

**Testimony by
Sandra Wilkin, President
of the Women Builders Council
before the
New York City Council
Committees on Economic Development
and Contracts**

Thank you Chairpersons White and James for giving me the occasion to testify concerning this pre-considered bill which is designed to expand the opportunities for women and minority business enterprises in the building and construction fields.

The legislation's requirement for applicants for city tax benefits under ICAP to include WMBEs will serve to enhance the position for our business community in getting additional work. Women Builders Council applauds the Council's continued support for WMBEs.

It makes perfect sense for New York City to maximize the impact of its tax benefit programs. By requiring those developers who apply for such programs to include us, there will be a strengthening of WBEs. Such strengthening will have a very positive impact on the city's economy. Our member companies provide an expanding chance for more employment of workers in underserved areas around the city.

This maximization would be an economic shot in the arm during a very difficult financial time.

Requiring applicants that they must agree to comply with the program is a major move forward for WMBEs.

There are three suggestions that WBC would like to offer to add to the legislation's objectives.

Under section 4 subsection d, we suggestion that there be an explanation of what type of efforts were undertaken to include WBE's rather than just a check box on any application. This will allow for a review of the depth of those outreach efforts.

The requirement that contracting and sub-contracting opportunities be posted on the agency website should be expanded by an e-mail notice to those certified under the city's WBE program.

Last, WBC suggests that the division be required to report to the Council on a yearly basis on the compliance with the program.

The Women Builders Council and our fellow WMBEs are gratified for the consistent support we have received from the New York City Council. Our missions would be so much more difficult without that encouragement.

Thank you.

TESTIMONY BY
FIRST DEPUTY COMMISSIONER ANDREW SCHWARTZ
NEW YORK CITY
DEPARTMENT OF SMALL BUSINESS SERVICES
BEFORE
THE ECONOMIC DEVELOPMENT AND CONTRACTS COMMITTEES
OF THE
NEW YORK CITY COUNCIL
DECEMBER 2, 2008

**City Council Hearing ICAP Testimony
December 2, 2008**

Good afternoon Chairman White, Chairwoman James and members of the Economic Development and Contracts Committees. I am Andrew Schwartz, First Deputy Commissioner of the Department of Small Business Services (SBS). Thank you for the opportunity to testify in support of today's Preconsidered Intro.

The proposed legislation provides an important component to the City's new Industrial & Commercial Abatement Program (ICAP) by encouraging the utilization of New York City certified Minority and Women-owned Business Enterprises (M/WBE) on projects that receive ICAP benefits.

We appreciate the opportunity to have worked with the Council and our colleagues at the Department of Finance in order to develop a bill that will require ICAP developers to familiarize themselves with the many certified companies that are available to assist as contractors or subcontractors on their development projects. As my colleague Chris Browne from the Department of Finance will shortly explain, the M/WBE requirements for ICAP applicants will vary depending on the overall cost of projects, and I will leave it to him to lay out the differing requirements in detail. The baseline requirement of the bill is that the City provide *all* ICAP applicants with information on how to access our online directory of certified companies. This requirement will ensure that ICAP beneficiaries know where to search for certified companies that may be able to perform construction work related to ICAP projects.

In addition, for the largest of ICAP projects (i.e., \$1.5 million or more), ICAP beneficiaries will be required to inform SBS of contracting and subcontracting opportunities so that SBS can publicize these

opportunities to M/WBE firms on its website. This ICAP Opportunities page will be one where certified companies will know where to go to in order to promote the use of their services at ICAP-eligible projects. As the SBS website currently has specific content designed for the M/WBE program, it is already an established location to which companies go, for this type of information. There are also links to our certification process page at www.nyc.gov/getcertified. Finally, our staff will also be available to provide appropriate guidance to developers and companies, including technical assistance on proposal submissions, bonding and insurance.

The legislation further requires that developers maintain records of their efforts to perform outreach to certified companies and grants SBS the authority to audit these records to assess the performance of developers.

In sum, this legislation will further the goal of increasing the participation of M/WBEs on construction projects in the City by tying a valuable tax benefit to the performance of outreach to certified M/WBEs.

We are happy to have the opportunity to promote the use of certified companies and look forward to continued work with Department of Finance and the Council as this initiative is implemented.



FINANCE
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Testimony of Christopher Browne
Government Affairs Director
New York City Department of Finance
Before the New York City Council
Committees on Contracts and Economic
Development On
A Preconsidered Intro
Regarding ICAP Benefits and Minority & Women
Owned Business Enterprises

December 2, 2008

Good afternoon, Chairs White and James and members of the City Council Committees on Economic Development and Contracts. My name is Chris Browne, and I am the Senior Director for Government Affairs at the New York City Department of Finance. Thank you for inviting me to speak today in support of the preconsidered Intro before you today, sponsored by Chairs White and James, along with Councilmembers Reyna and Dickens. This Intro requires that recipients of Industrial and Commercial Abatement Program (ICAP) benefits make good-faith efforts to reach out to certified minority and women owned business enterprises, or MWBEs. I send greetings from our Commissioner, Martha E. Stark, and am joined today by Dara Jaffee, Finance's Assistant Commissioner for Legal Affairs to speak in support of the bill.

As Speaker Quinn noted when the full Council passed the new ICAP law in October, ICAP is a "leaner, meaner" program that ensures that economic development incentives go to industrial and commercial projects in communities where targeted economic development can make a difference. And as the Council added reasonable requirements in November that ICAP beneficiaries be in compliance with statutes governing serious health and safety violations, it is also reasonable that the new ICAP law encourage that these same beneficiaries perform outreach to minority and women-owned business enterprise contractors in order to receive valuable tax abatements for their construction work.

As Deputy Commissioner Schwartz alluded, this bill establishes a three-tiered system for ICAP recipients, requiring them to perform outreach to MWBEs in order to receive benefits. For all projects, including those small projects with construction budgets under \$750,000, the central requirement of the bill is that the City provide ICAP applicants with information on how to access the MWBE directory maintained by the Department of Small Business Services so that applicants can perform outreach if they wish to do so. For projects between \$750,000 and \$1.5 million, applicants would also be required to certify that they actually accessed the SBS directory of MWBEs. (However, in addition to making such certification, these mid-level applicants also would be required to give a "report" on their outreach efforts.) The largest ICAP-eligible projects - those with construction costs exceeding \$1.5 million -- would be required to work with SBS in publicizing contracting and subcontracting opportunities and would also be required to solicit bids from at least three MWBEs listed in the SBS directory for construction work related to an ICAP-eligible project. Applicants would then have to list those three companies on their final ICAP application to Finance and certify as to whether any of those MWBEs were awarded contracts.

Finally, the bill provides the strongest incentive for owners and developers to work with SBS and Finance: that is, a potential beneficiary who does not comply with the MWBE outreach

requirements I have just outlined can be denied the very valuable tax benefits granted by ICAP.

As I just mentioned, our only issue with the bill is the reporting requirement for the mid-level projects. Under Commissioner Stark, Finance has tried very hard to keep all its abatement and exemption applications simple and streamlined. We now ask applicants only for information that the agency needs to know; as a result, personal exemption applications that used to be six and seven pages are now only two pages long. (I have brought along a copy of the two new and very lean ICAP applications, which are one and three pages respectively.) Again, we support the bill's very detailed requirements for what the largest projects will need to do in terms of solicitation, outreach and record-keeping. But having smaller projects also "report" on details of outreach efforts seems unnecessarily burdensome. Therefore, we would ask that this new reporting requirement for mid-level projects be removed.

Otherwise, Finance joins SBS in support for this bill and looks forward to working with our sister agency and the Council as we administer the new ICAP program. Thank you for this opportunity to testify before you today, and I would be happy to answer any questions.

**THE COUNCIL
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Appearance Card

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in favor in opposition

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(PLEASE PRINT)

Name: Quenia Abreu

Address: 1524 Amsterdam Ave, NY, NY 10031

I represent: NY Women's Chamber of Commerce

Address: same as above.

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Name: Dorley Williams

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I represent: The Williams Trust

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Name: SANDRA WILKIN

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I represent: WOMEN BUILDERS COUNCIL

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Address: 110 William St NY NY

I represent: NYCEDC

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Name: ANDREW SCHWARTZ ^{1st} Deputy
Commissioner

Address: SMALL BUSINESS SERVICES

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Name: Chris Browne + Dara Taffee

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