CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC DEVELOPMENT

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December 12, 2018 Start: 10:08 a.m. Recess: 1:25 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E: PAUL A. VALLONE

Chairperson

COUNCIL MEMBERS: Adrienne E. Adams

Inez D. Barron

Robert E. Cornegy, Jr.

Peter A. Koo Brad S. Lander Mark Levine Carlos Menchaca Keith Powers

Donovan J. Richards

Carlina Rivers Helen K. Rosenthal Jumaane D. Williams

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

James Patchett, President and CEO, New York City Economic Development Corporation

Lydia Downing, Senior Vice President for Government & Community Relations, New York City Economic Development Corporation

Brian Huseman, Vice President of Public Policy, Amazon

Holly Sullivan, Head of Worldwide Economic Development, Amazon

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[sound check] [pause] [background

3 comments, pause] [gavel] [background comments]

CHAIRPERSON VALLONE: We're going to begin the hearing. Good morning, everyone. We're going to start to chair. [gavel] Today is December 12, 2018. Good morning and welcome to this hearing on the New York City Council's Economic Development Committee. My name is Council Member Vallone, and I have the privilege of chairing thins hearing. Speaker Johnson has called this hearing, we're going to turn the floor to him to make the first round of opening remarks. However, I'd just like to lay down some of the ground rules before we get the ball rolling today. First of all, I know we have a lot we want to get to, and once we start that, we're going to ask the Council Member's questions to be limited for four minutes each, and as the day goes on, we may have to drop that to three. We also are going to try to include some of the public questions that you see here on the side from Twitter using #@amazonanswersnyc. Second, since we will not have time for regular public testimony at today's hearing, we encourage you to submit questions to the Council

on Twitter using the #@amazonanswersnyc. Again, that

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remarks.

is @amazonanswersnyc. We will also keep that hashtag up on the screen for the duration of this hearing.

We aim to include as many of those questions as we can at the end of the hearing to allow some public questions after this process. I'm not going to turn the floor over to Speaker Johnson for his opening

SPEAKER JOHNSON: Thank you, Chair Vallone. Good morning. I'm Corey Johnson, Speaker of the New York City Council, and I want to thank everyone for coming here today for this very important hearing with a special shout out to my friend and colleague Council Member Paul Vallone, the Chair of the Economic Develop-Economic Development Committee. I want to thank you, Paul, for your leadership and for calling this hearing so quickly. I'd also like to acknowledge Council Member Jimmy Van Bramer who has been an outspoken advocate for his constituents ever since the details of this deal came to light. The people of Long Island City, Astoria, Sunnyside and Woodside will be the first ones to see the impact of this project for which they had zero input, and they have a strong leader looking out for their needs in Council Member Van Bramer. I want to

2 thank you, Jimmy. I also like recognize the other Council Members who are with us this morning, Council 3 Member Adrienne Adams from Queens, Council Member 4 5 Brad Lander from Brooklyn, and Council Member Peter 6 Koo from Queens. This hearing today, the hearing 7 today is fairly atypical for a land use project of this size. The City Council is typically deeply 8 involved in the negotiations, and has a real seat at 9 that table. That, of course, did not happen in this 10 There's a reason why the City Council is so 11 12 deeply involved in land use. The whole process was designed to protect the people who we each represent. 13 14 Yes, the Mayor and the Governor also represent the 15 people of New York City. As Deputy—as the Deputy 16 Mayor pointed out in defending this deal to New York 17 Magazine, but the City Charters specifically tasks 18 the New York City Council with land use authority. ULURP, and the process is known was designed so 19 20 communities could figure out what's needed to accommodate the kinds of changes that development can 21 2.2 bring be it new schools, transit upgrades or 23 infrastructure improvements. During the land use 24 process, the community can and does advocate for changes because they know what adding say 25,000 25

1 2 workers or a noisy helipad means to the area. Listening to people is how we encourage growth that 3 is supported by communities and works for the city as 4 5 a whole. We have a crumbling subway system, record 6 homelessness, public housing that is in crisis, 7 overcrowded schools, sick people without health insurance and an escalating affordable housing 8 crisis. Is anyone asking if we should be giving 9 10 nearly \$3 billion in public money to the world's richest company valued at \$1 trillion instead of 11 12 focusing on these outstanding problems? Meanwhile, the state's analysis predicts 131,000 extra New York 13 14 City residents because of this deal. Has anyone 15 asked how this is going to impact housing prices and 16 rents in New York City? I'm already seeing stories of a real estate boom in Long Island City. 17 Is that a 18 good thing? Not to most New Yorkers who are already struggling to afford their rents here. How will 19 20 small businesses, who, if we're being honest, are already reeling because of the impact Amazon has had 21 2.2 on their bottom line. How will they be affected? 23 How will this affect our over-burdened transportation 24 system, an area where infrastructure is already

limited? The only transportation piece of this

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by thanking everyone for being here today, and

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watching online. I can assure that our goal today is to advocate for what's in the best interests of New York City, and before I turn it back over to Chair Vallone and before we get to our questions today, I want to say that I don't understand how you subvert the public review process. I am very grateful that the Economic Development Corporation is here today. James Patchett I think is a very able person in this city and someone who I've had a good relationship with. So I look forward to having a conversation with him about this project. I'm very grateful that Amazon is here to answer our questions, but, you know, we shouldn't have to beg for a company that's coming in New York City to come here. I'm glad they're here, but it's not special to come and answer our questions. It's good you're here. It's good you're going to answer our questions, but this-this, you know, if you're proud of the deal, if you're proud of coming to New York City, you should have said I want to come and talk about the deal. I want to come and answer every question imaginable that this body has or that the public has. This should not be a two-step tango to get you to come here, and speak with us. Now, the Economic Development

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Corporation agreed immediately to come, which I'm grateful for, and I'm grateful that Amazon is here, but today is about answering questions. Today is about transparency. Today is about understanding the impacts of the taxpayer dollars involved and the land use process of New York City being subverted and the infrastructure challenges that arise from this deal, from gentrification concerns and displacement concerns, and retail concerns, and helipad concerns. That's what today is about. So, I look forward to having a wholesome conversation where we have direct questions and answers with each other to understand the impacts of this deal, and again I just want to say if the city and the state should be here as well. ESD should be here. If the city and state and Amazon are proud of this deal, they should be proud and willing to answer all of our questions in the manner that this body is asking. If you want to come to New York City and be a good neighbor, you should be come here and testify and work with us and talk to us in an open way. So, I look forward to this conversation today. It's an important conversation to have and I look forward to us given the level of public money involved and public land involved. I look forward to

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us having this be the beginning of the conversation not the end of it. Thank you, Chair Vallone.

CHAIRPERSON VALLONE: Thank you, Speaker It truly is an honor to have you sitting us-with us today Chairing over this hearing. like to extend my thanks- Oh, we have also been joined by Council Members Rivera and Powers. Council Members will be coming and going. There are many hearings on today. So, we'll be acknowledging as they come. I'd like to extend my thanks to the members of the committee as well as EDC President James Patchett and Holly Sullivan and Brian Huseman from Amazon for coming here today on relatively short notice to have this, as the Speaker said, unique hearing. There are serious concerns we will hear today from our fellow Council Members surrounding the parameters of the Amazon Contract. This hearing will focus on the terms of the agreement that still remain to this day unclear to many New Yorkers. There will be at least two additional hearings as the Speaker said, one from Finance and one from Land Use, and in addition, one for public testimony. Amazon's optimistic numbers in the MOU suggest that 25,000 jobs will be created in 10 years, and up to 40,000

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jobs in 15. What assurances do we have that these jobs will actually go to the residents of New York City and not an imported workforce? How will we protect the immediate and surrounding communities from the massive cost of living in Long Island City? How will we support and protect the small businesses in and around the Amazon HO2 location? How will the increased demands on the infrastructure be planned and addressed? What local input and guarantees will be made to these communities as the impact on a yearly basis grows, and how did the adjacent properties owned by the private entity Plaxall become part of a transaction when they were subject to ongoing ULURP processes that are now pulled from our jurisdiction. We'll hear many of these kinds of questions today from our Council Members concerned about a project of this magnitude will impact locally owned businesses throughout our city. As the Speaker has pointed out about transit and other infrastructure, what are the plans to support those? If you plan on having 40,000 people at this location, how will they get there? Are you in discussions with the MTA to ensure the 7 Train runs more frequently? What about the Long Island Railroad stop at Hunters

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Point Avenue in Long Island Railroad City? only operate during rush hour. Are these plans to offer more regular service out of these stations? How about the ferry? The current Long Island City ferry landing is across the 11th Street basin from the lots where Amazon HQ2 is slated to be built. there plans to provide a foot bridge across the 11th Street Basin? So many of these questions remain and continue to be asked. These are going to be the problems that the employees face every day going to and from HQ2, and these are hyper local questions regarding employment logistics and infrastructure that you miss when your process cuts out the local elected officials who live in and understand the communities impacted. These are just a few of the many concerns that we hope to have answered today and at upcoming hearings. I hope this hearing will be the process to finally allow the Council to have the voice in what's being billed as the largest economic development project in the city's history. We are also looking forward to hearing Amazon's voice and vision for their entire—and their entry into New York City, and what their plans as they plan to integrate into our great city. Before we begin, I'd like to

send my thanks to the Speaker once again into his
entire team and central staff as well as to my
Economic Development Committee team, Legislative
Counsel Alex Paulenoff, Policy Analyst Emily
Forgione, and Finance Analyst Alia Ali for their very
hard work for making sure this hearing came together
so quickly. Finally, I'd like to reiterate that due
to the nature of this hearing, once again there will
be time limits. We do have security around, but I
have true faith in the New Yorkers that are here that
we want to hear what is going to be said today that
our voice wants to be heard, and that we won't need
those additional steps today, and I'm very proud of
the work that was done by the Council Members here in
such a short period of time, and most of these
documents this was yesterday, and there's only so
much you can do in 24 hours when you start reviewing
that. So, with that, I'd like to turn it over to
Council Member Jimmy Van Bramer for comments since
the district of which he resides and looks over is
where this will be most impacted.

very much. First, I want to thank the Speaker for his steadfast support of my work, and my advocacy for

COUNCIL MEMBER VAN BRAMER: Thank you

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my district, and also thank Chair Vallone. after my Congress Member elect won her primary in June, Mayor de Blasio said: Alexandria Ocasio-Cortez is someone who absolutely comes from my wing of the Democratic Party, but that begs the question which wing was he speaking of? Is it the corporate wing that provides billions in taxpayer subsidies to the richest men in the world, or the wing that bypasses local communities to grease the wheels for an unprecedented act of corporate welfare. The Mayor rightfully talks about end the Tale of Two Cities. Yet, he is cheerleading a backroom deal that literally pays Jeff Bezos to build his gleaming tower in the sky while the residents of the Queensbridge Houses, many of whom are freezing because of a lack of heat, can watch Amazon executives bypass the subways and land their corporate helicopter on a taxpayer-funded helipad. Transparency is a hallmark of good governance. So, we should all be concerned that the city was eager to promise Amazon that they would bypass local land use review and agree to sign non-disclosure agreements while doing to. Memorandum of Understanding is shocking and shameful in how much it gave to Amazon and how little it

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extracted from them for the community. Amazon is a trillion dollar corporation with a record that should disturb all of us when it comes to organized labor and its treatment of workers, and it's important to note that while deals have been struck with some unions, no direct Amazon employees in Queens will be unionized as a result of this deal, and if we are horrified by the Trump Administration's policy of separate-separating immigrant families, shouldn't we be equally horrified by Amazon's desire to cooperate and assist ICE. Now, the Governor who ironically has decried those of us who oppose the deal as pandering politicians [coughs] but then offered to change his name to Amazon Cuomo. [laughter] He's pretty clear about who he is, and is clear support for this deal. I strongly disagree with him, but it's our progressive city that cannot hide behind the Governor here by saying that the city didn't provide discretionary tax incentives. We signed onto the billions in subsidies. The city approved of the secretive process. The city even agreed to Bezos' damn helipad. It is the party of progressives like Sanders and Warren who believe that this deal is a betrayal of our core values. The Mayor and the

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Governor participated in this process, which was dictated by Amazon. Now, I was wrong to sign the letter supporting New York's bid, but that makes this bad deal no less bad because the Council and the people of the city and the state were excluded from knowing any of the details of this deal, and we must now reclaim our rightful oversight responsibilities and ask the tough questions of this Administration I was not elected to be a cheerleader under oath. for Amazon and neither was the Mayor. This is a moment of truth when those of us who care about income inequality must reject progressives who in practice recite corporate Republican talking points that espouse trickle down economics, and falsely claim that all votes will be lifted here. That was a lie when Ronald Reagan said it in the early 1980s and it remains a lie today. We should all be concerned about monopoly power and its growing dominance on the marketplace. Monopolies aren't good for Main Street, they aren't good for small businesses. We've seen this movie before. There is a saying that if you want to know where someone is going, ask someone who knows where they've been. For that reason, I've been working closely with members of the Seattle City

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2 Council where Amazon has its first headquarters. They've each shared stories about how Amazon has 3 aggressively fought progressive legislation and spent 4 5 considerable amounts of money through independent expenditure campaigns to target candidates who do not 6 7 toe the company line. The Seattle City Council Members told me about their effort to pass a tax on 8 the biggest corporations to help fund homeless 9 services. They also told me about Amazon's immediate 10 attack campaign after it was unanimously passed. 11 12 Amazon flexed their corporate muscle to build enough 13 support to defeat the tax, pressuring the Council to 14 eventually repeal the legislation less than a month 15 latter. Now, I fully expect to be the target of one 16 of those future attack campaigns and independent 17 expenditures, but I'm not backing down, and I'm not 18 going to stop fighting. We've got to eliminate the influence of big corporate money in elections. 19 20 Queens must not become another Amazon company town. This is a bad deal. It's bad for Long Island City. 2.1 2.2 It's bad for Queens and it's bad for New York City. 23 The Mayor and the Governor caved to the richest man 24 on earth, and then handed the bill to each and every

New Yorker. It's wrong and we as a society must

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rethink our approach to economic development and
corporate welfare. Thank you to the Speaker, to the
Chair, to all my Council colleagues and I look
forward to asking the tough questions.

CHAIRPERSON VALLONE: Alright, I'll turn it back over to our Speaker Corey Johnson to introduce our panel.

SPEAKER JOHNSON: I want to call up the President of the Economic Development Corporation James Patchett. I know that we had discussed having the Economic Development Corporation go first, and Amazon to go second. I-I say this and not in any way to try to trick anyone or move the goal post, but I think there are going to be questions that we have that for a more efficient manner go back and forth so that EDC doesn't say well Amazon can answer that question, and when Amazon is up there, they can say EDC can answer that question when EDC is not up there. So, I want to let EDC read their testimony their opening statement first, but I would also like for Amazon to be up there so that if there are questions that pertain to this that EDC might not be able to answer given the nature of the conversation that we can have that type of discussion. So, I

Amazon has got to go." (sic)]

COMMITTEE ON ECONOMIC DEVELOPMENT

Τ	COMMITTEE ON ECONOMIC DEVELOPMENT 20
2	SPEAKER JOHNSON: Excuse me, excuse.
3	[Chanting continues] Hey. Excuse me, please hold on,
4	hold on. Give me one second. Everyone hey. Hello.
5	PROTESTORS: [interposing] Hello.
6	SPEAKER JOHNSON: Just give me one
7	second. Today, we're-you can tell by the tenor of
8	today's hearings at the outset that we have difficult
9	questions. Clearly, some of the folks that are here
10	and engaging in civil disobedience are upset
11	understandably, but we want to be able to have this
12	conversation, which is the first opportunity for us
13	to have this conversation. So, we can't have
14	interruptions like this. If it happens again, and
15	you'll be kind of being unfair to everyone else here,
16	we will clear the entire balcony
17	CHAIRPERSON VALLONE: [interposing] And
18	we don't want to do that.
19	SPEAKER JOHNSON: [interposing] We will
20	clear the entire balcony.
21	CHAIRPERSON VALLONE: [interposing] We-we
22	want you to be the part of this.
23	SPEAKER JOHNSON: We want you to all to

be part of it.-

2 CHAIRPERSON VALLONE: [interposing] The 3 last thing I want--

SPEAKER JOHNSON: You can't have a hearing if you're going to interrupt. That's not the way it works here. So, as I said, we're going to have big public hearing where anyone can come and testify for as long as they want, but if that happens-the next time that happens, we will clear the entire balcony so that we can have a real conversation and ask real questions today. You're welcome to stay and listen and come to the public testimony and Tweet questions that we can, but if that happens again, we're going to ask the NYPD and the sergeants here to clear the entire balcony. it's up to you if you want that to happen. The next time it happens that's what we're going to do. So--CHAIRPERSON VALLONE: [interposing] Raise you right hands.

SPEAKER JOHNSON: If you could raise your right hand. Do you swear and affirm to tell the truth, the whole truth and nothing but the truth in your testimony today, and to respond honestly to Council Member questions.

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2 SPEAKER JOHNSON: Great. Thank you. Mr. 3 Patchett.

JAMES PATCHETT: Good morning Speaker Johnson, Chair Vallone and members of the Economic Development Committee. I'm joined by Lydia Downing, the Senior Vice President for Government and Community Relations at EDC. I'm James Patchett, the President and CEO of the New York City Economic Development Corporation. We're responsible for driving and shaping economic growth across the five boroughs. EDC in conjunction with our-our state counterpart the Empire State Development Corporation led the bid to bring Amazon's new headquarters to New York City. I'm here today to discuss that process, the 25,000 jobs that will result, and the outside positive impact it is projected to have. I'll be happy to answer any questions following my testimony. I'm sure you might have a few. Four weeks ago Amazon announced that it had selected Long Island City for its new headquarters. This is the single biggest job creation opportunity in New York's history. Amazon is committed to creating at last 25,000 jobs over the next ten years with potential to expand t 40,000 in It is projected to deliver over \$27.5 billion in 15.

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tax revenue to the city and state over the next quarter century. These figures make it clear that Amazon's presence with fortify the city's economy, and give thousands of New Yorkers new viable pathways Today, when the city's to the middle class. unemployment rate is at 4% a record low and home to 4.5 million jobs, it's easy to believe that New York is safe from future economic blows. Critics may say that our economic foundation is strong, and we don't need these jobs, but as the head of the city's Economic Development Corporation, I have a responsibility to ensure we never become complacent and fail to prepare for the next recession, and we know there will be a next recession at some point. We only need to look at the very recent past to show how vulnerable our city can be, and how some downturns can be catastrophic. In fact, it's not hyperbole to say a few have threated the city's very existence. In April 1988, the city's unemployment rate was 4.6%, the lowest it had been in 18 years, but by 1992, unemployment was close to 12%. At that moment an Economic Development project like this would have been welcomed with open arms. In February of 2001, the city's unemployment rate was 5.1%, which

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was a low for that period. Yet, seven months later, Lower Manhattan lay in ruins and no one was sure that any CEO would ever locate her company in the city again. In that moment an Economic Development Project like this would have been welcomed with open In January of 2007, the city's unemployment rate was 4.6%. Less than two years later the collapse of a Wall Street Titan put the city's economy in free fall and the entire financial services industry in jeopardy. By October or 2009, the unemployment rate had spiked to over 10% and it wouldn't return to 4.6 for another ten years. that moment an Economic Development Project like this would have been welcomed with open arms. I recognize that there are concerns about Amazon coming to New York, but I would urge us not to lose sight of the most crucial part of this story: Amazon's presence is vital to our efforts to diversify the economy and safequard ourselves from future-future downturns like these or even worse another fiscal crisis. We ultimately emerged from the fiscal crisis, but we were not unscathed. The city lost about 5,000 police officers-police officers in a mass layoff. The city workforce was cut by 65,000 and for the first time

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CUNY students had to pay tuition, which resulted in 70,000 students leaving the school. This is also about the future of queens. Elected officials and community leaders have spend decades trying to encourage commercial development in Long Island City. This is still a smart strategy. Long Island City sits at the geographic center of the city, is well served by local and regional trans and is near regional airports. Despite these strengths, turning the neighborhood into a central business district has proven to be an uphill battle time and again. 1990, Citi Bank opened its Court Square headquarters which brought roughly 3,000 jobs to community. This is supposed to be a watershed moment, one that would spar a renaissance for jobs in Long Island City, but the predicted mass migration of companies never happened. Instead, Queens continued to lose ground on good paying jobs to places like Jersey City and In 2001, the City Council voted 31 to 0 to Stanford. approve a 37-block rezoning for Long Island City in the hopes it would finally become competitive for attracting commercial developments. This effort resulted in a small uptick in business, but nothing that would transform the neighborhood into the major

2 central business district that elected officials envisioned. The biggest success of this era happened 3 in 2010 when Jet Blue agreed to stay in New York 4 City. The company committed to bringing close to 900 5 jobs to Long Island City, roughly 4% of the minimum 6 7 number of jobs Amazon has committed to creating and elected officials were ecstatic. It's also important 8 to note that Jet Blue receive both as-of-right 9 benefits and discretionary tax incentives to remain 10 in the five boroughs at that time. Now a decade 11 12 later, we have a commitment that will bring tens of thousands of new opportunities in a range of fields 13 form tech, legal and advertising to administrative 14 15 and custodial. At a time when half the jobs in 16 America pay less than \$19 an hour or roughly \$39,500 a year, the average salary of new jobs created at the 17 18 headquarters will be \$150,000. Amazon is offering more than just jobs. These are real opportunities 19 20 for New York City families. Better futures for more New Yorkers was the impetus for responding to 21 2.2 Amazon's search for its new headquarters, which was 23 issued in September of 2017. A month later, New York along with 237 other cities across North America 24 submitted a formal proposal for Amazon's new 25

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headquarters. Submitted with ESD, this bid mad the case for New York City and leaned into our deep talent pool, unmatched quality of life and growing tech sector. We stress that no other city could offer what we could. More Fortune 500 companies than any other North American city, 105 institutions of higher learning and some of the most diverse neighborhoods on the planet. We didn't just make a We shared our values and made sure pitch for jobs. Amazon understood them. In the press release EDC issued announcing that the proposal had been submitted, we cited that four business districts had been identified that could serve as a future home for Amazon: Long Island City, Midtown West, the Brooklyn Tech Triangle and Lower Manhattan. In September, prior to submitting the bid the City issued an RFPI to solicit site ideas and information regarding space, programs, and other assets to include in the proposal. This generated more than two dozen responses from across the city. That same press release also include a letter-included a letter signed by more 200 leaders across New York City including seven elected officials-70 elected officials affirming support for the project. Before

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we submitted our proposal to Amazon, city, state and federal elected officials who represented the four neighborhoods in the bid were invited to participate in briefings on the project. In these briefings, we explained that the four sites chosen were base on specific criteria including phase 1 readiness, expansion potential and proximity to transit. bid was out and so it seems was New York City from the running. CNN reported that Atlanta had 2 to 1 odds of winning the competition with Philadelphia and Boston trailing a distant second and third. City Lab put its money Chicago and Dallas and the New York Times our own hometown paper said that Denver was the only viable option for its new headquarters, but in January of 2018, Amazon announced its short list of 20 cities for its second headquarters, which included New York. In April of 2018 Amazon came to New York-New York as part of its ongoing tour of finalist During this brief visit, we saw-we told the cities. company about our workforce, creativity and ability to deliver on ambitious projects. There were site visits as well as conversations about our tech eco system, possible academic partnerships and public realm improvements. Following the visit, Amazon

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began to narrow its focus to New York. In July when it became clear that we were a serous contender, we continued to show the company everything the city had to offer. This included hosting another round of site tours, having in-depth conversations about talent and ironing out details on timelines. It's important to highlight the several-several city sites and multiple locations were still on the table until the fall. In late October discussions with the company advanced rapidly. This, of course, culminated on November 13 when the Mayor and Governor announced that Amazon had selected New York City. According to a Quinnipiac poll released last week, most New Yorkers are excited that Amazon's new headquarters will relocate here. The poll shows that New Yorkers overwhelmingly support the company's decision to come to Long Island City by a more than 2 to 1 margin. We've also heard that New Yorkers are concerned that they will be adequately represented in the process to bring Amazon here, and they have questions about the deal. From the start, the city played an integral-integral role in developing the bid with the state. Our first priority was and remains to ensure that this deal gives thousands of

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2 New Yorkers a chance to participate in the tech sector and will strengthen our economic foundation 3 for decades. This is why we set up the newly formed 4 Community Advisory Committee to shape how this 5 project is developed. In close coordination with ESD 6 7 and EDC, this body will be able to advise on the headquarters design, infrastructure investments-8 investments, workforce programming and more. 9 Amazon's headquarters will be set up through a 10 General Project Plan or GPP. This tool is triggered 11 12 by state involvement and has historically been used 13 for largescale Economic Development projects. 14 would like to make two important points about a GPP. 15 First, the GPP process is the vehicle that has 16 delivered some of our most successful Economic 17 Development projects from turning a dilapidate swath 18 of the East River Waterfront into Brooklyn Bridge Park to revitalizing a dangerous Times Square into 19 20 the iconic Crossroads of the World that it is today, to redeveloping the former industrial waterfront 21 2.2 property along the East River into queens west, and 23 second, this tool likely would have been utilized anywhere in New York the company wanted to move. 24

Albany, Buffalo, Syracuse, and Westchester all

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submitted bids for the new headquarters, and if any of them had won, a GDP likely would have been used. This is not unique to New York City. I now want to talk about our agreement with Amazon. Contrary, to counter an as reported in the press, New York City did not offer a single dollartary-dollar of discretionary incentives to Amazon. Even before the bid was submitted, the Mayor said we would not offer any financial incentives from the city, and we have held this promise. We did this even though almost every other city in the running put millions and in some cases billions of dollars on the table. We believe upholding commitments like these shows the administration's real values. The numbers that have been attributed-attributed to incentives the city put on the table are as-of-right, which are available to any business that meets prequalified state criteria that are available under state law. In this case, these are as-of-right incentives that are available to any company locating or building commercial real estate outside the core of Manhattan. These were deliberately created by the state to spur job growth in the outer boroughs and make jobs more accessible and available to all New Yorkers. The state did

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provide an incentives package to Amazon, but one that was ultimately work far less than was offered by other cities crowned as front-front runners. includes Montgomery County, Maryland, which offered \$170,000 per job; Newark just across the river, which offered \$140,000 per job, and Philadelphia, which offered \$112,000 per job. New York State offered close to 50% less than Philadelphia per job created. Over the next 25 years, New York City will receive over \$13.5 billion in tax returns, and New York State will receive \$14 billion. This allows the city and state to see an unbelievable 9 to 1 return on investments. This is the highest return the state has ever seen for an Economic Development project. Moreover, because of New York's higher local tax rate, the city and state will collect at \$6.8 billion more in revenue than Virginia, the other municipality where Amazon is building a new headquarters. This is despite being promised the same number of jobs over the next ten years. Increase tax revenue isn't just nice to have, it's fuel for funding progressive policies including our public school systems, increasing our housing stock and shoring up our Social Services. We can't be a leader in implementing

forward thinking ideas if we have no way to pay for
them. As the head of the Economic Development
Corporation, it is my job to make sure that no city
Mayor ever again has to weigh whether to keep police
on the streets or our daycare centers open. If we
don't internalize the lessons of the past, we run the
risk of reliving these tough times, and for my own
children and every child in New York City this is not
a risk we should be willing to take. The Amazon
Agreement substantially mitigates this risk. It will
create incredible job opportunities for New Yorkers
of all backgrounds, shore up our lagging
infrastructure and help Long Island City realize its
full potential as a thriving business hub. Thank you
for your time this morning, and for your interest in
this critically important topic. I'll now answer any
questions you have.

SPEAKER JOHNSON: Thank you, James. I appreciate it. I want to allow—Amazon, do you want—would you like to read your statement now.

Yes.

SPEAKER JOHNSON: Okay, thank you, Mr.

Huseman, and—and again, I want you to be able to say
whatever you need to say, but also, you know, I think

2 probably the most important part today is the

3 question and answers between you all and us. So, if

4 there things that you think are absolutely necessary

5 to say in your statement. Great. If you want to read

6 it all, that's perfectly fine as well. So, thank you

7 very much.

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BRIAN HUSEMAN: Great. No. Thank you Speaker Johnson, Chair Vallone, City Council Member Van Bramer and members of the City Council for inviting us here today. I am Brian Huseman, Vice President of Public Policy at Amazon, and I'm joined by Holly Sullivan our head of Worldwide Economic Development. Amazon's mission is to be earth's most customer centered company, and our company philosophy is firmly rooted in working backwards from what customers want, and we do this by continuously innovating to provide customers better service, more selection and lower prices, and we apply that approach across all areas of our business. Many people were surprised to learn that we already have thousands of employees in New York City across our Retail Operations and Web Services team, and we're now thrilled to be building a new headquarters in Long Island City and creating at least 25,000 jobs.

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2 We will hire residents from Queens, the Bronx, Brooklyn, Manhattan, Staten Island and across New 3 York State for technical and non-technical jobs 4 5 beginning next year, but it's not only about offering 6 employment to New Yorkers. We want to be a good 7 neighbor to the residents of Long Island City and the rest of New York. We are still in the very early 8 stages of this process, and tend to be an active 9 participant in the issues facing the community and 10 make community investments that benefit New York City 11 12 residents. Today, I'd like to discuss three issues. 13 First, why we chose New York and our vision for our 14 Long Island City headquarters. Second, our 15 commitment to workforce development and third, our 16 commitment to the communities in which our employees 17 will live and work, but most importantly, we're here 18 to listen and to learn. New York is one of the greatest cities in the world, and we are grateful for 19 20 the opportunity to be a contributing part of its fabric. So, first, let me talk about why we chose 21 2.2 Long Island City and our vision. As you know, last 23 month we announced New York City and Arlington, Virginia as the locations for our new headquarters. 24

We'll create 5-more than 50,000 jobs and address more

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than \$5 billion across those two headquarters joining our Seattle headquarters. Our investments in each new headquarters will spur the creation of tens of thousands of additional jobs in the surrounding communities, and we chose New York City for our headquarters because it's a diverse innovative city that can attract great talent locally and from around the world. Long Island City, Queens and New York as a whole are home to a robust network of diverse talent that can be tapped on day one and provide an unrivaled opportunity to create a long-term talent pipeline especially through our education and job training partnerships, but we don't see this just as an investment. We've made specific commitments already, and we will be joining with our neighbors to advocate for the future of Long Island City. Specifically as part of our commitment to Long Island City, Amazon will provide more than 500,000 square feet for a public school; workforce development and training space focused on community recruitment; public open space at the Public Development site; light manufacturing space; community facility use, and artist workspace; prebuilt incubator space; business incubator space; and public open space at

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the private development site. But we also want to talk about the investment Amazon is making. New York and Long Island City will benefit from more 25,000 and up to 40,000 full-time high-paying jobs, approximately \$2.5 billion in Amazon investment, and 4 million square feet of energy efficiency office space with an opportunity to expand to 8 million square feet. The economic benefits to New Yorkers are also unprecedented. It's expected that our headquarters will generated \$186 billion in economic activity for New York State over the next 25 years, and that includes \$14 billion in tax payments to the state and \$13 billion tax payments to the city. indicated in our Memorandum of Understanding, Amazon will receive performance based direct incentives of \$1.525 billion based on the company creating 25,000 jobs. This means that Amazon will not receive any incentives until we create jobs in occupied buildings here. To be clear, if we do not create jobs in the city, we will not receive the listed incentives. addition, the state can recapture the grant funds if we don't hire and retain the amount of jobs indicated in our hiring timeline. Amazon's property taxes on the development site will help fund local

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infrastructure improvements in Long Island City through a pilot or payment in lieu of tax program that will include public input, and that's in addition to all the other space Amazon has agreed to donate. We believe that both our employees and the community will benefit from being stitched into the fabric of the neighborhood where amenities are open to everyone. This is our vision for the Long Island City Waterfront, and this headquarters will expand our already significant presence in New York City where we currently have over 5,000 employees. this year we launched a fulfillment center in Staten Island. This \$100 million facility employs over 2,500 people who make an average of \$17.50 to \$23 per hour and receive world class benefits including healthcare, paternal leave and access to our career choice educational benefits, and as many of you know already, earlier this year we announced our nationwide commitment to increase our employees' minimum wage to \$15 per hour, which went into effect last month. We already know that New York City is an amazing place to hire talent not just tech talent, but skilled laborers for all types of jobs, and we look forward to our headquarters bringing even more

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2 New Yorkers into the Amazon workforce. Second, I'd like to talk about our commitment to workforce 3 development. We--Amazon has a legacy of customer obsession and a rich culture of innovation, and we're 5 6 taking that same inventive approach to cultivating 7 our workforce, and envisioning what it looks like 10, 15 and 20 years down the road. As part of this 8 effort, we are strongly committed to workforce 9 10 development programs that provide individuals with the skill and education necessary to take on the jobs 11 12 of today and tomorrow. We want to work hand-in-hand with the community to make sure economic development 13 everyone. We're going to embark on robust workforce 14 15 development efforts. Along with the city and the 16 state, we've agreed to make an initial \$5 million 17 investment to fund workforce development initiatives 18 here. We're going to collaborate with the city and the state over the next 10 years, and these programs 19 20 are going impact thousands of students and workers, and just as a couple of examples, these initiatives 21 2.2 will include New York City based technology training 23 programs. We're going to work New York City Housing Authority residents. We're going to recruit and 24 interview students and provide internships, and we're 25

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going to hold-hold semi-annual recruiting events with residents of the Queensbridge Houses. But we are here for the long-term. We want to immediately hire New Yorkers and build a pipeline of talent to provide employment opportunities to residents of all educational and life backgrounds. We want to work the city, the state, with you all, with local elected officials in the local community through the Community Advisory Committee process, which will allow the public an opportunity to provide input on infrastructure and workforce development needs. Amazon we listen to our local communities and customers, and we work backwards from their-from their needs to accomplish our objectives and we want to do the same with Long Island City, our new Long Island City neighbors. One great example of Amazon's commitment to workforce development is our Career Choice program, which I can go into more detail about, but it's an upscaling program to provide our workers with in-demand and high paying jobs, and we know first hand that's providing an preparing associates for those in-demand opportunities is key because the skills gap is a major challenge for our country's workforce. And we look forward to

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partnering with our Long Island City communities on similar efforts. Finally, when we talk about our commitment to the community, we have long been committed to the communities where our employees live and work, and you may not know this, but we're a bit different from most companies. So, instead of offering free lunches and locating in suburban campuses, we take steps to encourage our employees to go out and be part of the community. We prefer urban campuses, and we actually only have on-site fleet serve just a portion and a small percentage of our workforce so our employees can frequent local restaurants and retail establishments, and we try to connect to the community by design. We're also diving deeper than ever to provide innovative and unique ways to support communities around the world. We're particularly focused on our neighbors in immediate need including families fighting homelessness, hunger and natural disasters, and we're focused on the next generation on providing opportunities for STEM, Science, Technology, Education and Math Education and Computer Science. We've recently launched our Amazon Future Engineer or AFE program, which is a comprehensive childhood to

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career program, and from our announcement last month, over 34 New York City schools have committed to launch that program next year. While we have already agreed to significant community engagement commitments, we look forward to working with community residents and leaders to determine how best to implement those commitments. I want every member of the City Council here today and leaders from

open. We want to meet with you and engage in meaningful dialogue.

AUDIENCE MEMBER: And we loved it.

across the city to know that our doors are always

SERGEANT-AT-ARMS: Quiet down please, ladies and gentlemen.

BRIAN HUSEMAN: In sum, I want to express our commitment to Long Island City and all of New York. We will offer well paying jobs to Queens and New York City residents. We also are committed to robust Workforce Development Programs and to engaging on programs that help the community. We are humbled and grateful to be a part of the next chapter of New York City's great history. So thank you for the opportunity to be here today. We look forward to your questions.

SPEAKER JOHNSON: Thank you, Mr. Huseman.
I want to thank everyone who came here today for
being respectful during this. I know people are
very, very passionate, and we appreciate you all
being here. We look forward to having a public forum
where everyone is allowed to have their voices be
heard, and we're really glad that you are here today.
So, I want to thank you all for letting us have this
testimony be read, and I look forward to Council
Members asking questions. Again, if you all have
questions who are here in the balcony, or down here,
we want you to Tweet them so we can ask some of those
questions. They'll be running up on the screen, and
again, I want to thank you all for, you know, for
working with us. So, I want to get to President
Patchett first. You know, the Mayor and Governor
have said since they are elected officials the
state's general project planned process is good
enough.
PROTESTORS: [Chant objections to Amazon

SPEAKER JOHNSON: Okay.

to Amazon]

1	COMMITTEE ON ECONOMIC DEVELOPMENT 44
2	CHAIRPERSON VALLONE: Folks, so that's
3	just going to lead to be cleared. We'd really like
4	you to be part of this.
5	PROTESTORS: [Chant objections to Amazon
6	to Amazon]
7	SPEAKER JOHNSON: Folk, I'm going to
8	give-folks, folks.
9	PROTESTORS: [Chant objections to Amazon]
10	CHAIRPERSON VALLONE: This is the last
11	PROTESTORS: [Chant objections to Amazon]
12	SPEAKER JOHNSON: Folks, I'm going I'm
13	going to give one more. I'm going to
14	PROTESTORS: [Chant objections to Amazon]
15	SPEAKER JOHNSON: Folks, I'm going to
16	PROTESTORS: [Chant objections to Amazon]
17	SPEAKER JOHNSON: Hey, please everyone,
18	please.
19	PROTESTORS: [Chant objections to Amazon]
20	SPEAKER JOHNSON: I'm going to give
21	CHAIRPERSON VALLONE: [interposing]
22	Ladies and gentlemen.
23	SPEAKER JOHNSON: I'm going to give one
24	more warning, one more warning.

PROTESTORS: [Chant objections to Amazon]

1	COMMITTEE ON ECONOMIC DEVELOPMENT 45
2	CHAIRPERSON VALLONE: The last one.
3	SPEAKER JOHNSON: This is the last
4	warning.
5	PROTESTORS: [Chant objections to Amazon]
6	SPEAKER JOHNSON: This is the last
7	warning. The final warning.
8	PROTESTORS: [Chant objections to Amazon]
9	SPEAKER JOHNSON: I don't want to have to
10	do this.
11	PROTESTORS: [Chant objections to Amazon]
12	CHAIRPERSON VALLONE: Folks, folks.
13	That's just going to lead to being cleared. We would
14	really like you to be part of this.
15	PROTESTORS: [Chant objections to Amazon]
16	SPEAKER JOHNSON: Folks, I'm going to
17	give-folks-folks
18	CHAIRPERSON VALLONE: [interposing] This
19	is the last
20	PROTESTORS: [Chant objections to Amazon]
21	CHAIRPERSON VALLONE: Alright.
22	SPEAKER JOHNSON: Folks, I'm going to
23	give one more. I'm going to-Folks, I'm going to
24	PROTESTORS: [Chant objections to Amazon]

1	COMMITTEE ON ECONOMIC DEVELOPMENT 46
2	SPEAKER JOHNSON: Hey, please everyone,
3	please. I'm gong to give
4	CHAIRPERSON VALLONE: Ladies and
5	gentlemen.
6	SPEAKER JOHNSON: Please. I'm going to
7	give one more warning. One more warning.
8	CHAIRPERSON VALLONE: The last one.
9	PROTESTORS: [Chant objections to Amazon]
10	SPEAKER JOHNSON: This is the last
11	warning.
12	PROTESTORS: [Chant objections to Amazon]
13	SPEAKER JOHNSON: This is the last
14	warning. The final warning.
15	PROTESTORS: [Chant objections to Amazon]
16	SPEAKER JOHNSON: I don't want to have to
17	do this.
18	PROTESTORS: [Chant objections to Amazon]
19	SPEAKER JOHNSON: I don't want to have to
20	do this.
21	PROTESTORS: [Chant objections to Amazon]
22	CHAIRPERSON VALLONE: Come on, let's-
23	let's get through the rest of this hearing. Your
24	voices are being heard.

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SPEAKER JOHNSON: Okay, so-so that's-that's the final warning.

in sixth grade. Let's—let's be able to handle ourselves and hear this today. This is so critical to hear the testimony, hear the questions. You deserve to be heard. You don't deserve to be brought out of here with the officers. So, we don't want that to happen. The Speaker has been very generous in that. Let's give respect and hear the questions. The Council Members are fighting for your—your concern. Speaker, let's go.

PROTESTORS: [Chant objections to Amazon]

SPEAKER JOHNSON: So—so next time—next

time it happens, we have to do it because a long day

today—

CHAIRPERSON VALLONE: [interposing] very long.

SPEAKER JOHNSON: --and people want to ask questions. So, one more time. That's it. Okay. So, James, the Mayor and the Governor said since they are elected officials, the state's general project plan process is good enough that they are duly elected, but we have had ULURP in place since 1975

2	for a reason. We are not in the business of
3	corporate welfare here at the Council and we answer
4	to the people of New York City. So, again, your
5	testimony you actually-if I can find it here. When
6	you were reading your testimony, you left out a line
7	that you didn't read when

BRIAN HUSEMAN: [interposing] You asked me—you asked me the short answer.

SPEAKER JOHNSON: [interposing] But—but specifically, you on ULURP, when you were testifying—when you were reading about ULURP.

BRIAN HUSEMAN: [interposing] Thank you.

SPEAKER JOHNSON: Where you said: This is not unique to New York City and then the end of the sentence, which wasn't read is: And this by no means an attempt to deliberately circumvent the ULURP process. So, former Deputy Mayor Dan Doctoroff was asked—after he left city government, he was asked about the ULURP process being avoided for Atlantic Yards in Brooklyn—

JAMES PATCHETT: [interposing] Uh-hm.

SPEAKER JOHNSON: --and he said that was his project. He championed that project with he was Deputy Mayor--

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JAMES PATCHETT: [interposing] I know.

SPEAKER JOHNSON: --and he said if I had to do it over again, I would bring Atlantic Yards through ULURP because it's the right process to get community buy-in and the public review worthwhile.

JAMES PATCHETT: Uh-hm.

with Dan Doctoroff on everything, but I thought that was an interesting comment. So, I would—I would like to understand why it was important for the city and the state to facilitate the subverting of the public review process as it relates to land use in New York City and for this project. Do you think it's a public benefit to offer a way to avoid local oversight?

JAMES PATCHETT: Thank you for the question. Your team asked me to shorten my testimony. So I made a number edits before I-[coughs]—I took out a number of paragraphs. So, just to answer your—answer your question, the -the GPP is a tool that is available under state law. It's part of the UDC Act. You know, I didn't write the EDC Act, but I do understand the benefits of having the general project planning process, which is available

to do more comprehensive planning, and it's a-it is a
more powerful tool than ULURP for certain projects,
which is why it was used in Times Square. Well,
certainly I think it was in his book that he said
that that I've seen it, and he may have said in in
interviews as well, and we certainly need to take
lessons form Atlantic Yards. I think the lessons
that we've taken from Atlantic Yards and that we
certainly hear is the importance of community input,
the importance of genuinely involving people in the
way the project ultimately looks. That's why we set
up the Community Advisory Committee. That's why there
are more than 40 members of it, which represent local
officials—local officials, community members, all
five borough presidents. It's important that this be
a comprehensive process to help shape what ultimately
happens here.

SPEAKER JOHNSON: So, what's the threshold to avoid ULURP?

JAMES PATCHETT: Uh-hm. So, I think the—
it's—in order to have it make sense to do a GPP, the
city and the state have been working closely together
for a shared policy goal where the GPP is the only
practical policy tool that is available that is—can

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the face of that district? I mean who went back to the way it was before the GPP? I don't think anyone would be happy with it.

metaphysical questions that I'm not sure we can answer. [laughter] Do you think it's a benefit to Amazon to offer a way to avoid—do you think it's a benefit to Amazon, a public benefit, are we offering them a public benefit to avoid local oversight and avoid the ULURP process? Are they receiving a benefit?

JAMES PATCHETT: I think what we were fundamentally focused on was getting the jobs here. I—I believe that it was necessary to achieve that, and I believe it's a totally appropriate tool.

SPEAKER JOHNSON: When did we decide we were avoiding ULURP? This was a deal that you worked on with ESD. When was the decision made that there would be no ULURP? From the outset, from the—from the offering from the very beginning or was there a certain point in the process that that decision was made?

JAMES PATCHETT: We put tens of millions of square feet of space on the table across the city

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in four different neighborhoods. Many of them were as-of-right, and would have required-required no public approvals. So, the notion that it would even require public approvals for any land use matters was not determined until the very end of the process.

SPEAKER JOHNSON: Well, in—in one of the documents I believe this is the MOU under Land Use and Zoning Support in the RFP response it says ESD can override local zoning, offer tax subsidies while holding a title to a property and provide lower cost financing or grants to Economic Development projects. So, it seems like it was from the outset the decision was made.

JAMES PATCHETT: So, that was—just to step back, this was a state led response to the proposal.

SPEAKER JOHNSON: [interposing] You weren't equal partners?

JAMES PATCHETT: But just to be clear, it was—it was—it was a—because it was not just New York City. It was New York City, Westchester County, Emerald Island in that proposal. They included to the best of my knowledge, the same information in all of the responses for New York State, which included

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Buffalo, Albany and Syracuse. They provided their

general language that—the fact that they said that

this was a tool that they had available did not mean

at that time by any means that it had been determined

that it would used.

SPEAKER JOHNSON: So, interest did you feel like you were representing in negotiating this deal?

JAMES PATCHETT: One hundred percent the people of New York City. Everyday when I come to do my job [audience laughter]—every day when I come to do my job, I have no one's interests in mind but the people who live in New York City. I fundamentally believe that this is a good deal for New York City or I wouldn't be sitting here today. You asked—you said I should be proud to testify today. I am proud to testify today. I think we've seen that New Yorkers more than 2 to 1 believe that we did our job right.

SPEAKER JOHNSON: You live by poll, you die by the poll [audience laughter]. I mean the polls said Hilary Clinton was going to be president.

I wish they were right. [audience cheering/applause]

SERGEANT-AT-ARMS: [interposing] Quiet,

25 please.

SPEAKER JOHNSON: Yes.

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JAMES PATCHETT: The people of New York

City and I think there's evidence of that.

many parts of this deal, which clearly people do not feel that the interests of the city are being served when you avoid the public review process, which we work with you on all the time on many projects.

JAMES PATCHETT: Uh-hm.

SPEAKER JOHNSON: Many projects we work with you on, and it's a negotiated deal where community input is baked into that deal and we get to a good result--

JAMES PATCHETT: Absolutely.

SPEAKER JOHNSON: --and so that's not happening here, and it's hard I think for the public, and it's hard for us as elected officials to understand why that is the case for—why that's not the case for so many applications that came to us but for a trillion dollar, multi-national corporate company they get this treatment.

JAMES PATCHETT: So, yeah, Amazon made the decision to come to come to New York City 29 days ago. We have an 8-page MOU outlining general terms. That's not the finish line. It's just the starting

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York City.

- 2 We have a lot of work to do together. why we set up community process. We are fully 3 committed to community engagement as a part of this. 4 5 It has to be a part of it. That's what Deputy Mayor 6 Doctoroff said. I agree with you. We encourage the 7 Council to participate in that process. I don't think advocating responsibility for the level of community 8 responsibility-of community involvement is a solution 9 here. I think we need to get to a successful finish 10 line and I know we have been great partners in the 11 12 past. I recognize your concerns about this. We want to work together to make this a good outcome for New 13
 - SPEAKER JOHNSON: [interposing] By the way, not that I should be quoting the polls since again I said you live by the poll, you die by the poll, but the polls did not support the financial incentives. The polls overwhelming were against the financial incentives.

JAMES PATCHETT: Okay.

SPEAKER JOHNSON: How would you respond to that since you quoted the poll?

JAMES PATCHETT: Actually, well, I mean the poll actually was split on financial incentives.

speaking with the city and the state, one of our

priorities is how can we develop a comprehensive
plan? This is a large project that takes into
account the open space, the land use planning. Also
the environmental impacts in the community engagement
and—and looking at the general project plan that was
the process that would actually be able to meet our
timeline, and then also having community engagement,
and my understanding is it's like a 9 to 12-month
process. We're-we're still learning. It's very
early. We have no development plans. That's one of
the reason we're here today. We really do want to
listen. We want to engage with the community, and
makes sure we're making the right decisions as we
move forward.

SPEAKER JOHNSON: So, I'm going to ask again. If you had to go through ULURP, would you not have to come to New York City?

HOLLY SULLIVAN: I'm not sure. That's, you know, that's a hypothetical, but--

SPEAKER JOHNSON: [interposing] No, it's not hypothetical.

HOLLY SULLIVAN: It—I'm not sure I can answer that today. I'm mean I think our vision is we're going through the general project plan unless

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2 something changes, but we feel that land use decisions--

SPEAKER JOHNSON: [interposing] Just—just to be clear, on circumventing ULURP, Mayor de Blasio said Amazon needed a certain amount of certainty, which presumably ULURP could not provide. And the EDC President Patchett went even further by saying Amazon would "would have just gone somewhere else definitively." But you're not saying that. You're not saying that you would go somewhere else definitively if you had to avoid ULURP, but that's what President Patchett said about the ULURP process.

BRIAN HUSEMAN: So, as Holly mentioned, our goal is to hire New Yorkers quickly and GPP is the best avenue from what we have learned from the city and state to meet that timeline.

SPEAKER JOHNSON: Mr. Huseman, how would you define-what does being a good neighbor mean to you?

BRIAN HUSEMAN: Yeah, we, I think always say that we take the same approach as we—that we do with our customers, as we want to do with our neighbors, with the communities in which our employees live and work. We do—we want to listen to

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them. We want to hear what their needs are and we want to work backwards from that. We have started to meet with community groups. We're excited to be here today to listen and to learn from you all. We want to give back to the community, and we want our employees to become a part of the fabric of our new Long Island City neighborhood.

SPEAKER JOHNSON: Do you think clearly from the opposition and the anger that we've seen from the residents of Western Queens that it is a good way to come to New York City and be a good neighbor to avoid the land use process?

BRIAN HUSEMAN: Well, my understanding is that with the GP process there will be opportunity for public input.

SPEAKER JOHNSON: Whoever advised you of that—[laughter] whoever advised you of that took this project from being a complicated project to an extraordinarily problematic project. So, I think there would be almost universal disagreement that that's not now we do things and whoever advised you that that Community Advisory Committee, which has no weight of law behind it, has nothing binding behind it, that that is the way to be a good neighbor,

1	COMMITTEE ON ECONOMIC DEVELOPMENT 62
2	advised you in a very problematic way. Amazon is a
3	\$1 trillion company. Is that accurate? You're
4	approximately valued at a trillion dollars?
5	BRIAN HUSEMAN: I think it's close to
6	that yes.
7	SPEAKER JOHNSON: Close to that. So, why
8	should we give you this money?
9	BRIAN HUSEMAN: So, these incentives
10	they're performance based, which means that we will
11	not receive any money until we create jobs and make
12	these investments.
13	SPEAKER JOHNSON: But you're worth a
14	trillion dollars. Why do you need our \$3 billion
15	when we have crumbling subways, crumbling public
16	housing, people without healthcare. [audience
17	cheers/applause] Public schools are overcrowding.
18	Why-why do you need-
19	SERGEANT-AT-ARMS: [interposing] Quiet,
20	please.
21	SPEAKER JOHNSON:why do you need our
22	\$3 billion?
23	BRIAN HUSEMAN: This project is going to
24	provide over \$186 billion in positive economic impact
25	

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2 to the state over the next 25 years. That includes 3 of \$14 billion in additional tax payments.

analysis was done by someone who was hired by the State of New York, and not by neutral, third-party academics or companies that could provide that economic analysis. The-the analysis—what you're citing was done by people who were hired to do that on behalf of this project. It wasn't done by a neutral third party. So, why do you need our—if you're worth a trillion dollars, why do you need our \$3 billion?

BRIAN HUSEMAN: We believe this project will be a positive economic impact for the city and the state. We're here to create jobs and not only our 25,000 door jobs, but the thousands of indirect jobs that will result from this.

SPEAKER JOHNSON: Would you be willing to go through ULURP?

BRIAN HUSEMAN: Not at this process. I believe we are, you know, we are proceeding with the GPP plan.

SPEAKER JOHNSON: So, you're saying no to the community who you want to be neighbors with.

1	COMMITTEE ON ECONOMIC DEVELOPMENT 64
2	You're saying no to the City Council and the local
3	City Council Member. You're saying no, you won't go
4	through ULURP.
5	BRIAN HUSEMAN: I don't think that's an
6	option.
7	SPEAKER JOHNSON: It is an option.
8	AUDIENCE MEMBER: Yeah, it is an option.
9	SPEAKER JOHNSON: You're saying no to it.
10	Okay. So, I assume—I assume you visited Long Island
11	City the site
12	BRIAN HUSEMAN: Yes.
13	HOLLY SULLIVAN: Yes.
14	SPEAKER JOHNSON: Did you take the 7
15	Train to get there?
16	HOLLY SULLIVAN: I've take the 7, the N
17	and I've taken multiple—and the ferry.
18	SPEAKER JOHNSON: So, why do you need a
19	helipad? [background comments]
20	BRIAN HUSEMAN: Yeah. So, the-just to be
21	very clear, the Amazon will be paying for the
22	Helipad. It will not be city or state.
23	SPEAKER JOHNSON: [interposing] I would
24	hope so.

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2 BRIAN HUSEMAN: Taxpayers don't pay for 3 that.

SPEAKER JOHNSON: We want to know why do you need a helipad?

trying to have a very comprehensive agreement. We were trying to look out in the future and anticipate what future needs might be, and so we were examining potential safety or security issue. In the interest of transparency we wanted to put this provision in the MOU, but we also wanted to make sure that it would not be a disturbance to the neighborhood or to the residents. So, there are provisions in the MOU that limit the number of landings to the maximum of 120 per year, and also ensure that any helicopters that do fly over the neighborhood, but would fly over the water or the development site.

SPEAKER JOHNSON: Do you realize how out of touch that seems for the average New Yorker.

[applause/cheers] I mean that's a very out of touch—

SERGEANT-AT-ARMS: [interposing] Quiet,

please. Quite, please.

SPEAKER JOHNSON: I mean that's a very out of touch—

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2	SERGEANT-AT-ARMS: Quiet, please.
3	SPEAKER JOHNSON: People-we have six
4	million people who take the subways every day, two
5	million people take the buses. They're crumbling.
6	To have a helipad be part of this is—I mean it's
7	crazy. So, your Senior Vice President Carney said
8	that incentives did not drive this process for you.
9	That's what he said publicly. Is that true?
10	BRIAN HUSEMAN: So, talent was the major
11	driver, and that's why we're very excited to locate
12	here in New York. As you all know, New York has an
13	amazing talent pool and we're ready and eager to
14	start hiring New Yorkers, but incentives were a
15	factor in our decision.
16	SPEAKER JOHNSON: But they didn't-your
17	Senior Vice President Jay Carney said they drive the
18	process. Is that true?
19	BRIAN HUSEMAN: So, talent was the key
20	driver but, in fact, incentives were also a factor.
21	SPEAKER JOHNSON: Would you be willing to
22	give up some of those incentives so they could go to
23	some of the other things we talked about?

BRIAN HUSEMAN: So, again, our project is going to have a positive economic impact, and we're

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1	COMMITTEE ON ECONOMIC DEVELOPMENT 67
2	only going to receive the incentives after we create
3	these jobs and make these investments.
4	SPEAKER JOHNSON: We're not getting
5	straight answers. Does the word monopoly bother you?
6	[background comments]
7	SPEAKER JOHNSON: Do you think
8	monopolistic behavior helps or hurts us as a society?
9	BRIAN HUSEMAN: Well, monopolistic
LO	behavior is against the competition laws, but if
L1	you're talking about-if you have a question, you
L2	know, for Amazon our goals are to lower prices and

provide better convenience and selection for our

Laws are designed to do.

customers, which match exactly what the Competition

SPEAKER JOHNSON: Would you sign a neutrality agreement for the workers who end up working on site in any of the places in New York City so that they could organize and be part of the labor union? Would the company be willing to sign a neutrality agreement?

BRIAN HUSEMAN: So, we definitely respect an employee's right to choose whether to join or to not join a union.

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we're hearing that's happening on Staten Island where you just located a distribution center. People are saying that they're not being treated fairly and adequately, the workers there, and it was announced that they're going to start organizing. Will Amazon not interfere with those workers being able to organize and be part of the union?

an employee's right to choose, but I also want to talk about our Staten Island Fulfillment Center where have over 2,500 employees. Those are good high paying jobs, and the employees make between \$17.50 to \$23.00 per hour. That's on top of roll plus benefits including healthcare. We have the same Legalitarian Parental Leave Policies workers as we do with our executive worker. I'm very proud of those jobs, and I would love for you all to come to that Fulfillment Center and talk with the workers yourself. [Audience Protesting]

SPEAKER JOHNSON: Does-does-does-does

Amazon support the Trump Administration's policies on immigration?

	COMMITTEE ON ECONOMIC DEVELOPMENT
2	BRIAN HUSEMAN: Amazon has a very strong
3	and positive record on immigration. We advocate, we
4	file in the legal system on behalf of DACA, and
5	Dreamers and Green Partner Forum.
6	SPEAKER JOHNSON: What is Amazon's
7	relationship with ICE?
8	BRIAN HUSEMAN: So, I think you're
9	referring to our recognition technology, which is a
10	technology that matches images with customers in the
11	data
12	SPEAKER JOHNSON: [interposing] You're a
13	contractor with ICE.
14	BRIAN HUSEMAN:in the database. So,
15	we provide that recognition service to a variety of
16	government agencies and we think that [coughing]
17	government should have the best available technology.
18	[Protestors shouting and cheering]
19	SPEAKER JOHNSON: So, I want to-I want to
20	I have a couple more questions and then I want to go
21	to my colleagues, the Chair and then Council Member
22	Van Bramer and other folks that have questions here.
23	So, for President Patchett. We have been told that

this deal is just the start of the process that the

MOU is not the final deal. Is that correct?.

COMMITTEE ON ECONOMIC DEVELOPMENT

2		TCHETT: Yes
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SPEAKER JOHNSON: So does that mean that Administration will walk away from the deal if Amazon does not deliver? How do you define deliver?

JAMES PATCHETT: What I—so, what we will do is we'll take the commitments that are a part of the MOU, and other commitments that are determined in partnership with the community, and put them into legal documents with the company, which we still have yet to even begin drafting, and if they fail to deliver on those benefits, they won't receive a dime of the subsidy, and they will also be subject to significant financial penalties and also the ability to ultimately take the properties back.

SPEAKER JOHNSON: So, so as part of the—
this deal that was announced and I'm sure Councilman
Van Bramer is going to go more specifically into
this. The MOU notes that the general project plan
will include Plaxall Site C, which Amazon does not
need for their campus. Is that correct?

JAMES PATCHETT: Yes.

SPEAKER JOHNSON: Okay. We also just found out yesterday that at ESD and EDC and your name is on the document, James, that EDC agreed to let

Plaxall quadruple the amount of commercial floor area
they could build on that site and also build
residential. Today it's a manufacturing district
they cannot build housing today given the current
zoning. So, not only is Plaxall getting Amazon as a
tenant on land they own, they're also getting a
windfall in the form of a huge upzoning without
having to lift a finger, and work with the City
Council, and to make matters worse, the MOU spells
out in detail what Plaxall can build. So, ESD and
EDC have entered into an MOU with a private company,
private property owner to allow them to build close
to 800,000 square foot. That's office building with
roughly the same floor area as the Chrysler Building,
and it's not going to go through ULURP. It was tied
into this site. Would you be willing to commit to at
least letting this project go through ULURP instead
of overriding zoning for one private property owner?
JAMES PATCHETT: So, as—as I you're
aware, Mr. Speaker, we-originally those were all part
of a single public approval process.

SPEAKER JOHNSON: And they were going to

through ULURP?

1 COMMITTEE ON ECONOMIC DEVELOPMENT

2	JAMES PATCHETT: And we felt that it	
3	made-still made sense to keep them as part as the	
4	single approval process. The only change that we	
5	made was to, you're right, increase the commercial	
6	FAR. We did not adjust the residential FAR because	
7	it made sense to have commercial next to commercial.	
8	SPEAKER JOHNSON: Do you consider that	
9	Plaxall is getting a public benefit by not having to	
10	go trough ULURP?	
11	JAMES PATCHETT: You know, as I said	
12	before, it made planning sense to us to include it a	
13	part of a single approval process.	
14	SPEAKER JOHNSON: Does any of this need	
15	to be approved by the Public Authorities Control	
16	Board and of this—any part of this deal?	
17	JAMES PATCHETT: Yes.	
18	SPEAKER JOHNSON: Which part	
19	JAMES PATCHETT: The G	
20	SPEAKER JOHNSON: [interposing] The	
21	capital grants, which is \$500\$500 million for	
22	Amazon to build their building?	
23	JAMES PATCHETT: Certainly the land use	

aspects and the general project plan do.

COMMITTEE ON ECONOMIC DEVELOPMENT

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2	SPEAKER JOHNSON: That's the only part
3	the land use aspects not the capital grants aspect?
4	JAMES PATCHETT: And—and the-so the
5	General Project Plan does and certain element of the
6	incentives do as well. They all need to go through
7	the state budget.
8	SPEAKER JOHNSON: I'm going to have some

SPEAKER JOHNSON: I'm going to have some further questions, but I want to turn it over to Chair Vallone.

JAMES PATCHETT: Thank you.

CHAIRPERSON VALLONE: Thank you, Mr. Speaker. We have been joined by Council Members Cornegy, [applause/cheers] Richards.

SERGEANT-AT-ARMS: Quiet down. You're not supposed to clap.

CHAIRPERSON VALLONE: See, applause is good. Cornegy, Richards, Barron, Moya and Rosenthal. We will have questions from the Council Members at this point after my comments and Council Member Van Bramer. The list of this is Council Member Lander, Koo, Powers, Williams, Levin, Menchaca, Richards, Barron, Rivera, Cornegy and Adams, and that's why we will have a 4-minute clock on that. So, The Speaker touched many of the topics that are here, and a

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daunting task for everyone trying to listen and follow through. A lot of these documents were given to us yesterday. So, in my humble opinion I kind of summarized the different areas that I believe the Council Members are going to jump into and where the subsequent hearings are going to go. So, where we started off with the Speaker was understanding the deal, which I think is what this is really the focus of today and then there's the Memorandum of Understanding or understanding he Memorandum of Understanding.

JAMES PATCHETT: Uh-hm.

CHAIRPERSON VALLONE: The tax incentives and the cap grants and the financial implications, the 25,000 jobs that we're going to discuss. Council Members Rosenthal, Barron and Landers have all talked call back provisions and the recapture of grant funds if certain standards aren't met. I'm sure those Council Members will address that, but it's Workforce Development and working with the local communities and what guarantees we can give Long Island City and Council Member Van Bramer is going to go over that. The Infrastructure Fund itself, and what type of community involvement and engagement that's going to

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be and the impact on the retail of the homeowners or residents of businesses and the relationships with those local entities and the labor practices with our great unions. To me those are the subcategories of this monumental transaction and some of the Tweets and some of the questions were-there's a lot of acronyms being thrown around, a lot of terms that people are hearing for the first time. So, I'm just going to give a one-paragraph description of this ULURP and GPP that we keep hearing about so we can understand what it is that the fight is over. the city has a standardized process for reviewing land use applications. That is what the Speaker has been fighting for, what the Council is fighting for. It's called the Uniform Land Use Review Procedure, and that's how we get the ULURP acronym. public process. It includes certification from the Department of City Planning and review by our community boards, or borough presidents, the City Planning Commission and the City Council that's sitting here today.. The CPC and the City Council both have the power to disapprove or modify an application. During the negotiations with Amazon the parties decided to circumvent that and go through a

COMMITTEE ON ECONOMIC DEVELOPMENT

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instead. The parties committed to adopting and that's why you were hearing this GPP, which is the General Protection Plant, which is a state development process governed by the Urban Development Corporation Act both of which President Patchett and Speaker Johnson were talking about and—and we as a Council will always fight for our real estate and our ULURP for our communities' involvement in that, and that's what the basis really of today's hearing. And you mentioned the General Project Plan, and it's one that we obviously are not part of. The—who has ultimate control over that?

JAMES PATCHETT: Sure. So, the general project plan is a state process led by state, but this is a joint city-state partnership. So, we'll be working very closely with them.

CHAIRPERSON VALLONE: Well, the problem is this—this—this part of the city is not part of that plan. So, whose—which part of the city will be part of that process?

JAMES PATCHETT: Well, we very much want the City Council to be a part of this process.

Ultimately there are a huge number of decisions that

JAMES PATCHETT: Well, but ultimately we

intend to come to an agreement of-of financial

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commitments, which will be binding about what are the necessary levels of infrastructure investment it needed in the community.

CHAIRPERSON VALLONE: And I think that's the difficulty you'll hear from all the groups fromfrom the Council Members that there's this—this lack of guarantee that the ability to tell New York City and Long Island City and Queen that yes it sounds great. It's like a top heavy deal. It's all those wonderful things happening, but the basic building blocks, the foundation to get to there is what we're trying to flush out and—

JAMES PATCHETT: [interposing]
Absolutely, but ultimately--

CHAIRPERSON VALLONE: --[interposing]

we're basically saying trust us. It's going to be

wonderful, but we-we need to hear that there will be
a direct link with the residents of Queensbridge and

Long Island City and that there will be a job

workforce that will actually employ New York City

Residents not people from Texas and everywhere else.

I want to know that X percentage of jobs are going to

go New York City residents and--

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COMMITTEE ON ECONOMIC DEVELOPMENT

2 JAMES PATCHETT: [interposing]

3 Absolutely.

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CHAIRPERSON VALLONE: --they know that any of the testimony from either Amazon or yourself is telling us don't worry New York. Fifty percent of those jobs, 100% of those of those jobs, 80% of those jobs are going to go to you.

JAMES PATCHETT: Yeah.

CHAIRPERSON VALLONE: So, how do we respond to that?

New Yorkers. That's what this is about. Amazon from the beginning focused on talent. The—we had the most conversations with them about any topic about talents. We—they met with the heads of our local New York City institutions including SUNY and CUNY and met with our leading workforce development organizations in the city. You know, we fundamentally believe that this is the biggest workforce development opportunity of our lifetime.

CHAIRPERSON VALLONE: Well, how did we get to the \$150,000 figure that we keep saying. So, we don't want to make sure it's four people making a billion dollars when everyone is making \$15 an hour.

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2 How do we know it's the \$150,000 is going to be the 3 actual number that we can abide by?

BRIAN HUSEMAN: Chairman, just kind of on your previous point, I just want to be really clear. We want to hire New Yorkers. That's why we're coming here. The talent here will allow us to start to hire New York residents on--

CHAIRPERSON LEVINE: [interposing] And I love that you say we want to, but we want to hear we will hire. There's a big difference between wanting to and will.

BRIAN HUSEMAN: [interposing] We will, we will hire New Yorkers. We will hire New Yorkers.

CHAIRPERSON VALLONE: That's a different sentiment, and now we want to hear the next step is we will hire and it will be X percentage of New Yorkers that are going to be here so I don't have see all the rest of the country coming in to taking over Long Island City.

BRIAN HUSEMAN: So, we'll with the very early stages of trying to figure out what business units will be located here in Long Island City. As you know, we just made the—the final decision the day before our public announcement. So, we're starting

1	COMMITTEE ON ECONOMIC DEVELOPMENT 81
2	that process of figuring that out. I-so I don't have
3	specific figures for you now. I don't have specific
4	things to tell you.
5	PROTESTOR: [Inaudible yelling]
6	SERGEANT-AT-ARMS: Quiet it down.
7	CHAIRPERSON VALLONE: So, please, sir.
8	We managed to make it this far.
9	PROTESTOR: [Inaudible yelling]
10	CHAIRPERSON VALLONE: So, please, sir, we
11	manage to make it this far.
12	PROTESTOR: [Inaudible yelling]
13	CHAIRPERSON LEVINE: Sir, please. We're
14	getting there and that's what this is all about. I
15	get
16	PROTESTOR: Well, this is all smoke and
17	mirrors. They're not hiding
18	CHAIRPERSON LEVINE: [interposing] Sir.
19	PROTESTOR:anything, who they really
20	are and how they're trying to monopolize.
21	CHAIRPERSON LEVINE: We appreciate
22	everyone's passion.
23	PROTESTOR: [inaudible yelling]
24	CHAIRPERSON LEVINE: That's exactly why

we're here.

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2 PROTESTOR: They're lying about 3 everything.

FEMALE SPEAKER: [interposing] MR. Chairman, if I could address that.

CHAIRPERSON LEVINE: Please, everyone.

AUDIENCE: [Cheers/applause]

CHAIRPERSON LEVINE: So, back to the question and-and that's where the questioning is. Define the jobs, define the-how do you see the workforce? Who is the workforce and what are their jobs comprised of?

BRIAN HUSEMAN: Yeah. So, I can tell you based upon our Seattle headquarters what our kind of division and types of jobs are. So, in Seattle we have about half technical jobs, and those include things such as software development engineers and then we have half non-technical jobs, and those are the types of jobs that you would expect in any corporate headquarters things from HR or you're from Finance.

CHAIRPERSON VALLONE: [interposing] And how are the salaries divided between the technical and the non-technical and how is the development of the workforce to be obtain those jobs?

2	BRIAN HUSEMAN: Yes, we're-we're very
3	focused on workforce development and making sure that
4	residents have the skills necessary to obtain all of
5	the types of jobs at our headquarters including our
6	program that, you know, what I had mentioned our
7	testimony that we announced, which is our Amazon
8	Future Engineer Program, which trains and provides
9	inspiration and access to computer science from
10	childhood all the way through the education process.
11	CHAIRPERSON VALLONE:
12	HOLLY SULLIVAN: And we also, I mean as
13	we said previously, we have over 5,000 Amazonians
14	already in New York City. So, we have experience and
15	we're still learning, and-
16	CHAIRPERSON VALLONE: How many of those
17	Amazonians are New York City residents?
18	HOLLY SULLIVAN: I can get back to you on
19	that question.
20	CHAIRPERSON VALLONE: That's an important
21	question.
22	HOLLY SULLIVAN: I don't have it off the
23	top of my head.

CHAIRPERSON VALLONE: We need to know that. I mean if 5,000 is the number and you're

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- 2 telling me 4,500 of those are New York City
- 3 residents, those are things the city can start to see

4 those relationships.

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- 5 HOLLY SULLIVAN: Absolutely.
- 6 CHAIRPERSON VALLONE: If they're not, then
 7 continue the follow-up.
 - HOLLY SULLIVAN: We'll follow up with that.

CHAIRPERSON VALLONE: So, the questioning about Long Island City workforce and Queensbridge and Bishop Taylor and the folks that live there, Council Member Van Bramer is going to handle those questions. There'll be different segments of this, and there's so much, and that's why you have all these Council Members with questions. I'm also going to leave it, but the last topic that I'm going to briefly touch on-on besides the jobs itself, is the Infrastructure Fund, and I think if we are the Economic Development Committee, and we are the members of the committee and the Council to fight for that, understanding this infrastructure fund and the use of these hundreds of millions of dollars that are being mentioned and the control of that funding to guarantee for the local communities how they're future today and 15 years

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from now will be impacted is important to know, and I
don't think we're seeing enough on that. So, I'm

4 going to give an opportunity to both Mr. Patchett--

JAMES PATCHETT: [interposing] Sure.

 $\label{eq:CHAIRPERSON VALLONE: --and Amazon to} % \begin{center} \begin{center}$

JAMES PATCHETT: Thank you, Mr. Chair. So, you know, yeah, we're-we're obviously aware of the challenges that Seattle has faced with the growth of Amazon, which were frankly unanticipated. I don't think even Amazon knew the degree to which they were going to grow when they came to Seattle. advantage here is we have the ability to plan in advance. That's what we are expecting to do over the course of the next few years. We need to think about this together. So, from an infrastructure standpoint and recognize that they will-that the community has a lot of needs today, we acknowledge that. The Council Member and we have spoken about that many times. You've been very clear about the infrastructure needs in this communities. He's emphasized those and, you know, we are very excited to work together to identify what are the near-term infrastructure investments that are necessary over the next 10 years

we'll put the names of the city's capital budget, and

then the—so that's the near term plan. The long-term plan is to recognize that, you know, we—we don't know today every need that we're going to have over the next few decades, but we know that there will be impacts. So, we worked to set up a pilot fund, which will set aside a portion of the property taxes paid by the Company, \$650 million, which can be identified or used by the community in future years to identify the infrastructure projects that are needed. So, we—we have a dual strategy.

CHAIRPERSON VALLONE: So is that a guarantee of certain funding that--

JAMES PATCHETT: [interposing] Yes.

CHAIRPERSON VALLONE: --will be set aside

for--

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JAMES PATCHETT: [interposing] Yes,
exactly. It will be set aside into a lock box fund,
which we'll set up. We will agree during this
process in partnership with the community the
mechanism by which it will—those funds—those projects
will be identified, be a community driven process
similar to the process that was set up for East
Midtown, identify priority projects, you know, in 10
years or 15 years that are necessary in addition to

need to be released by the city or by EDC, but the-

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2 the projects and priorities will be identified by the 3 community.

that's going to go with this, I'd like to hear fromfrom Amazon. How—what is your vision to develop the
local workforce to give us those guarantees that you
will be the good neighbor and hire someone. We want
to see those first hirings come from the people, the
good people that live right on the streets that are
going to be impacted. What can we tell them today
that's your plan is to make sure that that that
person is trained, has a proper workforce
development, there's a pass for that job, and then
when that job is there it's theirs?

BRIAN HUSEMAN: That's right. We—we want that same thing. We agreed to--

CHAIRPERSON VALLONE: [interposing] And that will be my last one.

BRIAN HUSEMAN: --an initial—an initial number of commitments, including an initial \$5 million in the Memorandum of Understanding as well as a few specific programs in the MOU, including working with, you know, New York City based tech and STEM education working with the Queensbridge Houses,

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working with other NYCHA residents. We want to hear the dates--

CHAIRPERSON VALLONE: [interposing] When does that happen? Does that happen from date—is that happening now, is that happening tomorrow? When does that happen?

meet with the community residents to hear their needs. We're—we're going to be active participants in the Workforce Development Subcommittee of the Community Advisory Committee. We want to hear exactly what the needs are for the workers and for the residents of the neighborhood, and then we will develop programs and work with existing programs to make sure that those addressed.

HOLLY SULLIVAN: And specifically,

Chairman, we have met with Bishop Taylor twice.

Again, we're very early. We're still trying to make these community connections listen and learn so we can make informed decisions on what—what programs are already available that we can partner with the neighborhood on and the community organizations on.

What new—new pioneering programmatic activities can we also develop?

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JAMES PATCHETT: And—and Chair, Mr.

Chair, I just wanted to add one thing to go back on

the—t he question of the infrastructure fund. Let's

just emphasize that it is the GPP that allows us to

set up this pilot fund for infrastructure. It

wouldn't be possible under ULURP.

CHAIRPERSON VALLONE: But the pilot program and funding actually would go through city review, but now it's being circumvented to go through State.

JAMES PATCHETT: It allow it to set aside a separate fund for the community to be identified. Otherwise we would just have to go through the regular budget process. So, future officials in 20 years would have to determine whether there was a priority for Long Island City versus other neighborhoods.

CHAIRPERSON VALLONE: And since you brought that up, it says the MOU talks about a 3-year project for resident. Three years is not enough. How did we come to three years, and how do we give a commitment beyond three years?

JAMES PATCHETT: Right, so what it says

25 | is we-we-

2 AUDIENCE MEMBER: [off mic] Well, we can
3 only go by the previous time on this. (sic)

4 CHAIRPERSON VALLONE: Please. Thank you.

5 Go ahead, President Patchett.

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JAMES PATCHETT: Thanks, the-so, there'sthere's a three-year-some of it-I think there's a recognition that the needs of the community are going to change over time. So, there's some of-some of these are long-term plans like the Workforce Development efforts will be training thousands and thousands of New Yorkers over decades, and so we have an initial plan for that, which is we have some money set aside for the first year, and we have plans to train thousands of people, which specific institutions we're going to work with whether it's La Guardia Community College or Urban Upbound or Resettlement or we're going to work with, you know, the CUNY institutions citywide. All of those things need to be worked out. I mean there are a lot of fabulous Workforce Development providers who have already talked to the company. We want to make sure those are successful. We don't have those plans yet, and some of them are specific plans, which we say we should start for the first couple of years, and then

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continue to do something that is potentially more impactful. I think the—the notion was again to reemphasize this is just the beginning. We don't have a final set of agreements. We have a framework for an agreement, and we want to work together to

CHAIRPERSON VALLONE: And we hear that, but we want to have a voice in that agreement--

[interposing] I know.

make a really good project for this community.

JAMES PATCHETT:

CHAIRPERSON VALLONE: --and that's what we need to, (sic) and that's what's been happening.

So, I'd like to turn it over to Council Member Jimmy

Van Bramer who will then be followed by Council

Member Lander.

much. So, I just want to start by saying to Mr.

Huseman, every time I hear you talk about the \$5
million, my blood boils. You are a trillion dollar
corporation, and the only dollar figure that the

Mayor and the Governor have secured from you at this
point is \$5 million. That is an insult to the people
of the city of New York. That isn't on you because
your job is to make money for your company, but it is
on the Mayor and the Governor to protect the people

2	from getting ripped off, and that's called getting
3	ripped off. Now, you've also talked about getting to
4	know the community and getting to know the needs, and
5	look, you all are new here, right? Literally,
6	helicoptering in, [laughter] but the Mayor and the
7	Governor know the needs because they are the Mayor
8	and the Governor. So, I want to talk a little bit
9	about that. The Deputy Mayor and the Mayor have
10	signed onto this deal. So, I want to ask, President
11	Patrick, do you and the Mayor support the \$500
12	Million Capital Grant in this deal, which will help
13	pay Jeff Bezos to build these buildings?
14	JAMES PATCHETT: So, the Mayor from the
15	very beginning said the city was not going to offer
16	any discretionary incentives.
17	COUNCIL MEMBER VAN BRAMER: That's not

COUNCIL MEMBER VAN BRAMER: That's not the question.

JAMES PATCHETT: But wait and we work with these areas of the city.

COUNCIL MEMBER VAN BRAMER: Do you support, does the Mayor support the \$500 Million Capital grant, which will reimburse Jeff Bezos to build this building?

2	JAMES PATCHETT: We feel very good about
3	the deal that we negotiated for New York City
4	residents to get the 25,000 jobs here. The state has
5	their own prerogative to make their decision. It's
6	made by-
7	COUNCIL MEMBER VAN BRAMER: [interposing]
8	But you signed—but the Mayor signed onto the deal.
9	So, just answer the question.
10	JAMES PATCHETT: [interposing] Uh-hm.
11	COUNCIL MEMBER VAN BRAMER: President
12	Patrick, you know, I have a great deal of respect for
13	you.
14	JAMES PATCHETT: I appreciate that.
15	COUNCIL MEMBER VAN BRAMER: All I'm
16	asking you is answer that the question: Do you
17	support the \$500 Million Capital Grant to reimburse
18	the richest man in the world to build his
19	headquarters?
20	JAMES PATCHETT: We support the state's
21	partnership in bringing Amazon to New York City.

COUNCIL MEMBER VAN BRAMER: You're not answering the question. Over to Amazon. Does Jeff Bezos and I don't begrudge the man as well, but he's work \$75 billion. Your company is a trillion dollar

- 2 housing developments in Western Queens to day. So, I
- 3 ask you President Patchett on behalf of Mayor de
- 4 Blasio, do you support taking the \$500 million
- 5 capital grant cash in the hand to Jeff Bezos and
- 6 Amazon and pulling that out of the deal and
- 7 | redirecting all \$500 million to the four public
- 8 | housing developments in Western Queens today.
- 9 [cheers/applause]

- 10 SERGEANT-AT-ARMS: No, clapping.
- JAMES PATCHETT: What we certainly
- 12 | support is the state taking-setting aside a portion
- 13 | of its funding that they're receiving for residents
- 14 | because is \$2 million.
- 15 | COUNCIL MEMBER VAN BRAMER: [interposing]
- 16 So, why didn't the Mayor-why didn't the Mayor in
- 17 agreeing to this deal say we want Amazon, we want the
- 18 jobs, you have the as-of-right, but you cannot, and
- 19 we will not as a the city of New York agree to give
- 20 you \$500 million to build your building. We're going
- 21 to take that money. Why don't you all do that right
- 22 here right now? We're going to take the \$500
- 23 | million, \$500 million and we're going to redirect it
- 24 | to those four public housing developments in Western
- 25 Oueens.

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DAMES PATCHETT: So, I just want to step back for one second. [protestor yells] We're—we are getting \$30 billion in tax revenue statewide as a result of this effort. As a part of that, we are going to discount that by about \$3 billion. That's correct. That's the way it works. In any other context when you get—someone gives you \$30 billion and 25,000 jobs, and you say you have \$3 billion of that rebated back to you, most people call that a pretty good deal.

COUNCIL MEMBER VAN BRAMER: Well, I would just say Amazon is not giving us anything, right?

JAMES PATCHETT: They're giving us \$30 billion.

Amazon is coming to New York, which is the greatest city in the world, and I just want to redirect to Mr. Huseman. Would Amazon as a trillion dollar corporation and doing very well, and—and again, that's your right as a for-profit corporation. Would Amazon agree today to say, you know, what, we don't need the \$500 million. Jeff Bezos and Amazon can afford to build its headquarters on this, and still make lots of money. So, would Amazon today agree to

developments in Western Queens?

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take that \$500 million state capital grant and
redirect that money right to the four public housing

BRIAN HUSEMAN: So, we're going to crate jobs here in the city. We're to have a positive economic impact. We're going to create \$27 billion of additional tax revenue for this project. We also look forward to working with our new neighbors with the workforce on the units, but Council Member, I also want to kind of talk about the \$5 Million Workforce Development Grant that you mentioned in the opening. I just want to emphasize that is an initial amount. There will be more, you know, throughout for—for

I—I would put it more succinctly and say that crumbs off the end of the table, right. Crumbs off the end of the table, right. Crumbs off the end of the table, and—and the Mayor and the Governor again because now there is this process, right and—and we will try and come to a number right of—of what's appropriate for workforce development, but I heard and estimate from someone in the know that it's more like \$150 to \$180 million just for workforce development alone, but by agreeing to this deal the

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Mayor and the Governor have set the bar so low and expecting so little, and that's a bad way to negotiate. I just want to say this to President Patchett once again. You always talk about the

JAMES PATCHETT: Uh-hm.

return investment of this deal-

it's so good, but you never talk about how much it's going to cost the city of New York to actually account for all of what's happening, increase and fire and police and all sorts of costs. So, let me ask you today what is your estimate for how much the city will need to invest in trans—transportation infrastructure in Queens and New York City as a result of this deal?

JAMES PATCHETT: So, Council Member, you have emphasized that there are infrastructure needs in the community today, and we're committed to working with you to try to invest in those. Those are needs of the community today. The advantage as I know you've long believed, and others in the community have is the advantage of having commercial is that they—and people who are working there during the day because you don't use infrastructure in the

2 same way. So, they'll be taking the 7 Train to Long
3 Island City not from Long Island City.

COUNCIL MEMBER VAN BRAMER: I understand.

JAMES PATCHETT: [interposing] They'll be using—they won't be using—one of the biggest issues in the community as I know you've emphasized importantly is the schools. So, there was a plan for putting residential units here, and realized it was still subject to public approval, but there was a plan to put over 5,000 units of residential housing here. That would have had a significantly greater impact on schools and infrastructure in the community than doing—

COUNCIL MEMBER VAN BRAMER: [interposing]

Sure, but I asked—the question I asked is—is do you have an estimate of how much increased funding will need to be invested for transportation infrastructure today. Do you have that number?

JAMES PATCHETT: So, what we'll do is an Environmental Impact Statement to identify the necessary mitigations as we would in a ULURP.

COUNCIL MEMBER VAN BRAMER: Alright, so we don't know the number for that? Do we know how

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community. So, relative to that, the need for

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investment in schools is lower than it otherwise was,
but it's-but it's absolutely our commitment to work
with you to identify the necessary investments--

That's fundamentally wrong because we have a shortage of seats today in Western Queens. We have the two most overcrowded school districts today in Western Queens, and how could you believe that there isn't a greater need projected with 25,000 or 40,000 employees plus the way it's going to change housing patterns. I want to move on because it's clear that though you have an estimate of how much money you think this deal is going to bring in, you have no numbers in terms of what it's going to cost us.

That's going to change your calculation. I want to talk about non-disclosure agreements.

BRIAN HUSEMAN: [interposing] Council Member, so it depends on [applause] If I may, in the MOU we will provide space for a 600-seat school.

respect, Mr. Huseman, we had two new schools coming as a result of the—the two ULURPs that were planned, and because the Administration cut a deal with you to—to merge those two into one, we actually lost a

mean I hear you--

1	COMMITTEE ON ECONOMIC DEVELOPMENT 106
2	agreements about Economic Development deals where
3	public taxpayer dollars are being given away as good
4	government?
5	JAMES PATCHETT: I believe that non-
6	disclosure agreements are necessary from time to time
7	when you're dealing with companies who have
8	proprietary business information. For example, we
9	deal with Life Sciences companies all the time who

accessing our incubators or other resources to
improve access to talent in New York City. So, they
would interested to share that information with us.

It's proprietary. They don't want it shared with
everyone. So, maybe we'll agree to a non-disclosure
agreement with them.

are developing new drugs and they are interested in

COUNCIL MEMBER VAN BRAMER: [interposing]
So, you would not support--

JAMES PATCHETT: We also work with

COUNCIL MEMBER VAN BRAMER: --a ban on
government officials signing non-disclosure
agreements about Economic Development deals where
public tax dollars are being given away?

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of legislation.

JAMES PATCHETT: Council Member Lander, I
know has discussed it. I'm happy to look at a draft

COUNCIL MEMBER VAN BRAMER: Did you, the
Deputy Mayor or Mayor de Blasio ever express
reservations about signing the Non-Disclosure
Agreements?

that—the only—we talked about the Non-Disclosure

Agreement. It was part of Amazon's public RFP. We
reviewed it with elected officials who were part of
the geographies. Thy were part of the bid in our
proposal—in our proposal in October—in our
presentation in October 2017. It then came up in our
two public hearings before the City Council that I
had earlier this year. The only person who raised
any questions about it was Council Lander. I frankly
heard no concerns about the Non-Disclosure Agreement
from anyone until the last four weeks, even though
it's very much public knowledge that it was a part of
this.

COUNCIL MEMBER VAN BRAMER: So, the question was did Mayor de Blasio have any reservations about that.

2	JAMES PATCHETT: But the Mayor speaks							
3	frequently with people on the phone and over							
4	conference calls, as he—as we did frequently about							
5	the Amazon deal.							
6	COUNCIL MEMBER VAN BRAMER: James,							
7	honestly, I've been more respectful in this							
8	questioning of you than you have been with me.							
9	That's a disgraceful answer. The NDA-the NDA that							
10	was signed by members of this Administration says in							
11	Section 8 that the agency will return or destroy all							
12	tangible materials, embodying confidential							
13	information promptly following Amazon's request. Have							
14	you or anyone in this Administration destroyed or							
15	returned materials to Amazon at this point?							
16	JAMES PATCHETT: No.							
17	COUNCIL MEMBER VAN BRAMER: Okay. I have							
18	here the 29-page Request for Information							
19	Questionnaire that Amazon asked each city to answer.							
20	Some cities have released that document. Has the							
21	city of New York released the answer to this RFI							

JAMES PATCHETT: Yeah, we put many documents on our website yesterday. It's like--

questionnaire?

offered to bypass ULURP throughout the process.

in specifics until the very end of the process.

JAMES PATCHETT: It really never came up

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the documents. The Speaker raised it earlier. It was very clearly there. There are at least six pages in this document, six pages of questions where Amazon asked specifically about taxes and incentives. The \$3 billion package that came out of that to Amazon, did you need the \$3 billion in order to come to New York?

different locations during the finalist during the spring. We made 20 different site visits. As we've said previously, talent was the primary driver for our location decision to come to New York, and we're super excited to be here and hire New Yorkers.

Incentives were certainly a part of that process and they were a priority for us.

COUNCIL MEMBER VAN BRAMER: So, it was indeed why you came to New York or a big part of why you came to New York?

HOLLY SULLIVAN: The primary reason was talent. Incentives were-were a part of that decision making process.

COUNCIL MEMBER VAN BRAMER: So, the Plaxall property that the Speaker mentioned earlier.

- So, a privately owned piece of land included in the General Project Plan that is not related to the
- 4 | Amazon project?

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- JAMES PATCHETT: Well, it's certainly related in the sense that it's immediately next door. It was part of the initial public approval process, and we made it possible for them to build commercial space, which we very much hope will be related to the project in the sense that we hope that other companies will located near them.
- COUNCIL MEMBER VAN BRAMER: So, James, you've disrespected—

JAMES PATCHETT: Okay, sorry.

with how you've handled this process. You bypassed ULURP, and then you also bypassed ULURP for this piece of Plaxall property. I believe it is fundamentally unethical what you have done with the piece of Plaxall property taking a private property where a private owner of land is going to benefit immeasurably because you and the Mayor decided to take that piece of property, fold into here and bypass ULURP and allow that private for-profit entity to gain a public benefit and make serious money. You

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you.

should be ashamed of yourself for that particular piece alone, and you should agree [applause] and you should agree to put that back into ULURP at a minimum. I just want to say those who agreed to this deal, those who signed to this deal, I have more questions, but I'm going to go now. Should absolutely be ashamed of agreeing to this deal on behalf of the people of the city of New York. Thank

JAMES PATCHETT: Thank you.

CHAIRPERSON VALLONE: Thank you, Council Member. [applause]

JAMES PATCHETT: You guys, we're-we're-we're not ashamed. [applause] We're not ashamed of this. We're proud to be here, and we're proud to be delivering these jobs to New York City.

SERGEANT-AT-ARMS: [interposing] Quite, please keep it down.

CHAIRPERSON VALLONE: So our next round of questions we'll start with Council Member Lander, Koo and Powers. We are going to have a 4-minute clock with each Council Member within those time limits, but we are getting some questions in on the board behind us. One of the ones that just popped up

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out Tweets.

was: Of the jobs based in New York—and this comes from Mr. Michael Stone I believe—may you expect to be unionized? How do you plan on re-ensuring New Yorkers that you won't engage in the kind of any abusive labor practice or any anti-union campaigns that may have you engaged elsewhere? That's one of

BRIAN HUSEMAN: I would respectfully disagree with the premise of the question that we have engaged in anti-union practices elsewhere. We absolutely respect an employee's right to choose whether to join or to not join a union.

Mayor from the Mayor from the outset, and we said this with the announcement, bringing Amazon to New York City is an opportunity for us to engage with them about the beliefs and values of New York City, which are that unionization is important, and we're thrilled as a result of that they're going to be working with SEIU for their building workers, their first agreement with them ever, a result of coming to New York City. That we're going to be working with the building trade, which is a significant step for us and so we're excited to continue these

have a relationship with 32BJ in our New York City

As I understand it, the ACLU showed that that this

- 2 best technology falsely matched 28 members of
- 3 Congress to mug shots in a database
- 4 disproportionately people of color. So you
- 5 understand that what we hear in this room when you
- 6 say that is that in pursuit conflict, Amazon is a
- 7 | willing partner in Trump's deportation machine, which
- 8 | will very likely lead to the deportation of
- 9 | immigrants in Queens exactly the people that you
- 10 | claim to want as your neighbors.
- BRIAN HUSEMAN: So, as to that
- 12 [applause]. As to that ACLU study we have not been
- 13 | able to replicate the findings of that. As to the
- 14 | overall question about our record on immigration, we
- 15 have a strong and public stance no immigration
- 16 | issues, and we've lobbied, we've advocated on behalf
- 17 of DACA, on behalf of the Dreamers, and on behalf of
- 18 Green Card reform.
- 19 COUNCIL MEMBER LANDER: I think that will
- 20 come as cold comfort to people who are picked up as a
- 21 result of your facial recognition technology and that
- 22 | they won't be that happy with you as—as your
- 23 | neighbors. So, what I want to go to, though, is
- 24 | we've obviously got so many questions about the tax
- 25 breaks and the club acts, about job quality and job

appreciate it.

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BRIAN HUSEMAN: I'm so sorry. Amazon

competes in the global retail market and we're all

about prices and selection, more selectin and more

convenience. As to the issue of the head tax in

Seattle, we've been a leader in fight against

homelessness in Seattle and a partner-
COUNCIL MEMBER LANDER: [interposing] D

COUNCIL MEMBER LANDER: [interposing] Did you threaten [Protestor shouting] to cease construction, sublease your property, and contribute to the Chamber of Commerce's effort to overturn the tax.

BRIAN HUSEMAN: So, we have partnered with organizations like Mary's Place in Seattle--

COUNCIL MEMBER LANDER: [interposing] You know you did because Amazon's Spokesman Drew Herdener said, I can confirm that pending the outcome of the head tax vote by City Council Amazon has paused all construction planning on our Block 18 project. It's also come to my understanding that Amazon led the lobbying last year in an attempt to amend the Washington State Equal Pay Act, to preempt local governments like Seattle from adopting stronger pay equity laws that would help close the gender and race pay gap. Is that correct?

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BRIAN HUSEMAN: So, as to the issue of the head tax, we did not support the head tax. We believe that that was a tax on job growth and on investment.

COUNCIL MEMBER LANDER: [interposing]

Your spokesman already answered that you did the things I asked about. Is it also true that you contributed to the lobbying effort to preempt local efforts by Washington municipalities from passing stronger pay equity laws.

BRIAN HUSEMAN: No, the question is: Did

Amazon leave that. We did not. We're members of

several different business associations that weighed

on it. (sic)

COUNCIL MEMBER LANDER: [interposing] The lead sponsor of the bill represents Tanna Sanset (sic) in negotiations over the bill. Amazon fought heard to bar cities like Seattle from going farther than state law in efforts to close the gender and race pay gap. Microsoft didn't care about preemption, the mainstream didn't care about preemption. It has been led by Amazon.

 $$\operatorname{BRIAN}$$ HUSEMAN: I'm happy to follow up with on that

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2 COUNCIL MEMBER LANDER: I look forward to it. So, this really gets to the-the crux of my 3 4 questions. I think we have the capacity to manage the growth the 25,000 jobs would represent and to do 5 6 what's necessary [bell] to share them fairly, but we 7 can only do that if we've got a strong local democracy, and given that Amazon threatened the 8 capital strike when the City Council in Seattle tried 9 to address the housing and homelessness crisis, 10 something that would have amounted in its first year 11 12 to \$12 million of your \$178 billion annual revenues. 13 Supported a chamber of commerce effort to undermine 14 not just that law, but honestly confidence of the people of Seattle in their government, led the effort 15 16 to preempt cities in Washington from adopting 17 stronger pay equity laws, conducted a bidding process that was a higher-18 CHAIRPERSON VALLONE: [interposing] That 19

CHAIRPERSON VALLONE: [interposing] That will be your last question.

COUNCIL MEMBER LANDER: --race to the bottom of 238 cities giving you all this data you could use in future desking siting decisions, required the 20 finalists to sign a non-disclosure agreement, hiding the information about our bids from

and Mr. Patchett from EDC. I speak here today not

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only as an elected official, but also as a representative of small business owners. Amazon I think, you know, is the greatest thing invented since the sliced bread, you know. You are the company love to hate, you know because we hate you but we also love you, right, every one of you. Every one of us here when they go home they will order stuff from Amazon.

SERGEANT-AT-ARMS: Quiet, please.

COUNCIL MEMBER KOO: Amazon is-is name, you guys, is the biggest jungle on earth, but sucks up all the oxygen the small business people—owners breathe. I'm a small business owner. I know many small business owners their business suffer because of the creation-since the creation of Amazon. this is only the beginning of a long dialogue. hope companies like you because of our size because of their wealth will do more things for the community when you come in because even in my neighborhood we have a small development under the developer agreed to give us like \$2.2 million for community development. A big size company like you, you only give \$5 million for workforce development. It's not enough. When you open a company in China, you are

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required to open schools, dormitories and everything in the community. So, I hope you will do the same thing for us. Otherwise, you know, there's no fair competition because we love you, but we also hate [laughter] Oh, because I mean people like youlike people shop at retail any more. They'll go home and order online because your stuff is a couple dollars cheaper and you deliver, right. So, your business model is good, but sooner or later you will become the monopoly of America. No, you super-you offer to the supermarkets, the pharmacy and all the retail, you know. So, I hope like I want to hear from you all kinds of things that you will do for Long Island City, the intents of infrastructure improvement. In terms of on the schools, in terms of housing because the minute your announcement to come to Long Island City, condominium prices in the area increase 15%. The minute you-I know they know. this is not good for the community. Housing will be very expensive. So, I want you to address to those problems: Housing, schools, infrastructure improvement, et cetera. Thank you.

BRIAN HUSEMAN: Yes, thank you and I appreciate the invitation to have an ongoing

COMMITTEE ON ECONOMIC DEVELOPMENT

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dialogue. As to your small business comment, more than half of what you buy on Amazon is not sold by us, but it's sold third-parties including the small businesses and we have tens of thousands of small businesses in New York that are able to reach customers around the world from selling on Amazon. In addition, in our headquarters we want to advise small businesses in for cafés and food services and as I mentioned we also encourage our employees to go out in the neighborhood. So, we want to have a very connected relationship with the community. As to your questions about housing and infrastructure and transportation, our success in Long Island City also depends upon making sure that we as-as a company, and that we as a community address [bell] those challenges and so we look forward to working all of you on those.

CHAIRPERSON VALLONE: Thank you and we're going to--

HOLLY SULLIVAN: [interposing] Just to add to that.

CHAIRPERSON VALLONE: --based on-Holly just a minute, but based on the fact that we have the time limits for 1:00, I want to make sure that the

COMMITTEE ON ECONOMIC DEVELOPMENT

Council Members are heard. So, we're not going to

entertain questions, and everyone has four minutes. -

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COUNCIL MEMBER KOO: [interposing] Thank

you very much. I—I believe job creation is -
CHAIRPERSON VALLONE: [interposing] Thank

you, Council member.

COUNCIL MEMBER KOO: -- the biggest important thing the government should do for the-for the people.

CHAIRPERSON VALLONE: [interposing] Now we're going to have Council Member Inez Barron followed by Keith Powers then Carlina, Adams and let's see, Rivera. Carlina Rivera. Sorry. So, Inez, you're next.

COUNCIL MEMBER BARRON: Thank you, Mr.

Chair and thank you to the panel for coming, and
thanks to all of my colleagues who see this as a very
critical issue, and we're going to hear—we've heard
already about the extent of the giveaway that the
city and the state has given the richest corporation
that we have, the richest man that's here. And what
we are concerned about also is the provision of jobs
is great, about 5 or 6 years ago, your predecessor—

2 you-you were preceded at this in trying to get this land grab, and bringing this great offer of jobs when 3 4 Walmart tried to get its toe in New York City. 5 People said it's a dumb deal. Walmart is the 6 biggest. You can't fight Walmart. We're fighting 7 you [cheers/applause] and we're fighting you, we're fighting you because we don't accept the process that 8 got us to this point. You've taken the L in ULURP 9 10 and replaced it with an S, and trying to usurp the power of the people to be able to say what is fair 11 12 [chees/applause] and what is good in the totality of 13 what we want to see in New York City. So, I see this 14 as Walmart 2.0 and we're going to continue to fight 15 because we object to the process that has brought us 16 to the point. There were Council Members who at the 17 outset said well let's examine what Amazon can bring 18 to New York City in spite of your poor labor record, in spite of the atrocities, which I read about last 19 20 week I think in the New York Times of workers who were immigrants who have come to this country and 21 2.2 were forced to stand and product-and push the-the 23 assembly line process. Many of them were women who 24 were pregnant who got no accommodations. So, in spite 25 of that, we were willing to listen to what you were

CHAIRPERSON VALLONE: Thank you Council Member. Council Member Keith Powers.

this deal. Thank you. [cheers/applause]

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2	COUNCIL MEMBER POWERS: Thank you, thank						
3	you and thank you for having this hearing and thank						
4	you for being here. I just wanted to correct the						
5	record for a second. I think the comment earlier was						
6	that Council Member Lander is the only one that's						
7	inquired about Amazon. February 6, 2018 was the						
8	first Economic Development Committee hearing, the						
9	first one I ever sat it. I actually asked about the						
10	economic incentives being offered to Amazon to						
11	COUNCIL MEMBER POWERS: It about the Non-						
12	Disclosure Agreement. You reminded me, okay, and I-						
13	but I want to-I do note that the response there was						
14	that the city was not offering them anything in terms						
15	of						
16	JAMES PATCHETT: [interposing] Correct.						
17	COUNCIL MEMBER POWERS:discretionary						
18	and I don't know if the word discretionary was used						
19	JAMES PATCHETT: Definitely.						
20	COUNCIL MEMBER POWERS:but incentives,						
21	but certainly I think the complete answer to that						
22	would have been there are as-of-right benefits						
23	available and we are willing to offer them land. I						

mean there—the benefits they get I think are beyond

25 what they are offered just by as-of-right, just to be

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clear here, but I want-do want to correct the record because we did ask about and trans-that video is live on-on the website. I'm must going to hit with a couple of questions quick. I will say you've heard a lot of frustration here, and everybody I think is right to voice frustration about the community and the Council being left out of the process because every other project in New York City has to go through this not only does it offer them a competitive advantage in my belief to skip that process, but also it takes away all the other review processes that folks have to go. There's a cost associated with that, and there is a competitive advantage associated with that one when you let one employer skip it. Whether we think the benefit is right or not, I think it's-I think it's an unfair advantage offered to one company. So, just a few questions here, though. The \$500 million from the state, I know they're not here, but I hope you can answer.

JAMES PATCHETT: Uh-hm.

COUNCIL MEMBER POWERS: Is that contingent on job creation or is that discretionary no matter what and—and if so, I'm just going to ask

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2 some more you, if so, how many jobs? Second, is can you tell us any instances where GPP was used. 3 There's a number of examples that have been offered 4 where there's been no state land included, and how 5 6 many? Has anyone been looking for a single 7 employment, a single project versus Atlantic Yard, Times Square type of project, and that's it. 8 then the third question is also on the state side 9 10 there is a discretionary part of this in the Excelsior Jobs Program, and they choose how much they 11 12 put into that in terms of these job subsidies. you tell us why 6% was decided as the-as the-13 14 number and also is that going to be 6% for wages that 15 go up to any amount meaning if somebody makes a 16 million dollars a year to save subsidizing that job. 17 And I'll last one more. I hope you can track-is you 18 have talked a lot about LIC as a commercial hub, andand in terms-instead it really turned into a 19 20 residential community proximity to Manhattan, Midtown Manhattan where lots of jobs are, and it has turned 21 2.2 into the commercial hub as you have noted in this 23 instance. It's meant to kick start that and Amazon 24 is meant to be the kick start to that. But perhaps that means something. Maybe, you know, I would love

commercial hub.

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to just hear an explanation why it has not turned

into a commercial hub despite efforts to make it so

and whether this is potentially fitting a square into

a circle in terms of something that people really

desire to be a residential committee within proximity

to the residential neighborhood versus being the

JAMES PATCHETT: Okay.

COUNCIL MEMBER POWERS: Those are my questions. Thank you.

JAMES PATCHETT: Sure and I have a list of 12. [laughter] Okay thank you, Council Member Powers. Absolutely there was a robust conversation at the-at our Economic Development Oversight Hearing. I didn't want to suggest there wasn't, just specifically about the NDA. It was a limited discussion, but so let me sure to cover your questions. I want to start by saying and reemphasizing what we sought to do here was to represent interest of the city. The Mayor from the beginning say we weren't going offer any discretionary incentives. We didn't and therethere's public land as a part of this. Yes. It's a lease and it is subject to fair market value terms.

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We're not giving it to them. It's subject to fair market value terms. So, they're paying what we would have otherwise received for it. On the question of specifically a general project plan, so, you know, we really do believe a GPP is the required component to make this project happen because we believe it's appropriate [bel] when it's necessary to achieve the desired policy outcome either because the actions are not possible through ULURP like the Pilot Fund here, or when the land use actions are so complicated the GPP is just the practical mechanism to move it more quickly and we believe the ULURP would have taken significantly longer and not met the company's hiring timelines. They said just before they needed it quickly and we believe we're able to provide it that way through this mechanism. We're enabling the Pilot fund for the GPP, we're doing agency relocation as a part of this. We're potentially doing street demappings. We're also critically allowing the public to hold title during the project so we can hold the company even more accountable, which is definitely not possible through ULURP. As to your question about absence of state land, there was no state land on 42nd Street. There was certainly no state land in

SERGEANT-AT-ARMS: [interposing] Quiet.

2	JAMES PATCHETT: Yeah, okay. So, just to							
3	start yes the \$500 million is performance based. The							
4	company hasn't received a dime yet. It's contingent							
5	on them building the commercial buildings that they							
6	are required to. There will be-there will be							
7	reimbursement only based and those-the-thewhere							
8	they will be constructing them the leases that we							
9	have with the company will also require them to fill							
10	the company with Amazon employees where they will							
11	have the potential of not just-never receiving an							
12	incentive, but actually losing the properties in the							
13	first instance. So, it is actually performance based							
14	incentives, and then I-I can't go into tremendous							
15	detail about the particulars of the state program,							
16	but I will assure you that I will have someone from							
17	the state directly reach out to you to talk about							
18	those.							
19	CHAIRPERSON VALLONE: Thank you, Council							
20	Member Powers. We're going to move onto Council							
21	Member Carlina Rivera.							
22	COUNCIL MEMBER POWERS: I'm-okay.							
23	COUNCIL MEMBER RIVERA: Hi.							

CHAIRPERSON VALLONE: Followed by Council Member Levine, and then Council Member

COUNCIL MEMBER RIVERA: Hi.

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2 COUNCIL MEMBER RIVERA: Thank you. Thank 3 you so much.

CHAIRPERSON VALLONE: [interposing] And Council Member Menchaca.

COUNCIL MEMBER RIVERA: You've mentioned a lot—you've mentioned today multiple times about the talent and it's the talent that—that brought you here and I think that a lot of us feel that this—that states and cities and municipalities we should be competing on the underlying strength of our communities, and not necessarily public handouts to private businesses. So, I realized during the competition that multiple cities have proposed multibillion dollar incentive packages, but a lot of us want to make sure that this deal does not prove wasteful and counterproductive. So, you have expressed a lot of confidence in this package. EDC I can barely see you, but that's okay. James, I know you're there.

JAMES PATCHETT: Yeah, I'm here.

COUNCIL MEMBER RIVERA: How does this deal not set up a precedence—a precedent that every major corporation is going to start asking for—from the city in order to stay and grow here? Are we

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2 setting ourselves up to be extorted by large
3 corporations?

JAMES PATCHETT: It's—it's a great question Council Member. I think to your underlying points, you know, I do think that federal policy that allows these competitions across cities is a mistake and that we should consider whether there should be federal policy that precludes it just so that cities are no competing against each other. I think from the beginning and this Administration what we've done is we said we're not offering any discretionary incentives. Certainly the state does it. It's part of their prerogative under their budget. I think the reason we think it's important as a city not to participate in that is because, you know, we fundamentally believe that New York City should be able to compete on its own merits. Yeah, the-thethere are—there are two components of this that are discretion that are—that are as-of-right programs that the company is eligible for today. Those programs are intended to create jobs in the Outer Boroughs. I think they've been-had a significant amount of bipartisan support for a reason because, you know, it's important to have jobs in your

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2 district and-and on the Lower East side and the east side of Manhattan, but it's also important to have 3 4 jobs in Queens and Downtown Brooklyn, and we've never 5 seen them happen on their own in significant number in the way that those programs were intended.

CHAIRPERSON RIVERA: [interposing] And, I-I realize that you're confident and I don't mean to cut you off.

JAMES PATCHETT: [interposing] No, no. CHAIRPERSON RIVERA: That's not my intention, but I don't have a lot of time.

JAMES PATCHETT: Yes, sure.

CHAIRPERSON RIVERA: So, to go back to the Speaker's mention of the metric of success, I want to talk a little bit more about local hiring and the-and your partners. Do you-have EDC or Amazon done any sort of analysis to determine where the worker are going to come from? How many are going to be from the city, outside of the city? Who are you working with in terms of local partnerships and tech organizations whether it's Per Scholas or Civic Hall or the Flatiron School, how are creating a real robust program for workforce development? Because, and I just want to mention because I'm going to ask

2	Community	College	because	we	think-well	LaGuardia
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3 Community College is one of our best institutions in

4 | the city and the fact that they're locally based, had

5 | a very diverse student body is an incredible

6 opportunity for Amazon to access that talent.

7 There's also a number of other workforce development

8 providers as well as the TA presidents of the four

9 | local developments. Per Scholas is represented on

10 | there. We have to work together, but I want to stop

11 | because we're almost out of time. I want to make

12 | sure you get your other question.

BRIAN HUSEMAN: Council Member, just kind of briefly. Diversity and inclusion are very important to Amazon. From the very beginning of this process we made that an issue that we were seeking from cities and locations, and we're very excited by the diversity of Queens, of New York City of Long Island City. That's one of the reasons why we wanted to come here, and we look forward to increasing the diversity of our workforce by hiring New Yorkers.

COUNCIL MEMBER RIVERA: But what does your workforce look like right now in terms of-

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2 BRIAN HUSEMAN: Sure. We make our—we

make our demographics available publicly on our website, and I will share those with you.

CHAIRPERSON RIVERA: Thank you.

CHAIRPERSON VALLONE: Okay. So we are going to move to Council Members Levine, Williams and Menchaca, but the next Tweet has come in following on the Speaker's line of questionings, Council Member Thinker—laughs. It's always good to know as thinker. What will you do to prevent overcrowding on the subway lines that run though the Long Island City neighborhood? They are already beyond capacity and 25,000 new riders will break the system.

JAMES PATCHETT: Yeah, I think—I completely understand the question. I recognize the concerns. It's already—the 7 train is also—already incredibly crowded. There's no doubt about that, and people who ride it everyday I know are struggling with that. The—the opportunity here is to realize this vision of Long Island City as a mixed—use community. People walking to work in Long Island City who never have to get on the train. So those are fewer potential riders. The people who would otherwise be getting on the train to go into

mitigate them.

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Manhattan walking to work. It also means people from
Eastern Queens get—getting off the train in Long
Island City and it means people from Manhattan
commuting into Long Island City where there is extra
capacity. We all have to look at all of this as a
part of our Environmental Impact Statement, and if
there are impacts, it's our responsibility to

CHAIRPERSON VALLONE: Okay, Council Member Levine.

Vallone, thank you Speaker Johnson, and I want to follow up on the excellent line of questioning from my colleague Council Member Rivera. Mr. Huseman you have repeatedly touted the 25,000 job number as being the greatest benefit to this city, but the truth is that many of those jobs are going to go to Amazon employees who you relocate from other facilities and other parts of the country. I think you actually were open about that in describing the plan for HQ2 as being partly a consolidation of far flung facilities. May of those jobs are going to go to tech workers around the country who are working with your competitors or coming out of universities, and I

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think you and others have said well New York is a place they want to come and live, but, of course, that means they're people coming from elsewhere, and -and even the jobs that are going to New Yorkers many of them will go to people who are already working in tech and already have high skills. So that leaves a number much, much less than 25,000, which is going to go to people who are in the city now who are New Yorkers today and who aren't otherwise well employed in the in similar industries. You've-you have agreed to continent financing, which is really all tied toto the gross number that doesn't distinguish between any of these important categories of workers, but there are other major development projects in the city where the employer has signed the community benefit agreement, which does get much more specific in-in detailing who's going to be hired. Specific in geography. Sometimes even specific to a zip code, and also specific to who? It could be people who are on public assistance, people who live in public housing. There are various other categories thatthat you can specify in a contract like this, and would-So, my question is first, can you talk about numbers of people and the most needy category that I-

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that I detailed and would you be willing to sign something like that, a community benefit agreement that gets very specific on the geographies and who we are targeting for these jobs?

BRIAN HUSEMAN: Yeah. So, this will-this is not just relocating employees from Seattle. Part of the purpose of the HQ2 was to expand the talent base that's-that's available to us. So, we are looking to hire New Yorkers locally. As far as thethe breakdown of the jobs, about half are technical jobs, and about half are non-technical jobs, and that's based upon the breakdown in our Seattle headquarters. We want to-we have a-there's a great talent base that are here in New York that we can hire on day 1 for both categories, but we also want to work with you and with community leaders to develop that pipeline of talent for both sets of As to any agreements or future commitments, we're are at the very beginning stages of this. I'm happy to talk with you about what you have in mind and what would be useful.

LYDIA DOWNING: And if I cold add also Council Member, I mean I think there's a—a misconception that these 25,000 jobs are going to

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plop down on Long Island City in a year. So our—our headcount plans, which are in the MOU, they're publicly available and, of course, tied to all the other agreements. So, we're looking at hiring between 2,000 and 3,000 on annual basis within New York. James, do you have the number of figures that you generate jobs created in New York City on an annual basis, a round number? Sorry to put you off.

JAMES PATCHETT: Yeah, we've created close to 400,000 jobs in New York City over the last five years, but I also want to say I mean New York City has always been a city of immigrants. You know, I mean we have to support our existing residents but we also always encourage people to come here. That's what New York City has always been about.

COUNCIL MEMBER LEVINE: Right but my time is almost up. There are people in need in this cityJAMES PATCHETT: Absolutely.

COUNCIL MEMBER LEVINE: --and if [bell] they're not the ones we're serving then we have failed in a very fundamental way, and the existing tools that EDC has, NYC Hires, et cetera, don't have the kind of teeth are going to guarantee the jobs go to the people in need. There really—it's about first

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look. That's—that's the term, and sure the employer has to look at the resumes, but you don't know who they're going to hire in the end, and there are people in need in Western Queens, and other cities who need the jobs, and we need a mechanism that guarantees the people in need get these jobs. Short

of that, we are failing in a fundamental way.

LYDIA DOWNING: Council Member, if I could also respond to that. I mean in addition to the 25,000 it will create, you know, in the headquarters, there's going to be hundreds of construction jobs, other jobs that will be continuing to support our ongoing operations and we look forward to being a long-term partner with the community and again, we're here to listen, we're here to learn very early in the process and—and we—we look forward to these partnerships. We are committed to hire New Yorkers.

CHAIRPERSON VALLONE: Thank you, Council Member Levine. Council Member Jumaane Williams.

COUNCIL MEMBER WILLIAMS: Thank you so much, Mr. Chair. Thank you all for being here. I had opportunity to read both of the testimonies. I actually found them pretty disingenuous, and I didn't

COMMITTEE ON ECONOMIC DEVELOPMENT

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really think it worth the paper it was on. I would recommend that the panel increate the fiber in your diet to help out with some of the stuff that I've heard here today. [laughter] But—and I don't have a lot of time to run through it, but the first thing that frustrated me EDC I mean a few times said at that moment an Economic Development project like this would have been welcomed with open arms, describing a situation that doesn't exist, and saying if it might exist. I'm a hip—hop head, and there's a line that I remembered. It said, If as a splif we'd all be high. So, these ifs are not something I think we should base these kinds of projects on.

JAMES PATCHETT: [interposing] But Council Member, but the point--

JAMES PATCHETT: Okay.

COUNCIL MEMBER WILLIAMS: No Amazon—I did read your testimony. It was pretty flowery. It doesn't mention anything about the helipad. It doesn't mention much about the land use. It briefly talks about the money you're going to receive, but it makes it seem as if that was not the reason you came.

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So, if that was not the reason you came, it seems
that we didn't need to offer it to you to begin with,
and so all of that is very frustrating to me. I wish
I had the time to go deep into all those questions.
I'm going to focus some of my questions on the NDAs,
and so I'd like both people to respond. EDC, did you
try to negotiated this term? Why did you agree with
it? And Amazon, I'd like to know why you require it.

JAMES PATCHETT: And so I'd just like to first respond to your point in your opening, Council Member. The—the point that I was making in my testimony is yes it's a great economic moment right now, but we can't pretend like New York City is always going to be in this moment. It's not a hypothetical. It's a when, not an if. When New York City is going to struggle again, and we have to be thinking about that. We can't be naïve and assume that New York City will always be in the moment we re in right now. I think that's critically important. I think that's all of our responsibility as city leaders.

COUNCIL MEMBER WILLIAMS: I've been a steward of the budget for almost nine years. I'm well aware of the fluctuations of the market. We

agreements are very common in these types of

negotiations so there can be a free flow of

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JAMES PATCHETT: They want it to be

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subject to--

COUNCIL MEMBER WILLIAMS: [interposing]
Let me rephrase it. Is it common practice for—for
you to provide early notice of public record
disclosures? Is it common practice to do so for the
purpose of allowing a company to seek a protective
order?
JAMES PATCHETT: So, the—so it is our
responsibility to follow the law, which is FOIL and
New York City and New York State
COUNCIL MEMBER WILLIAMS: [interposing]
So, that wasn't my question, and I'm out of time? Is
this common practice?
JAMES PATCHETT: Is—is which common
practice?
COUNCIL MEMBER WILLIAMS: Is it common
practice to provide early notice of public records
disclosures, and is it common practice to do so with
the purpose of allowing the company to seek
protective order? [bell]
JAMES PATCHETT: Okay, it is common
practice for us as we did in this agreement to
emphasize to everyone, but not withstanding any non-

disclosure agreement, we're still obligated to follow

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2 the law of New York City and New York State which 3 they were subject to the law.

COUNCIL MEMBER WILLIAMS: So, it's common practice for you to allow companies to seek a protective order? I just want to say, you know, thank you for this hearing. I hope it continues. don't know who I'm more angry at, the Administration or Amazon. I expect this from the Governor, but people don't do to you what you don't allow, and we allowed this to happen. I am particularly frustrated with this getting the helipad when there's no heat, and in many of our NYCHA--I wish these kind of things would happen with the MTA or with NYCHA. It is quite frustrating and how dare the Mayor use my name on a letter. That's the most frustrating part. I only agreed to engage in a conversation. I would have never agreed to a deal such as this. I hope they never come and ask me for this type of signature again. Thank you for this hearing.

CHAIRPERSON VALLONE: Thank you Council
Member Williams and before we get to Council Member
Menchaca, there are a few of the questions in the
live Tweets just came in. Let's also be cognizant of
the fact we have Amazon to 1:00. So, if you have

- 2 questions for ASHE MCGOVERN: to make sure you get
- 3 those in quickly. What kind of jobs? This comes
- 4 form Lauren Walker. What kind of jobs will be
- 5 offered for people with disabilities and with
- 6 | Veterans and at what labor pay rate?
- 7 BRIAN HUSEMAN: Amazon has a strong
- 8 history of employing people with disabilities and
- 9 | veterans. We can talk with you about that in more
- 10 detail but we are a leader in both of those areas.
- 11 CHAIRPERSON VALLONE: Okay, thank you.
- 12 | Council Member Menchaca.
- 13 COUNCIL MEMBER MENCHACA: Thank you,
- 14 | Chair, and thank you for being here. I'm going to
- 15 | throw some questions in four minutes, and if you just
- 16 start writing them down, that would be great. Well,
- 17 one I just want to say I did not sign that letter.
- 18 | In the beginning, I was incredibly suspicious even
- 19 when lobbied by many people in government and with
- 20 the promise even with the promise that Industry City
- 21 was not going to be a part of the development plan.
- 22 It would be great to confirm that that is not even
- 23 still part of your expansion in case—in case you
- 24 | might need space. I want to-I want to hear from you
- 25 | all now that Industry City and other places as you

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think about more space outside of Long Island City is not on the table. Next, I'm kind of curious about the homeless issue, and we haven't even spoken to-we heard a little bit about housing, but I'm thinking about the impact to need for housing not just in Queens but the ultimate gentrification that's happening around spaces like this that are so massive a need for jobs and housing. The folks that are going to be getting these jobs are high paid jobs that can pay higher rents and push people out and into our homeless system. This doesn't seem likelike a-like a well job. This is more for EDC. Address-what's the impact of homelessness? Are youare you projecting that and where are the benefits and financial instruments for the homeless issue? The next is the data collection and we-we asked some questions about data already, and essentially, it's not jut facial recognition for Amazon, this is data in the Cloud. You have access to so much information that you sell regularly both for impact at local economies, local grocery stores, local et cetera, and so how-how is ED holding them accountable? How are you holding them accountable to the-to the economic impacts, the positive economic impacts to the

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negative impacts, and I want to see if you have that analysis yet on-on information. Next is the-the questions around—around the actual subsidy. The 9 to 1 that you keep referring to, we-how do we get to I mean I think that's the ultimate question. How do we-how do we get to no incentives even though I know that you're-you kind of packaged that. this is the EDC ultimate question. How do we-how do we get the most out of a company without having to create incentives even if-even if they're as-of-And then the last question is the ferry. right. You are on a waterfront. I represent a waterfront community, and the ferry becomes and opportunity for you that I haven't necessarily heard. I heard about the helicopters, but what is your plan for ferries and the BQX? He BQX is something that EDC in a very kind of similar way is pushing without real kind of public review, and we're going to be talking about that in the new year, but for Amazon how-how do think about the ferries getting to and from the site? improvements that you have and I'll end with where ae we-where are we thinking in terms of the actual places for negotiation? We've asked you for ULURP.

You said no. You said-we're == we're talking about-Van

Bramer is talking about schools. We're saying we're giving you one. Then where are we talking about at the end of the day as partners to negotiate? Be clear about where we can actually move the needle on without me having to kind of rip that out of you, where—where are the spaces for negotiation? We can start at—

JAMES PATCHETT: Okay, I'll start that way.

COUNCIL MEMBER MENCHACA: Acknowledging that I did not sign that letter, and then move on from there.

Member Mencaha. Yeah, absolutely. Then just to be clear, your concerns and others in your neighborhood were one of the reasons that that neighborhood was not included in the proposal to Amazon. So, [coughs] stepping back to try to answer your questions. I am aware of zero plans for the [bell] company to go to Industry City. It's certainly not a part of this deal. They can speak for themselves, but there is zero plan for that as far as I am concerned or any other location that I—I'm not aware of any other

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accountability, absolutely. You know, the company is

going to be extremely accountable through this

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2 process through the leases that we have with them.

3 They are going to hold them to the specific

4 requirements that we--

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And focus on the data. How—how is the city keeping them accountable on data, facial recognition. We're going to talk about the ICE contracts. We're trying to make—we're trying to put a ban on revenue contracts with the city, and yet one of the biggest companies is coming to New York offering all that data not just for ICE but for demolishing our small businesses and our neighborhoods, our immigrant businesses that are the backbone, not Amazon, our immigrant businesses are the backbone of the communities.

BRIAN HUSEMAN: Well, I'll just say when it come to data, Council Member, we don't sell data. We do use data from our customers to improve the customer experience and I think the best example of that is for the purchase recommendations. So, when you buy something, we recommend other things thatthat you might like.

COMMITTEE ON ECONOMIC DEVELOPMENT

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- 2 CHAIRPERSON VALLONE: And we're going to
 3 have to move onto Council Member Richards. Do you
 4 have your last questions?
- 5 COUNCIL MEMBER RICHARDS: [off mic] Don't 6 ask me about questions. (sic)
 - CHAIRPERSON VALLONE: So, if we can have them so--
 - JAMES PATCHETT: [interposing] Yeah, yeah, I have the five.
- 11 CHAIRPERSON VALLONE: --if we can answer
 12 the Council Member's questions.
- JAMES PATCHETT: I just have five more left then.
- 15 CHAIRPERSON VALLONE: Just five more.

 16 Okay.
 - JAMES PATCHETT: Okay. No, I mean okay.

 So, we're happy to, yeah, so there a couple more.

 You asked about the subsidy. You're right. There's

 no city subsidy in this other than the discretionary

 that are available under state law, and again, the

 private property, or the properties that are part of

 this are subject to fair market value terms. Yet,

 there-there was a question the ferry. I mean I think

there-it's-it's great. I think it's a realization of

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2 the potential of the ferry. We know it' been good for your community. We hope it will be good for 3 future communities. You know, we're in the middle of 4 our-of our analysis right now of where we might be 5 able to expand the ferry system. You know, there's 6 7 really no specific agreement. There's nothing about the BQX that's particularly relevant to this deal. 8 It was not discussed in any detail with the company. 9 You know, obviously it's a-it certainly could pass 10 nearby the company. We moved forward and we look-you 11 12 know, look forward to talking about the potential 13 impacts on that with this project, and then, you 14 know, in terms of the go forward process, it's about 15 the Community Advisory Council. It's a mechanism 16 where we have to agree to specific infrastructure 17 commitments as a part of this deal, and the city is committed to doing that. 18

HOLLY SULLIVAN: And I'll answer a couple of those, too, as far as the ferry and transportation. You know, as we create these jobs in Long Island City there are going to be our employees and—and the residents of the community also. So, we need to work together to make those prudent decisions. The ferry is a great resource. It is run

COMMITTEE ON ECONOMIC DEVELOPMENT

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by the city of New York. So, we look forward to sharing information about ridership so we can make informed decisions together and when you talk about, you know, moving forward how we can continue this dialogue and-and actually create those partnerships, you know beyond the Community Advisory Committee process. We also want to meet with you one-on-one and have those conversations, let you ask us the tough questions also, and you're—you know this community and we're still learning this community. So what ideas you have for us, what direction you have for us, what guidance you have for us, we want to listen to that, and make earnest decisions.

SPEAKER JOHNSON: I would just say our guidance is to go through ULURP. [background comments] That's our guidance. So, I just want to ask.

BRIAN HUSEMAN: Sure.

SPEAKER JOHNSON: There's a question that came in from someone watching. Will Amazon change how it works with the critically important book publishing industry, which makes its primary home in New York City to be supportive rather than approaching—this is a quote from Jeff Bezos. Rather

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than approaching "small publishers the way a Cheetah would pursue a sickly gazelle." That's what Jeff Bezos said about small book publishers. So, I want to understand. Sine we're the home book publishing in—in the country, are you willing to pursue small publishers the way a cheetah would pursue a sickly gazelle?

BRIAN HUSEMAN: I don't know if that quote is accurate.

JULIA SOLOMON: It's an accurate quote.

BRIAN HUSEMAN: But I will talk about, you—we work with publishers well. We also have a service that—called Kendall Direct Publishing that allows authors to have their works of art, have their books to be seen, you know, by the world and we have some great examples of authors whose books weren't published already who have that avenue to reach your readers.

SPEAKER JOHNSON: Mr. Huseman, I'm-I'm glad you're here but I feel like most of the questions today you don't directly answer, which is frustrating. I feel like there's a similar refrain, and it's-it's hard when we're trying to ask real question about Amazon's past practices and how

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they're going to be good neighbors here in the New York City when we get pretty general answers that aren't specific.

BRIAN HUSEMAN: Well, I'm sorry, Speaker, you feel that way. We're at the very beginning of this process. We ant this to be a dialogue with you, and we're happy follow up with any other questions that you have now and in the future.

SPEAKER JOHNSON: Well, I feel like we were brought in towards the end of a process. The beginning of the process started when you started negotiating in private, requiring people to sign non-disclosure agreements, getting \$3 billion worth of subsidies, avoiding the land use process. It doesn't feel like the beginning of the process to me.

CHAIRPERSON VALLONE: Council Member Richards

COUNCIL MEMBER RICHARDS: Thank you,

Chair and thank you Speaker for holding this hearing.

So, my questions revolve around job creation and—and

certainly I—I'm supportive of job creation. I think

it's important for the economy of our city, but I do

have some question and concerns around who are these

jobs specifically for, and I think that's the million

2 question: Jobs for whom? Many times when we speak of high tech jobs, we hear these-these terminologies. 3 4 A lot of times our communities are locked out of 5 those conversations largely. So, I'm interested in-6 in knowing is there a specific goal or commitment 7 that EDC--and I guess you can answer this-has tied to job creation for local communities. So, is there a 8 specific number? Is it 30%? What does MWBE 9 10 participation look like for this as well, and-and also are you tying-I know that there are tax 11 12 incentives attached to this. How do we measure success? What are the metrics? What system is being 13 14 put in place to track where and who is being hired in 15 the case of individuals getting jobs, and-and lastly 16 just on job standards because I think that that's 17 important. So we hear about the \$150,000 paying 18 jobs, but how many of our public housing residents are residents in that particular community where I 19 20 obvious have access to those jobs. How do you differentiate between those \$150,000 jobs, which 21 2.2 primarily when we hear high tech it means something 23 else, but when you hear low-wage jobs and where they 24 go, it's always-it seems to always be tied to low-25 income communities. So, how are we ensuring that

COUNCIL MEMBER RICHARDS: --to get residents ready for these opportunities--

JAMES PATCHETT: Yes.

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COUNCIL MEMBER RICHARDS: --and I-I feel like if we wait too long, we're going to be locked out of these job opportunities. So, what does the training look like right now? What pre-apprenticeship programs are being thought out right now and being put in place for residents so when it's time to open those doors, residents could run in in ready, and I'm really concerned that if we stagnate this stuff, the residents of our communities won't have access to these jobs. So, I'm happy that Urban Upbound is a part of this, and then I've worked very closely with Bishop Taylor--

JAMES PATCHETT: Uh-hm.

COUNCIL MEMBER RICHARDS: --on some specific projects in the Rockaways and we've been

able to mandate reporting mechanisms. So, I'm just
interested in hearing a little bit more about that.

right. I think it is the—it's the—it is the most important question. I think it's a real—thank you for raising it. So, we fundamentally believe that for this project to be a success we have to get a wide and diverse range of New Yorkers into these jobs. Fundamentally, if we don't do that, then we're not succeeding on what is possible for this project. Local New Yorkers into these jobs. So [coughs] you know, we set—

COUNCIL MEMBER RICHARDS: [interposing] I want to frame it because I want—I want it to be politically correct in saying it, but I'm—I want you to speak specifically on how we're going to target black and brown neighborhoods——[applause]

JAMES PATCHETT: Yes.

COUNCIL MEMBER RICHARDS: --and these communities because I think everybody is beating around that conversation, and I really want to specifically and I know that we get into race and on all these other things, But I want you to hone in

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2 specifically on how we're going to work with those communities.

JAMES PATCHETT: Right and I appreciate So look, it's critically important to us. that. first meeting that we took with the company was with the four TA Presidents of the Local NYCHA Developments. You know, as you mention, Bishop Taylor is co-chairing our Workforce Development Council in partnership with Gale Mellow of La Guardia Community College. La Guardia Community College is an incredibly divers student body that represents, you know, many people throughout Queens. I've spoken to her directly a number of times since the announcement, [bell] and she is confident that we can work together to create some extremely high quality programs to ensure that we get their students into those jobs, and I also had a chance to meet with CUNY Council of Presidents last week. We're working already today on setting up a centralized process through CUNY through which people can access to these jobs at many different campuses and also specifically at few individual campuses including La Guardia and Queens college where, you know, there are-they have, you know, those specific locations in Queens and

COMMITTEE ON ECONOMIC DEVELOPMENT

to what Amazon--

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there are opportunities through their existing
technology programs to directly tie those curricula

Well, thank, well thank you for that. I have to close out and I look forward to continued conversation on this, and I hear you keep saying La Guardia Community College, and I'm not say people in public housing. There are a lot of times we are locked out of college opportunities as well in our communities. So, I—I still didn't really hear the—a specific commitment on goals, on hiring an MWBE whether that be 30 or 40%.

JAMES PATCHETT: IT's 30% there.

COUNCIL MEMBER RICHARDS: So, I'm must hoping that we—as we move forward that that's a big piece of the conversation.

JAMES PATCHETT: Okay thank you.

CHAIRPERSON VALLONE: Thank you Council
Member Richards. So, the good news is on the—on the
first round of questions, we almost wen through all
the Council Members that are here. So, we thank
Brian and Holly for staying through it. I know
you've mentioned that this is just the first round,

2 and you're available for additional comments and

3 questions throughout this, but then we have Council

4 Members Cornegy, Francisco Moya, Kallos and Levin to

5 close the first round of questions. So Council

6 Member Cornegy.

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COUNCIL MEMBER CORNEGY: Thank you Chair Vallone, and the Speaker Johnson. Thank you for coming today. Just a couple of questions. I want to drill down on the educational components that will be necessary for viability and sustainability. So, I don't want this quick hit or onslaught on integrating communities of color into the jobs. We want sustainability, and I think that that's through a partnership through education which was mentioned through EDC. I'm wondering what—what the law—what your law-what Amazon's long-term commitment to education will be because quite frankly, our students aren't ready for the jobs that will be ready tomorrow. We're not ready. So, I want to know what is the commitment form Amazon to reach back into the local communities through education and not-not just college. We need to start at junior high to prepare. What's the long-term pipeline that Amazon is willing to-and I hope it's in the MOU, and that we're not

2 going to have this conversation hear today, and it's

3 not a part of the MOU. I haven't had a chance to

4 read the MOU as probably none of my colleagues have,

5 but I'm hoping that included in that is the

6 educational pipeline for viability and sustainability

7 of employment.

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BRIAN HUSEMAN: Uh-hm. Yes. We completely agree with you, and we can provide you some additional information about our educational initiatives, one that's in my written testimony that I think is extremely important, and it gets exactly at the issues that—that you raised is the Amazon Future Engineer program. So, it begins in childhood and goes all the way through college because you're right. You can just-you cannot just start the talent pipeline and educational development later on in school years. You have to start it at the beginning, inspire students to learn computer science skills and those are the-that is what we need to make sure that residents can obtain these types of jobs. So, we would love to be a partner with you and that and we can follow up.

COUNCIL MEMBER CORNEGY: And-And just asby way of not recreating the wheel, there are

question, I would just like to add, too, that during

our site visit in April, that is-that is one of the

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questions that we really wanted to hone in on is

creating those career pathways and that talent

pipeline really at the beginning, and that's one of

the reasons why quite—quite frankly the state and the

city team makes such a compelling reason for us to

locate in New York City.

CHAIRPERSON VALLONE: Thank you, Council Cornegy. Now Council Member Francisco Moya.

COUNCIL MEMBER MOYA: Thank you, Chair.

Thank you Speaker. As a lifelong resident of Queens, someone who proudly didn't sign onto that letter, that makes two M's right here—

MALE SPEAKER: [off mic] Three.

COUNCIL MEMBER MOYA: --I think three that for me we have a process as the chair of the subcommittee of Zoning and Franchising that oversees the ULURP process, this is where I think we're going to run into the biggest problem and the speaker had mentioned this before is there the clear indication here of bypassing this body that would be the body that actually would have the opportunity to review this. My question is if you felt that this deal that the community would support and the Council Members would support because it benefitted the people of New

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York, why would you choose to engage in a process cloaked in darkness that intentionally avoided, and I would say illegally, the ULURP process, which is the mechanism for community boards, activists, and this body to have a voice and is that because you feared that the Council Members and the local community would push back on a bad deal? A follow-up question to that because I know I have a limited amount of time is since you bypassed the ULURP process that requires Environmental Impact studies, will you voluntarily here agree to an independent Environmental Impact Study that will report on the economic, transit study infrastructure and housing impact this will have on our communities along the No. 7 line as well as the borough and citywide.

JAMES PATCHETT: Okay, yeah I guess I cold take—start this. Thank you Council Member Moya. [coughs] So to start, you know, the GPP is a part of state law. It's under the EDC Act, and we believe it's an alternative mechanism. I recognized your concerns about it, but we thought it was necessary here to achieve our objectives and, you know, we didn't believe that we could achieve this just using a ULURP. You know, we're enabling a pilot fund,

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which is not possible through ULURP. We're doing agency locations and site selection—

COUNCIL MEMBER MOYA: [interposing] Five-five major-I-I just-I just want to-sorry to interrupt. We did five major rezonings here in the city of New York.

JAMES PATCHETT: Yes.

Avenue. Much bigger areas to cover and all went through the ULURP process. So, when you say that this was a project that was of a different magnitude, I beg to differ. I mean I've—I've sat here for almost 11 hours listening to testimony from you and from people who come here because of rezonings that have lived in the community for so long, and here they don't have that process that was open to them to voice their concerns. So, I disagree with that assessment wholeheartedly.

JAMES PATCHETT: Okay, well the ULURP was necessary—was—was just not possible her to achieve what we were trying to do. We had to enable pilot funds. We had, which is not possible through ULURP period. We're doing agency relocation, the street de-mapping and other and other—another important part

is it allows us to hold title of the sites even the
private sites during the course of construction to
hold the company accountable. I think that's really
important as a part of this process also not possible
through ULURP. You know, we had-we were in a
competition. Time was important. They wanted to be
able to hire people. We felt fundamentally we were
focused on getting the 25,000 jobs and delivering for
the city of New York. That's what this was about,
and, you know, stepping into your question about the
Environmental Impact Statement just to the point
about being somehow circumventing the existing
process, the Environmental Impact Statement we're
happy to do one because it actually is required under
this process. We'll also be going to the community
boards. We'll be speaking to the borough president,
and we'll [bell] and we'll be setting up community
engagement just like we should.
COUNCIL MEMBER MOYA: Yep, yeah. Chair,

COUNCIL MEMBER MOYA: Yep, yeah. Chair, for another one.

SPEAKER JOHNSON: Okay. James, I would just say it's always a little jarring and alarming to hear we were in a competition.

JAMES PATCHETT: Uh-hm.

1 2 SPEAKER JOHNSON: We got played. \$3 3 billion we're giving away, and we're avoiding the 4 public review process and giving away public land. 5 don't look at it as a competition. I look at it as 6 they were able to pit city after city against each 7 other to see who would give them the best deal and corporate welfare to a trillion dollar company. 8 JAMES PATCHETT: Yes. 9 10 SPEAKER JOHNSON: So, to-to-to reduce it, so we were in the middle of a competition, I think is 11 12 so reductionist to what actually happened here and the chair of our Zoning Committee just aske you a 13 question about ULURP. EDC is able to engage and 14 15 pilot programs all the time outside of ULURP, right. 16 JAMES PATCHETT: It's not possible 17 through ULURP to do a pilot. 18 SPEAKER JOHNSON: You could do ULURP and you cold do your pilot agreement separately as you do 19 20 in other instances. Hudson Yards went through ULURP and the pilots involved in them. 21 [interposing] 2.2 JAMES PATCHETT: 23 involved them and then the law changed, yeah.

SPEAKER JOHNSON: Okay. Well, who is

next, Mr. Chair?

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COMMITTEE ON ECONOMIC DEVELOPMENT

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2			CHAI	RPERSON	VALLONE:	Cou	ıncil	Member
3	Kallos	and	then	Levin.				

Johnson for your leadership on this issue and staying throughout this hearing. Thank you to Economic Development Chair Paul Vallone for calling this. I'm going to try to keep it short. I'm going to ask that you keep the answers short. Is the private helicopter pad a requirement as in if there is no helicopter pad, this deal falls through? [laughter]

BRIAN HUSEMAN: So, it's a part of the agreement, and we think that looking long-term it's an important factor for us. [background comments]

CHAIRPERSON KALLOS: How many of your buildings throughout the world have prate Helicopter

BRIAN HUSEMAN: I don't know the answer to that. There was also a helicopter provision in the Norther Virginia MOU.

pads exclusive for Amazon's use?

CHAIRPERSON KALLOS: And how many employees, which level of employees it will be receiving it? It will be available to the warehouse workers or only for an executive employee or an exactly one employee?

1	COMMITTEE ON ECONOMIC DEVELOPMENT 17
2	BRIAN HUSEMAN: We have no-no idea about
3	that. We are really looking long-term at this, and
4	we don't have any other
5	CHAIRPERSON KALLOS: [interposing] Do you
6	use helicopters to commute regularly?
7	BRIAN HUSEMAN: I do not personally.
8	CHAIRPERSON KALLOS: Are any other
9	executives that you're aware of use helicopters to
10	commute regularly?
11	BRIAN HUSEMAN: Not that I'm aware of.
12	CHAIRPERSON KALLOS: So, this would be a
13	new thing?
14	BRIAN HUSEMAN: As far as I'm aware.
15	CHAIRPERSON KALLOS: Okay, next question,
16	are you familiar with your Privacy Agreement?
17	BRIAN HUSEMAN: Yes, sir.
18	CHAIRPERSON KALLOS: Does our Privacy
19	Agreement protect customers of Amazon? As you may
20	have read in the New York Post, I am a subscriber to
21	Amazon Prime along with 80 million other Americans.
22	Is there privacy protections for customers?
23	BRIAN HUSEMAN: Absolutely. Customer
24	trust is essential to Amazon. We spell our very

specifically and clearly what data we collect, how we

1	COMMITTEE ON ECONOMIC DEVELOPMENT 180
2	use it, how you can access it, and how you can delete
3	it.
4	CHAIRPERSON KALLOS: Did Amazon provide
5	my shopping cart wish list information to members of
6	the media?
7	BRIAN HUSEMAN: No. Not that I'm aware
8	of.
9	CHAIRPERSON KALLOS: Are you aware of how
10	they happened to come across what types of baby
11	products I was able to obtain in local shops in New
12	York City and write a story about it?
13	BRIAN HUSEMAN: I have no idea, sir but
14	I'm happy to follow up with you about that.
15	CHAIRPERSON KALLOS: Will-will your
16	privacy team protect people from data breaches and
17	newspapers going after them and what have you?
18	BRIAN HUSEMAN: So, I'm not aware of any
19	of the specific incidents of what you're talking
20	about, but I will look into it, and I will again
21	emphasize that protection of our customers' data is
22	very important.
23	CHAIRPERSON KALLOS: Do you have health
24	insurance?

BRIAN HUSEMAN: Yes.

2	CHAIRPERSON KALLOS: Do the other
3	executives that you work with have health insurance?
4	BRIAN HUSEMAN: Yes, and we seem-we have
5	the same Egalitarian health benefits for all of our
6	employees including those in fulfillment centers.
7	CHAIRPERSON KALLOS: So, your—everyone ir
8	the fulfillment center has health insurance?
9	BRIAN HUSEMAN: Yes.
10	CHAIRPERSON KALLOS: That is-is good
11	news. That is not necessarily what I necessarily-
12	what I- Folks in the audience seem to be indicating
13	otherwise and in terms of how many—how many hours a
14	week do you-how many hours a day do you typically
15	work?
16	BRIAN HUSEMAN: I think it varies, and
17	right now in the peak season, which is our-our top,
18	you know, season, everyone at the company is all
19	hands on deck.
20	CHAIRPERSON KALLOS: Are working
21	regularly? Are you mandated by your contract to
22	work 12-hour days?

BRIAN HUSEMAN: No.

CHAIRPERSON KALLOS: Do you think that your employees should be mandated to work 12-hour days. [background comments]

SERGEANT-AT-ARMS: Quiet.

BRIAN HUSEMAN: So I think it does—I don't know if there's a specific, you know, incident or like the very question you were talking about.

The—

CHAIRPERSON KALLOS: [interposing] Will you agree that in New York City you will not require you employees to work more than 8-hour days?

BRIAN HUSEMAN: I-I-right now I'm not in the position to negotiate that, but happy to talk with you more about what concerns or issues you might have.

CHAIRPERSON KALLOS: [coughs] Would

Amazon agree to voluntary labor standards that you'll

make sure everyone have health insurance that they

will have disability insurance if they get hurt on

the job, that they will have access to retirement so

that if they work for you for 30 years, they're able

to retire one day, and that they will never be

required more [bell] to work more than 8 hours?

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2	BRIAN HUSEMAN: Well, I will tell you
3	Amazon has world class benefits. All of our employee
4	have the same benefits including healthcare, access
5	to our educational benefits. We also have parental
6	leave. So our Fulfillment Center workers are
7	eligible for 20 weeks of parental leave the same as
8	those workers in our corporate offices.
9	CHAIRPERSON KALLOS: Please provide all
10	that documentation. It seems that members of the
11	audience-
12	CHAIRPERSON VALLONE: That's what we
13	heard. (sic)
14	CHAIRPERSON KALLOS:who are workers
15	don't believe what you are saying.
16	BRIAN HUSEMAN: Absolutely, sir.
17	SPEAKER JOHNSON: Thank you, Council
18	Member Kallos. Mr. Huseman and Ms. Sullivan, there
19	are four more members who have a second round of
20	questions, and if we-we were willing to put them on
21	the clock 90 seconds each, not four minutes, are you
22	okay? I know you wanted leave here at 1:00 but-
23	BRIAN HUSEMAN: Speaker, yes.
24	SPEAKER JOHNSON: You're okay with that?

BRIAN HUSEMAN: Yes.

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pathways specifically with Long Island City residents and Queensbridge Houses residents.

COUNCIL MEMBER VAN BRAMER: So, I—I just want to stress and I—I think you know this that while Queensbridge is the closest to you and—and incredibly important, Ravenswood, Astoria, Woodside Houses all very, very close, and so I hear that you're open to having a certain percentage of the jobs allocated to public housing residents?

HOLLY SULLIVAN: Council Member, we'd like to talk with you about this, and a really understand, you know, what the types of jobs are, what the career pathways and the programs that are available so we can partner with those. We understand that's a concern, and we also value those relationships with the residents of all public housing, but the Long Island City.

COUNCIL MEMBER VAN BRAMER: Thanks. I'm on the clock and I have one last question for James. The CAC and the amount of money that they will ostensibly have and input in directing. IS that funding unlimited as in let's just say public housing residents say there's a billion dollar capital need currently existing in those four developments, and

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partnership with you.

need?

that's the amount of [bell] funding we want to public
housing, and then there's transportation and then
there's schools and parks and all that stuff. I'm
trying to get from you is it just limited to that
pilot fund or is it going to be what people really

JAMES PATCHETT: So, it's not just limited to the Pilot Fund. We're willing to go above and beyond, make investments in the community, hopefully in a process with you and others that are critical [coughs] for the existing community. You know, the—the taxes that are being paid here we view them as an opportunity for us to make further investments and we're prepared to do that in

CHAIRPERSON VALLONE: Thank you. Council Member Carlina Rivera.

COUNCIL MEMBER RIVERA: Thank you. So, a lot of us have asked about the Workforce Development because we have some serious doubts about your internal goals and we haven't heard of a metric. We don't really know of your network of organizations in which you'll be speaking, and I did take a look at the current demographics of the people in your

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2 organization right now. It is very male and it is

3 | very white, [background comments] and especially at

4 the management level. So do you know how many

5 engineers at Amazon didn't go to college or how many

6 engineers instead pursued alternate coding

7 | educational programs that you hired because not all

8 of us can get into Harvard?

want to have our engineers, our employees of all backgrounds, all life and educational backgrounds come and work for us. We don't have specifics for the workforce development partnerships yet, but we're having those conversations now, and we would love if there—to hear from you if there are specific groups that we should be speaking with

earlier and—and EDC has a whole spreadsheet I'm sure of organizations that you should be talking to, but at this point in the game, we have so many doubts in terms of this deal that—that we are not getting any real answers from you, and—and we keep hearing that you're going to develop pathways, and you don't even have a—a goal for the Queensbridge Houses next door. At least in terms of the housing. So, in the Land

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Use review process did you identify any other sites in Long Island City that would be good for Amazon to building affordable housing to offset the effects of gentrification that Amazon will cause?

JAMES PATCHETT: (coughs) Okay, so, you know, obviously we're committed to affordable housing across the city. There's currently Hunters Point South, which is immediately adjacent to—immediately south of Amazon's future location. It's 5,000 units of housing of which 60% will be affordable, and we're committed to building those out as affordable housing.

CHAIRPERSON VALLONE: And Council Member Williams.

mission (sic) you said that's dedicated to affordable housing action says something different. To what my colleague said, I wanted to make sure I pointed out that the problem with the prime members is that it is—default is public, and that's how the reporters were able to see who had it and what was on it.

Hopefully, you will change that. I said before I didn't know who I was angrier at, and that was because Amazon I think—I don't know who said it. My

colleague put together a hunger style game, which
people are competing, but I think I'm more angry at
the Administration because we could have used the
power of NYC not to engage in that, and forced them
to change the way they do business, and we did not.
I just have three questions. One, this is to Amazon
Would you have not committed to this deal if we had
to go to ULURP, and I wanted to reiterate that EDC
says this deal could not have been done without
circumventing the power of the City Council and
ULURP. I also wanted to know-I know our Deputy Mayor
Glen thanks we are not particularly intelligent even
though she oversees a portfolio that has failed when
it comes to affordable housing and NYCHA. I do want
to know how engaged she was in this process or if Mr
Patchett was the lead person. Lastly, I wanted to
ask if the EDC will commit to perhaps the pilot
program of the billion dollars of taxpayer money to
give to small businesses who agree to create X amount
of jobs, and I think that's a great pol-pol-policy
program because we don't' have to give this money to
the richest person in the world. We have small
businesses that need assistance right here. [bell]

2	JAMES PATCHETT: Thank you. I can go
3	first and then-okay. So, just [coughs] respectfully,
4	Council Member I hear you, but no Administration in
5	the history of New York City has done more for
6	affordable housing than this Administration. We have
7	built more affordable housing units than any other
8	COUNCIL MEMBER WILLIAMS: That says more
9	about the previous administration than it does about
LO	us.
L1	JAMES PATCHETT: Than any—than any
L2	previous administration but for our
L3	COUNCIL MEMBER WILLIAMS: Excuse me.
L4	JAMES PATCHETT: I said not just the
L5	previous administration, in the history
L6	COUNCIL MEMBER WILLIAMS: We have record
L7	number of homelessness.
L8	JAMES PATCHETT: Right.
L9	COUNCIL MEMBER WILLIAMS: And we have
20	NYCHA that you guys have failed to manage. So, I
21	don't' want to hear what you've accomplished. I want
22	to hear what we have the power to accomplish and did
23	not. We are failing when it comes to income targeted

affordable housing period. You cannot deny that.

1 COMMITTEE ON ECONOMIC DEVELOPMENT 191 2 JAMES PATCHETT: Okay, well, I 3 respectfully disagree. I agree that there still remain issues in this city on affordability and we're 4 focused on addressing them. [Protests] 5 6 SERGEANT-AT-ARMS: [interposing] Quiet. 7 Keep it down. [Protests] SPEAKER JOHNSON: Okay. We're going to 8 go to Council Member Rosenthal. 9 COUNCIL MEMBER ROSENTHAL: Thank you. 10 COUNCIL MEMBER WILLIAMS: [interposing] 11 12 Can you just answer the questions. 13 JAMES PATCHETT: Okay. Yeah, absolutely 14 happy to. So, the second question I think was the 15 avail-the involvement of Deputy Mayor Glen, which I 16 report to Deputy Mayor Glen. I certainly spoke to 17 her as well as the Mayor throughout this process. 18 You EDC was the lead agency on this, but obviously I spoke with Deputy Mayor Glen and the Mayor throughout 19 20 this process. LYDIA DOWNING: And I could answer that 21 2.2 ULURP question if you would like, Council Member 23 Williams, if that's okay Speaker. So, on that 24 question, you know, our priority again we're not a

developer. We're a company and out priority is

about how we can take advantage of these tax event-

is the near-term conversation we're going to have

report from Politico, an article by Sally Goldenberg

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and Dana Rubinstein related to New York City promising to alert Amazon to public records requests in case the company wanted to try to obstruct those requests in court. Amazon, why did you ask the city to give you a heads up so that you could potentially take court ordered action before the city could make public available information or available? It should be publicly available to the media?

 $\label{eq:holly Sullivan: We asked all 20 finalist locations to sign--$

SPEAKER JOHNSON: [interposing] Why.

HOLLY SULLIVAN: --our standard nondisclosure agreement. We wanted to be able to share
specific headcount information, specific team
information, how we're set up as an organization
also. We are in a competitive environment. That's
the reality of our business, and this allowed us to
be able to have discussions, share information, be
transparent with the state of New York and the city
of New York, ensure that relevant information so they
could make informed decisions on whether or not this
project was a fit.

SPEAKER JOHNSON: James, do you feel comfortable with that?

SPEAKER JOHNSON: So, Mr. Speaker, 1
appreciate the question. So, you know, we
represented with a non-disclosure agreement. What we
said to the company is there's nothing about an NDA
that's going to exempt us from FOIL laws. We are
subject to those laws. It's our responsibility to
the people of New York City and the state of New York
to still be subject to FOIL regardless of an NDA, and
so we insisted to them that that was a provision.
They, you know the company understood that. We
didn't create a legal right for them to prevent us
from-to sharing documents under FOIL. That's a right
that they have regardless of what it says in the NDA.
Frankly, we-what we would do is share information the
way that we believe we should share information with
the press subject to FOIL, and the company whether
there was an NDA or not would have the legal right to
try to seek to block that.

SPEAKER JOHNSON: I asked a question earlier, which—which wasn't responded to in a specific way, which is putting 32BJ and the building trades aside, did the city seek a labor peace agreement with Amazon for other workers separate from

into a labor peace agreement so that your workers

2 this—they come—money came to the state and always
3 came to the city. It's never been an issue.

SPEAKER JOHNSON: Are there any guarantees that one those pilots will be diverted to ESD to pay for a bridge somewhere in the middle of Upstate New York?

JAMES PATCHETT: Yeah, there will be legal obligations under the document. (sic)

SPEAKER JOHNSON: So, the money cannot be diverted?

JAMES PATCHETT: Correct.

SPEAKER JOHNSON: Okay. So, I—I'm grateful that we've been able to have this conversation today. Again, I—I think that you should go through ULURP, and I think that's clear from how people feel today. I don't think you need \$3 billion in city money when you're a trillion dollar company. I think that you should respect the rights of your workers and not interfere, and—but I really appreciate the fact that you came here to have this conversation. We're having other hearings. Is Amazon going to agree to come to those other public hearings that we have?

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2		BRIAN HUS	EMAN:	We want	to hav	re an	open
3	dialogue.	I'm happy	to ha	ve that	convers	ation	about
4	that speci	fic issue.					

SPEAKER JOHNSON: Will you come to our future hearings?

BRIAN HUSEMAN: I will—I will be happy to talk with you about that. [Protestor objecting]

SPEAKER JOHNSON: Why won't you agree to come to our public hearings?

BRIAN HUSEMAN: I—I think this is best for us to have that conversation about what you're envisioning. With the other witnesses it would be the timing. So, happy to have a conversation with you about that. I cannot commit today.

SPEAKER JOHNSON: Why?

BRIAN HUSEMAN: Because I'm-I-I would give you a reason-(sic)

SPEAKER JOHNSON: [interposing] You're not giving a reason. You're not giving a reason.

BRIAN HUSEMAN: I do know the specific details, Speaker, but happy to talk with you.

SPEAKER JOHNSON: The Memorandum of Understanding says you'll participate in public hearings. That's what the MOU says.

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2 BRIAN HUSEMAN: Yes, sir.

SPEAKER JOHNSON: So, are you going to come to our future hearings or not?

BRIAN HUSEMAN: We will be participating actively in the community process. If you're talking about a specific Council hearing, I'm happy to have a conversation with you offline. (sic)

SPEAKER JOHNSON: [interposing] No, no,

I'm having the conversation right now in public in

front of the public, in front of the press. You're a

trillion dollar company that's coming to New York

City. You're avoiding the Land Use process, you're

taking \$3 billion in money, and you won't agree to

come to public hearings? [Protestors objecting]

BRIAN HUSEMAN: Sir, I'm happy to have a conversation with you about the specifics of those about those hearings, but we do want to have an ongoing dialogue with you and be an active participant in this process.

SERGEANT-AT-ARMS: [interposing] Quiet.

SPEAKER JOHNSON: No, I don't want a private ongoing dialogue. I want a public dialogue where the public can come and the press can be there and you will participate. Is this what you thing

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2	being a good neighbor is in coming to New York City
3	not coming to one hearing, but agreeing to come to
4	other hearings?

SERGEANT-AT-ARMS: [interposing] Quiet.

BRIAN HUSEMAN: Sir, I will have—I do not know the specifics of when you're planning these hearings, who the other witnesses will be.

SPEAKER JOHNSON: We will put the hearings around your schedule so you can be there.

BRIAN HUSEMAN: Okay.

SPEAKER JOHNSON: Will you come?

BRIAN HUSEMAN: I'm happy—happy to have those conversations. We fully intend to have—to be at additional public hearings. (sic)

SPEAKER JOHNSON: Are you a former public prosecutor?

BRIAN HUSEMAN: Yes, sir.

[Protesting]

SPEAKER JOHNSON: I mean we want you to answer questions directly, not avoid the answering of questions, which is what you're doing right now. So, we expect for you to be at our public hearings and the MOU says that. Does the city think that Amazon should be at our public hearings?

2 JAMES PATCHETT: We expect the company to attend public hearings.

SPEAKER JOHNSON: No, do you want Amazon to be--

JAMES PATCHETT: [interposing] Yes.

SPEAKER JOHNSON: --and I expect—do you

8 | want Amazon to be there?

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JAMES PATCHETT: Yes.

SPEAKER JOHNSON: So, the City

Administration wants you to be there, the Council

wants you to be there, but you won't agree to come to

our public hearings?

BRIAN HUSEMAN: Again, sir, we want to be an active participant in this—I—I really I'm just trying to—to figure out, you know, what is best for the company to—

SPEAKER JOHNSON: [interposing] The level of hubris that is involved--

BRIAN HUSEMAN: [interposing] I do not mean to—I don't mean—sorry, sir, I'm very—like I'm humble and grateful. We will definitely participate, you know, in future processes. I'm just—you're asking me to commit to a specific hearing, and I need to have a conversation with you.

SPEAKER JOHNSON: No, I didn't ask for a specific date. I'm asking for you to come to a future hearing. Will you agree?

BRIAN HUSEMAN: Absolutely, sir.

Absolutely, we come--

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SPEAKER JOHNSON: [interposing] Okay, so you're going to come to a future hearing?

BRIAN HUSEMAN: A future hearing.

SPEAKER JOHNSON: We look forward to scheduling that future hearing in January and in February around your schedule. Then we'll have a public hearing for the public as well to be able to come and testify, and we look forward to scheduling those hearings around your schedule so that you and the Amazon team who said at the outset you're proud to come to New York City because of what our city stands for. [coughing] You should come and participate in a public manner before the City Council with the public and the duly Democratic elected officials who represent the neighborhoods of New York City. You should come to those hearings. So, I look forward to coming to those hearings. I'm grateful you're here today. It shouldn't have been that hard for you to say, Mr. Huseman, that you would

come to the hearings. I am really actually taken
aback by how difficult it was for you to say—it is
insulting for you not to say right away, Mr. Speaker,
City Council, we do want to come to New York City, we
do want to be involved in the community, we do want
to be a good neighbor. So, we're going to come and
we're going to answer your questions. What you said
before in this testimony is that you look forward to
engaging with us on the Community Advisory Committee,
you look forward to engaging with us to understand
the issues around local hiring. You look forward to
engaging with us on the issues that matter to the
community. You can't say that in a platitudinal way
in the course of this hearing, and then at the end of
the hearing when you're asked if you'll come to
future hearings, not give a straight answer. It's
insulting. It's unacceptable. It's not how you
could be a good neighbor, and I don't understand the-
the level of tone deafness in trying to give a cute
evasive answer on this. Do you understand why it's
offensive?

BRIAN HUSEMAN: Speaker, I'm sorry. I did not mean to kind of offend you. I did not mean to—to appear that we were not specifically concerns

COMMITTEE ON ECONOMIC DEVELOPMENT

of you or the other Council Members. I was really

just talking about specific dates and formats of the-

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you Chair Vallone.

SPEAKER JOHNSON: We will find a date that works for you and we look forward to you participating in that date. Since you're going to come to New York City with 25,000 jobs and you're getting \$3 billion in taxpayer money, and you're getting public land in New York City, we have our expectation that you will be at those hearings. Thank

CHAIRPERSON VALLONE: Thank you, Mr.

Speaker. First, a big thank you to the staff for a very short period of time. So Alex, Emily and Alia and our staff to put this together, Speaker Johnson and all the Council Members who stayed. Thank you to Amazon for staying for the full hearing. Mr.

Patrick, President Patrick and your team, thank you, and look forward to our future hearings, and with that today's hearing is closed. [gavel]

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${\tt C} \ {\tt E} \ {\tt R} \ {\tt T} \ {\tt I} \ {\tt F} \ {\tt I} \ {\tt C} \ {\tt A} \ {\tt T} \ {\tt E}$

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 December 17, 2018