agency to create jobs
4 for New Yorkers and then you run an agency to manage
5 capital projects for other city agencies and you're
6 good at both those things but they really are two
7 separate tasks and then we have a different agency we
8 call the one that's supposed to manage all the city
9 capital projects except partly because of your powers
10 and partly because of your history lots of agencies
11 would rather have you manage it then them manage it
12 and I... it just seems to me that we should take a step
13 back and say do we have the right structures, if... and
14 if there are in fact practices like the other
15 agencies could do... [cross-talk]

16 JAMES PATCHETT: Yeah... [cross-talk]

17 COUNCIL MEMBER LANDER: ...like the
18 construction manager pre-bid out... [cross-talk]

19 JAMES PATCHETT: Uh-huh... [cross-talk]

20 COUNCIL MEMBER LANDER: ...then by all
21 means let's just get the other agencies doing the
22 things you're doing... [cross-talk]

23 JAMES PATCHETT: Yeah... [cross-talk]

24

25

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2 COUNCIL MEMBER LANDER: ...but if in fact
3 what we need is a structural overhaul of how we
4 manage our capital projects... [cross-talk]

5 JAMES PATCHETT: Right... [cross-talk]

6 COUNCIL MEMBER LANDER: ...let's start
7 there rather than like which of those 127 approvals
8 we can... [cross-talk]

9 JAMES PATCHETT: Right... [cross-talk]

10 COUNCIL MEMBER LANDER: ...streamline...

11 JAMES PATCHETT: Well I... thank, thank
12 you, I hear your point, I mean I guess I would say
13 we, we do more than just those things, right, we
14 also... I mean we're... we do property management for
15 over 60 million square feet of real estate, we run a
16 ferry system, we do hundreds of funding agreements,
17 you know we do a, a whole lot of things... [cross-talk]

18 COUNCIL MEMBER LANDER: I'm not trying to
19 break up... [cross-talk]

20 JAMES PATCHETT: No, no, no I'm not...
21 [cross-talk]

22 COUNCIL MEMBER LANDER: ...EDC... [cross-
23 talk]

24 JAMES PATCHETT: ...I know and, and, and...
25 [cross-talk]

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2 COUNCIL MEMBER LANDER: ...yeah, I mean
3 that's not my goal... [cross-talk]

4 JAMES PATCHETT: ...but I was... I just
5 didn't want you to sell us short for all the things
6 that we're doing. I guess a couple of other, other
7 things I would note for you; one thing is because we
8 have our own source of funding we are able to... we
9 are... like sometimes able to start projects before we
10 have a, a, approved registration through the
11 Comptroller's Office so there are a series of
12 important steps through OMB and the Comptroller's
13 Office that everyone has to go through sometimes we
14 can get ahead of that because we just take the risk
15 that we will... and so that can help advance projects,
16 someone says it's a high priority we got to start it
17 tomorrow we can take a risk that we won't get the CP
18 registered with the Comptroller that's one thing we...
19 another thing we can do and then the final thing is
20 we do have the flexibility to do design build at EDC.

21 KIM VACCARI: Well... [cross-talk]

22 JAMES PATCHETT: Oh, I'm sorry... [cross-
23 talk]

24 KIM VACCARI: We, we actually had... we got
25 the authorization to do a pilot project... [cross-talk]

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2 JAMES PATCHETT: Uh-huh... [cross-talk]

3 KIM VACCARI: ...design build and a lot of
4 governments are looking towards that... [cross-talk]

5 JAMES PATCHETT: Yeah... [cross-talk]

6 KIM VACCARI: ...model to make projects go
7 a lot faster so... [cross-talk]

8 JAMES PATCHETT: Right... [cross-talk]

9 KIM VACCARI: ...we would welcome any
10 discussion with this council on how to improve the
11 process...

12 COUNCIL MEMBER LANDER: And if I could
13 just have 30 seconds more for a comment... [cross-talk]

14 CHAIRPERSON VALLONE: You're pushing it...
15 [cross-talk]

16 COUNCIL MEMBER LANDER: ...Mr. Chair...
17 [cross-talk]

18 CHAIRPERSON VALLONE: Of course... [cross-
19 talk]

20 COUNCIL MEMBER LANDER: ...I just... the
21 thing about all those things is that... and you're,
22 you're talking to a bunch of people to whom they're
23 basically don't have them available to manage the
24 projects that we direct our capital funding... [cross-
25 talk]

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2 JAMES PATCHETT: Uh-huh... [cross-talk]

3 COUNCIL MEMBER LANDER: ...too so we are
4 endlessly frustrated... [cross-talk]

5 JAMES PATCHETT: Yeah... [cross-talk]]

6 COUNCIL MEMBER LANDER: ...and then we see
7 all the ways you guys are able to move faster for all
8 these good reasons and then we notice the projects
9 that can get directed to you for the most part are
10 not the ones that we're trying to move along and
11 hence the frustration we have, not with you but with
12 a process that needs an overhaul look at that first
13 order level and not just the tinkering level. So,
14 I'll leave it there, but I think this will be a good
15 thing for us to come back to and... [cross-talk]

16 CHAIRPERSON VALLONE: No, I, I... [cross-
17 talk]

18 COUNCIL MEMBER LANDER: ...with that
19 capital budget... [cross-talk]

20 CHAIRPERSON VALLONE: ...I think Council
21 Member Lander you're right on point, I think part of
22 the, the frustration that we have with Libraries and
23 Parks is that there aren't... they are not able to
24 provide results that you do so instead of looking at
25 what you're doing we're actually looking trying to

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2 have the other agencies emulate and use some of these
3 procedures so I, I... and I think that's where our... not
4 concern but our curiosity is, is to how we can
5 immediately start spanning... [cross-talk]

6 COUNCIL MEMBER LANDER: Right... [cross-
7 talk]

8 CHAIRPERSON VALLONE: ...this because our...
9 the city and our neighbors are just tired of waiting
10 so... [cross-talk]

11 JAMES PATCHETT: I understand, I mean I
12 guess the last point I would make about this just in
13 our own defense is, I mean part of it is, is that we
14 have a, a small agency, right, we're 500 people, we
15 have a, a limited set of capital projects we're able
16 to focus on those, I think, you know as, as you grow
17 larger and have more and more obligations and I think
18 as... the other agencies have significantly more
19 capital projects than we have at any given time so,
20 you know in their defense its also... we're fortunate
21 to be able to be targeted on just economic
22 development projects so that is an advantage that we
23 have that they do not.

24 CHAIRPERSON VALLONE: And then we have
25 Council Member Levine.

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2 COUNCIL MEMBER LEVINE: Alright, thank
3 you Mr. Chair congrats on your first hearing... [cross-
4 talk]

5 CHAIRPERSON VALLONE: Thank you... [cross-
6 talk]

7 COUNCIL MEMBER LEVINE: ...your first
8 budget hearing. Great to see you Mr. President..
9 [cross-talk]

10 JAMES PATCHETT: Good to see you... [cross-
11 talk]

12 COUNCIL MEMBER LEVINE: I'm excited about
13 the investments in health sciences, I want to ask you
14 about a piece of that which is university research
15 programs in health sciences... [cross-talk]

16 JAMES PATCHETT: Uh-huh... [cross-talk]

17 COUNCIL MEMBER LEVINE: ...which are
18 increasingly competing with other states to retain
19 the largest and most prestigious research teams..
20 [cross-talk]

21 JAMES PATCHETT: Yes... [cross-talk]

22 COUNCIL MEMBER LEVINE: ...as I'm sure you
23 know when a medical research team gets a grant from
24 the federal government that grant follows the team..
25 [cross-talk]

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2 JAMES PATCHETT: Uh-huh... [cross-talk]

3 COUNCIL MEMBER LEVINE: ...its not tied to
4 the institution... [cross-talk]

5 JAMES PATCHETT: Yeah... [cross-talk]

6 COUNCIL MEMBER LEVINE: ...so if the Texas
7 Medical Center can recruit, recruit a team away from
8 New York City... [cross-talk]

9 JAMES PATCHETT: Uh-huh... [cross-talk]

10 COUNCIL MEMBER LEVINE: ...we lose those
11 jobs... [cross-talk]

12 JAMES PATCHETT: Yeah... [cross-talk]

13 COUNCIL MEMBER LEVINE: ...and as you well
14 know those are good paying jobs with great career
15 advancement, we want to keep them...

16 JAMES PATCHETT: Uh-huh...

17 COUNCIL MEMBER LEVINE: Other states and
18 cities are essentially outbidding us, well we're not
19 really engaging but they are offering financial
20 incentives to attract teams away from us. Have you
21 considered understanding the complexities and nuances
22 of engaging in a fight like this offering financial
23 incentives to keep the teams that have the biggest
24 awards with the biggest number of employees?

25

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2 JAMES PATCHETT: You know we have
3 certainly... well a couple of things I'd say about
4 that, you're absolutely right about the structure of
5 the way that NIH grants work, they follow the
6 research teams. I will say overall New York City is
7 extremely successful in terms of NIH grants, I think
8 one of the things we benefit the most from is the
9 quality of our research institutions here and the
10 level of NIH funding we receive, I think where we
11 struggle more than at the primary research level is
12 at the commercialization, you know commercialization
13 so taking those great research projects into actual
14 companies that start and grow in New York City but
15 you know obviously there's always a competition for
16 talent and especially for top talent, you know but I
17 would make the same argument on this front as I would
18 make, you know any other front which is I don't think
19 New York City has to have a fight with... you know on a
20 financial incentive basis to and attract top talent.
21 I argue... same thing I would say about Amazon or JP
22 Morgan Chase or anyone who came and said they need
23 financial incentives in order to stay in the city or
24 come to the city, I would say New York City, you know
25 speaks for itself, its this fantastic most talented

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2 city in the... in the country, we have the best
3 quality... you know the fantastic quality of life,
4 we're constantly investing in our parks, in our
5 education system, it's the safest big city in
6 America, we have a fantastic cultural sector, I think
7 you should, you know come to New York City because of
8 what New York City is not, not based on a financial
9 incentive package.

10 COUNCIL MEMBER LEVINE: Absolutely, so
11 we're, we're investing 100 million in the health
12 sciences initiative which is, is infrastructure I, I...
13 [cross-talk]

14 JAMES PATCHETT: Uh-huh... [cross-talk]

15 COUNCIL MEMBER LEVINE: ...suppose that's
16 the distinction you're making... [cross-talk]

17 JAMES PATCHETT: Yes... [cross-talk]

18 COUNCIL MEMBER LEVINE: ...not financial
19 subsidy so... [cross-talk]

20 JAMES PATCHETT: Uh-huh... [cross-talk]

21 COUNCIL MEMBER LEVINE: ...maybe this
22 should be in the form of infrastructure in these
23 institutions I don't know but is, is that an
24 important distinction for you, financial versus...
25 [cross-talk]

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2 JAMES PATCHETT: Absolutely it's an
3 important... I think... yeah, because we're... yes, we, we
4 are willing to invest in a, a physical, physical
5 infrastructure that makes the city stronger whether
6 that is a... you know an investment in a new life
7 sciences hub or a new park or a new school, I mean I
8 think we all view those as elements of infrastructure
9 that stay with the city but just... but just paying a
10 company to come here I think we distinguish routine
11 but I mean that's part of the reason for the, the,
12 the life sciences work that we're doing in general
13 which is to try and create more of a... more research
14 and development... R and D excitement in the life
15 sciences in New York City, I think that'll be another
16 thing that continues to attract people. We have this
17 fantastic medical corridor as you know both on the
18 East side and you know at Columbia and we... you know
19 we really have to continue to cultivate that and turn
20 it into more... you know more jobs.

21 COUNCIL MEMBER LEVINE: I want to move
22 onto another topic before my time is up but they're
23 reporting at least anecdotally at these great
24 institutions that they're, they're losing what they
25 see as an accelerating number of teams... [cross-talk]

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2 JAMES PATCHETT: Uh-huh... [cross-talk]

3 COUNCIL MEMBER LEVINE: ...we should

4 probably work to get... [cross-talk]

5 JAMES PATCHETT: Yeah... [cross-talk]

6 COUNCIL MEMBER LEVINE: ...real stats on
7 that but there does appear to be a problem here and,
8 and a war that we may not be winning... [cross-talk]

9 JAMES PATCHETT: A brain drain... [cross-
10 talk]

11 COUNCIL MEMBER LEVINE: ...just, just very
12 quickly on, on your much beloved ferry service, an
13 incredible success which I celebrate. When I look at
14 the beautiful map with all the multi colored lines...
15 [cross-talk]

16 JAMES PATCHETT: Uh-huh... [cross-talk]

17 COUNCIL MEMBER LEVINE: ...I can't help but
18 noticing there's no beautiful lines on the West side
19 of Manhattan... [cross-talk]

20 JAMES PATCHETT: Right, yeah... [cross-
21 talk]

22 COUNCIL MEMBER LEVINE: ...and this is
23 corridor where the main transit line, the one train
24 is at capacity, it goes right along the river and
25 unlike a lot of the other places where you've looked

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2 at instituting ferry service there are already piers
3 that are ready for ferries or even already serving
4 ferries... [cross-talk]

5 JAMES PATCHETT: Uh-huh... [cross-talk]

6 COUNCIL MEMBER LEVINE: ...all up and down,
7 we have the Dyckman Street, we have the 125th Street
8 and 79th Street at the... [cross-talk]

9 JAMES PATCHETT: Yeah... [cross-talk]

10 COUNCIL MEMBER LEVINE: ...whatever all the
11 way down Manhattan so have you thought about
12 expanding to the West side of Manhattan in a future
13 stage?

14 JAMES PATCHETT: Uh-huh, so... yeah, so I
15 think in, in general the West side of Manhattan is
16 and other neighborhoods across the city we've... you
17 know we've heard from the West side of Coney Island,
18 Staten Island, a lot of different areas that, you
19 know that believe... and, and upper Manhattan that, you
20 know that we should continue to expand the service,
21 you know we are huge believers in the success of the
22 system, this year we are opening two new lines so it
23 is our objective to get those lines successfully
24 opened up, get the system able to manage the
25 incredible demand that we've had and then, you know

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2 evaluate future opportunities. So, I hear your point
3 about the West side, would love to have that
4 conversation, I think for now we're dead focused on
5 getting this summer set up for success... for success
6 and then happy to have the ongoing discussion about
7 what the future of the system looks like.

8 COUNCIL MEMBER LEVINE: Alright, thank
9 you Mr. President and thank you Mr. Chair.

10 JAMES PATCHETT: Thank you.

11 CHAIRPERSON VALLONE: So, thank you to my
12 fellow council members, thank you to Alex Paulenoff
13 our Council and Aliya Ali on the left and right of me
14 to make this such a wonderful hearing. If you'd like
15 to when we close, and I know we have the executive
16 budget hearing coming up, so we'd like to follow up
17 with a lot of the questions... [cross-talk]

18 JAMES PATCHETT: Yeah... [cross-talk]

19 CHAIRPERSON VALLONE: ...that were done
20 today and I, I think the... I'll just make my list
21 though because there's so many things, the, the
22 wonderful part about EDC is we can really talk all
23 day and I, I know you have so many different
24 obligations but the, the ferry service that you heard
25 I think from all the Council Members... [cross-talk]

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2 JAMES PATCHETT: Uh-huh... [cross-talk]

3 CHAIRPERSON VALLONE: ...I think you even
4 mentioned at your last board hearing on how much
5 time, energy and resources it does take for EDC to
6 manage this... [cross-talk]

7 JAMES PATCHETT: Uh-huh... [cross-talk]

8 CHAIRPERSON VALLONE: ...great program,
9 there... I don't think there's a district in the city
10 that's not crying for it to be extended... [cross-talk]

11 JAMES PATCHETT: Uh-huh... [cross-talk]

12 CHAIRPERSON VALLONE: ...just like Council
13 Member Levine where all of Northeast Queens has no
14 access and we have some ferries that are ready to use
15 at Citi Field Marina and, and Fort Totten, there's
16 certain things that we can look at... [cross-talk]

17 JAMES PATCHETT: Uh-huh... [cross-talk]

18 CHAIRPERSON VALLONE: ...so maybe we have a
19 separate follow up hearing just on ferry service and
20 one of my outside thoughts is maybe we create a
21 separate city agency to let them take that and just
22 deal with it since its such a success and the
23 administrations pushing... [cross-talk]

24 JAMES PATCHETT: Uh-huh... [cross-talk]

25

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2 CHAIRPERSON VALLONE: ...you know Vision
3 Zero and different initiatives but there are
4 districts out... in the outer boroughs that can't get
5 to Manhattan because there's no train, there's no
6 place... [cross-talk]

7 JAMES PATCHETT: Yeah... [cross-talk]

8 CHAIRPERSON VALLONE: ...else so we have to
9 drive so maybe the ferries would be a great way to
10 take that off your plate and just let a whole
11 separate agency, maybe we just create a separate
12 funding stream and, and an agency to deal with it and
13 use the template you've done... [cross-talk]

14 JAMES PATCHETT: Yeah... no, no, I... [cross-
15 talk]

16 CHAIRPERSON VALLONE: ...and let, let it
17 grow.

18 JAMES PATCHETT: I am not... we'd be happy
19 to discuss that. It is... it is... you know I think one
20 of the things we pride ourselves on at EDC is, you
21 know getting innovative and exciting projects up and
22 running, I hear your point about, you know what makes
23 sense... it is... it is a tremendous focus operating a
24 ferry system and something we're thrilled and excited
25 to be running but I hear your question about, you

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2 know long term what the infrastructure is that makes
3 sense for it, I think it's a good thought. Yeah, I
4 just would also say I think as we think about
5 expansion we have to get our hands around, you know
6 what is the cost of meeting the current demand that
7 we have in front of us and you know as we prepare
8 this summer and the future as... and then look towards
9 future expansion I think, you know that's something
10 we're working very closely with OMB and our operator
11 on right now and you know we chartered additional
12 vessels last summer and we'll be doing more work this
13 summer to... you know to make sure system can meet all
14 of the enormous demand and then talk about expansion.

15 CHAIRPERSON VALLONE: Alright, well thank
16 you President Patchett and your fabulous team...

17 JAMES PATCHETT: Thank you... [cross-talk]

18 CHAIRPERSON VALLONE: ...for, for this
19 hearing and we have two panels I believe, correct?
20 So, we can let you guys go... [cross-talk]

21 JAMES PATCHETT: Great, thank you so
22 much... [cross-talk]

23 CHAIRPERSON VALLONE: ...I know you have a
24 busy day. Thank you to my council members, we have
25 two panels. On the first panel we have John Falcone,

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2 Alex Camarda, Jesse Laymon, and Robin Vitale. Those
3 are our first on a... and then we have one more panel,
4 right, one more panel after that. Thank you to the
5 advocates and folks who stay, we appreciate when you
6 stay around. I leave it up to the four of you who
7 would like to start first, just make sure you
8 introduce yourself and...

9 ROBIN VITALE: Thank you so much Chair.

10 CHAIRPERSON VALLONE: You're very
11 welcome...

12 ROBIN VITALE: My name is Robin Vitali
13 and I serve as Vice President of Health Strategies
14 for the American Heart Association and your Sergeant
15 at Arms very kindly asked if I was lost, indeed I'm
16 not, we are very much interested as an organization
17 regarding where healthy hearts can often benefit from
18 a healthy economy so we appreciate the opportunity to
19 testify in front of you specifically about one of our
20 premier campaigns related to improving access to
21 healthy foods for all New Yorkers. We're very
22 interested in a suite of proposals which are outlined
23 in the written testimony, but I want to draw your
24 attention specifically to one of those proposals
25 which is trying to replicate some work that had been

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2 done previously at the state level but is no longer
3 being funded. We would like to propose a city
4 specific healthy food financing initiative. At the
5 state level the healthy food healthy community fund
6 which was established back in 2010 with an initial
7 investment of just ten million dollars ultimately
8 resulted in close to 200 million dollars of
9 investment in healthy food retail infrastructure. It
10 was a really impressive program, it's by itself
11 really motivated more than 20 healthy food retail
12 projects around the state of New York. Unfortunately,
13 the state has ceased funding it and we're obviously
14 very concerned about that, we know that many New
15 Yorkers are struggling with diet related illnesses
16 and access to affordable healthy food is a strong
17 indicator as part of that concern. So, with that
18 healthy food healthy communities fund its just
19 important to realize that not only did those new food
20 markets open up in low income underserved
21 neighborhoods, but it also helped to create jobs for
22 people living in those neighborhoods. In fact, with
23 those projects it resulted in approximately 450 full
24 time employment positions as well as close to 630
25 construction jobs, significant economic impact and

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2 obviously from our perspective a wonderful
3 perspective... a wonderful focus on improving access to
4 healthy foods. So, that is one initiative that we
5 were calling on the city to invest in to replicate
6 the impact a ten million dollar investment out of the
7 city budget to establish a city specific HFFI that
8 would obviously be a complimentary approach to some
9 of the other proposals we've outlined in our
10 testimony not only to improve the retail environment
11 but also to incentivize New Yorkers to purchase
12 healthy foods. So, we're very excited to have this
13 conversation with you today and open to any questions
14 you might have.

15 CHAIRPERSON VALLONE: Robin that's not
16 just a conversation just for retail, so a lot of the
17 Council Members like ourselves want to expand the
18 healthy food initiative to our seniors, to our
19 schools, we just... our, our senior centers and the
20 funding that we're providing for choices is not
21 enough and whether its cultural based foods or
22 healthy foods we totally agree so thank you for
23 bringing it out today.

24 ROBIN VITALE: Thank you.

25 JESSE LAYMON: Good morning.

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2 CHAIRPERSON VALLONE: Good morning.

3 JESSE LAYMON: Still... we're hanging in
4 there... yeah, just a minute under, yeah. my name is
5 Jesse Laymon, I'm the Director of Policy at the New
6 York City Employment and Training Coalition. The
7 Employment and Training Coalition is the umbrella
8 organization that represents all the groups in New
9 York that do any sort of job training or job
10 placement services including our community colleges,
11 labor unions that have apprenticeship programs,
12 community based organizations such as settlement
13 houses and the like and with regard to EDC we're
14 really pleased to see you having this hearing and
15 doing oversight over EDC this year because we think
16 its an often overlooked part of the city's ability to
17 affect income inequality and opportunity for New
18 Yorkers. The... we have four observations and questions
19 that I'd like to try to quickly make today and the,
20 the overarching one, right off the top is that we
21 have to remember that New York City is still facing
22 what Mayor De Blasio has called out as the tale of
23 two cities, we are still a deeply, unequal city that
24 is becoming more unaffordable for a lot of New
25 Yorkers even as we are having more and more

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2 opportunity, job growth and economic growth across
3 the city and as the... as James Patchett pointed out
4 an, an unemployment rate that is down around four
5 percent citywide but not across all communities and
6 so we must remember that if the city is going to make
7 billions of dollars in investments in creating new
8 industries, new jobs, and new places to work that
9 those investments will either make things better and
10 close the gap between people living in poverty and
11 people making good wages now or they will make things
12 worse and they will exacerbate the problem. If we
13 create 100,000 new jobs and all of those new... good
14 new jobs go to people who move to New York City with
15 college degrees and, and, and come here to fill those
16 positions that will only increase the costs for
17 people that are living in the city and don't have
18 access to those pathways. So, we need to make sure
19 that these 100,000 new jobs and beyond are going to
20 New Yorkers who weren't already on track for the
21 middle class, that is our across the board top
22 concern and I want to thank Council Members Powers,
23 Menchaca, Rosenthal, Lander all brought up variations
24 on that top concern, I agree. Councilman Lander
25 suggested that this committee could have a follow up

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2 hearing specifically on the, the need to tie
3 workforce development to the New York Works plan and
4 I would love to see that hearing, I think it would be
5 a really educational opportunity. So, I'll quickly
6 make the other three points which is that one I do
7 want to give some credit to EDC, credit where credit
8 is due, the first RFP... [cross-talk]

9 CHAIRPERSON VALLONE: I just want to
10 acknowledge we've been joined by Council Member
11 Barron, please go ahead.

12 JESSE LAYMON: Hi there. The first RFP
13 under the New York Works plan, the cyber NYC RFP that
14 the... that James Patchett alluded to does have within
15 it one of the three tracks for talent partnerships
16 for training, that's good to see and I hope that that
17 will be a model for all of the RFPs to follow under
18 the 1.4 billion-dollar New York Works plan. So, this...
19 it's a good start and I hope that it, it portends of
20 the future. The third thing is that, you know
21 stepping back from just that one RFP and then this
22 alluded to a question that Councilman Menchaca asked
23 across the 1.4 billion-dollar New York Works plan
24 what is the actual amount of money that EDC is hoping
25 to spend on people, on New Yorkers through training

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2 and through job placement services? We did hear that
3 they are intending to spend some and we... I, I heard
4 some really good words from James Patchett today, but
5 we did not hear a number and we've never seen a
6 number. It is our coalition's position that at least
7 ten percent of the money getting spent on creating
8 good new jobs in New York needs to be spend on New
9 Yorkers getting good new jobs, less than ten percent
10 would be kind of shocking.

11 CHAIRPERSON VALLONE: Agreed...

12 JESSE LAYMON: And the final point ties
13 yeah ties into Mayor De Blasio's first plan to create
14 and link good jobs to New Yorkers which was the
15 Career Pathways plan, the New York Works plan came
16 out last year, Career Pathways is now almost four
17 years old and that was a plan really aimed at people
18 living in poverty and people who did not have the
19 education and training already to get into the middle
20 class, it was a plan developed by New York City
21 employers, non-profit providers and community
22 members, it's a great plan and four years on it is
23 desperately lacking in funding and so one of the
24 questions we have is why isn't EDC part of the
25 conversation around funding the Mayor's Career

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2 Pathways plan. In particular one part of that plan
3 that is way behind track is the promise of 60 million
4 dollars annually in funding for bridge programming,
5 those are programs that help people that are lacking
6 basic skills get to either higher education or
7 employment, right now under ten million dollars a
8 year is being spend out of that 60 million annual
9 promise. We think EDC could be part of the answer and
10 spending some money on bridge programs linked to
11 these new sectors that EDC is promising will create
12 new jobs, it is a natural linkage and we think that,
13 that its something... a role that EDC could play, so we
14 would like to see that, you know discussed and, and
15 we'd like to see some oversight on that Career
16 Pathways plan and the linkage to EDC in the future.

17 CHAIRPERSON VALLONE: Well in todays
18 hearing it came out that we want to follow up on a
19 specific hearing on the jobs.

20 JESSE LAYMON: Yeah... [cross-talk]

21 CHAIRPERSON VALLONE: ...because it's such
22 an important... [cross-talk]

23 JESSE LAYMON: Absolutely... [cross-talk]

24 CHAIRPERSON VALLONE: ...part whether its
25 new jobs, existing jobs, creation of jobs, supporting

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2 small businesses that are the key to giving the jobs,
3 where our bids are in with this, where our
4 impoverished communities are with this, where our
5 high school students, college students and the
6 different programs that's why we talked about the
7 internships a lot so we... [cross-talk]

8 JESSE LAYMON: Right... [cross-talk]

9 CHAIRPERSON VALLONE: ...we, we, we hear
10 you and I think you couldn't ask for a better
11 organization to have the ability to provide those
12 answers so... and the SBS that you just brought up it
13 used to be part of EDC's purview but now we've
14 separated small business solely back so I think we're
15 going to... [cross-talk]

16 JESSE LAYMON: I'll be in this room...

17 [cross-talk]

18 CHAIRPERSON VALLONE: ...I'd like to do...

19 [cross-talk]

20 JESSE LAYMON: ...this afternoon for that
21 hearing... [cross-talk]

22 CHAIRPERSON VALLONE: But as Aliya just
23 said... [cross-talk]

24 JESSE LAYMON: Yes, yes... [cross-talk]

25

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2 CHAIRPERSON VALLONE: ...we'll, we'll... yes,
3 stay but we're going to make sure that they address
4 that this afternoon and their budget hearing, and we
5 will have a joint hearing at some point because I
6 think it's important because you can't really
7 separate EDC from small... [cross-talk]

8 JESSE LAYMON: Correct... [cross-talk]

9 CHAIRPERSON VALLONE: ...business just
10 because it's a different committee, I think... [cross-
11 talk]

12 JESSE LAYMON: Right... [cross-talk]

13 CHAIRPERSON VALLONE: ...we need to be
14 together on that.

15 JESSE LAYMON: Thank you.

16 CHAIRPERSON VALLONE: Yeah, thank you.

17 ALEX CAMARDA: Good morning Chair Vallone
18 and members of the Council Committee on Economic
19 Development. My name is Alex Camarda, I'm the Senior
20 Policy Advisor for Reinvent Albany. Reinvent Albany
21 focuses on government transparency and accountability
22 in the state capitol including business subsidies
23 which are administered here in the city by EDC. We
24 also weigh in on city open government matters and
25 we've been a leading voice in the New York City on

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2 issues like open data and the freedom of information
3 law, FOIL. We have also previously testified at
4 length before this committee on transparency as it
5 relates to economic development. EDC generally over
6 the last few years has taken a number of measures to
7 make its work more transparent and one of the
8 significant was a law that Council Member Rosenthal
9 was involved in, Local Law 222 which passed in
10 December 2017 and Reinvent Albany supported. What
11 that law did... does is it codifies a lot of the
12 existing practice by EDC to put particular project
13 information in a spreadsheet that makes it available
14 on its website and for each project you're able to
15 see project details like the name and location of the
16 project, the type of benefits that are received, the
17 subsidy amount, the different types of jobs produced
18 and any restriction or curtailment of benefits when
19 project goals are not met. So, any specific questions
20 that Council Members or the public have about
21 particular projects that spread sheet should be able
22 to provide the information. We believe that's a model
23 for state government which does not provide this data
24 and we've encouraged them to do so. In addition to
25 implementing this law, Local Law 222, we also believe

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2 that EDC can build on the foundation of transparency,
3 its established already by take, taking a, a number
4 of additional steps which we've enumerated here, and
5 I'll just quickly summarize. First, the city's open
6 data portal is... was created by law that the city
7 council passed, many agencies are required to put
8 information into this portal. EDC needs to do a
9 better job of it, to date they only have seven data
10 sets in this portal, they do have many data sets on
11 their website, some are locked in PDFs but we'd like
12 to see their information about economic development
13 projects put in the city's open data portal, we'd
14 like to see that data automated so the updates occur
15 in real time and the council and stakeholders have to
16 spend less of their time asking EDC for information
17 because its already there and instantly updated.

18 Second, we'd like to see the EDC board and its
19 committee meetings webcast and archive its meetings
20 aa many of the key decisions on projects are made
21 there. We know that two affiliated entities of EDC;
22 the NYC IDA and Build NYC already webcast and archive
23 their meetings, so we think EDC should do the same.

24 With respect to FOIL which is a request of records
25 from EDC and other agencies we know that EDC is

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2 working with Doris, which runs the centralized portal
3 for the freedom of information law, unfortunately not
4 all city agencies are yet on the portal, EDC we're
5 told is getting on the portal so that's an
6 encouraging development. Check back... Checkbook NYC is
7 a website run by the New York City Comptroller that
8 shows all the spending by city agencies, EDC because
9 it's a 501 C-3 non-profit organization it is not on
10 Checkbook NYC, we would like to see all of its
11 spending made transparent to the public. Along the
12 same lines because EDC is a non-for-profit
13 organization it has to submit a 990 form which has a
14 lot of information about its operations and its board
15 it submits that to the Attorney General's Office that
16 information in that report is not on its website and
17 the information with the Attorney General's Office is
18 actually outdated, its from 2015, there's a lag time
19 when this information is submitted so we would ask
20 EDC to put the 2017 990 form on their website so we
21 have critical information about the agency. The next
22 two points deal with contracts, to our knowledge the
23 city has not made available contracts EDC has with
24 the city to administer many different economic
25 development contracts and we think that those should

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2 be made public, they might have to redact certain
3 portions of them, but we think that's something that
4 should be done. Just generally for the council's
5 information, there are other states that put
6 contracts that the city has not only with non-for-
7 profit corporations but vendors online and may... and
8 makes those available. To my knowledge New York City
9 does not really do that in any significant way.
10 Lastly EDC, their board and the boards of affiliated
11 entities Build NYC, IDA, some of their board members
12 are members from the private sector, they may have
13 conflicts that come before the board where they're
14 making decisions on projects where board members have
15 a financial or other interest in the vendor or entity
16 that's come before the board they do have to disclose
17 and recuse those, they are in the board meeting
18 minutes but there's no one stop shop where you can
19 look up all the information as to conflicts that
20 board members may have had and disclosed and we think
21 that should be made available not only for EDC but
22 really for any authority or non-profit corporation
23 affiliated with the city where you have private
24 sector members serving on the board. Thank you and I
25 welcome any questions you may have.

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2 CHAIRPERSON VALLONE: Thank you Alex.

3 J.T. FALCONE: Good afternoon Chair

4 Vallone and other distinguished members of the

5 Economic Development Committee. My name is J.T.

6 FALCONE Falcone, I'm the Senior Associate of

7 Workforce and Economic Development at JobsFirst NYC,

8 Policy to Practice Intermediary focused on improving

9 the workforce development system and ensuring all New

10 Yorkers are in a position to access and climb the

11 economic ladder of New York City's labor market. Last

12 month I testified before this committee in order to

13 lift up the work of the lower East Side employment

14 network, The Lesson. I shared that The Lesson is a

15 coalition of eight non-profit agencies working

16 together in partnership with their local community

17 board, CB 3, that it has served the needs of

18 residents of the lower East Side while that

19 neighborhood has seen a swell of economic development

20 activity and that it has done so by ensuring that

21 local residents are appropriately trained for and

22 positioned to benefit from the job opportunities that

23 result from economic development in the area, good to

24 hear you shout it out today. You remember that by

25 agreeing to collaborate rather than compete these

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2 eight non-profits have improved their engagement of
3 local employers and developers all to the benefit of
4 residents of the lower East Side and with CB 3 as a
5 partner Lesson is able to leverage this strong
6 relationship to negotiate with incoming employers.
7 Today I'd like to tell you about another partnership,
8 JobsFirst NYC has helped to develop, the youth
9 workforce initiative network of Staten Island which
10 goes by Youth WINS. Youth WINS is a workforce
11 partnership between the Staten Island Chamber of
12 Commerce, the college of Staten Island and local
13 training partners like United Activities Unlimited,
14 the Staten Island Partnership for Community Wellness
15 and others who have deep longstanding connections
16 with the young adults who call Staten Island home.
17 Collectively Youth WINS offers bridge programs,
18 industry recognized credentials and connections to
19 employment for young adults who would otherwise be
20 out of school and out of work. Like Lesson, by
21 collaborating and aligning resources the non-profits
22 can offer a wider array of services without
23 duplicating each other's offerings saving precious
24 dollars, that's another example for you Chair
25 Vallone.

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2 CHAIRPERSON VALLONE: Well we want you to
3 expand all of this so you're in trouble so, would
4 you... get ready.

5 J.T. FALCONE: I am before the committee
6 today in partnership with my colleague from the New
7 York City Employment and Training Coalition and the
8 workforce Field at large to ask that you devote new
9 resources to training New Yorkers and linking them to
10 quality jobs. With a mission to create shared
11 prosperity across New York City's five boroughs by
12 strengthening neighborhoods and growing good jobs it
13 seems only logical to me that the EDC would take
14 responsibility for investing in local community
15 partnerships and support a portion of the city's 60-
16 million-dollar annual commitment to bridge programs
17 from 2020 onward. This approach would go a long way
18 towards supporting the development of models like
19 Lesson and Youth WINS where non-profit organizations
20 with long histories in communities are able to train
21 local residents and prepare them for quality jobs. As
22 I said in my last testimony these models are costly
23 and they require hard to come by planning dollars to
24 off set the cost of development. Youth WINS took two
25 years of intensive planning meetings and a long on

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2 ramp to launch, all of that time is a significant
3 drain on resources not only for JobsFirst NYC and the
4 Staten Island Foundation who convene those meetings
5 but for the non-profit, non-profits who need to
6 devote executive time on budgets that often cap
7 administrative fees at ten percent. While the city
8 looks to invest in its physical infrastructure
9 through the work of NYC EDC, we believe that the
10 investments we are requesting will go a long way
11 towards the establishment of infrastructure for its
12 community-based organizations and workforce partners.
13 It is this kind of infrastructure that is necessary
14 to help committee... communities respond to and benefit
15 from the economic activity that the EDC stimulates in
16 accordance with its mission. By contributing to the
17 existing commitment to bridge programs the EDC can
18 ensure that it not only shares prosperity across New
19 York City's five boroughs but that its developers and
20 businesses have access to the kind of talent they
21 need to succeed from Sunset Park to the South Bronx,
22 Bed-Stuy to the North shore of Staten Island
23 communities are clamoring to establish their own non-
24 profit partnerships and develop programs that will
25 train local residents but without the dollars

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2 necessary to plan and develop these systems together
3 they might move on as other priorities arise, it's a
4 win, win, win let's not let the moment pass.

5 CHAIRPERSON VALLONE: So... [cross-talk]

6 J.T. FALCONE: Thank you... [cross-talk]

7 CHAIRPERSON VALLONE: ...J.T. FALCONE and
8 everyone thank you, the projects in the lower East
9 Side and Staten Island are, are envious of the rest
10 of the council members because we'd love to see and
11 we spoke about it at the last hearing and a lot of it
12 comes down to funding and expanding the amount of
13 work so when President Patchett was here we talked
14 about making sure that that inclusionary process at
15 the outset because so many of these projects we find
16 out as you find out that they're already on the way
17 and missed this opportunity of course so...

18 COUNCIL MEMBER POWERS: Yeah... [cross-
19 talk]

20 CHAIRPERSON VALLONE: ...and I know Council
21 Member Powers has a couple of questions...

22 COUNCIL MEMBER POWERS: Yeah, thank you
23 and thank you all for testifying and, and, and
24 speaking on some of the things that we had spoke
25 about earlier around the need to connect the programs

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2 that we're creating around jobs to actually jobs that
3 New Yorkers need ensuring that they're... we're taking
4 people that... you know moving people into the middle
5 class that are... not just replacing one person with a
6 job with a another person job and I think our... one of
7 our goals here on the committee or one of my goals at
8 least is to ensure that we have oversight and
9 transparency on the programs that we use to create
10 jobs and training so that they're meeting their
11 purpose, we're not just stating them but we're
12 actually meeting the goals of the... of the programs
13 and I would echo things that folks had said earlier
14 about two, two different types of hearings, one is on
15 the Career Pathways program, how we're meeting our
16 goals or intended goals and second is the 100,000
17 jobs... I, I talk about it often but when we... when we
18 make declarations that we want to create 100,000 jobs
19 we all celebrate that, but we want to make sure it
20 happens and those two things obviously connect to
21 each other as well. I... so, so A I want to thank you
22 for that and echo, echo the points that you made as
23 well. Second to, to Alex I wanted to thank you for
24 your comments around more transparency in the... in, in
25 oversight and I... what I like about this panel is sort

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2 of the people who are doing the work on the ground
3 and then the folks who are doing the oversight to
4 make sure that the work is... the work meets its
5 purpose. Can you give us just a little more
6 information... you have nine or eight recommendations
7 here, are there ones on here that you feel could be
8 done immediately by EDC that... and, and... you know some
9 of this is through local reporting that we get to the
10 goals of oversight transparency but are there items
11 on here you feel the EDC could be doing somewhat
12 immediately absent a local law?

13 ALEX CAMARDA: I mean I think legally
14 they can do all of them, administratively that they
15 don't need a local law to do these. A lot of the
16 ability to do it immediately turns on whether they
17 have the technological capacity to do it. For
18 example, their spending that has to be reported
19 through the comptroller's database, I think its FISA
20 in order to feed into Checkbook NYC, I have no idea
21 how difficult or easy that is to do. On the backend
22 obviously, other city agencies have done it, so I
23 would think that they could do it, but I have no idea
24 how long that would actually take.

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2 COUNCIL MEMBER POWERS: And, and I guess
3 some of the structural issues here are related to the
4 fact that its not a city agency by law?

5 ALEX CAMARDA: Yeah, I mean its 501 C-3 a
6 not... a not-for-profit created under the state's not-
7 for... not-for-profit corporation law so much of this
8 would be voluntary I believe on their part rather
9 than a requirement of a city agency.

10 COUNCIL MEMBER POWERS: Got it and I
11 would note that I think they're a city agency despite
12 what their legal status might be through the law or I
13 think we certainly should treat them like a city
14 agency and I think they would potentially agree with
15 that too but... so, so holding them to the same... some
16 of the same standards around oversight and
17 transparency... [cross-talk]

18 ALEX CAMARDA: Right, I mean they're,
19 they're receiving hundreds of millions of dollars in
20 city funds, so I would think that they should be held
21 in terms of transparency to the same standard as a
22 city agency.

23 COUNCIL MEMBER POWERS: Yes, thank you so
24 I'd loved to follow up at some point with you to talk
25 more about... and with the Chair perhaps involved as

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2 well with ways we can ensure that agencies are
3 spending millions of dollars on behalf of, of, of New
4 York's... of... on behalf of New York City though not
5 always money that sometimes the money they generate
6 is done effectively and efficiently but also that the
7 public has access to all that and, and to the folks
8 that are doing the, the work, the direct more
9 services work obviously committed to making sure that
10 those programs are meeting their goals and... I
11 apologize, I have to run out to a meeting that I'm
12 already late for, but I want to say thank you guys
13 again for being here. Thank you and thank you to the
14 Chair.

15 CHAIRPERSON VALLONE: Thank you

16 Councilman Powers. So, thank you to four, we, we
17 definitely take to heart all of this and will help
18 form our future hearings, so we have another panel,
19 so this will be our last panel for the day. We have
20 Saduf Syal from the Workers Coop, we have Osman Ahmed
21 also from Worker Coops, Vidia Martinez, Worker Coops,
22 Eric Kim from the Asian American Federation and Brian
23 Cunningham from Building Contractors Association.
24 Thank you for staying to the end. Alright, so whoever
25 would like to begin go ahead.

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2 BRIAN CUNNINGHAM: Good afternoon, my
3 name is Brian Cunningham, I'm the General Council for
4 the Building Contractors Association. The Building
5 Contract Association is New York Metro areas oldest
6 association of unionized contractors. We have been
7 responsible for the last 80 plus years for
8 negotiating collective bargaining agreements with the
9 various unions throughout the New York City
10 metropolitan area. The reason we're here today or the
11 reason I'm here today is I wanted to provide a
12 comment and I have a written letter I'd like to
13 submit into the record from the Managing Director of
14 the Building Contractors Association... [cross-talk]

15 CHAIRPERSON VALLONE: Please do.

16 BRIAN CUNNINGHAM: With regards to the
17 budget proposal to fund the Local 196 training that's
18 been required through that recently adopted law. Our
19 concern is that the allocation of funds for training
20 is going to directly benefit our non-union contractor
21 competition. The meaning and what I mean about that
22 is unionized contractors negotiate collective
23 bargaining agreements with the various trade locals
24 and as part of those collective bargaining agreements
25 our employer members fund training funds that are

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2 administered by the benefit funds that are set up
3 with the various trade locals. So, in those
4 collective bargaining agreements the employers make
5 out of pocket contributions from approximately 50
6 cents to a dollar per hour per worker for
7 specifically dedicated to training, right, our non-
8 union competitors and non-contractors do not make any
9 contribution to any fund because they're obviously
10 not signed to any collective bargaining agreements.
11 So, the building contractors has seen the proposed
12 budget and we see an allocation of public funding for
13 this training and we think that's a direct benefit to
14 non-union contractors and we're voicing our
15 opposition to that allocation. We would like to
16 potentially if we could engage in, in a conversation
17 with the committee and, and the Committee for Small
18 Business on, on some type of mechanism for
19 instituting training that actually... that actually
20 doesn't directly provide a subsidy to what we see as
21 a subsidy to, to the non-union construction industry
22 and I'd like to thank the committee for this
23 opportunity to voice our opinions and if I could
24 submit our letter...

25 CHAIRPERSON VALLONE: Absolutely...

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2 BRIAN CUNNINGHAM: Okay, directly, right...

3 CHAIRPERSON VALLONE: Our, our security
4 will bring up... get it for you.

5 OSMAN AHMED: So, thank you so much
6 Chairperson Vallone and Council Member Barron for
7 sticking around for the public testimony part of
8 this. My name is Osman Ahmed, I'm from the Federation
9 of Protestant Welfare Agencies. We are a membership
10 based human services organization and we mostly
11 advocate for anti-poverty initiatives in New York
12 City. I'm here on behalf of the Worker Cooperative
13 business development initiative and to talk about the
14 economic development benefits of worker cooperatives
15 and the progress that we've made in the city over the
16 last four years with city council's investment in
17 creating businesses, equitable businesses through
18 this funding. Basically, as an introduction to worker
19 cooperatives they are businesses that are
20 democratically owned and run by people who work at
21 that business and the reason that we're here
22 advocating for worker cooperatives is that they're an
23 equitable form of business formation and creation and
24 this initiative has spurred that growth in New York
25 City creating over 84 businesses over the last three

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2 years with over 500 jobs. These businesses tend to
3 have not only economic effects for the city keeping
4 investments in the city but also for the workers who
5 now own these businesses, wages tend to go up in many
6 industries, people have more control over the jobs
7 that they have, their scheduled and generally it's a
8 healthier company because you know the workers make
9 good decision about their own work. The last thing
10 I'd... I'm not going to talk too long because my two
11 colleagues are going to elaborate on certain other
12 points around worker cooperatives but this eight
13 million investment over the last three years through
14 city funding has really spurred the growth of coops
15 in the city however we do think that there are
16 opportunities for scale and therefor we are here at
17 the economic development corporation hearing, I
18 believe EDC has a role to play as Council Member
19 Rosenthal had spoken earlier in spurring the
20 development of coops in the city and really providing
21 a space for the incubation and acceleration of these
22 businesses and lastly what I'm going to say is we
23 still need council's investment in these businesses.
24 Last year we were funded through city council at
25 about three million dollars and we're asking for

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2 about four million dollars next year to include more
3 groups who are doing cooperative development work and
4 continue to create these jobs. So, I'm going to pass
5 it off to Saduf Syal who's going to be...

6 CHAIRPERSON VALLONE: Thank you.

7 SADUF SYAL: Good afternoon Chair...

8 [cross-talk]

9 CHAIRPERSON VALLONE: Good afternoon...

10 [cross-talk]

11 SADUF SYAL: ...person Vallone and members
12 of the Committee on Economic... [cross-talk]

13 CHAIRPERSON VALLONE: Is that microphone
14 working?

15 SADUF SYAL: Oh... [cross-talk]

16 CHAIRPERSON VALLONE: There you go...

17 SADUF SYAL: Thank you. My name is Saduf
18 Syal, I'm the Coordinating Director at the New York
19 City Network of Worker Cooperatives or NYC NOWC. NYC
20 NOWC is the local trade association representing
21 worker cooperatives across New York City. The Worker
22 Cooperative business development initiative has
23 served to really bolster our sector, it has
24 strengthened existing cooperative businesses which
25 are overwhelmingly immigrant and women owned and it

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2 has ensured that worker owners have a voice in their
3 work place and beyond. The initiative partners that
4 form WCBDI they have collectively worked to create a
5 comprehensive ecosystem to support worker cooperative
6 businesses and they have worked to create an
7 ecosystem that not only ensures the creation of new
8 cooperatives in low income areas but also provides
9 the technical assistance needed to sustain those
10 businesses and to create jobs. As well as the
11 education and outreach needed for communities,
12 entrepreneurs and other, other organizations
13 interested in worker coops. So, we have seen a
14 growing interest in the worker cooperative model
15 among non-profit organizations working within various
16 neighborhoods across the city. Worker coops are now
17 in all boroughs with two forming in Staten Island
18 this past year. Initiative partners are not only
19 forming new startups but they're also creating
20 replication models and they're assisting traditional
21 businesses in converting to worker cooperatives.
22 Finally, we have also seen increasing interest from
23 anchor institutions, academics, unions, city
24 agencies, among others who recognize the role that
25 coops can play in addressing the economic development

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2 of underserved communities. The initiative partners
3 look forward to your continued support of WCBDI in
4 order to continue to provide education and support to
5 coop businesses and to promote the business model to
6 all New York City residents and we thank for the
7 question being posed to NYC EDC and we look forward
8 to following up with them in openness to explore
9 worker coops.

10 CHAIRPERSON VALLONE: Perfect and we will
11 join you... [cross-talk]

12 SADUF SYAL: Thank you... [cross-talk]

13 CHAIRPERSON VALLONE: Thank you. Good,
14 good afternoon.

15 RUTH LOPEZ: [Spanish dialogue]

16 CHAIRPERSON VALLONE: Gracias and your
17 testimony is, is... she actually submitted it... [cross-
18 talk]

19 TRANSLATOR FOR RUTH LOPEZ: Yes, and...
20 [cross-talk]

21 CHAIRPERSON VALLONE: ...for anyone who
22 wants to have the wonderful translation that Ruth
23 Lopez has, we're going to read it?

24

25

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2 TRANSLATOR FOR RUTH LOPEZ: Yes, I was
3 going to read it, I forgot to mention that before...
4 [cross-talk]

5 CHAIRPERSON VALLONE: You, you took it
6 right out of my head, I was... [cross-talk]

7 TRANSLATOR FOR RUTH LOPEZ: ...she began
8 speaking, sorry about that. I will take a second to
9 just read that over in English. It won't be as
10 eloquent but... good afternoon to the distinguished
11 members of the New York City Council Committee on, on
12 Economic Development. My name is Ruth Lopez, I am one
13 of the Worker Owner at Pa'lante Green Cleaning
14 Cooperative, I am an immigrant who has been in this
15 country for 12 years. Initially living in this
16 country was very difficult to obtain a dignified job
17 with a fair wage was very difficult for me and my
18 colleagues at the cooperative. We have some folks who
19 just three years ago were making three to five
20 dollars an hour, it was very difficult to live with
21 those wages in New York before we found our dream
22 called Pa'lante. We started the Pa'lante Cooperative
23 around three years ago and we have been able to
24 totally change our lives. Firstly, we have our own
25 company, ours, where we can count on the respect

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2 among fellow workers and where we earn fair wages
3 which allow us to live in dignity in New York and
4 help our families. The organizations that are helping
5 us in this process of starting our own cooperative
6 like the Center for Family Life, the Urban... like,
7 like Urban Justice Center and NYC NOWC have helped,
8 helped us not only in our work but also as
9 individuals building our capacities around legal and
10 managerial aspects of the business and help us feel
11 proud of what we've achieved with our cooperative.
12 Without fail still more is needed, we have identified
13 things like space is something that we need, a place
14 where we can conduct our business better more
15 efficiently. To contract with the city agencies is,
16 is... city agencies is also a dream of ours that we aim
17 to reach, this is why I'm here first to thank you for
18 the support that has helped us... helped us get to
19 where we are and secondly so that you remember us and
20 continue to support the needs we still have. We hope
21 to connect you... we hope to connect with you all to
22 maximize our dream called Pa'lante and to help other
23 immigrants and small business owners.

24 CHAIRPERSON VALLONE: Thank you to our,
25 our last panel, thank you for staying to the end and

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2 thank you for the council members and Council Member
3 Barron, I know she was here right at the, the end. We
4 have one more and I... this gives Mr. Kim a chance to
5 end our hearing today with your testimony so no
6 pressure, its all on you for today.

7 ERIC KIM: Alright, I'll try not to let
8 you down on this one then. Alright, well thank you to
9 City Council's Committee on Economic Development and
10 Chair Vallone for providing us the opportunity to
11 submit this testimony. My name is Eric Kim and I am
12 the Small Business Project Manager at the Asian
13 American Federation. Asian American Federation's...
14 [clears throat] excuse me... Asian American
15 Federation's mission is to raise the influence and
16 the wellbeing of the pan-Asian American community to
17 research policy, advocacy, public awareness and
18 organizational development. We also continue today
19 representing our network of over 60-member
20 organizations supporting our community with their
21 work in health and human services, education,
22 economic development, civic participation and social
23 justice. Asian owned small businesses are a vibrant
24 and essential part of the city's economy accounting
25 for about, about half of net new economic activity

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2 and half of net new paid employment from 2002 to 2012
3 in New York City. Many of these businesses are
4 important sources of jobs for new Asian immigrants
5 despite the impressive statistics many of these
6 entrepreneur's face challenges due to language
7 barriers, confusing regulations and programming to
8 address their specific needs. While their economic
9 output is celebrated the city's, Asian entrepreneurs
10 have difficulty finding the support and resources
11 they need to truly thrive. Asian American Federation
12 is developing programs out of our new EDC funded
13 office in Flushing where we are focused on small
14 businesses on Union Street who were negatively
15 impacted by the construction of Flushing Commons.
16 This support includes the following; one marketing
17 assistance, creating promotional events such as
18 beauty salon week, restaurant week, give away... give a
19 way to incentivize local customers to visit Union
20 Street. Two, social media education, helping business
21 owners create accounts and understand the utility of
22 social media which many are currently lacking. Three,
23 community engagement, installing banners, engaging
24 businesses with local events such as Luna New York
25 celebrations, helping with translation services when

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2 needed and hosting information session with the city
3 and state agencies. And four, beautification project,
4 coordinating signage removal and power washing of
5 streets and signs and last, media coverage,
6 collaborating with more than ten local ethnic media
7 outlets to cover the overall program and raise the
8 profile of these events within the community. As this
9 programming grows and produce results the Asian
10 American Federation hopes that we will be able to
11 apply this model and lessons learned to other agent
12 business enclaves who need help keeping pace in this
13 ever-evolving city. We look forward to sharing with
14 this committee what we're learning, learning as we
15 move forward, and I would like to thank, thank
16 Councilman Peter Koo for securing these funds and
17 Chair Vallone I thank you for keeping Bayside very
18 clean, I love your Christmas parade and I thank you.

19 CHAIRPERSON VALLONE: Thank you to all of
20 you. As you can see such a breadth and broad scope of
21 our city in front of us and especially with our
22 strong Asian American community in Queens and
23 throughout the city I think what's the most proud was
24 my first co-sponsored bill was to get the Luna New
25 Year to finally be recognized.. [cross-talk]

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2 ERIC KIM: Yes, sir... [cross-talk]

3 CHAIRPERSON VALLONE: ...as they are now
4 we're working with our Indian family friends to get
5 either Dually or Holy one of the two so that we can
6 have everyone and I think the business component that
7 you all bring to the immigrant communities is so
8 critical especially today when there's such a
9 difference between those who have and those who don't
10 have, you are our hope so we'll do everything we can
11 to help. Thank you very much, God bless everyone.

12 ERIC KIM: Thank you...

13 CHAIRPERSON VALLONE: And that concludes
14 our community budget hearing, thank you very much
15 everyone.

16 [gavel]

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C E R T I F I C A T E

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



Date

March 31, 2018