

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC DEVELOPMENT

----- X

November 20, 2019

Start: 1:07 PM

Recess: 3:24 PM

HELD AT: 250 Broadway - Committee Rm.
16th Fl.

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

COUNCIL MEMBERS: Inez D. Barron
Robert E. Cornegy, Jr.
Farah N. Louis
Mark Gjonaj
Peter A. Koo
Brad S. Lander
Carlos Menchaca
Keith Powers

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

Cecelia Kushner, Executive Vice President for
Planning, New York City Economic Development
Corporation, EDC

Sabrina Lippman, Vice President, Asset Management
New York City Economic Development Corporation,
EDC

Charlie Samboy, Vice President, Government and
Community Relations, New York City Economic
Development Corporation, EDC

Cheryl Garcia, Deputy Commissioner of New
Investigations, New York City Business Integrity
Commission, BIC

Phillip Grant, General Manager, Hunts Point
Produce Market

Joel Fierman, Co-President, Hunts Point Produce
Market

Steven Katz, Co-President, Hunts Point Produce
Market

Charles Platkin, Executive Director, Hunter
College New York City Food Policy Center

Lauren Phillips, Government Relations Manager,
Food Bank for New York City

Jonah Daniel, Associate Director of Policy and
Government Relations, City Harvest

2 (sound check) (pause)

3 CHAIRPERSON VALLONE: Testing, testing,
4 testing. Good to go? Alright. Good afternoon
5 everyone. Welcome. I'm Chairman Vallone, and we are
6 starting our EDC hearing today (gavel) almost on
7 time. I want to welcome everyone. As you can see
8 our hearings are very friendly and open family pre-
9 Thanksgiving styles where I could just please if you
10 see any drool coming down the left side, please let
11 me know. I still have Novacane from my tooth
12 extraction. Bad timing, but God is funny sometimes
13 with these things so what you see.. So, if you have
14 any strange questions coming out of me I'm going to
15 blame it on the-the-what's going on in my life. So,
16 welcome everyone. I'd say for those who allowed me
17 to tour and go through, I thank you for making me one
18 of the family it felt, and a lot of good conversation
19 about me and my dad as the first Speaker, and going
20 back to history at the site, and thanks to everyone
21 at EDC and the Mayor's Office for getting us up to
22 speed. That's what today's hearing is about. It's
23 kind of an overview where we were in the past. Where
24 we are today, where we hope to be in the future at
25 Hunts Point. So, we are here once again to discuss

2 the economic impact of the Hunts Point Food
3 Distribution Center upon the city in terms of
4 services it provides, the land where it's situated
5 and the people and employees on the Hunts Point
6 Peninsula in the Bronx. We tried as many syllables
7 as possible today so I'm just going to fill it. (sic)
8 I'd like to acknowledge the ongoing work being done
9 by my colleague Council Member Rafael Salamanca, our
10 Land Use Chair is on the way. We're also joined by
11 Council Member Peter Koo in the Bronx. Council Member
12 Salamanca is instrument-instrumental in helping and
13 improving what's happening at the Hunts Point
14 wholesale and residential communities. The
15 Distribution Center or FDC for short is one of the
16 largest food distribution centers in the world. It is
17 comprised of three large cooperative markets selling
18 meat, fish, produce as well as other private large
19 food distributors. The land use for the markets is
20 predominantly city-owned, and it is separately leased
21 to each of the cooperatives and food distributors
22 using the city's EDC as its conduit. Last year EDC
23 and the Meat Cooperative recently negotiated the new
24 40-year lease term that expires in 2058. The fish
25 market's lease is through 2054, and the produce

market's lease extension expires next year in 2021.

Council Member Salamanca and I toured the meat and

produce markets last week where we were confronted

with several of the overlapping issues facing FDC

ranging from jurisdiction of parcels of land in Hunts

Point, the need for Market facility improvements and

space, regulatory burdens and food businesses face on

a daily basis, and the climate resiliency concerns

raised due to much of the food distribution centers'

perilous close location within the 100-year

floodplain. During Hurricane Sandy much of Hunts

Point was spared a cat-catastrophic event since the

storm hit at low tide. If it had been high tide when

Dany passed through, the results could have been

catastrophic for the market, and for the Tri-State's

Region's ability to access fresh food. In

conversations with the Meat Market Cooperative last

week, we learned that the area was powered for 36

hours, which is about as much time as they can

handle. Any longer and the estimate there would have

been about \$2 million in direct economic losses for

the markets and the local economy. In recent years I

know Council Member Salamanca--who just showed up--has

been dedicated to improving the Climate Resiliency of

2 Hunts Point as well as ensuring that the markets
3 continue to employ from the local area in stable jobs
4 and allow them to support their families and have a-
5 even a better quality of life standard. I'll let
6 Council Member Salamanca expand upon those successes
7 in a moment, but it should suffice to say that we are
8 planning to build upon the work he is doing in
9 today's hearing in order to obtain a better
10 understanding of how the myriad of funding from city,
11 state and federal resources is being used to improve,
12 and expand the cooperative as Hunts Point. We plan
13 on discussing what ongoing steps the Administration
14 is taking in the areas of flood-proofing and energy
15 resiliency, how and in what capacity union labor is
16 being employed in the markets, and the challenges the
17 markets are facing with respect to expansion and
18 further infrastructure development. In addition to
19 the Economic Development Corporation, we look forward
20 to hearing testimony today from the Mayor's Office of
21 Resiliency and the Business Integrity Commission both
22 of which play a vital role at the markets and upon
23 whom we rely to keep the market safe from climate
24 change, corruption respectfully. With that said, I
25 would like to acknowledge—well, we also have Council

2 Members Koo and Salamanca here. I'd like to turn it
3 over to my fellow Council Member and basically Co-
4 Chair today from Land Use, Council Member Rafael
5 Salamanca for his opening remarks.

6 CHAIRPERSON SALAMANCA: Thank you, Chair
7 Vallone. I really appreciate you putting this...this
8 hearing together. I know I've been asking. We've
9 been—we've been in conversations about having a
10 hearing together for some time now, and I really want
11 to thank you for last week doing a tour of the
12 produce market and the remarket.

13 CHAIRPERSON VALLONE: On the coldest day
14 of the year.

15 CHAIRPERSON SALAMANCA: On the coldest
16 day of the year, um, and—and so we—it was so cold
17 that we were—we went into the refrigerators to cool
18 off. I mean to warm up, and warm up.

19 CHAIRPERSON VALLONE: (laughs) It was
20 warmer in there.

21 CHAIRPERSON SALAMANCA: It was much
22 warmer.

23 CHAIRPERSON VALLONE: That's probably why
24 I lost my tooth.

2 CHAIRPERSON SALAMANCA: Yes, I know. I,
3 uh, I want to thank—I see those members from the
4 market here, the produce and meet, and I really want
5 to thank you for taking out the time and coming down
6 to City Hall for this important hearing, and I want
7 to thank EDC and the other city agencies that are
8 here. The produce markets, the markets, the Hunts
9 Point community is extremely special to me. Um, not
10 only do I represent, but born and raised in this
11 community, but my dad worked in the produce market
12 for about 18 years. He was a Local 202 member, and
13 that is how my family survived. That's how I was
14 able to get mu healthcare, you know, and—and—and for
15 myself and my sister and my family. Um, I—I know
16 that the market is an economic engine not just to the
17 South Bronx, but to the city as a whole. They create
18 jobs, and they are also a major food source for the
19 Tri-State area, and in this hearing today, I really
20 want to highlight the work that EDC as a landlord
21 does hand-in-hand not just with the markers, but the
22 different businesses in the Hunts Point community,
23 but I also want to—want to have conversations about
24 the, um, the oversight that BIC has in the markets,
25 and the over-zealousness. Though the complaints of

2 over-zealousness that is happening in the markets
3 with BIC. Not just with the, um, not with just the
4 big markets, but also with the mom and pop shops that
5 are there. It's something that I—I heard, um, when
6 I—before I got elected, and I was a District Manager
7 of the local community board or even before I was
8 District Manager, these are conversations that I
9 heard when I was board member at the local community
10 board. I am also interested in hearing in terms of
11 resiliency, um, what EDC is doing in terms of
12 resiliency. I know that this funding that has been
13 allocated there are questions why projects have not
14 moved forward. Um, and I also am interested in
15 knowing what are we going to do with the produce
16 market, their lease. They need a new facility, um,
17 and as a landlord EDC being the landlord, you know, I
18 want to know what is—is—is the city doing to
19 accommodate them, and give—give these markets the
20 necessary tools that they need so that they can
21 continue to be that economic engine in the South
22 Bronx. So, with that, thank you, Mr. Chair.

23 CHAIRPERSON VALLONE: Thank you, Council
24 Member Salamanca. Nice to see Council Member Carlos
25 Menchaca snuck in. Welcome, my friend. I also—I have

2 to thank my amazing crew. I say they're going to get
3 their own TV show, the Alex and Emily Show for like
4 they handle the largest topics possibly in all our
5 different committee hearings. So thank you to my
6 Legislative Counsel Alex Paulenoff, my Policy Analyst
7 Emily Forgione, my Finance Analyst Alia Ali, and my
8 crew Jonathan Scher (sp?) and Amagnazar (sp?) for
9 being really on top to this hearing. So, with that,
10 I'd like to turn it over to our first panel, and I'd
11 like to swear you in. So, please raise your right
12 hand. Do you swear or affirm to tell the truth, the
13 whole truth and nothing but the truth in your
14 testimony, to respond honestly Council Member
15 Salamanca's questions?

16 CECILIA KUSHNER: I do. [laughs]

17 CHAIRPERSON VALLONE: Please begin.

18 CECILIA KUSHNER: Thank you. Good
19 afternoon Chair Vallone, good afternoon Council
20 Member Salamanca and members of the Economic
21 Development Committee. My name is Cecelia Kushner.
22 I'm the Executive Vice President for Planning at the
23 New York City Economic Development Corporation, and I
24 am very pleased to testify before you today on the
25 economic impacts of the Hunts Point Food Distribution

2 Center. I'm joined by my colleague Sabrina Lippman
3 and who is the Vice President of Asset Management,
4 and Charlie Samboy who's the Vice President for
5 Government and Community Relations, both of whom
6 oversee our work in Hunts Point. We are also joined
7 by Cheryl (sic) Garcia, whose the Deputy Commissioner
8 of New Investigation for the New York City Business
9 Integrity Commission. The Hunts Point Food
10 Distribution Center also known as the FDC is the most
11 important cluster of food sources that is managed by
12 the city. Simply put, Hunt's Point feeds the Tri-
13 State area. We estimate that about 4.5 billion
14 pounds of food is distributed through the Hunt's
15 Point Food Distribution Center every single year.
16 These buildings is now distributing both throughout
17 the five boroughs and into the surrounding Tri-State
18 area, and about roughly 50% of the food that passes
19 through the Hunts--Hunts Point ends up in New York
20 City while the other half ends up in cities across
21 the east coast and beyond. The Food Distribution
22 Center is comprised of over 100 public and private
23 wholesalers, distributors and food manufacturers
24 including those of the Hunts Point Terminal Produce
25 Market, the Hunts Point Cooperative Meat Market and

2 the new Fulton Fish Market. Close to 50% of the
3 customers of the FDC are independent restaurants and
4 cafes or about 20% are bodegas, 18% are supermarkets,
5 and 14% are food markets, and every year we at DCP
6 provide food to more than 23,000 restaurants, and
7 engage with over 2,500 green grocers. Together the
8 FDC is home to nearly 8,400 direct jobs, and
9 generates about \$2.3 billion in sales annually.

10 Hunts Point has long been an important industrial job
11 center for the city. Previously home to steel mills
12 and power plants, the neighborhood experienced a
13 radical shift in the 1960s as economic trends
14 impacted legal-legal-sorry. Legacy industry on the
15 peninsula. At that time, the city released a bold
16 plan to create a food distribution center on Hunts
17 Point. The location was well positioned for the
18 movement of goods at different and many avenues
19 including rail, highway and water, and by locating
20 New York City's primary facilities for meat and
21 produce wholesalers at one full service hub it became
22 exponentially easier for the vendors to purchase all
23 of the food they needed in one single location. So,
24 less than a decade later the Hunts Point Cooperative
25 Market Hunts Point Cooperative Market and Hunts Point

2 Terminal Market were born, which are known today as
3 the Meat Market and the Produce Market. Over the
4 last 50 years, the way in which goods and merchandise
5 has been moved and stored at these facilities has
6 changed significantly, and in his first year in
7 office Mayor de Blasio committed to ensuring that the
8 Food Distribution Center continues to modernize and
9 committed \$150 million to revitalizing the Food
10 Distribution Center Food 2026. We're pleased to
11 report we spent or allocated nearly \$62 million of
12 this funding, which is over—a little over 40% on
13 projects to improve the Food Distribution Center.
14 These include remediating a site—a site known as
15 802(sic) improving and organizing the meat markets,
16 upgrading the fish market and investing in resiliency
17 measures to protect the region's food supply, and
18 when making these investments, we worked tirelessly
19 to ensure that we use clean energy and adhered to the
20 most sustainable practices. The balance of the
21 funding allocated by Mayor de Blasio approximately
22 \$88 million will be used to further expand and
23 redevelop the meat and produce markets, and
24 additional area wide improvements that will benefit
25 all of the businesses that we have to see. In August

1 we released an REFI with the support of the Produce
2 Co-op, and we're now reviewing response for a full
3 blown redevelopment. We'd like to thank Council
4 Member Salamanca for his leadership in supporting
5 this important initiative, and we couldn't be at this
6 moment today if it weren't for his leadership. We
7 look forward to continuing conversation with our
8 tenants and local stakeholders as we advance on this
9 12-year investment strategy. But Hunts Point is far
10 more than the city-owned Food Distribution Center.
11 The peninsula is also home to a broader industrial
12 area that keeps New York running in a vibrant
13 neighborhood with a long and rich history of arts,
14 culture, and advocacy. In 2004, New York City and
15 the Hunts Point community released the first Hunts
16 Point Vision Plan. These comprehensive blueprints
17 for the area includes a road map for making the Food
18 Distribution Center more sustainable; helping
19 business thrive; ensuring residents could take part
20 in its prosperity; investing in open space and
21 quality of life; and keeping the peninsula an
22 economic engine to meet the city's evolving needs.
23 The Hunts Point Vision Plan consisted of four major
24 categories: Optimizing land use; creating
25

2 connections; improving traffic and pedestrian safety;
3 and finding new workforce solutions. EDC is proud of
4 the progress that has been made in these four areas.
5 We are advancing or have completed 57 projects, which
6 realize close to 90% of the vision the community
7 called for in the 2004. We're grateful for ongoing
8 collaboration with community and the Hunts Point
9 Vision Plan Task Force, which includes Community
10 Board 2, New Point, DDC, Bronx Overall Economic
11 Development Corporation, and the Hunts Point Economic
12 Development Corporation among others. The Hunts
13 Point Vision Task Force has met with city agency
14 twice a year for the past 15 years, and we appreciate
15 their ongoing commitment to this collaborative
16 process. Today, more than 10 city agencies are
17 advancing several projects in Hunts Point. The city
18 has made 14 intersection safe for its pedestrians,
19 and have also built out pedestrian back path along
20 Spofford (sic) Hunts Point, and F-I (sic) avenues,
21 and created that BX-46 bus routes, which helps
22 improve connections within the peninsula and with
23 other communities throughout the city. We have also
24 made new truck routes to maximize their efficiency
25 and reduce the environmental impacts on residents,

both of which would improve air quality. Also, through the Hunts Point Vision Plan, the city has created nearly 14 acres of new waterfront space and improved access to recreational amenities at the Bronx River. With the Creation of the Baretto Point Park, Hunts Point Riverside Point, Hunts Point Landing, the Hudson as a boat connector coupled with completing the Food Center Drive Greenway. We have forged a safe link between residential areas of Hunts Point, and the neighborhood's parks, and have provided waterfront access to the community, which was indicated in linking. Further, the city is working to expand affordable housing in the area for the redevelopment to Spofford, which is one of EDC's projects. The transformational project will convert the former Spofford Juvenile Detention Center into a vibrant mixed-use development that will bring 740 units of affordable housing, open space including a new plaza, light industrial business opportunities, community facilities, and ground floor retail to the Hunts Point neighborhood. And lastly, among our most impactful action over the past decade and a half, we have dramatically increased the number of employment opportunities available to residents while at the

2 same time creating a robust talent pipeline to the
3 market's family supporting jobs. Over the past two
4 decades unemployment rates on the peninsula has
5 dropped by over 50%. However, we recognize that there
6 is still work that needs to be done to support
7 inclusive economic development in the neighborhood.
8 This includes expanding local resident access to
9 industrial jobs, further improving access to the
10 waterfront, and making air quality far better than it
11 is today, and we look forward to building on our
12 previous success, and continuing to partner with the
13 City Council to achieve these important goals. We're
14 delighted that community leaders have invited us back
15 to revisit the Hunts Point Vision Plan, and engage in
16 the process to define our shore priorities for the
17 next 10 to 15 years in Hunts Point. The Hunts Point
18 Peninsula continues to be both a thriving
19 neighborhood and an invaluable resource to the city.
20 EDC is proud and excited by its work, and the
21 Distribution Center and the neighborhood at large.
22 Since the initial release of the Hunts Point Vision
23 Plan in 2004, the city and the community have planned
24 for an additional major project that set up the
25 neighborhood for a successful future. All of these

2 will protect the Hunts Point Distribution Center as a
3 cluster for commerce and jobs, and ensure that local
4 residents continue to benefit from the presence of
5 this concentration of markets and food manufacturers.
6 Thank you so much for your attention for the
7 opportunity to talk about Hunts Point today, and
8 we're here to answer any questions you may have.

9 CHAIRPERSON VALLONE: Anyone else to
10 testify?

11 CECILIA KUSHNER: No.

12 CHAIRPERSON VALLONE: So, thank you
13 Cecilia. A lot there and a lot to go over. So, just
14 going over your testimony there's a few things in
15 there I just wanted to maybe further expand upon.
16 So, the Hunts Point Vision Plan was in 2004.

17 CECILIA KUSHNER: That's correct.

18 CHAIRPERSON VALLONE: So are we in
19 envisioning a new vision plan or what are we? We're
20 15 years later. So, when are we going to update on
21 it, or what are the next steps for that

22 CECILIA KUSHNER: Yeah, so absolutely.
23 The Vision Plan when it was done in 2004 it is really
24 kind of a consensus plan between the community and
25 the city and a set of recommendations and priorities.

2 Um, so over the last 15 years what we've done is work
3 hard to implement and actually make progress on this
4 commitment. So, there are 63 projects that were part
5 of the 2004 Hunts Point Vision Plan, and 97-90% or
6 about 57 of them are currently completed or underway

7 CHAIRPERSON VALLONE: So, with the \$150
8 million that was allocated by the Administration at
9 the beginning, is that also coordinated with the
10 Vision Plan:

11 CECILIA KUSHNER: So, some elements of
12 the Vision Plan including improvement of the Food
13 Distribution Center, but the Vision Plan really goes
14 beyond the Food Distribution Center to look at the
15 entirety of the Hunts Point Peninsula including the
16 manufacturing area outside of the Food Distribution
17 Center as well as the residential area.

18 CHAIRPERSON VALLONE: But who's on the
19 board and when does it meet of this--

20 CECILIA KUSHNER: [interposing] Um, to the
21 end. (sic)

22 CHARLIE SAMBOY: So, it was comprised of
23 a tasks force that was organized in 2004, which
24 included the Community Board, the Point's CBC, the
25 Hunts Point Economic Development Corporation, quite a

2 number of the businesses inside the Food Distribution
3 Center, um the office other Council member at that
4 time and a number of other elected, the borough
5 president's office, Assembly Member. So, it's a-
6 there's about I would say over 40 organizations that
7 were represented at that time, and what we do now is
8 we have—every six months we hold a meeting in the
9 community. Um, we invite task force members as well
10 as residents to participate in receiving updates.
11 Um, we—

12 CHAIRPERSON VALLONE: [interposing]
13 That's bi-annually. When does it happen.

14 CHARLIE SAMBOY: Yes, that happens on a
15 biannual basis.

16 CHAIRPERSON VALLONE: Is there a report
17 that's generated from that?

18 CHARLIE SAMBOY: Yes. So, after the
19 meeting we email and provide copies to folks as—at
20 will, the report that comes from that exercise. So,
21 we provide an update on the projects, um, and we
22 provide that with the Council Member as well.

23 CECILIA KUSHNER: And then going back to
24 your—your very first question, so it's been 15 years.
25 Most of the recommendations have actually being

2 implemented. So, together with members of this task
3 force, and the Community Board and Council Member
4 Salamanca, um, we all discussed kind of updating the
5 Vision Plan. So, renewing the process of coming
6 together with the community to develop new
7 recommendations, and kind of setting up a vision and
8 a framework for the next 10 to 15 years of investment
9 and planning in this community, and so, we will be
10 hiring kind of a third-party facilitator, and, um,
11 starting the first quarter of next year, um, we hope
12 to be in this process, and are really excited about
13 it.

14 CHAIRPERSON VALLONE: So, we definitely
15 would like to be a partner in that. So, absolutely--

16 CHARLIE SAMBOY: [interposing] Yes,
17 absolutely.

18 CHAIRPERSON VALLONE: --to make sure that
19 what we talk about today and what we talk about going
20 forward--

21 CHARLIE SAMBOY: Yep.

22 CHAIRPERSON VALLONE: --we can--we can
23 join efforts on that, and you started by saying that
24 the-the FDC has comprised of over 100 public and

2 private wholesalers. Can you kind of break down what
3 the balance and percentage is.

4 CECILIA KUSHNER: Sure. I mean so, the-
5 the-the three largest kind of tenants that you have
6 the Food Distribution Center are the produce market,
7 the meat market, and the Fish Market and I'll let
8 Sabrina talk about like how many businesses that's
9 part of those, but these are like the largest
10 cooperative, um, that make up like the vast majority
11 of the businesses, and then there are individual
12 businesses outside of the co-ops.

13 CHAIRPERSON VALLONE: So, with the three
14 co-ops, for those who are listening, the meat market,
15 the fish market and the produce market.

16 CECILIA KUSHNER: Uh-Hm.

17 CHAIRPERSON VALLONE: So, how much of a
18 percentage would you say that those three co-ops have
19 of the occupied versus private businesses that are
20 separate?

21 SABRINA LIPPMAN: Yes. Hi, Council
22 Member. Nice to see you again. So, um, the produce
23 market who's here today has about 30 cooperators.
24 Um, let me get the market itself. Um, the meat
25 market has about 42 shareholders, um, and then the

2 fish market has about 27 as this is. So, the three
3 public wholesale markets make up the—a good majority
4 of the businesses that are in FDC

5 CHAIRPERSON VALLONE: And—and how many
6 private businesses are there after that?

7 SABRINA LIPPMAN: And then after that you
8 have Dairy Land or Chef's Warehouse as an individuals
9 business, Baldor Krasdale that's been there since the
10 inception in '69; Anheuser-Busch, Sultana and
11 Citarella.

12 CHAIRPERSON VALLONE: And those were all
13 negotiated separately and on their own?

14 SABRINA LIPPMAN: Correct, all of them.

15 CHAIRPERSON VALLONE: By the way, we have
16 a little, um, distribution. It's kind of mapped with
17 some of the overlaid at *EDC FIT* for us. If anyone
18 wants a copy, we can make some extra copies of these.
19 So on that percentage breakdown, how much of that
20 land at Hunts Point is—is city-owned, state-owned or
21 anything still like federal or is it all 100% in our
22 possession?

23 CECILIA KUSHNER: So, the entirety of the
24 Food Distribution Center is city-owned.

2 CHAIRPERSON VALLONE: So, do we have any
3 joint projects combined with the State Economic
4 Development as well as city EDC because under my
5 understanding there are still some joint projects
6 going on.

7 CECILIA KUSHNER: Yeah, so I think it
8 shines. There is a project that is a large project at
9 scale. For example, the redevelopment of the produce
10 market. Like we look to partnership with the state
11 mainly because, um, these projects are one where we
12 need to leverage all funding. So, we look to
13 partnership with our state, um, counterparts and also
14 our federal counterparts to be able to like build and
15 fund the best projects that we can with the Land
16 Department. (sic).

17 CHAIRPERSON VALLONE: [interposing] Can
18 you give us an example of one of those joint
19 projects?

20 CECILIA KUSHNER: So, for example the,
21 um, the—the RCI that we just put for the produce
22 market. Like all of the conversation about coming
23 together, um, with, an RCI and agreeing on consensus
24 for the redevelopment of the produce market was done,

2 um, in a--it was done in collaboration with the State
3 and in collaboration with the Produce Co-op?

4 CHAIRPERSON VALLONE: How does that work
5 with EDC as that landlord versus the relationship of
6 state funding? Who has final say then?

7 CECILIA KUSHNER: I think the way we
8 tried to do this, we do really large scale
9 generational projects, and so the state--

10 CHAIRPERSON VALLONE: [interposing] Well,
11 that's the--the task of today's hearing is to--

12 CECILIA KUSHNER: Yes.

13 CHAIRPERSON VALLONE: --tackle that there
14 is so much. I don't plan on tackling every aspect--

15 CECILIA KUSHNER: Yep, yep.

16 CHAIRPERSON VALLONE: --because it is
17 impossible, but--but there hasn't been a hearing in
18 some time. So, what--give us somewhat of that
19 perspective of that interagency cooperation between
20 you and the state.

21 CECILIA KUSHNER: Yeah, I think the way
22 we kind of look at it is really one of, um, that
23 center around value. As I said, the that Food
24 Distribution Center is the most critical food supply
25 center for New York City. That is a really important--

2 - Um, it's a critical place for the state as well,
3 and so they like us want to make sure the Food
4 Distribution Center remains affordable and stable,
5 allows for job growth, and they like us have
6 relationship with, um, all of the tenants because
7 many of them have been there for a long time as well.

8 CHAIRPERSON VALLONE: Right. So, for
9 example, if you have an issue of something like Sandy
10 or a magnitude or resilience, a question--

11 CECILIA KUSHNER: Uh-hm.

12 CHAIRPERSON VALLONE: --you're going to
13 have federal state and local input and different
14 avenues for resources, and for, um, protecting for
15 the future events.

16 CECILIA KUSHNER: Uh-hm.

17 CHAIRPERSON VALLONE: So, how-how is that
18 done?

19 CECILIA KUSHNER: Yeah, I mean it's super
20 resiliency. It's slightly different in the sense that
21 like the federal government really only acts--posts,
22 um, climate disasters. So there's not really like a
23 lot of federal dollars that are available post, um,
24 disaster, but like post Sandy, um, this community and
25 the Food Distribution Center came together with the

2 city to put an application to HUD, and the federal
3 agency that was responsible for post-Sandy dollars.
4 Um, and we received \$20 million in-in federal funding
5 for a particular project, which was to really kind of
6 look at both, um, protecting the Food Distribution
7 Center, and-and specific areas of the residential
8 community, and what the city did is kind of leverage
9 that funding to put more of its capital to actually
10 develop a full blown comprehensive kind of energy
11 project, um, for--

12 CHAIRPERSON VALLONE: Is that separate
13 from the \$150 million with the ATR--

14 CECILIA KUSHNER: [interposing] That, um,

15 CHAIRPERSON VALLONE: --or is that--

16 CECILIA KUSHNER: [interposing] -portion.

17 CHAIRPERSON VALLONE: --portion.

18 CECILIA KUSHNER: Or, yeah. So, about
19 \$26 million out of the \$150, um, are, um, going
20 towards that project.

21 CHAIRPERSON VALLONE: And is that project
22 going to enhance or encapsulate all of the different
23 cooperatives or is it just a certain section of Hunts
24 Point?

2 CECILIA KUSHNER: Um, so this particular
3 project, and I'll let kind of Sabrina and Charlie
4 answer if there's like particular, um, more detailed
5 technical questions on it. It's really geared
6 towards, um, backed up generation or backed up
7 energy, um, producing meat. In your remarks you said
8 for example the meat market was without power for 46
9 hours. That can happen in the event of a flood. That
10 can also happen if there's a Con-Ed, you know,
11 breakdown or it's like there's a way-

12 CHAIRPERSON VALLONE: [interposing] Well,
13 how do we make sure that doesn't happen? Because it's
14 clear to me that that can happen.

15 CECILIA KUSHNER: [interposing] Yes,
16 that's right--

17 CHAIRPERSON VALLONE: So, the way we'll--
18 ?

19 CECILIA KUSHNER: [interposing] So the
20 way--I mean rather than like--it's--it's really hard to
21 make sure it doesn't happen like what we do is to
22 make sure that in the event that it happens, um, the
23 produce and meat markets still have electricity. So,
24 what we're building is kind of a Microgrid, which is
25 its own source of power that will be able for 46

2 hours to give power to the produce and meat market so
3 that in the event that electricity through the
4 regular Con-Ed Grid is not available, um, these two
5 kind of very essential and critical facility for food
6 supply in New York City do not lose their produce.

7 CHAIRPERSON VALLONE: When will that be
8 completed?

9 CECILIA KUSHNER: Un, so, do you want to
10 tall about like where we are on that?

11 CHARLIE SAMBOY: Sure. So, where we are
12 today is, um, there's a site next to Corazzo that's
13 being remediated, um, to place this infrastructure,
14 um, there. That infrastructure would support three
15 sources of energy to two of the markets. The produce
16 market would get cooling as well as electricity to
17 take a portion of their electrified trucks—to
18 electrify a portion o their trucks and the meat
19 market would get hot water for their boilers. Um,
20 what that does is we're using natural gas to fuel
21 this system, and the idea being that it can get off
22 of Con-Ed's grid if it has to, and be able to provide
23 those three sources of energy for those two markets.
24 Um, for the other tenants, a number of their working
25 floor is above the flood plain. So, in the event of a

2 flood water coming, a lot of their goods are not at
3 risk of being destroyed, but we are working to
4 support it as an energy source where those buildings
5 continue to operate in the--

6 CHAIRPERSON VALLONE: [interposing] And
7 what is the timeline?

8 CHARLIE SAMBOY: So the micro-grid we are
9 beginning remediation, um, this quarter if not goes--
10 we're going to do the remediation process assuming
11 that there are no hiccups on that process.

12 CHAIRPERSON VALLONE: So the site is
13 still going through a remediation process or--?

14 CHARLIE SAMBOY: [interposing] We began
15 our remediation now. In this--this quarter is
16 beginning remediation, and we anticipate it will be
17 done by 2022.

18 CHAIRPERSON VALLONE: And so what's our
19 plan between now and 2022? Is there any back-up plan
20 with Con-Ed or anything else?

21 CHARLIE SAMBOY: So, one of the things
22 we've worked out with the meat market is they have
23 Hesco barriers that protect, um, their energy source,
24 um and we are also working, um, with the Council and
25 the support through our \$45 million (sic) reso

2 reallocation. We are advancing the generators that
3 are going to the meat market, and we anticipate that
4 those will be installed in operation the spring of
5 2010, and that will provide them the ability to also
6 get off of Con-Ed's grid for the meat market.

7 CHAIRPERSON VALLONE: And that will be a
8 temporary until the 2022 estimate?

9 CHARLIE SAMBOY: No, this--this--going
10 forward those generators will be available to them,
11 um, on an ongoing basis should they need it for
12 emergency purposes.

13 CHAIRPERSON VALLONE: So, you mentioned
14 this site being remediated. How many are--how many
15 remaining undeveloped sites are at Hunts Point for
16 future use?

17 CHARLIE SAMBOY: There's one site that
18 was recently finished remediating. It's a site that's
19 adjacent to the meat market, which we colloquially
20 call AE-2, and that is one of the last few remaining
21 undeveloped sites, um, in Hunts Point in the Food
22 Distribution Center that we control.

23 CHAIRPERSON VALLONE: That's the last
24 one. There is nothing else that we can look at
25 besides that lot for future use?

2 CHARLIE SAMBOY: So, all the other lots
3 that are currently vacant are—are accounted for
4 future projects.

5 CHAIRPERSON VALLONE: What breakdown do
6 we have of the future use of those projects at all?

7 CHARLIE SAMBOY: So, one of them and I—in
8 the event my colleagues can jump in. So Site D, the
9 one we're talking to with respect to where the, um,
10 Microgrid is going that's next to Carazo. Adjacent to
11 the meat market you have a thing, which we are in
12 discussions, um, with the meat market about, their
13 expansion there. Um, we also have a site that's
14 currently vacant, but that is we are lease
15 negotiations with, um, an organization called Growing
16 NYC, um, and there's also another site, um, which
17 we've long term been working towards activating an
18 alternative fuel station. Um, so those were five
19 sites of the remaining currently vacant sites, but,
20 um, those sites all have anticipated plans for each
21 of them.

22 CHAIRPERSON VALLONE: So are those sites
23 separately budgeted for in the large scale with EDC
24 or are they part of the \$150 million future growth of
25 capital infrastructure at the project. How—how is

2 the breakdown of the funding handled between the
3 separate cooperatives, the independent sites, and how
4 would I know how that's—if it's being divided equally
5 or how it's shared?

6 SABRINA LIPPMAN: Thank you, Council
7 Member for that question. So, of the \$150 million--

8 CHAIRPERSON VALLONE: [interposing] I
9 always know it's a good question when you don't offer
10 thank you for that question.

11 SABRINA LIPPMAN: [laughs] So, of the
12 \$150 million Cecelia mentioned, um, we are happy that
13 we've committed 40% of that. In terms of the
14 remaining \$88 million, um, we have really exciting
15 plans for it. Um, primarily I would say our friends
16 are here, the produce market. Um, we will work
17 closely with all of the markets to identify the
18 priority projects for the remaining funding, um, but
19 we do anticipate working closely with the produce
20 market and their redevelopment, um, to understand
21 what allocation would need to go to that
22 redevelopment.

23 CHAIRPERSON VALLONE: So, that was a good
24 answer for generalities, but what I'm looking for is
25 how—besides the \$150 million, how is the budget for

2 the individual sites on Hunts Point allocated? So,
3 is it just individually treated per co-op per site,
4 per land, per private or is there an overview budget
5 for all of Hunts Point?

6 CECILIA KUSHNER: No, I think that the
7 way we tried to, um, uh, to look at it is—is several
8 ways. The first one is like we tried to leverage the
9 city funding. So, for example the \$20 million, you
10 know, um, that we got from the federal government for
11 the Microgrid we added to it to make it a fuller
12 project. That is fully funded. It will happen on
13 Side D. Um, and then we are like in constant
14 conversation with all of the parties.

15 CHAIRPERSON VALLONE: That grid is not
16 for everyone. Right? It's--

17 CECILIA KUSHNER: That grid is not for
18 everyone. That's right, that's right. Um, and then
19 with—with the respect of the rest of the funding and
20 all the different facilities, um, each market or each
21 individual business have their own kind of expansion
22 plan or vision for what is needed, um, there is what
23 the city can do. These tenants rally often most of
24 the time own their own building, and so we're looking
25 also for them often to provide some level of funding

2 to be able to help, um, with improvements to their
3 building. Um, we sometimes look at, um, grants and
4 sometimes we're like for example we received like
5 overtime a lot of Tiger Grants for rail-for rail
6 improvements on the site. So, we really look to the--
7 the one \$150 as like the first part to help us define
8 projects that do make sense, and that we take on as
9 they come, and as they take priority, and in
10 collaboration and in kind of negotiation with each of
11 the tenants.

12 CHAIRPERSON VALLONE: So, you mentioned
13 the rail project. Are there any projects that the
14 city since EDC is the ultimate landlord--

15 CECILIA KUSHNER: Uh-hm.

16 CHAIRPERSON VALLONE: --is there any
17 projects that the city will envision that will
18 impact the entire site and you would have
19 negotiations with all of your tenants on the site
20 like a rail site. Is there anything else like that
21 coming up in the future?

22 CECILIA KUSHNER: Yeah. I mean like one
23 of the things we're-we

24 Re working on right now and we're really
25 excited, um, is, uh, the development of a marine

2 barge terminal. So, um, what--what is E--what EDC can
3 really add value to all the tenants is investment in
4 infrastructure. Um, today most of the distribution in
5 New York City is done by trucks, um, and part of our
6 Freight Plan, which is an EDC plan, with is a 10-
7 year, \$100 million plan that this Administration is
8 to make sure, um, that we begin to, um, get some of
9 our goods a distribution and shift it to rail, um,
10 and shift it to barging, and so we are looking for
11 the first time to actually have a barge terminal,
12 which would allow, um, private barging companies to
13 be able to bring directly goods either trucks on
14 barge or actually cargo on barge, um, to be able to
15 come to the Hunts Point Terminal Market, and that
16 could serve any of the tenants that are there.

17 CHAIRPERSON VALLONE: Well, that's
18 exciting news because that--for all the other as
19 Council Members we're always besieged by, um,
20 commercial truck traffic--

21 CECILIA KUSHNER: Okay.

22 CHAIRPERSON VALLONE: --and local
23 pollution and congestion in the neighborhood just
24 with your--do you have an idea on when that possible
25 marine may happen?

2 CECILIA KUSHNER: Sure. So, we released
3 an RFP, um, late in the spring, and we received
4 responses. We're looking at them. We're positive
5 about the type of responses we're getting. Um, as a
6 city with this project the city has committed \$25
7 million out of this for NYC \$100 million pot. For
8 example, it's \$25 million that is not part of the
9 \$150.

10 CHAIRPERSON VALLONE: Right so that's a--
11 that's perfect example of--

12 CECILIA KUSHNER: [interposing] It goes
13 to that point.

14 CHAIRPERSON VALLONE: --source of funding
15 separate.

16 CECILIA KUSHNER: That's right, that's
17 right. So, we continue to look at the connection
18 between policy goals the Food Distribution Center as
19 we seek funding.

20 CHAIRPERSON VALLONE: So, there's a lot
21 and I--and we've been joined by Council Member Keith
22 Powers who is now no longer here, but seems to be
23 missing. [laughter] He was here and he's gone. Um,
24 I'd like to get to my other Council Members. Let me--
25 let me just wrap up the first part of you have the

2 meat market, the fish market and produce market. So,
3 you have two leases I guess that have been
4 successfully renewed. One--and the meat market is
5 good all the way to 2058, correct?

6 CECILIA KUSHNER: Uh-hm, correct.

7 CHAIRPERSON VALLONE: The fish market is
8 good through 2054--

9 CECILIA KUSHNER: Uh-hm.

10 CHAIRPERSON VALLONE: And the produce
11 market I believe, um, has an option to renew in
12 2021, is that correct?

13 CECILIA KUSHNER: That is correct.

14 CHAIRPERSON VALLONE: So, I guess there's
15 negotiations going on now with that. Um, with each
16 one of them there, so they're individually as co-op.
17 So, it's a little difficult. Now, I'm putting my
18 legal hat on. So, if you're a co-op your financing
19 options are also limited and different and more
20 difficult as opposed to owning your own building. Is
21 there anything that is universally can be applied to
22 the three markets for financing options that EDC
23 could provide to help in infrastructure going
24 forward, or are they left to their own financing

2 abilities to take care of their own infrastructure
3 concerns?

4 CECILIA KUSHNER: Yeah. So, I think our
5 goal at the Food Distribution Center is always to
6 make sure, um, that we can provide kind of affordable
7 rents and long-term stability for the businesses, but
8 also for the food supply at large. Um, so we have
9 kind of a long tradition of working with the co-op
10 market model because it's a model that came with the
11 creation of the Distribution Center. Um, with respect
12 to produce because we're engaging and beginning to
13 enter into, um, kind of a large redevelopment
14 project, we really want to think about kind of, um,
15 kind of leasing renewal and the terms of, um, of any
16 kind of business deal in relationship to the
17 redevelopment itself. So, the two kind of actually
18 are speaking to each other, which is right planning,
19 and we always look to, um, kind of be there. (sic)
20 Our goal is to make sure that tenants have long-term
21 stability, um, and that they can stay in the Food
22 Distribution Center, and continue to grow and create
23 jobs like these are our most important goal. This is
24 whY EDC is the landlord of the Food Distribution

2 Center, and so we'll continue to do that with each of
3 the tenants.

4 CHAIRPERSON VALLONE: Well, I mean
5 Council Member Salamanca was--was quick to share with
6 me the direct impact for local jobs in the Bronx and
7 in his district, and a huge impact, and over 8,400
8 direct jobs and how many of them are citywide jobs,
9 and great career building opportunities. So, we want
10 to make sure we do everything we can--

11 CECILIA KUSHNER: [interposing] Yes.

12 CHAIRPERSON VALLONE: --to protect these
13 three co-ops, and grow. So, we're always being on
14 the side and trying to enhance and protect and look
15 at that, and I think, um, and I'll turn it over to
16 Council Member Salamanca, but one of the things we
17 need to discuss is providing that infrastructural
18 support to take the next generational approach there
19 at Hunts Point is clearly the--we are now maximizing
20 square footage usage. We're using temporary trailers
21 for storage of diesel that's spilling over into the
22 neighborhood. Once--once you walk through, you can see
23 the--the co-ops and the tenants are--are maximizing
24 every inch of what they have, but not to the capacity
25 I'm looking at. So, why don't we just put them in a

2 structure that maximizes the two three-stories
3 instead of just having a truck in the back spilling
4 diesel fuel, and they're saying well we do what we
5 can to survive until we can get a new lease.

6 CECILIA KUSHNER: Uh-hm.

7 CHAIRPERSON VALLONE: Um, to me that we're
8 not maximizing out potential.

9 CECILIA KUSHNER: Yes, yes. No, I think—
10 I think you—I think we would completely agree, um,
11 with, um, um, with the statements. Um, part of what
12 is happening in the Distribution Center is businesses
13 have been very successful, and it is growing and in
14 some cases like the produce market is bursting at the
15 seams. Um, so as part of the redevelopment effort,
16 it's modernizing the facility, but it's also looking
17 at like, um, generational growth. Like how do we
18 expect this particular cooperative and this
19 particular market to grow over the next 20 to 30
20 years, and how can we develop facilities, um, that
21 are meeting the needs of the tenants, and the needs
22 of the city as we continue to grow as a city as well.
23 So this is definitely going to be aligned with our
24 thinking here.

2 CHAIRPERSON VALLONE: Thank you. With
3 that, the panels will come after EDC, and Council
4 member Salamanca is going to have his questions, then
5 Council Member Koo, and then, um, Council Member
6 Menchaca would like to ask some questions. Council
7 Member Salamanca.

8 COUNCIL MEMBER SALAMANCA: Thank you, um,
9 thank you Chair Vallone. So before I start, I just,
10 you know, these meetings are transmitted live , and
11 so the Hunts Point Vision Plan Task Force, they're
12 watching live, and they're sending me text messages
13 on questions I should ask, and so the first question
14 that they want to know and then I'll go to my line of
15 questioning is just to piggyback on the Chair's
16 question. Um, the vacant lots that we have here, the
17 contaminated lot or land.

18 CECILIA KUSHNER: Uh-hm.

19 COUNCIL MEMBER SALAMANCA: -- Site D.
20 When did you decide to remediate that site? Because
21 we are unaware of that.

22 CHARLIE SAMBOY: So, that site has been
23 planned for quite some time. Um, actually one of our
24 colleagues Tracy Bell she attends Community Board
25 meetings at the request of the--of the District

2 Manager and I believe this year alone she's been
3 there twice. Um, so after we finished AOU-2, which I
4 believe was completed at the beginning of this year, we
5 then moved to Site D. So, we've been in
6 communication with the community board about the
7 remediation of site--

8 COUNCIL MEMBER SALAMANCA: [interposing]
9 But they just texted me, and said they know nothing
10 about it.

11 CHARLIE SAMBOY: I-I would disagree with
12 that statement. We are--

13 COUNCIL MEMBER SALAMANCA: [interposing]
14 Alright. I'm just saying that they're live. They're
15 watching now.

16 CLAIRE WANG: We-we've been in touch
17 with the--with the district manager about upcoming
18 remediation and when it starts we would send the a
19 note as well.

20 CHARLIE SAMBOY: Alright, because I-I was
21 unaware that there was remediation. My understanding
22 was that that site was still being tested.

23 CECILIA KUSHNER: No.

24 CHARLIE SAMBOY: No. So, that--that site
25 has been tested over the last year or two. Um, we

1 were examining different types of remediation models,
2 and the previous iterations of remediation would
3 actually extract the contaminated soil from the
4 ground and ship it out. Um, recent, um, different
5 types of science has—has led us to a new and tested
6 method that actually, um, solidifies that waste in
7 place and allows us to place a cap around it. Um, so
8 we don't actually have to truck out those—that
9 contaminated waste, and that is what we did at Area
10 2, and that's what we will be doing at Site D.

12 CECILIA KUSHNER: Yeah, and I would just
13 add like we're happy, um, we're happy to come back to
14 the community as a task force any time to give like a
15 full view of it. As Charlie said, like the—the
16 approach around remediation is going to move as that
17 process. The first one is doing testing to define
18 kind of like the level of contaminants, the depth of
19 contaminants, and then define a protocol. Department
20 of Health and DEC was like the state control agency
21 in all remediation protocol, and once we've defined
22 what is the best way to do it, then we begin to
23 mobilize. We haven't mobilized yet on Site D. We're
24 going to be doing it like in the coming weeks.

2 COUNCIL MEMBER SALAMANCA: so, please
3 notify the Community Board because they are unaware
4 of your plans for the site. Um, and in terms of Site
5 D, um, is there going to be any coastal protection,
6 um, for this site because it is my understanding that
7 this site, um, I s prone to flooding?

8 CHARLIE SAMBOY: Yes. So, as—as part of
9 the, um, Microgrid project that will be going on Site
10 D, that will be elevated well above the flood plain.
11 So there will be a structure on which this Microgrid
12 will sit, and that structure ensures that the
13 Microgrid itself is above the Flood Plain.

14 COUNCIL MEMBER SALAMANCA: Alright, thank
15 you. Alright, so let me go back now to my line of
16 questionings that I have here. How many businesses,
17 um, does—currently has leases with EDC? Is it—is it
18 only nine in the Hunts Point community? Is it only—
19 is it only the nine businesses that you have here?

20 CECILIA KUSHNER: Uh-hm.

21 COUNCIL MEMBER SALAMANCA: So, you're
22 only focused in the Food Center Drive area. You're—
23 you don't have any other property outside of this
24 area in the Hunts Point Peninsula?

2 CECILIA KUSHNER: No. I mean we have
3 Spofford.

4 COUNCIL MEMBER SALAMANCA: Yes, Spofford,
5 yes.

6 CECILIA KUSHNER: But this is our only
7 industrial property.

8 COUNCIL MEMBER SALAMANCA: Industrial.
9 Okay. Um, um, these, um, what type of leases do you
10 give the markets like the produce market, the fish
11 market? Um-um, do you give them a triple net lease?
12 What type of lease do you provide them with?

13 SABRINA LIPPMAN: Nice to meet you
14 Council Member Salamanca. We haven't met yet. Um, so
15 it's determinant on-based on each market. So, we-we
16 match the needs of the market. The majority are
17 ground leases. Um the fish market is the only one
18 that has recently changed over as EDC has taken on
19 other responsibilities of the maintenance and
20 operations. Um, but it-it, you know, we speak with
21 the markets and understand what their needs are, and,
22 um, the meat market is an example. We help with
23 their capital reserves, and allocate that, and that
24 goes thorough us. Um, but the majority are all
25 ground leases.

2 COUNCIL MEMBER SALAMANCA: So, the roof
3 collapses, and the produce or meat market or fish
4 market, who's responsible for fixing it?

5 SABRINA LIPPMAN: So, it's depending on
6 the lease. So, the fish market that would be us. Um,
7 because we oversee and they—we oversee now the
8 maintenance and operations. Um, the produce market
9 we, if the roof collapses it's all hands on deck for
10 all of us, uhm, but the produce market, you know,
11 that's why we're redeveloping it. Um, and then the
12 meat market would be—I mean it's all in collaboration
13 but to--the lease stipulates who will be responsible
14 for it.

15 COUNCIL MEMBER SALAMANCA: Alright so the
16 produce market, it's both the produce and EDC who's
17 responsibility is to split the bill just for--

18 SABRINA LIPPMAN: [interposing] I mean I
19 think it--no it's not--it's not. Um, it's a--it's a
20 triple net lease.

21 COUNCIL MEMBER SALAMANCA: It's a triple
22 net lease. So, they're responsible. So the bill
23 goes to them, um, to fix the roof? Alright, um, and
24 then I see here that you gave us a list of the lease
25 expirations. I just want to be clear. So, the

2 produce market they have an option to stay there
3 'til 2031, right with the extensions, but their
4 lease—their lease expires on 2021.

5 SABRINA LIPPMAN: Correct.

6 COUNCIL MEMBER SALAMANCA: Correct?

7 Okay, and you are going through your negotiations
8 now, correct?

9 SABRINA LIPPMAN: Correct.

10 COUNCIL MEMBER SALAMANCA: Alright.

11 SABRINA LIPPMAN: We met with the produce
12 market last—two weeks ago or last week. Last week.

13 COUNCIL MEMBER SALAMANCA: Good, and
14 where are with the RFEI? Is there any information
15 that you can divulge or you still going and looking
16 at options?

17 SABRINA LIPPMAN: We received—the
18 information I can divulge is we received responses on
19 November 1st. We are reviewing those responses.
20 We've committed to the produce market that we will be
21 giving them blind briefing and because this is in
22 partnership with them, um, to review what we've
23 received.

24 COUNCIL MEMBER SALAMANCA: Okay, so you
25 will do that when?

2 SABRINA LIPPMAN: In the next two weeks.

3 COUNCIL MEMBER SALAMANCA: Alright.

4 SABRINA LIPPMAN: That's what we
5 promised.

6 COUNCIL MEMBER SALAMANCA: Alright. I see
7 Anheuser Busch. I don't know if this is a typo.
8 Their lease expires in 2105?

9 SABRINA LIPPMAN: That is not a typo.
10 That is—that's right.

11 COUNCIL MEMBER SALAMANCA: How did they
12 get to negotiate that?

13 SABRINA LIPPMAN: It's a—I mean we always
14 strive for—for long-term leases.

15 COUNCIL MEMBER SALAMANCA: [interposing]
16 They get to do a long-term lease. (sic)

17 SABRINA LIPPMAN: [laughs] We always
18 strive for long-term leases. This is including
19 options. So, I just want to stipulate that. So, um,
20 there are—they would have to extend. There are
21 expirations that come up well before for that
22 obviously.

23 COUNCIL MEMBER SALAMANCA: So, these are
24 options.

25 SABRINA LIPPMAN: These are options.

2 COUNCIL MEMBER SALAMANCA: Now, um, you,
3 um—what do you charge per square footage? Is it
4 consistent through all of the leases or it depends on
5 the business?

6 SABRINA LIPPMAN: It's very dependent on
7 the business.

8 COUNCIL MEMBER SALAMANCA: Okay. so,
9 it's not—it's not—so what are you—what are you
10 determining what you're going to charge the produce
11 market compared to the fish and the meat market--

12 SABRINA LIPPMAN: Yes.

13 COUNCIL MEMBER SALAMANCA: --per square
14 footage?

15 SABRINA LIPPMAN: No, it's a good
16 question. So, I mean as you know, and as I know you
17 are very passionate about, we are 100% committed to
18 ensuring the food stability of New York City and that
19 requires us to ensure we have a strong and stable
20 FDC. Um, the markets in particular, um, we work very
21 closely with them to ensure that they have a very
22 stable and well, well below market rent--

23 COUNCIL MEMBER SALAMANCA: Yes.

24 SABRINA LIPPMAN: --um to make sure and
25 ensure their stability and—and to make sure they're

2 able to be, um, competitive and—and offer—offer good
3 pricing for New Yorkers. Um, other organizations or
4 other companies that are able to, um, pay close—pay
5 closer to a—a market rent, um, those are all
6 negotiations that happen with each of those tenants.

7 COUNCIL MEMBER SALAMANCA: Alright. Uhm,
8 BIC. BIC occupies space in the markets. Do they?

9 CHARLIE SAMBOY: We would—I—I do not have
10 the answer to that question.

11 COUNCIL MEMBER SALAMANCA: I've seen a
12 trailer at the fish market.

13 CHARLIE SAMBOY: Yes.

14 COUNCIL MEMBER SALAMANCA: Is someone
15 here from BIC?

16 SABRINA LIPPMAN: Yes. we can bring
17 Cheryl up.

18 CHAIRPERSON VALLONE: That's true. We
19 can—we can bring up BIC now so we can keep the
20 hearing going. Just state your name for the record.

21 DEPUTY COMMISSIONER GARCIA: [off mic]
22 Cheryl Garcia.

23 CHAIRPERSON VALLONE: Thank you, Cheryl.
24 We'll make some room here. (sic) Do you swear to tell
25 the truth, the whole truth and nothing but the truth

2 and answer the questions of the Council member
3 truthfully?

4 DEPUTY COMMISSIONER GARCIA: [off mic]

5 Yes, I do.

6 CHAIRPERSON VALLONE: Great, and we're
7 just going to get you to maybe share a mic with
8 Charlie there. Yeah, the mic there. Yes.

9 COUNCIL MEMBER SALAMANCA: Thank you. May
10 I have your title?

11 DEPUTY COMMISSIONER GARCIA: Deputy
12 Commissioner of Investigations.

13 COUNCIL MEMBER SALAMANCA: Thank you,
14 Commissioner. Thank you for coming. Um,
15 Commissioner, do you or does—does, um—and I'm going
16 to jump back and forth. My question was for I guess
17 EDC. Do you occupy space, physical space in the
18 markets?

19 DEPUTY COMMISSIONER GARCIA: Um, as you
20 said, we do have the trailer outside the fish market.
21 It's up against the back of the building.

22 COUNCIL MEMBER SALAMANCA: Yeah, I saw
23 that. Um, and you don't—you do not occupy space in
24 any—any other location in the market? I mean that's
25 your headquarters in—in Hunts Point that trailer?

2 DEPUTY COMMISSIONER GARCIA: Yes. It's
3 really a temporary location, and so, um, DCAS has
4 given us a new location in the Bronx.

5 COUNCIL MEMBER SALAMANCA: Okay.

6 DEPUTY COMMISSIONER GARCIA: So, it will
7 be a couple of months before that process is
8 completed and then we'll be moving out of the fish
9 market space.

10 COUNCIL MEMBER SALAMANCA: Alright, cool.
11 Alright, um, and you—you do not pay, um, for that
12 space? Do you pay rent? Does DCAS charge you rent
13 on your budget for that space?

14 DEPUTY COMMISSIONER GARCIA: I actually
15 don't know the answer to that. I'm guessing we
16 probably do. I think we do, yes. I don't know how
17 much it is, though.

18 COUNCIL MEMBER SALAMANCA: Alright, um,
19 alright and just to go back to EDC and then I'm going
20 to go back to, um, to BIC. Um, is there language in
21 either question that—that, um—um, I'm constantly
22 getting asked, you know, um, the produce—the markets,
23 you know, they're a big economic engine. Um, is there
24 language in the lease agree—in the lease agreements
25 that businesses must, um, give back to the immediate

2 (sic) community such as an example, job fairs, um,
3 um, donating, um, food that will expire soon to the-
4 the local food pantries. Um, I know that there are
5 many food pantries that-that go to the markets, um,
6 you know, Food Bank for example, right? They-they
7 get-they get, um, produce from the food market. Um,
8 just this past weekend the produce market gave out
9 1,700 bags of fresh produce in the Hunts Point
10 community, which was awesome. Thank you very much
11 Simon LaGordi(sp?) Thank you very much, um, and, um,
12 this weekend Baldor's is going to provide, um, over
13 600 boxes of food for families of four for the Hunts
14 Point community. You know, kind of like giving back.
15 It-it is something that, um, it's part of the lease
16 that you require them to do this or this is just
17 something that they are doing because they want to be
18 good neighbors?

19 CHARLIE SAMBOY: So, I-I would say I
20 think these are all laudable goals that we think are
21 important, and-and should continue to happen, but
22 those operate a little bit beyond the scope of our
23 lease. With respect to your question on job fairs
24 and-and job, um, connecting residents to jobs, what
25 we were able to do successfully in the-in the

2 extension of Baldor's lease was include a provision
3 where they had to adhere to Hire NYC, um, provisions,
4 and as part of that, I-I believe you participated in
5 some of their job fairs, um, and they have a
6 requirement to-to the 250 jobs that they projected in
7 growing as part of their expansion. It has to
8 participate and be complied with, um, with the Hire
9 NYC program, which we monitor.

10 COUNCIL MEMBER SALAMANCA: And then just
11 for clarity here on this report you gave us, you-you
12 said, um, it states that there are 8,385 jobs. Is
13 that accurate or is that jobs that will be created in
14 a certain time frame?

15 CHARLIE SAMBOY: So, those are-those are
16 the number of jobs that we have gotten information
17 from our tenants that--

18 COUNCIL MEMBER SALAMANCA: [interposing]
19 That are-so there's a body for each one of these
20 jobs?

21 CHARLIE SAMBOY: So, we are told through
22 our tenants that the produce market has approximately
23 3,000 jobs. The meat market has about 2,300. Um, the
24 fish market has about 750, um and Baldors, um, today
25 their-their former facility before it was expanded

2 had about 750 jobs and is part of the 100,000 square
3 foot expansion, um, they're looking at a growth of
4 another 350. Um, so when we take all of those, and
5 that's not even--

6 COUNCIL MEMBER SALAMANCA: [interposing]
7 The growth, the growth, are those jobs currently
8 exist or these are just positions that they're--
9 they're looking to hire?

10 CHARLIE SAMBOY: The 350 will be the--what
11 they are projecting when they are done with their
12 expansion and the--and the full growth of that--that
13 100,000 square foot facility.

14 COUNCIL MEMBER SALAMANCA: Look, because
15 I just want to get accurate information. So, this
16 8,385 is--is--these are not--you also have projected
17 jobs as part of this number?

18 CHARLIE SAMBOY: So, the--the--the--that
19 number does not include the 350. So, if we want out
20 the 350, it's approximately 8,100 jobs.

21 COUNCIL MEMBER SALAMANCA: Okay, thank
22 you. Um, what programs are in place for local
23 hiring, and how is it tracked?

24 CHARLIE SAMBOY: So, as I mentioned the
25 Baldor's lease we were able to as part of their

2 extension incorporate Hire NYC. As of right this
3 moment I do not know that any other of our—any other
4 of our leases have Hire NYC provisions. Um, we work
5 very closely with, um, the markets. As you know, I
6 mentioned that I was a member of Teamsters and we
7 work, and are looking to work with them very closely.
8 We think there's tremendous opportunity to continue
9 to employ local residents, and we'd be happy to—to
10 work with you, the produce market and the—and the
11 rest of the—the unions that are represented there to
12 ensure that a greater percentage of residents, um,
13 employed. That said, I will say that a great
14 majority of the—of the employees that are there
15 today, are already local Bronx residents. So, we know
16 that 70% or so are the produce market employees are
17 Bronx residents. About 65% if the employees at the
18 meat market are Bronx residents and 25% of those at
19 the fish market are also Bronx residents.

20 COUNCIL MEMBER SALAMANCA: Alright. Um,
21 the—the barge is adjacent to the fish market, and I'm
22 pretty sure, you know, the—there is—the plan is to
23 shut down the barge. They mayor's plan is at the end
24 of 2026. Um, you know, I would like to see it shut
25 down while he's still mayor. I've said this publicly

2 to bring back the message to him please. Um, but are
3 there plans now that we know that in 10 years from
4 now that barge will be shut down? Are there plans?
5 Does EDC have internal conversation within yourselves
6 or with the Mayor's Office as to what the city's
7 plans are with that piece of-of land there?

8 CHARLIE SAMBOY: So, we—we don't have,
9 um—that's an interesting point. So, um, it's
10 important to note that while the—that portion of land
11 is well within the Food Distribution Center, it is
12 not within the jurisdiction of the ECC. So, that is
13 within the jurisdiction of the Department of
14 Corrections. Um, as you stated, the goal is to-to
15 close that by 2026. We believe, um, and we hope that
16 you agree that working together as part of the
17 upcoming Vision Plan exercise to determine what the
18 next 15 to 20 years of Hunts Point could look like.
19 We think that this could be a tremendous opportunity
20 to collaborate with the community, with your office
21 and others to determine what that could look like.
22 Ultimately, that's not up to EDC. As I stated, that
23 is in the jurisdiction of the Department of
24 Corrections, but we'd be happy to work with you and

2 our—and our colleagues at other sister agencies to
3 determine what that could look like in the future.

4 CHAIRPERSON VALLONE: When it's handed
5 over from the Department of Corrections, will it wind
6 up with EDC?

7 CHARLIE SAMBOY: That is not—we do not
8 know.

9 CHAIRPERSON VALLONE: That's probably
10 what's going to happen. I mean if Corrections is
11 moving away from it, it's probably going to wind up
12 coming to the—

13 CHARLIE SAMBOY: [interposing] So, the—
14 the—the—sort of the—the hierarchy of that would land
15 with the First Deputy Mayor. So, um, that is--

16 COUNCIL MEMBER SALAMANCA: And with the
17 Council.

18 CHAIRPERSON VALLONE: That's right.

19 COUNCIL MEMBER SALAMANCA: Don't mess
20 with any of us here at the Council. [laughter] Um, I
21 just want to make sure that the community board, the
22 local community and the community board and the
23 residents are sitting at a table deciding what's
24 going to happen with that land. We don't want the

2 city to come and say: This is what we're going to
3 do--

4 CHARLIE SAMBOY: Absolutely.

5 COUNCIL MEMBER SALAMANCA: --you know,
6 and, um, that's our community engagement. Um,
7 Freight NYC (sic) you put out and RFP and RFEI?

8 CECILIA KUSHNER: An RFP.

9 COUNCIL MEMBER SALAMANCA: RFP. How many
10 responses did you get back?

11 CECILIA KUSHNER: We got, um, um, several
12 responses more than five.

13 COUNCIL MEMBER SALAMANCA:

14 CECILIA KUSHNER:

15 COUNCIL MEMBER SALAMANCA: Okay.

16 CECILIA KUSHNER: Yes.

17 COUNCIL MEMBER SALAMANCA: Okay, and just
18 I know there's limited information been given me
19 because I guess you're--you're--you're deciding how to
20 move forward.

21 CECILIA KUSHNER: Yes.

22 COUNCIL MEMBER SALAMANCA: Um, have--have
23 you--have you decided on what location you're planning
24 on bringing the site?

25

2 CECILIA KUSHNER: No, the—the response.
3 So, um, one—one of the sites that people could
4 respond for was part of the Food Distribution Center,
5 but respondents could also offer any private sites,
6 um, with the IDD along the shoreline, and so the
7 responses we received are on both, some private sites
8 and some in the Food Distribution Center, and we are
9 looking at all of them at the same time.

10 COUNCIL MEMBER SALAMANCA: Okay. Alright.
11 Um, and my concern I mean with Freight NYC, the way
12 it's being rolled out to eliminate the amount of
13 truck traffic coming into the Hunts Point community.
14 As an asthmatic this is music to my ears.

15 CECILIA KUSHNER: Uh-hm.

16 COUNCIL MEMBER SALAMANCA: Um, but my—a
17 concern that I have is that whatever gets barged in
18 it's not just for the markets. It would be for other
19 businesses outside of the markets. I—I just don't
20 want to see an increase in the truck traffic—of
21 deliveries coming in to pick up and—and to take
22 outside of the, um, of the Hunts Point Market.

23 CECILIA KUSHNER: Yeah, we understand
24 that.

2 COUNCIL MEMBER SALAMANCA: Alright, um, I
3 just have a few questions for—for BIC if possible.
4 Um, how many—Commissioner, how many businesses are
5 under the BIC's catchment area, um, in the Hunts
6 Point Peninsula?

7 DEPUTY COMMISSIONER GARCIA: So, um,
8 BIC's catchment area is the meat market, the Hunts
9 Point produce market, the fish market, and then the
10 area that's adjacent to the produce market, and in
11 total there are a little bit over 200 businesses that
12 are registered with us in those four segments.

13 COUNCIL MEMBER SALAMANCA: Alright and
14 how many businesses that are within that catchment
15 area are not under BIC's jurisdiction?

16 DEPUTY COMMISSIONER GARCIA: I don't know
17 the number, but I think it would only be a few of the
18 businesses in the adjacent area. There are some sort
19 of like retail businesses I believe in the adjacent
20 area. It may be a small bakery or things like that
21 that are not doing wholesale business.

22 COUNCIL MEMBER SALAMANCA: And so there's
23 no food wholesale businesses that are not under your
24 jurisdiction?

2 DEPUTY COMMISSIONER GARCIA: I don't
3 believe so. I mean the businesses that are, um, the
4 businesses such as Baldor, you know, Krasdale Foods
5 and Citarella and Anheuser Busch. Those are not under
6 our jurisdiction.

7 COUNCIL MEMBER SALAMANCA: Okay. What-
8 what separates them from the markets?

9 DEPUTY COMMISSIONER GARCIA: Um, I don't
10 think there are public wholesale markets in the same
11 term or definition, and I think that they've never
12 been under its jurisdiction.

13 COUNCIL MEMBER SALAMANCA: And by-by no
14 way am I trying to get them under BIC's jurisdiction.
15 You know, I'm just, um, just trying to ask these-
16 these questions because I'm going to ask these
17 questions as I tour, as I visit Hunts Point, and I-I
18 really don't have an answer why certain businesses
19 are under BIC's jurisdictions and why some are not,
20 and I believe in your mission, by the way. I believe
21 that you need to exist. The whole point of ruling
22 out organized crime I think you did that extremely
23 well. I remember being a kid and my dad telling me
24 the stories of how they came in and they were
25 cleaning out the markets, you know. Um, and so I-I do

2 believe in your—in your vision, but I—I also believe
3 that there should be fairness, you know, and one of
4 the main complaints that I get from BIC is your fees.
5 Um, what do you charge every business to, um, because
6 they are your—they are under your jurisdiction? Um,
7 what fees do you charge them?

8 DEPUTY COMMISSIONER GARCIA: \$4,000 to
9 register.

10 COUNCIL MEMBER SALAMANCA: So, it's four
11 and it's a—and they're—they're mandated to register.

12 DEPUTY COMMISSIONER GARCIA: Yes.

13 COUNCIL MEMBER SALAMANCA: Yes. Um, who
14 determines if a business falls under your
15 jurisdiction or does not fall under your
16 jurisdiction? Is it BIC? Is it the City? Is it the
17 Mayor? Is it the lease negotiation? How is that
18 determined?

19 DEPUTY COMMISSIONER GARCIA: Well, I
20 don't know precisely, but I would say that any
21 wholesale business, and there's also other market
22 businesses within the confines of those four markets
23 like trucking companies and they also fall—fall under
24 BIC's regulation.

25 COUNCIL MEMBER SALAMANCA: Okay, so--

2 DEPUTY COMMISSIONER GARCIA: [interposing]

3 So, pretty much everything in those four locations
4 other than a small, um, like retail, someone that's
5 selling coffee or--

6 COUNCIL MEMBER SALAMANCA: [interposing]

7 But how did these wholesale businesses--is it the city
8 that determines if they're going to be under BIC's
9 jurisdiction? Who--who determines that? And that's
10 what I want to get to--to the bottom of it.

11 DEPUTY COMMISSIONER GARCIA: Um, I
12 believe that's in the, um, the Charter. It's in the
13 City Charter, and then it follows through and it's in
14 the, um, Administrative Code and the Rules of the
15 City of New York.

16 COUNCIL MEMBER SALAMANCA: So, I'm--I'm
17 still not, um-- So, the city, the--

18 CHAIRPERSON VALLONE: [interposing] Right
19 now the Charter says that BIC is going to oversee
20 Hunts Point? No, it doesn't.

21 COUNCIL MEMBER SALAMANCA: Yeah, I know.

22 CHAIRPERSON VALLONE: The local markets.

23 DEPUTY COMMISSIONER GARCIA: Wholesale,
24 public wholesale markets, but Hunts Point came under
25 BIC's jurisdiction like in 2002. We assumed

2 responsibility for those markets, and then that
3 adjacent area that I spoke about, um, that's next to
4 the produce market that came under BIC's jurisdiction
5 in like 2009. That was added

6 COUNCIL MEMBER SALAMANCA: Okay. So, a
7 new business comes in, um, next to the produce market
8 or let's say a new business comes into Site F, right
9 when everything is remediated at that site, and, um,
10 it's a wholesale. Um, EDC doesn't decide or a mayor
11 doesn't decide if they fall under your jurisdiction
12 or not. They're automatically under your
13 jurisdiction.

14 DEPUTY COMMISSIONER GARCIA: I believe so.

15 COUNCIL MEMBER SALAMANCA: So, I'm still
16 not understanding how these other businesses are not
17 under your jurisdiction.

18 DEPUTY COMMISSIONER GARCIA: Um, maybe
19 clarify for me, if you could, like what-what type of
20 business are you talking about, like Baldor's.

21 COUNCIL MEMBER SALAMANCA: I did. You
22 said Baldors, Krasdale, Anheuser Busch, right?
23 They're not under your jurisdiction.

24 DEPUTY COMMISSIONER GARCIA: I mean they
25 may have had, um, their situations were already in

2 place when we took over. I know there was some
3 litigation like in 2007, and over Baldor's. So there
4 were some issues there. Um, but it's remained the
5 same since that time.

6 COUNCIL MEMBER SALAMANCA: Okay. I'll
7 move on. Um, your fees is the biggest topic of
8 conversation in Hunts Point. \$4,000 per business.
9 So, you're, you know, you can either be a mom and pop
10 shop and you're pay four grand a month, or you can be
11 a big business, um, in-in any other markets and
12 you're still paying \$4,000 a month. A business in
13 Hunts Point can be generating \$50 million a year. A
14 mom and pop shop can be doing half a million a year.
15 Why isn't there kind of a sliding fee scale for, um,
16 a mom and pop shop compared to a big business in
17 Hunts Point?

18 DEPUTY COMMISSIONER GARCIA: Well, the
19 fees are set through an analysis conducted in
20 conjunction with OMB. Um they are—they cover the
21 associated costs with processing the application,
22 vetting it and including, um, background
23 investigation. So, many of the steps that have to be
24 completed are really the same regardless of the size
25 on that.

2 COUNCIL MEMBER SALAMANCA: Yeah, and I
3 understand that there is--there's background. So,
4 every two years you are--a new business is submitting
5 and you have a renewed application?

6 DEPUTY COMMISSIONER GARCIA: In the fish
7 market it's every two years and in the other markets
8 it's every three years.

9 COUNCIL MEMBER SALAMANCA: Okay, alright,
10 alright. So, only the fish--the fish market is
11 required to do this every two years. Now, there are
12 other fees on employees. Each employee has to have a--
13 I guess an identification card with BIC. Is that
14 correct?

15 DEPUTY COMMISSIONER GARCIA: Um, BIC can--
16 BIC issues the IDs--

17 COUNCIL MEMBER SALAMANCA: Yes.

18 DEPUTY COMMISSIONER GARCIA: --in the fish
19 market.

20 CHAIRPERSON VALLONE: By the way, we've
21 been joined by Council Members Gjonaj and Lander.

22 DEPUTY COMMISSIONER GARCIA: In the other
23 markets those are done actually by--by the markets
24 themselves through the co-ops.

2 COUNCIL MEMBER SALAMANCA: So the, so, I
3 mean, um, a business in-in a co-op they-they give
4 them their own BIC ID and they have-but they have to
5 submit an application to you and say hey this is-
6 this is a list of my employees?

7 DEPUTY COMMISSIONER GARCIA: They have to
8 disclose their own employees.

9 COUNCIL MEMBER SALAMANCA: Yes.

10 DEPUTY COMMISSIONER GARCIA: I believe
11 it's after ten days once they've joined the--

12 COUNCIL MEMBER SALAMANCA: okay--

13 DEPUTY COMMISSIONER GARCIA: -um, company.

14 COUNCIL MEMBER SALAMANCA: --and there's
15 a fee per employee, right-

16 DEPUTY COMMISSIONER GARCIA: That I don't-

17 COUNCIL MEMBER SALAMANCA: --well, for
18 that ID?

19 DEPUTY COMMISSIONER GARCIA: Yes.

20 COUNCIL MEMBER SALAMANCA: How much is
21 that fee?

22 DEPUTY COMMISSIONER GARCIA: I believe
23 it's \$200.

24 COUNCIL MEMBER SALAMANCA: It went up to
25 \$200.

2 DEPUTY COMMISSIONER GARCIA: I-I-I'd have
3 to double check on that and see.

4 COUNCIL MEMBER SALAMANCA: And who's
5 responsible to pay that fee, the employee or the-the
6 business?

7 DEPUTY COMMISSIONER GARCIA: I believe
8 it's the business.

9 COUNCIL MEMBER SALAMANCA: And does the
10 business charge? I guess I'll ask this is a charge.
11 Do they charge the employees for that fee, or do they
12 just pick up the tab?

13 DEPUTY COMMISSIONER GARCIA: Um, I don't
14 know the answer to that.

15 COUNCIL MEMBER SALAMANCA: Okay, it's
16 fine. Um-

17 CHAIRPERSON VALLONE: If you can get
18 close to the mic.

19 DEPUTY COMMISSIONER GARCIA: I'm sorry.

20 COUNCIL MEMBER SALAMANCA: Um, can you,
21 um, explain. So now that BIC has really, you know,
22 done its job, you know, cleared out organized crime,
23 I still believe you need to exist there. Um, what-
24 what is the-what is BIC's role? What does-what does
25 a BIC officer, um, the Business Integrity Commission

2 offers to do, um, in-in the market? What-what are
3 they doing? Like today what is your officer doing
4 in-in the market?

5 DEPUTY COMMISSIONER GARCIA: Um, well, as
6 terms-in terms of our on-site presence so we have a
7 staff of market agents that work there. um, they're
8 patrolling inside the markets. They're checking for
9 safety issues or any other, um, things that come to
10 their attention. They also patrolling outside, and
11 they're patrolling in the parking lots.

12 COUNCIL MEMBER SALAMANCA: What are they
13 patrolling?

14 DEPUTY COMMISSIONER GARCIA: Well,
15 they're issuing, um, summonses for, um, idling
16 trucks, um detached trailers, and other parking like,
17 um, expired license, expired inspections, and
18 registrations.

19 COUNCIL MEMBER SALAMANCA: And so, is
20 that-was that BIC's role when they were first
21 created? I mean is-is that like under-in the-in the
22 Charter that they are-there's, you know, they can
23 give out summonses?

24 DEPUTY COMMISSIONER GARCIA: Most of those
25 are part of ECD violations.

2 COUNCIL MEMBER SALAMANCA: Yeah.

3 DEPUTY COMMISSIONER GARCIA: Um, and I
4 believe yes.

5 COUNCIL MEMBER SALAMANCA: Okay. We've--
6 I've gotten complaints and I've heard, um, that
7 inside the markets BIC has driven around and given
8 cars double parking tickets. Does that happen under,
9 you know, are you aware if that happens?

10 DEPUTY COMMISSIONER GARCIA: Um, I'm not
11 aware of that, but I would imagine if they're
12 obstructing like the throughway or something, you
13 know for other businesses to be able to function, and
14 move from dot to dot or whatever they need to do,
15 they might be issuing those.

16 COUNCIL MEMBER SALAMANCA: Um. I have,
17 um, Barretto Point Park in my district. Um, and, um,
18 and, um they have what's called a floating lady pools
19 so you cool out a five-year-old in the summer. I-I
20 spent it there taking my-my son to the pool certain
21 days out of the week. Um, right on the corner, I-I
22 observed--observed something very strange. I saw BIC
23 standing on a stop sign waiting to see trucks drive
24 by to see if they're stopping, um, you know for that
25 stop sign. Is that BIC's role now in the Hunts Point

2 community to stop trucks in the street if they're not
3 observing the local traffic laws?

4 DEPUTY COMMISSIONER GARCIA: We do police
5 for things like parking on sidewalks, um, and other
6 things that would, um, present safety hazards.

7 COUNCIL MEMBER SALAMANCA: But I'm
8 unaware that that's—that was the intention of bring
9 BIC into the market. So, that was to, you know, get
10 rid of organized crime and corruption. I mean taking
11 a stop sign I think is really over-stretching your—
12 your role in—in Hunts Point.

13 DEPUTY COMMISSIONER GARCIA: Well, I
14 guess I would have to understand exactly what they
15 were—what they were questioning, and about it, and I
16 know there's a transfer station. Is there transfer
17 station there?

18 COUNCIL MEMBER SALAMANCA: They are
19 there. There are transfer stations there.

20 DEPUTY COMMISSIONER GARCIA: So, sometimes
21 they could be policing vehicles that are coming in
22 and out of the transfer station if they're licensed.

23 COUNCIL MEMBER SALAMANCA: Okay. No.
24 that makes absolute sense. There are—

2 CHAIRPERSON VALLONE: Well, maybe we can
3 help coordinate this going forward because this is
4 not just isolated to the Council. We are besieged.
5 I know the Small Business Chair Council Member Gjonaj
6 is here between the amount of violations from city,
7 state, federal, agriculture there. it's not
8 conducive to operating a business that is so
9 dependent on New York City. So, I think we need to
10 have part of the task force and the team that's there
11 to have your cooperation to see what's going to be
12 targeted, what the owner should be aware of. I'm—I'm
13 on the side of small business always, and I think
14 we've gotten to a tipping point. So, we need—you can
15 hear the frustration from Council Member Salamanca in
16 his district. So, um, I think what we can do is
17 maybe come back to Council Member to that because
18 we've, um, got a couple of panels.

19 COUNCIL MEMBER SALAMANCA: [interposing]
20 I'm—I'm sorry.

21 CHAIRPERSON VALLONE: Why don't we—why
22 don't we get to some more of you, and then we'll
23 finish up with this.

24 COUNCIL MEMBER SALAMANCA: I will—I will
25 wrap up my questions with BIC. Um, definitely I look

2 forward to—I would like to have a one-on-one, a
3 meeting with my office and—and—and your office. Um,
4 we have many concerns, you know, and I—I really want
5 to see how we can work together, um, on this. Um, my
6 last question. Um, and I want to know if this is
7 true. Um, a BIC officer comes into a business,
8 right, and they want to check the IDs of the
9 employees. Um, in hearings that day will stop
10 business, line everyone up, and start asking for IDs.
11 Is that—is that the procedure? Is that what a BIC
12 officer does?

13 DEPUTY COMMISSIONER GARCIA: I believe
14 like on a regular basis they're going through to make
15 sure that everyone whose in there and—and functioning
16 is supposed to be in there, and checking IDs. Um,
17 there are some situations. Um, I don't believe it's
18 that frequent where we will get complaints, and so
19 the only real way could, you know, to—to vet those
20 out could be to do an inspection.

21 COUNCIL MEMBER SALAMANCA: How many
22 inspections does—are your BIC officers required to do
23 weekly?

24 DEPUTY COMMISSIONER GARCIA: There is no
25 requirement.

2 COUNCIL MEMBER SALAMANCA: So, there's
3 no—you have to—so they just go in on their own?

4 DEPUTY COMMISSIONER GARCIA: No, I mean
5 usually it's coordinated so we do have other
6 investigators that do longer term investigations
7 that, um, you know, I've been with the agency just
8 for a couple of months, and I'm aware of maybe two
9 inspections--

10 COUNCIL MEMBER SALAMANCA: Got it.

11 DEPUTY COMMISSIONER GARCIA: --in two
12 months.

13 COUNCIL MEMBER SALAMANCA: Okay. Thank
14 you, Commissioner.

15 DEPUTY COMMISSIONER GARCIA: Uh-hm.

16 COUNCIL MEMBER SALAMANCA: Mr. Chair, so
17 I guess I'll come back for a second round of
18 questions.

19 CHAIRPERSON VALLONE: Sure. I wanted to
20 give Council Member Gjonaj and I know Council Member
21 Menchaca has just left. So, we can ask some
22 questions with the panel right now, and then, we'll
23 go. (sic)

24 COUNCIL MEMBER GJONAJ: Thank you,
25 Chairman Salamanca. Thank you for those great

2 questions and I think you touched on many issues
3 which are concerning, um, in particular why BIC was
4 formed to begin with, and what it has evolved into,
5 and I can't help but think that if the intention was
6 to lead up organized crime, and I believe the
7 argument at that point was this is going to make for
8 a much fairer work environment for the companies that
9 are operating it from being shaken down to being
10 shaken down to where it looks like they are better
11 off under the organized crime scenario because they
12 were able to at least survive. Um, the fees that
13 you're charging of \$150 for each employee--\$200 for
14 an application for a background check and Chairman,
15 maybe you can help me on this one. Didn't we just
16 vote to prevent background checks on tenants from
17 being charged more than \$25 because we felt it was
18 inappropriate and illegal? And we're allow BIC to
19 charge \$200 for a background check on an employee
20 that may or may not remain there. Can you help me
21 understand the reasoning behind a \$200 fee?

22 DEPUTY COMMISSIONER GARCIA: Well as I,
23 um, responded before, the fees are determined by a
24 cost benefit and a cost analysis—a cost benefit
25 analysis with what it costs BIC to perform the

2 investigation. Um, I don't believe we are allowed to
3 charge more than what it costs. Um, so, um, it's—it's
4 not a revenue.

5 COUNCIL MEMBER GJONAJ: I can do a
6 criminal background check for 25 bucks. You're
7 charging \$200, and I'm sure if I negotiated scale,
8 I'd be able to reduce that fee. So, why are we
9 paying \$200 for a criminal background check when
10 anyone could go online right now and do it for \$25?

11 DEPUTY COMMISSIONER GARCIA: My
12 understanding is that we get—we get a formula for a
13 cost-benefit analysis, and then it goes through the
14 Commission, um, as a whole, and then it goes to OMB.
15 So, I don't—I can't always speak to that. I don't
16 think any more. I can research it and see if there's
17 other information I can find for you.

18 COUNCIL MEMBER GJONAJ: What is the
19 source of your funding for the entire—for BIC—FOR
20 BIC?

21 DEPUTY COMMISSIONER GARCIA: The City.

22 COUNCIL MEMBER GJONAJ: The City how?

23 Are you a—a line item in our budget or--?

24

25

2 DEPUTY COMMISSIONER GARCIA: I don't know
3 the answer to that. Sorry. I have to get back to
4 you.

5 COUNCIL MEMBER GJONAJ: Chairman, do you
6 know the answer to that? No. I think you—you're
7 budget is based on the number of violations and fees
8 that you collect from these businesses that
9 determines on licensing fees that you charge. I
10 think that's your budget. I don't know if you
11 subsidize it as a specific line item. Is there
12 anyone who can answer that question? What happens
13 to the money—?

14 CHAIRPERSON VALLONE: So, this is one of
15 our Council Member Gjonaj.

16 COUNCIL MEMBER GJONAJ: What happens to
17 the \$4,000 fee? Does that go into your budget or
18 does it go into the city coffers budget?

19 DEPUTY COMMISSIONER GARCIA: I think it
20 goes into the city coffers.

21 COUNCIL MEMBER GJONAJ: You believe, but
22 you're not sure?

23 DEPUTY COMMISSIONER GARCIA: I'm almost
24 positive.

2 COUNCIL MEMBER GJONAJ: I don't think so.
3 I think you—that becomes part of your operating
4 budget, and it would make sense because you're
5 charging \$200 for a background check based on your
6 expenses. Well, if you were being funded by the city
7 and you're a line item, no one really cares. You're
8 basing your—the charges for the annual—I'm sorry,
9 every two years if you're a fish market and the
10 others every three years, on the 100 and the \$200
11 application fee based on your expenses to operate.
12 Does that make sense?

13 DEPUTY COMMISSIONER GARCIA: Based on our
14 expenses to perform that function or that service
15 that we're doing really for the market to make sure
16 that people, bad actors are not allowed in the
17 market.

18 COUNCIL MEMBER GJONAJ: So, why doesn't
19 BIC control all the other markets? It seems to be
20 doing a great job in preventing organized crime
21 besides crowding in Hunts Point. Why aren't we
22 putting you in charge of school buses? Um, the MTA,
23 or Transit Authority, and to make sure no one is
24 doing any, um, fare deeding and, um, a slew of other
25 industries that we can either draw, and just

2 arbitrary circle around or then you say anyone that
3 falls in this zone, any operation we're going to
4 oversee since you're doing such an excellent job in
5 weeding out organized crime.

6 DEPUTY COMMISSIONER GARCIA: I wish that
7 I could answer that, but I think that's beyond the
8 scope of my knowledge of the organization addressed.

9 COUNCIL MEMBER GJONAJ: Do you ever
10 believe that your work will be finished as BIC that
11 you weeded out organized crime because apparently the
12 FBI isn't good enough. They NYPD isn't good enough,
13 and if it wasn't for BIC, organized crime would be
14 rampant and the food market in Hunts Point and--and
15 the carting industry?

16 DEPUTY COMMISSIONER GARCIA: Well, I'm
17 hopeful, but I wouldn't say that I have a lot of
18 confidence.

19 COUNCIL MEMBER GJONAJ: Yeah, so you're
20 hopeful that you--

21 DEPUTY COMMISSIONER GARCIA: I'm hopeful
22 that--

23 COUNCIL MEMBER GJONAJ: --one day--?

24 DEPUTY COMMISSIONER GARCIA: --I'm hopeful
25 that it could be one day, but based on ongoing work

2 that we're doing right now, um, I have reason to
3 believe that it's not coming any time soon.

4 COUNCIL MEMBER GJONAJ: Does the FBI come
5 to you for help in finding organized crime?

6 DEPUTY COMMISSIONER GARCIA: Um, we work
7 both—we work together with them.

8 COUNCIL MEMBER GJONAJ: So, that they--?

9 DEPUTY COMMISSIONER GARCIA: They come to
10 us and sometimes we go to them.

11 COUNCIL MEMBER GJONAJ: How does that
12 work?

13 CHAIRPERSON VALLONE: Council Member
14 Gjonaj, I think we are in agreement we are going to
15 have a separate hearing on—on BIC's policies there,
16 but I want to ring us back into—the co-ops are
17 waiting to testify on—on their leases in the future
18 there at Hunts Point.

19 DEPUTY COMMISSIONER GARCIA: So, I—

20 CHAIRPERSON VALLONE: [interposing] If
21 you can wrap up with BIC.

22 COUNCIL MEMBER GJONAJ: I will wrap it
23 up, Chairman, but I'm looking forward to the day that
24 BIC no longer meddles in Hunts Point because the
25 longer you continue to harass and penalize and punish

2 these businesses, the sooner they're going to be
3 looking to relocate, and in case we haven't realized
4 the importance of Hunts Point and what it means for
5 this city and this state, and if we don't value the
6 8,000 jobs and if we don't value the tax base that
7 they are, the employment opportunities that they are
8 and the services that they provide, we're going to
9 find ourselves in a very difficult position, and they
10 choose to leave, and they say enough is enough
11 because they no longer have to be here. They're
12 under too much threat including the environment where
13 I believe it was \$25 million has been allocated for
14 resiliency plans that prevent flooding similar to
15 Hurricane Sandy. I can't imagine \$25 million is
16 enough to put a fence around Hunts Point let alone
17 protect it from future flooding.

18 CHAIRPERSON VALLONE: Again, \$8 million
19 for air conditioning out at Fort Totten.

20 COUNCIL MEMBER GJONAJ: There you go. So,
21 for the price of three bathrooms, um, we are going to
22 protect, um, Hunts Point from flooding in the future.

23 DEPUTY COMMISSIONER GARCIA: Well, I do
24 thank you for expressing, um, your concerns. We have
25 worked jointly with the markets. I mean the people

2 that ate in the markets every day, um, are well
3 aware. The market managers know them.

4 COUNCIL MEMBER GJONAJ: Well, I'm not
5 sure they know you.

6 DEPUTY COMMISSIONER GARCIA: The Security
7 Department

8 COUNCIL MEMBER GJONAJ: They don't doubt
9 that one bit.

10 DEPUTY COMMISSIONER GARCIA: Um, well--

11 CHAIRPERSON VALLONE: So, we're going to
12 turn it over to Council Member Salamanca for the last
13 um--

14 COUNCIL MEMBER GJONAJ: Chairman, if I
15 could just wrap it up because I just--

16 CHAIRPERSON VALLONE: Yes, but you could
17 go all day at this point. [laughter] We'll get you a
18 separate room.

19 COUNCIL MEMBER GJONAJ: As she was
20 wrapping up--

21 CHAIRPERSON VALLONE: Alright, I mean
22 about you.

23 COUNCIL MEMBER GJONAJ: You made a
24 comment, which you're following on that you don't
25 hear complaints from the market, whether it be about

2 traffic violations of infractions or because you
3 became the traffic policeman as well as well at DOT
4 to make sure that the trucks are in compliance. You
5 name it, it sounds like you've become the oversight
6 of Hunts Point in every sector, field and law
7 enforcement from ticket writing to inspections to
8 qualifications to you—you just—it's all yours. You
9 said we don't hear from the market. It would be
10 shocking for you to understand that they're afraid to
11 complain to the very agency that on one hand has the
12 hammer, on the other hand has a pair of scissors and
13 it says, which would you like? And we have the option
14 to give you both. Do you think they have the very
15 room to complain to you knowing that your funding
16 exists solely on the number of violations and fees
17 that you collect from the that you can walk into
18 their establishment like Gang Busters say, hands up.
19 Open up all your drawers. Don't anybody move and
20 we're going to be here for months as we go through
21 every piece of paper after you've done your
22 background checks.

23 DEPUTY COMMISSIONER GARCIA: Well, just to
24 clarify so I was on site for one of the inspections.
25 And I believe it took 20 minutes. So, I think that

2 the people are—that are working there the owners and
3 the employees, um, are very forthcoming, and most
4 times when—when we're in like say the adjacent area,
5 we may come across a business that's unaware that,
6 you know they need to register with us, and they are
7 usually given, um, notice. They're not cited
8 immediately. They're given like 40 days to get the
9 information together for their application so that
10 they can register. Um, I think that our enforcement
11 has been judicious. Um, I know that some background
12 checks might seem uncomplicated. Um, but just last
13 month we did have a couple of employees, um, one in
14 the fish market and one in the meat market that were
15 denied working there, and one was because of crimes
16 that the person, um, committed while in the market,
17 and the other one was someone who has association
18 with organized crime. So, I think the businesses
19 that are there doing honest business and employing
20 people in the community are probably appreciative of
21 the work that goes into that, and I've seen those
22 decisions. They're very lengthy, they're very
23 thorough.

24 CHAIRPERSON VALLONE: And with that, I'm
25 ending this conversation. We're not getting into a

2 conversation about Genesee does. This is about Hunts
3 Point. So, we're moving onto the question of our
4 Council Member Salamanca to end with the first panel
5 and then we're going to end with that.

6 COUNCIL MEMBER SALAMANCA: Thank you,
7 Chair, Mr. Chair. Um, Commissioner, thank you very
8 much for answering our questions. Um, back to EDC. I
9 have one two questions. (sic) Where are we with the,
10 um, the Hunts Point Lifeline Project?

11 CECILIA KUSHNER: Sure. I'll be happy to
12 take this and then I'll look to my colleagues for
13 needful help. So, um, right after Sandy had gave the
14 opportunity for communities all across kind of the
15 Atlantic Shore that had been affected by Sandy to
16 apply to HUD for funding. Um, the Hunts Point
17 communities, stakeholders in the market put together
18 kind of like the Lifeline Proposal, um, which was
19 really seeking funding for, um, for resiliency at
20 large in the Hunts Point community. Um, the HUD gave
21 a grant of \$20 million.

22 COUNCIL MEMBER SALAMANCA: [interposing]
23 I'm sorry. I just because we're short on time.

24 CECILIA KUSHNER: Yes.

2 COUNCIL MEMBER SALAMANCA: I know you
3 want to give us an explanation. There was about \$70
4 million given right? Where are we? Where are the
5 back of generators? Where are these solar panels?
6 Have they been installed?

7 CECILIA KUSHNER: Yep.

8 COUNCIL MEMBER SALAMANCA: What—what's
9 happening?

10 CECILIA KUSHNER: So, it was \$20 million
11 from the federal government, \$51 million from the
12 city. Um, we've gone through design. Um, as um,
13 Charlie explained earlier, it's for a Microgrid
14 project and two solar panels on two schools in the
15 neighborhood. Um, the—the Microgrid project will be
16 installed on Site D. We're beginning remediation. We
17 will be beginning the construction of the project in
18 2021 with the goal of finishing in 202 by 2022, we
19 wanted to have the Microgrid up and running. Um on
20 the two solar panels, I don't know if you have them.

21 COUNCIL MEMBER SALAMANCA: Um, so that—
22 that, um, that funding, when did the city receive
23 that funding in total for that—that project?

24 CECILIA KUSHNER: So...

2 COUNCIL MEMBER SALAMANCA: What fiscal
3 year?

4 CECILIA KUSHNER: The \$20 million I
5 believe were received in 2016...

6 COUNCIL MEMBER SALAMANCA: Okay

7 CECILIA KUSHNER: But we can--happy to--I'll
8 double check and get back to you.

9 COUNCIL MEMBER SALAMANCA: But my line of
10 question is I just don't know why it's taking so
11 long--

12 CECILIA KUSHNER: Uh-hm.

13 COUNCIL MEMBER SALAMANCA: --for EDC to
14 complete this project. It just makes no sense to me.

15 CHARLIE SAMBOY: So, I think one of the--
16 one of the issues that I think is, um, I hope you
17 find enlightening is that we--we advanced a concept of
18 project, um, in the last two years. We brought that
19 concept to the community and they rejected it based
20 on Environmental Justice principles and--

21 COUNCIL MEMBER SALAMANCA: What the
22 community wanted is something else, and EDC says no,
23 we know what's better for you. We're going to go
24 with this Microgrid and solar panels opposed to some
25 type protection, wall protection.

2 CHARLIE SAMBOY: So, we—we have a
3 responsibility to the federal funding to do what is
4 called a, um, the project has to be able to work on
5 its own. We can't build a section of a wall or a
6 section of a project. It has to be a project that
7 has full utility in and of itself. So, what we
8 advanced was studying a resilient Microgrid and
9 studying a flood wall. What we found was that we
10 could do a resilient Microgrid, but we needed to add
11 additional funding, and that's why the city added an
12 additional \$51 million. We found that it actually
13 was--from our perspective it wasn't in—it wasn't the
14 greatest utility to build a wall around Hunts Point
15 to protect against flooding. Um, the buildings what
16 need first and foremost above everything is the
17 protection of their energy source and by protecting
18 that we protect the businesses. Um, communities have
19 wanted a wall. They believe that they—that that
20 would be the best solution, but we have found that it
21 doesn't have the greatest utility or the best co-
22 benefits to provide whether it's, um, access to the
23 waterfront or protection against some other risk that
24 Hunts Points also subject to this was mentioned
25 earlier, um, a heat wave—a wall won't protect against

2 a heat wave, and that's something that we know could
3 happen and in Hunts Point.

4 COUNCIL MEMBER SALAMANCA: Okay, um the
5 solar panels, when will they be installed in these
6 two schools?

7 CHARLIE SAMBOY: I'll have to get on the
8 Internet, but we have finished design, and we're
9 advancing towards preparing for that.

10 COUNCIL MEMBER SALAMANCA: When did you
11 finish the design?

12 CHARLIE SAMBOY: I'll have to get it. I
13 don't have that right in front of me.

14 COUNCIL MEMBER SALAMANCA: You've had
15 this money since 2016.

16 CHARLIE SAMBOY: But that is—that is
17 advancing as part of this project. So, as I
18 mentioned earlier we—we were simply—we were simply
19 advancing a Microgrid, and the community said they
20 wanted to have both a better Microgrid that was
21 cleaner, and then also protecting some assets that
22 were in the community. So, about a year ago we went
23 back to the drawing board and redesigned what we had
24 originally proposed, and brought that back to the
25 committees to get their two cents and opinion.

2 COUNCIL MEMBER SALAMANCA: Alright. Um,
3 and then finally in Fiscal Year 17, um, for the
4 budget of Fiscal Year 17 the Council allocated \$3.45
5 million for back-up generators at the meat market.
6 Where—so Fiscal Year 17, this June we're going to do
7 a budget for Fiscal Year 21. So right now we're
8 currently in Fiscal Year 20. 17, 18, 19, 20. Where
9 are we with these back-up generators? I mean the
10 Council gave you this money for Fiscal Year 17.

11 CHARLIE SAMBOY: So, where we are today
12 and we discussed this I believe with you. Um, where
13 we are is we—we advanced the design of our generator
14 system. Um, that system has to be sort of adhere to
15 certain EPA regulations. Um, within the last year,
16 the contractor that was advancing the project on our
17 behalf was sold to a much larger organization. Um,
18 EPA, which I cannot speak for them, they have
19 different standards for what are considered small
20 manufacturers versus larger manufacturers. Um, the
21 original company that we were contracting with was
22 what EPA considers to be a small manufacturer, which
23 has less stringent standards for their emissions.
24 When that corporation was bought by a larger one,
25 they had to move to a different set of principles.

2 So, for the last year what we have been doing is
3 working with our contractor to advance that to meet
4 the new, um, higher standards by EPA, and we've been
5 negotiating with the meat market to get to a place
6 where we can, um, put those generators in place by
7 next hurricane season.

8 COUNCIL MEMBER SALAMANCA: So, we--there's
9 a commitment that this will be resolved by next
10 hurricane season?

11 CECILIA KUSHNER: Yes there is, and I
12 just want to elaborate on what Charlie said. I feel
13 the frustration. We, too, are incredibly
14 disappointed especially considering EDC's very strong
15 track record of delivering projects on time and on
16 budget. Se we are all over this, and we are very
17 happy to report at this point, um, that we will have
18 back-up power to the market by next hurricane season.

19 COUNCIL MEMBER SALAMANCA: Okay. Thank
20 you, thank you Mr. Chair.

21 CHAIRPERSON VALLONE: Alright, with that
22 I'd like to thank the panel. I just want to say that
23 we basically just touched on a lot that's going on
24 here, and I think this is the first of a series of
25 hearings that we're going to do on an annual basis. I

2 think it really gives an opportunity for, and I see
3 the different groups that are here to talk about and
4 really understand the scope of what's happening there
5 the different businesses that are affect, the growth
6 for years in New York City and the future of the
7 markets coming and I think we even touched on the
8 possible—we've been talking about healthier green New
9 York City food options for schools, um, for our
10 students, for every aspect of the city will happen
11 right here, and I think that's going to be we're
12 getting in future for that. So, we're going to be
13 advocating for seeing those funds distributed and
14 making sure these projects go forward. Um, with
15 that, I'd like to thank you, and then we're going to--
16 --

17 DEPUTY COMMISSIONER GARCIA: [interposing]
18 Thank you.

19 CHARLIE SAMBOY: [interposing] Thank you
20 very much.

21 CHAIRPERSON VALLONE: --call our next
22 panel. Um, if Joe you can hang in there, we're going
23 to bring up the co-op owners, and then workers, and
24 we're going to have two panels. So, I'd like to bring
25 up the Hunts Point Produce Market, Joel Fierman,

2 Matthew Russo. Charlie, thank you. [background
3 comments] Phil Grant and Steve Wintner. (sic) You
4 guys come on up and thank you, and a chance to give
5 your view of what's going on there. [background
6 comments] Thank you to EDC. I'd also thank you for
7 your hospitality Green was around last week. We much
8 appreciate it. [background comments/pause] So,
9 whoever would like to begin first, the floor is
10 yours.

11 MALE SPEAKER: It is yours.

12 PHILLIP GRANT: Good afternoon, Chair
13 Vallone and members. My name is Phillip Grant. I'm
14 the General Manager of the Hunts Point Produce
15 Market. I'm joined today to my right Joel Fierman,
16 Co-President. To my left Edy Katzman, also Co-
17 President and also to my left Matthew D'arrigo a
18 member of the Board. Welcome gentlemen. Thank you.
19 Thank you for providing to—thank you for providing us
20 the opportunity to share with you our passion for the
21 Hunts Point Produce Cooperative, Inc. also known
22 simply as Hunts Point Produce. We appreciate you
23 hearing us today, this afternoon and invite those of
24 you who have not yet taken the tour to call us and
25 join us. The market is fully occupied presently with

2 31 owners, 33 companies as two-as two of the owners
3 and their families own two companies. We have
4 outgrown the 113-acre site. We are space
5 constrained, and we are in need of additional
6 refrigerated space in order to efficiently
7 accommodate the produce demands of the city. City-
8 owned trailers based on a recent study by Market
9 Management their finding is that 12,000 pallets were
10 waiting to be transferred to various warehouses
11 sitting in over 700 trailers. If in-if in the-if in
12 a unit we would need to two additional rows or two
13 buildings to accommodate our space. Pallets
14 presently containing our warehouse stands at 20,000
15 and 23,000 pallet positions of produce. With our
16 triple net lease, we spent over \$18 million this year
17 to maintain our aging, crumbling facility as this
18 picture-as the pictures in our folder indicate. At
19 present we have approximately 3,000 direct employees,
20 of which 1,300 of the-of the members are United
21 Brothers of Teamsters 202 providing good paying union
22 jobs. There's a spreadsheet in your folder that
23 indicates that not only their level but their pension
24 and welfare are covered. Members contribute \$10 a
25 week of their welfare coverage in addition to Local

2 202 is the perishable food industry Local 153 with
3 140 office workers also receiving pension and welfare
4 with contributions to the Welfare Fund of \$15 per
5 week. Further, our Public Safety employees belong to
6 the SPBA, Special Patrolman's Benevolent Association
7 also with good paying jobs and matching IRA savings
8 plans. In order to maintain the operations in the
9 market, we have our own janitorial, grounds keep,
10 maintenance, toll takers, Carco employees all our
11 members of Local 202. Among the roster of Public
12 Safety employees is an--is an additional 18 fireguards
13 that are New York State Security Guards providing
14 additional protection for fire watch for the
15 facility. The additional coverage is in place until
16 the market can install a new fire alarm system from
17 the warehouse area mandated by Fire Department New
18 York city. The total cost for both Public Safety
19 Department is \$3.7 million. In order to properly
20 secure the entrance to the facility, the total cost
21 to operate the toll plaza is approximately \$1.5
22 million.

23 CHAIRPERSON VALLONE: So with all these
24 costs these are in the original lease that was
25 negotiated and that's currently in effect now?

2 PHILLIP GRANT: Correct.

3 CHAIRPERSON VALLONE: So, I just want to
4 put it this way.

5 PHILLIP GRANT: In order to maintain an
6 aging facility, the cost of maintenance is roughly
7 \$2.7 million, while janitorial costs are
8 approximately \$1.14 million. The cost of sanitation
9 for the cooperative, common property is approximately
10 \$1.9 million and Chairman Vallone, these costs have
11 gone up over the years.

12 CHAIRPERSON VALLONE: And they're shared
13 equally throughout the cooperative?

14 PHILLIP GRANT: They're shared equally.
15 The market moved from Washington Street in March of
16 1967 to its present location. Along with the good
17 paying union jobs our system includes customers and
18 market vendors who provide various services for Co-
19 Operators Cooperative. We have another 1,800 direct
20 employees and 5,000 indirect employees. We have
21 approximately 4,800 active IDs in our system, which
22 equates to approximately 9,800 jogs indirect-
23 indirect. In your folder are cards given to all
24 customers, vendors and employees related to food
25 safety. The market is compliant with the Federal Food

2 Safety Modernization Act, which meets all
3 requirements regarding the cult—regarding culture.
4 Within a 50-mile radius the market is the primary
5 supplier of fresh produce for 23 million people or 7%
6 of the population of the United States. Moreover,
7 produce is distributed by merchants and customers as
8 far north as Maine, as far south as Florida and as
9 far west as Chicago. An incredible 3 billion plus
10 pounds of produce flow through the market yearly with
11 a customer base that includes the corner push carts
12 to the neighborhood bodegas, to 2,500 independent
13 green grocers to Wegmans and Whole Foods, and
14 everything else in between. Most of the city
15 locations do not have adequate refrigeration. As a
16 result, in order to supply the consumer, your
17 constituency with fresh produce, these customers need
18 to shop daily. Up to 25,000 rest roads, we are
19 likely to say there is produce on the plate either
20 directly or indirectly. It is coming from Hunts Point
21 Produce Market. Sales of the market have remained
22 steady at approximately \$2.4 billion yearly. While
23 terminal markets in the rest of the country are
24 suffering a down tick in business, we flourish
25 because the vast array of ethnicities in this city of

2 ours. The biggest thing slowing down a huge
3 expansion is refrigerator space. Our charity
4 donations as Council Member Salamanca said, um, is
5 roughly 6.5 million pounds with a dollar value of
6 \$6.5 million in donation and that's above we've done
7 our lease. Now with the donation of the produce, we
8 are about Americans. Other financial donations are
9 made throughout the year by both merchants and
10 cooperative. As previously mentioned, due to space
11 restraints the necessary use of the inefficient
12 storage trays cost the merchants roughly \$5.8 million
13 a year, and that's above and outside of our use,
14 additional cost. Insurance of the cooperative and
15 merchants continues to escalate with a present figure
16 of \$4.8 million for Workers Comp. For the
17 cooperatives it's roughly \$4.34 at this time. Our
18 position in the economy at the Bronx has an impact of
19 over \$485 million. We're committed to staying an
20 economic force in the Bronx. We have tried for over
21 25 years to address this failing facility. There's
22 an urgent for a rebuild in order for the market to be
23 more efficient and productive and complete successful
24 to be—to compete successfully in the coming decades.
25 Our development plan will make us more efficient and

2 engender growth for the market to be accompanied by
3 increase in jobs. We need the support of the City
4 Council to move a rebuild project forward so that we
5 can continue to serve the people of the city and the
6 surrounding areas of fresh employees. Thank you, and
7 I welcome your questions.

8 CHAIRPERSON VALLONE: Phillip, you
9 definitely have our support, and that's why we have
10 this hearing, and that's why we came to visit the
11 gentlemen in the sites there. We thank you for the
12 individual. Um, it's amazing how each tenant has
13 their own vision, and yet you all operate together.
14 So, does anyone else want to speak while you're at
15 the table with—with just general comments? Okay.
16 Um, with the lease negotiations going on now, I think
17 what Council Member Salamanca and I can do to
18 advocate for this, and I appreciate the EDC so here
19 is to realize those very real numbers. We just put
20 out the growing and escalating costs and the great
21 jobs that you're providing. Um, and a lot of that
22 you're doing on your own, and there's issues beyond
23 any individual co-op tenant/owners from resiliency to
24 environmental, the federal, state and local to BIC.
25 There are so many different layers that impact

2 everyone, but impact all of you. Something that I
3 couldn't help but see the plight was the use of the
4 trailers for getting any possible use of the space
5 that you have at the rear between deliveries and
6 space. To me that was just—it was crying plight of
7 what you have to have to deal with to maximize and it
8 was not a useful use of the space that each co-op
9 tenant/owner has. How—how are we going to go forward
10 in the future if there was a lease in place or a
11 financing mechanism in place would it be safe to say
12 that those trailers would be a thing of the past?

13 JOEL FIERMAN: [off mic] A good portion
14 of them due to--

15 CHAIRPERSON VALLONE: Just use the—the
16 microphone and just so we can always.

17 JOEL FIERMAN: I'm Joel Fierman. I'm one
18 of the Co-Presidents of the market So, just say the
19 trailers will go away I think we'd be unrealistic,
20 but I would day a good portion of them would go away
21 with the, um, redevelopment of the SODE (sic).

22 CHAIRPERSON VALLONE: Because we're not
23 using the space, maximizing it at all. We're just
24 using enough to maximize possibly getting enough
25 process.

2 JOEL FIERMAN: So-so let's just be clear.
3 The market since its inception has sat at 100%
4 occupancy. We've never, we've never—I think at one
5 point maybe we had two units that were vacant and
6 that lasted about an hour. So, you know, the
7 merchants do the best that they can with the amount
8 or volume of produce that they bring in. They use
9 these trailers. They're in theory all they are are
10 ancillary storage space for their—for their units.
11 So if you measured the trailers out, if you are at
12 100% occupancy with the trailers, you're occupying
13 130% o that market on a useful daily basis. Now, the
14 merchants don't want to use the trailers. It's not
15 economical for them to use the trailers. First of
16 all, they're burning fossil fuels, which we all know
17 are not a good thing especially in the South Bronx.
18 So, it has a higher asthma rate that you brought up.
19 So, some merchants have had the ability to convert to
20 electric also not economical, but it's just the fact
21 of bringing product in, taking it off the truck or a
22 train, reloading it onto a trailer for storage for a
23 period of 24 to 48 hours. The economics behind it
24 just doesn't make sense. You're handling product two

2 or three times. It should in theory be handled once,
3 twice at most so--

4 CHAIRPERSON VALLONE: If you had the
5 additional space.

6 JOEL FIERMAN: If you had the additional
7 space.

8 CHAIRPERSON VALLONE: That--we're on the
9 same page is what I'm trying to say.

10 JOEL FIERMAN: Well, that's what I'm just
11 trying to bring out what--what it entails.

12 CHAIRPERSON VALLONE: So, it would make
13 the next generational step would make sense. To
14 include that facility should be something that we
15 should be providing to the produce cooperative is the
16 ability to have that expansion incorporated in the
17 next negotiation and--and growth with the market. To
18 me, I'm not saying that there's anyone doing anything
19 wrong in using the trailers. It was just a waste of
20 energy, time space and everything by--

21 JOEL FIERMAN: Yep.

22 CHAIRPERSON VALLONE: --not even
23 maximizing the space that you have.

24 JOEL FIERMAN: Right. Correct.

25

2 CHAIRPERSON VALLONE: I mean that would
3 be, and that would not completely. Certainly with
4 many of the local issues that we're talking about is
5 where if you maximize that space it would give our
6 tenants the ability to having more growth, and would
7 take away a lot of this local consent.

8 JOEL FIERMAN: Absolutely and, you know,
9 and when we sit here and we talk about resiliency,
10 and the use of the, um, power grid in the market, the
11 market even if you were to install this resiliency
12 Microgrid that you—that you're talking about putting
13 in, our infrastructure for delivering that power to
14 the market itself, is so inadequate that you
15 basically get into sending power into an empty block
16 because it's—we're 67. We have arching (sic) issues
17 that are beyond repair. We've—we've gone to Con-Ed,
18 and we've gone to the city and state looking for
19 upgrades. We don't even have waterproof premise
20 switches, which is the main distribution and it's and
21 it's a no-brainer in today's rebuild state to include
22 that. We just do—we just replaced four—four prindles
23 (sic) How many did we replace?

24

25

2 PHILLIP GRANT: Approximately four and
3 EDC funded it. They're not worth it (sic) and I think
4 we have eight more to replace.

5 CHAIRPERSON VALLONE: Like I said, I have
6 an \$8 million bathroom in Fort Totten if you'd like
7 to have that. [laughter] We don't have such a
8 great track record.

9 JOEL FIERMAN: So, you know, it's not
10 that we're sitting here, you know, crying wolf, you
11 know because we're really not. We're providing jobs
12 and an economic machine for the Bronx and we have
13 been for the last 50 years, and we want to continue
14 to stay there. I mean years ago we had the ability,
15 we—we did have—almost have the ability the leave—
16 leave the city. The Merchants decided they don't want
17 to leave. They made a commitment to stay in New York
18 City. They feel that this is their home, and, you
19 know, we talked about this and we've been talking
20 about it for so many years it's—it's hard to get
21 anybody to commit to staying there to—to—to continue—
22 to continue to grow within the City of New York.

23 CHAIRPERSON VALLONE: Well, we want to
24 make sure that you have the understanding that we are
25 here, and as well, we came to that—to hear that, to

2 be your advocate, to make sure that the Council and
3 EDC and Land Use now are—are part of that, and
4 working with EDC. We have heads nodding, and to—to
5 realize that we, you know, for them putting in a
6 switch to make sure it's waterproof. Those are the
7 type of things that we want to be able to be. We're
8 the best city in the world. We want to give produce
9 and every other section to show this is why without
10 you there our restaurants and our small businesses
11 don't have sales listed, don't have the ability to
12 have the choices of food that are in the markets and
13 the restaurants. Otherwise you get stuck with the
14 same five or six operators.

15 JOEL FIERMAN: Is this--?

16 CHAIRPERSON VALLONE: And so we will, we
17 will make sure that that is happening, but if there
18 is one thing that we could fight for in modern day,
19 what is the biggest hurdle that you have to face on a
20 daily basis? Is it the over-violations? Is it the
21 not having the ability to expand? Is it the not the
22 certainty of the future of what's happening there.

23 JOEL FIERMAN: Yes.

24 CHAIRPERSON VALLONE: What--what would be
25 the top three of those venues? [laughter] I wanted

2 to take that, and they're still here. The sitting and
3 the rest of the team committee is still here. Steven
4 and the rest of the team committee is still here.

5 STEVEN KATZ: Um, my name is Steven Katz.
6 I'm the Co-President of the Market

7 CHAIRPERSON VALLONE: Welcome Steve.

8 STEVEN KATZ: Thank you. One of the—one of
9 the two biggest fears that we have right now is a
10 long-term lease. Our lease is going to be up, and
11 while we do agree to negotiate towards a possible
12 rebuild or whatever it's going to be, each one of us
13 as owners of the market right now are seeking
14 billions of dollars with these buildings that we
15 don't own that we are understand we might move into a
16 new place, we might not, but our lease is up in 2021
17 at its current rent.

18 CHAIRPERSON VALLONE: Now is that an
19 option that kicks in?

20 STEVEN KATZ: [interposing] It's an
21 option that's there so that the fair market value,
22 which is EDC IS not very open.

23 CHAIRPERSON VALLONE: [interposing] EDC
24 is now doing that as an effort. Yes. (sic)

2 STEVEN KATZ: --that they're very old.
3 They'll take--if we get to that point, you know, we
4 will sit down and we will talk about it, but it is a
5 fear, and to go to a bank to try and borrow money to
6 put money into the infrastructure with the lease that
7 only has a year and a half, you're right, a year and
8 a half left.

9 CHAIRPERSON VALLONE: And we actually
10 brought up to EDC the possibility of creating a new
11 specific type of revenue financing just for the co-
12 ops because it's almost impossible whether you're an
13 individual co-op owner or a merchant to the giant
14 conglomerate co-op, I think you finance it through a
15 traditional bank.

16 STEVEN KATZ: It's--it's tough.

17 CHAIRPERSON VALLONE: So, we want to be
18 able to try to put something in place because it
19 doesn't make sense. With city or EDC. We should be
20 able to provide a mechanism that can provide that for
21 infrastructure. So, it's something has to work in
22 this.

23 STEVEN KATZ: And it's something we're
24 putting into a city-owned building and on city land
25 and providing service to all the people in the city.

2 It's to me—I'm prejudice but yes, to me it's a no-
3 brainer. We're here for the city and the city is
4 here for us. We're just looking for a little bit
5 more for us.

6 CHAIRPERSON VALLONE: The good news is
7 you've got Council Member Salamanca to watch your
8 back for this group.

9 COUNCIL MEMBER SALAMANCA: First I really
10 want to thank you for coming. I know it's planning--

11 CHAIRPERSON VALLONE: [interposing]
12 Council Member Cornegy has joined us. (sic)

13 COUNCIL MEMBER SALAMANCA: and coming
14 from, you know, the South Bronx and getting here in
15 the city. So I thank you. So, I just want to touch
16 on the question I promised I was going to ask you.
17 The fees that they charge, right. I know it's \$4,000
18 every three years that they're charging each
19 business, and then the employees there's a \$200 fee.
20 Um, is that also every three years or is that yearly?

21 STEVEN KATZ: So, our employees do not
22 pay that fee.

23 COUNCIL MEMBER SALAMANCA: Okay.

24 STEVEN KATZ: The--

2 COUNCIL MEMBER SALAMANCA: [interposing]

3 But I haven't asked that yet, but thank you for that.

4 STEVEN KATZ: No. Well, we don't—I

5 haven't said that, but could I just tell you? This

6 is not to say that they're not going to. Right now,

7 BIC said that we came to our own ideas, and that

8 information is sent down to BIC weekly or daily.

9 Whenever it's—whenever it's updated. They want to go

10 into a real time systems. That real time system is

11 going to created this \$250 fee per card because they

12 don't, they're, you know, the criminal element that's

13 in Hunts Point if they get the information in 24

14 hours God only knows what will happen, you know, if

15 they don't have it the same day. So, they want—they

16 want this system in place. We've been—we've been

17 fighting them for quit a while on this system. So,

18 um, it's going to come back again. They—they've

19 raised the issue again. We sort of ignore it with

20 them, but it's going to come back again. So, that's

21 not going to go away.

22 COUNCIL MEMBER SALAMANCA: So, so

23 currently all the businesses in the market pay the

24 employee fees for the BIC.

25 STEVEN KATZ: Currently, we--

2 COUNCIL MEMBER SALAMANCA: They don't
3 charge?

4 STEVEN KATZ: --we pay for the first time
5 the--the--all the employers pay the one time get your
6 card fee.

7 COUNCIL MEMBER SALAMANCA: Okay.

8 STEVEN KATZ: If the card is lost, it's
9 minimum now. I think it's only \$10 or \$15 to get a
10 replacement card. Under the new system if that card
11 is lost it comes with a big fine. I've heard it up
12 with the \$2,000, you know, \$250. I don't know where
13 that number comes from because we haven't dealt with
14 it, but there's a number between that \$250 and \$2,000
15 for their system once it's in place.

16 COUNCIL MEMBER SALAMANCA: So, if-if
17 you're-if I'm--and I'm an employee of yours, right,
18 and I start today. You pay for that--that card from
19 BIC?

20 STEVEN KATZ: Correct.

21 COUNCIL MEMBER SALAMANCA: A week down
22 the line I lose that card, right, my ID card. I'm--
23 I'm--I'm charged how much to get a replacement?

24

25

2 STEVEN KATZ: I think the market
3 currently regards the existing system. It's either
4 \$10 or \$15.

5 COUNCIL MEMBER SALAMANCA: Which sounds
6 reasonable.

7 STEVEN KATZ: Which is reasonable. Under
8 their system, which is one that they've--they've
9 insisted that we put into place, it goes up
10 astronomically. It could be, I don't know, \$250 to a
11 \$1,000.

12 COUNCIL MEMBER SALAMANCA: Well, we're
13 going--we're going to look into that because should I
14 misplace my driver's license, the State of New York
15 DMV does not charge me 200 bucks to get a new one--

16 STEVEN KATZ: Well, we agree with that.

17 COUNCIL MEMBER SALAMANCA: --you know?
18 Alright and then just one last--two more questions on
19 BIC and then I'm going to move onto local hiring.
20 Um, not, um, at--there's um--there's a quote that you
21 stated in the New York Times. I just don't have the
22 date here in this, um, documents that they gave me.

23 FEMALE SPEAKER: Oh, no.

24 COUNCIL MEMBER SALAMANCA: It says, um,
25 and it has you quoted as: BIC feels they have an

2 open-ended power to oversee everything done by
3 management of this market. We fundamentally
4 disagree. Their mission begins and ends with
5 organized crime. So, in you opinion, how-how are they
6 over-reaching?

7 PHILLIP GRANT: Well, first I'd like to
8 know if anybody from BIC is still in the room, but--

9 COUNCIL MEMBER SALAMANCA: They're
10 watching live.

11 PHILLIP GRANT: Just joking. Um, well,
12 it goes to what you were getting at when you were
13 questioning the Commissioner. When this all started
14 with the local law and with the carting companies and
15 I believe there was the gambling, some--[background
16 comments] Yeah. They--they grabbed the markets and
17 put it all into this big circle like, um, the, um,
18 Councilman was referring to, um, before, and it's
19 just gotten away from what it was supposed to be, and
20 that was rooting out organized crime, and what you
21 were getting at about traffic tickets, and we don't
22 need people to write traffic tickets for us in our
23 market. We have--we have a full staff of security,
24 and we self-regulate. That's what a triple net lease
25 is all about, and that is--it's strictly not the

2 business of trying to find the mountain mobster. So,
3 what I was revering to, and that was a long time ago,
4 I had the feeling because I don't remember saying
5 that, but I just think the mission creep has happened
6 and, um, we need to maybe get it back to what, um,
7 what they were originally made for because we're on
8 the same page. We're businesses trying to run
9 businesses, and if a bad guy comes into our market,
10 we're not necessarily made to detect those sort of
11 things. BIC is. So, we want to work with them about
12 that particular problem keeping the bad guys out, but
13 really that's not only what we want to see happen.

14 COUNCIL MEMBER SALAMANCA: Okay. What is
15 the average violation that a business gets from BIC?
16 What was the—I mean if—if you—I'm pretty sure you
17 hear this from your colleagues.

18 STEVEN KATZ: [off mic] Well, I'll give
19 you an example. We were just following--

20 COUNCIL MEMBER SALAMANCA: [interposing]
21 The mic isn't on.

22 STEVEN KATZ: I'm sorry. We—we would just
23 fine them a substantia amount of money. I don't
24 remember the exact amount, but it was \$3 or \$4,000
25 for failure to update the personnel file in a timely

2 fashion, and they came back and they said well, we'll
3 do you a favor and it will only be \$500 per person
4 as opposed to the \$10,000 that we're allowed to
5 charge. So, that's they type of fines that they—that
6 they regulate when they—when they decide that it's
7 time to regulate the fine. Um, you know, as far as
8 our customer base that comes into the market, you
9 know, they could be cited for anything from a tail
10 light being out to uninsured or unlicensed vehicle
11 just because they're—they're pulled over, but one
12 point I'd like to make is that Hunts Point has never
13 ever said no to—to BIC being an oversight in rooting
14 our organized crime. The objection we have is that,
15 you know, we're third and fourth generation
16 businesses, and we're proudly all descendants of
17 immigrants into this country, and people come to this
18 country, and they look for jobs to do, and produce is
19 a pretty easy job to do. You buy a box of apples,
20 you go out on the street corner, you sell it, you
21 make \$20. You go back, you buy two boxes, you make
22 \$40, and sooner or later you become a small business
23 operating within the five boroughs or outside of New
24 York City. When BIC sits at your gate, and questions
25 you for your insurance card or your driver's license,

2 or your green card, you chase away that person's
3 dream of coming to this country, and being able to
4 deal in our free society, and that's what has
5 happened, and that's, you know, part of the problem.
6 You cannot park a gate with cameras and armed guards
7 and harass people coming through the gate. Imagine if
8 you were Sears—and that Sears and Roebuck for example
9 and imagine if you were RH Macy, and you had to pay
10 \$5.00 every time you wanted to go shop, and showed
11 your self ID or whatever the case is, you wouldn't
12 live there any more. You'd find another place to go.

13 COUNCIL MEMBER SALAMANCA: Um, when BIC
14 questions your employees, are there—in the
15 questionnaire, are—are—is citizenship a question in
16 their questionnaires?

17 STEVEN KATZ: I don't know. Anybody want
18 to answer that?

19 FEMALE SPEAKER: I don't think so that I
20 can recall.

21 COUNCIL MEMBER SALAMANCA: Well, so there
22 is no history of—of BIC, you know, BIC working with
23 ICE and coming into the markets trying to question
24 individuals.

2 STEVEN KATZ: It's just on that one, I
3 haven't seen that.

4 COUNCIL MEMBER SALAMANCA: Alright,
5 alright good. Um, now in terms of local hiring, um,
6 as you're expanding, how are you hiring locally?

7 STEVEN KATZ: Well, that is—the question
8 is more like how—how could we not? The history of
9 this has been when we moved out of the Lower West
10 Side in '67, there was a lot of generational, um,
11 fathers hiring sons. That went on and that lasted
12 for a good 20, 25, 30 years. There—there was almost a
13 generational thing going on. Everybody had their son
14 come into the market and work. So, what was a Lower
15 West Side draw from all around the Metropolitan New
16 York area.

17 CHAIRPERSON VALLONE: I wouldn't know any
18 of that father to son stuff.

19 STEVEN KATZ: Neither do any of us here
20 actually. We don't know what we're talking about,
21 but, um, the generational draw of the market really
22 kept—insulated it from local hiring for quite a
23 while, but that wore off, and I'd say that in the
24 last 20 years we've gone from maybe a 30% local hire
25 market to I think someone said we're up to 70% local

2 hire in the market, and I don't think that will go
3 anywhere but up or at least maintain that number.

4 COUNCIL MEMBER SALAMANCA: Alright. Um,
5 EDC states that there are 3,000 jobs in the produce
6 market. Is that an accurate number?

7 STEVEN KATZ: I think so.

8 COUNCIL MEMBER SALAMANCA: Alright. Out
9 of those 3,000 how many are union jobs and how many
10 are non-union jobs? Do you have that number?

11 STEVEN KATZ: Well, 13-1300 in 202 and we
12 have, um, 150 something and 153, and then the rest
13 would be day workers that that are not in either one
14 of the unions.

15 COUNCIL MEMBER SALAMANCA: Okay. Um, so,
16 you're negotiating with the city, and I know that
17 there is certain information you may not be able to
18 divulge. You're negotiating with the city on
19 providing you with the state of the art facility,
20 which is very much needed. What is the dollar amount
21 that you're asking the city to put up? If you can
22 say it. If not, we'll just--

23 STEVEN KATZ: Listen we're--we're not
24 builders. We're produce people, but, you know, at
25 the end of the day, you look at a facility in today's

2 market and you say, you know, \$300 million for a
3 refrigerated building. A refrigerated building may
4 not be what's adequate of running our business. You
5 see our businesses are simultaneous. We're—we're
6 bringing product in at the same time we're moving
7 product out. So the size of the facility matters
8 and you know, you can't regulate it because our
9 people that—that come into market early at night they
10 are there between 9:00 and 1:00 in the morning.
11 They're there at that hour not because it's healthy
12 for them, it's because in order to get that produce
13 back out into Manhattan and into the boroughs, they
14 need to be there at those hours. Then you have
15 another set of people that come in later. So, you
16 know, when you look at the facility, and you look at
17 the redevelopment of our own businesses because we're
18 not only a wholesale facility, we're also more of a
19 distribution center. You know we have—we have to
20 weigh in how that's going to work. You know, how do
21 you work those two levels. So, you know, we've had
22 estimates up to, you know, 900 to a billion dollars
23 to make it work. So, we don't know. So, we're
24 waiting. That's what the RFEI is about. We're
25 waiting to see what kind of ideas they come back

2 with. Again, you know, we're produce people. We're
3 not engineers.

4 CHAIRPERSON VALLONE: Are you in on those
5 conversations when they're talking about--when they're
6 talking about light rail and barges and the future of
7 all that? You were all at that table?

8 STEVE KATZ: No, we--we--we've asked. I've
9 personally have asked to be included on that, but
10 apparently they have their own idea on how light rail
11 and barging should work in the city of New York. We
12 don't--we don't get asked.

13 CHAIRPERSON VALLONE: Well, we'd like to--

14 STEVEN KATZ: [interposing] You know,
15 but in the interim you have, you know, a company like
16 the Union Pacific Railroad is operating the facility
17 and where it's connected. Well, Rotter--Rotterdam, New
18 York where they're--where they're not even--they're
19 actually undercutting their own markets so that they
20 don't have to bring the box cars into--into the City
21 of New York. So, they're off-loading them in
22 Rotterdam, and that's putting all of that traffic
23 that normally came into the city, it's putting all
24 that traffic, and the tractor trailers are putting it

2 on the very roadways we're trying to empty out. So,
3 you know, really people should talk to us about it.

4 COUNCIL MEMBER SALAMANCA: Alright and my
5 last two questions on storm surge. Do you consider
6 the market vulnerable to storm surge?

7 STEVEN KATZ: We didn't. [laughter]

8 COUNCIL MEMBER SALAMANCA: Well, I'm
9 asking. No?

10 STEVEN KATZ: No.

11 COUNCIL MEMBER SALAMANCA: How would
12 tell, sir?

13 PHILLIP GRANT: There wasn't--

14 COUNCIL MEMBER SALAMANCA: How were you
15 affected by Sandy?

16 STEVEN KATZ: We weren't. We were very
17 lucky. We didn't, you know, our community thankfully
18 did not get flooded and the market did not get--did
19 not get damaged. We never lost power.

20 COUNCIL MEMBER SALAMANCA: Should--should
21 the story Sandy I think for high tide, what would you
22 have foreseen the impact it would have had on your--?

23 STEVEN KATZ: The problem that we have is
24 our electrical vaults where the power comes into the
25 market are at street level, and while we can maintain

2 about two-thirds of it ourselves, which we do have
3 Omegas (sic) a third of it's backed up that only Con
4 Edison people can handle, and they do not do proper
5 maintenance on it. If we were—those four block houses
6 would have gotten water in them, we would have been
7 without power and I can't possibly tell you how long
8 it would have taken to replace.

9 COUNCIL MEMBER SALAMANCA: Alright, um,
10 will the produce market be attached to these
11 microgrids? Have the had conversations with you?

12 STEVEN KATZ: We've been told that we're
13 part of that, yeah.

14 COUNCIL MEMBER SALAMANCA: Alright, okay,
15 and then my final question congestion pricing. I
16 know that many businesses have called me concerned
17 about what is going to happen with congestion pricing
18 here in the city will remain. Um, have you done any
19 estimates, um, you know, per delivery? What do you
20 feel, um, you know, you have the—this congestion
21 pricing, the interest and costs it will have on you
22 day-to-day operation?

23 STEVEN KATZ: The issue was until they
24 decide how much trucks are going to be charged, it's
25 hard to really put a cost on for us. I understand

2 congestion pricing. I understand it because you still
3 go onto--

4 CHAIRPERSON VALLONE: We still don't by
5 the way, so you don't have to know it.

6 STEVEN KATZ: It's, you know, it's--it's
7 63rd and Second. There's 250,000 people living on
8 that one block. How many truck loads of everything
9 does that need? Every office building with copy
10 paper and whatever else it is, these are all prices
11 that will be passed on to some people. It does not
12 get passed on in our environment because we deal with
13 perishables, and if you try and add on a surcharge,
14 you just don't get it. So, we're not a--we're not a
15 cost plus type of operation. Our industry areas have
16 got to be somewhere around 12 or 13% gross back, and
17 we take it down from there. So there's those ten. We
18 cannot add any of these increased costs to well, a
19 package of strawberries and then one cost. It's not--
20 we just can't pass it on because if you don't sell
21 that package today, two days from now, you're
22 throwing it away, and honestly as a layperson not
23 even talking about the produce market, you--you add
24 this congestion pricing and who is going to want to
25 come into the city of New York? What happens to

2 your restaurants and your stores and your office
3 buildings where people do travel and they need, and,
4 you know need cars. I mean it's got to negatively
5 impact you somewhere. You may—you may get your
6 coffers lined with a few dollars of congestion
7 pricing, but I think ultimately you're signing your
8 own death warrant.

9 PHILLIP GRANT: I just wanted to add one
10 thing about what Steve was saying. The inability to
11 tack on pricing. We are purely supply/demand driven
12 market. The value of our product that we sell changes
13 minute by minute every day. We don't know what we're
14 going to sell product for. We have no idea. if it
15 gets cloudy o rainy or snowy all of your product—all
16 of your markets fall. So, the idea that we're going
17 to be able to pass it along is just not valid. The
18 customer and the buyer and the seller are like this.
19 It's a negotiated business up there at Hunts Point,
20 just completely and totally negotiated business day
21 to day, transaction by transaction. So, we make up—
22 basically we make our money at a very small margin
23 and in big volume. It's a big city. We're a very
24 big market. Um--

2 CHAIRPERSON VALLONE: [interposing] Which
3 is why we're fighting for the larger capital
4 infrastructure concerns, and permanent facilities and
5 upgrades. At this time, it comes in handy with the
6 lease on the horizon so that the day to day business
7 you can do.

8 PHILLIP GRANT: Yes.

9 CHAIRPERSON VALLONE: I think that's why
10 the timing of this and why we're bringing light to
11 all that is there is so much more that is on your
12 daily plate that we're trying to get you back to
13 doing business versus not being your own landlord of
14 your own property when we can have that negotiated
15 and taken care of. I think there's a balance there
16 we're fighting for, and I think that's part of what
17 today is all about.

18 PHILLIP GRANT: I just wanted to digress.
19 One more quick point about--

20 CHAIRPERSON VALLONE: We're going to
21 allow Council Members to have one question because I
22 promised Charlie Fracken (sp?) about two hours ago
23 that he could get up panel, and he's going to be very
24 late for his next thing. I apologize for that
25 Charlie, but before we let this panel go Council

2 Member Gjonaj, would you like to ask the esteemed
3 owners a question?

4 COUNCIL MEMBER GJONAJ: Thank you,
5 Chairman, but it's not always about Charlie and
6 [laughter]

7 CHAIRPERSON VALLONE: Listen, my son's
8 name is Charlie, too. So, that name is good.

9 COUNCIL MEMBER GJONAJ: I—first of all,
10 I'm grateful, too, for making an attempt to be here
11 and share with us your visions, your issues and I
12 have two simple questions. One, were you surprised
13 when BIC made the comment that we should—and I
14 believe I'm quoting correctly that we don't hear
15 otherwise from the markets. Like there's no
16 complaints. Everything is fine. That's my
17 understanding of the response, and secondly, and
18 probably more important, what is keeping the markets
19 at Hunts Point? What is preventing you from leaving
20 and I hope that you can answer this in a very open
21 manner.

22 JOEL FIERMAN: We could probably answer
23 it all in the same voice.

24 PHILLIP GRANT: We could probably do it
25 in tandem. Um, the—I'm not that surprised that they

2 would say that. I don't know if it's true or not but
3 I'm certainly not surprised by some thing that people
4 said. Um, in general for my business, BIC is not a
5 big problem for me. They don't hassle my business in
6 particular. We pay those--those fees now and we kind
7 of scratch our head about the cost. Why haven't we
8 left? Two reasons. One, it's an absolutely
9 monumental undertaking to move a \$2.5 billion
10 industry when you're a co-op with 30 people with 75
11 different opinions of what you want to do, and you
12 are already in the population center of the largest
13 population center in the United States so you're
14 ideally located. We're like the heart and we pump
15 out the produce around the Metropolitan New York
16 area. So, we're in a good spot. The Market
17 Relocation Committee back in the '50s picked Hunts
18 Point as an ideal location for future building
19 because the future growth of populations going north
20 and west to suburbia. They were right, and we're in
21 a good spot plus we have rail, and you can get
22 around. You can get out to the island. It's a good
23 place for the Food Distribution Center. So, I think
24 the city is very fortunate for having it there.

2 Those are the two reasons. It's a big move to
3 undertake and we kind of like where we are.

4 COUNCIL MEMBER GJONAJ: Anyone want to say
5 contrary or add to that?

6 PHILLIP GRANT: Well, we've had issues
7 with—so, the practices that have been in the past,
8 we've, these have allowed us to champion our cause
9 because nobody wants to have a target on their back
10 or a threat or the—this inclination that there would
11 be a target on your back. So, that we don't complain
12 directly to BIC because they kind of make sense and
13 when you were excited earlier today. Um, we were real
14 close to moving a few years back. There was a site
15 in the middle lands that we were very far along. We
16 met with the Lieutenant Governor a couple of times,
17 and Jersey was really welcoming us with open hands—
18 arms pretty much footing almost the entire bill with
19 tax credits, but again, where we are for our business
20 we are in the middle of New York and Manhattan,
21 believe it or not it's not the center of New York.
22 Hunts Point is. We could get to three boroughs with,
23 know depending on traffic for a short—it's a real
24 short distance, and honestly that's what's keeping
25 us. It makes sense for us. Um, and most of our

2 workers work there. I have 400 people that work for
3 me. I'd say just about 300 of them are from the
4 Bronx, and that makes it very simple and adverse
5 weather or anything else is there, and they enjoy
6 coming to work, and they're happy to be in solely.

7 CHAIRPERSON VALLONE: With that,
8 gentlemen, I want to say thank you for spending the
9 majority of the day with us, um, and if there are
10 questions that we still need to tackle and go
11 forward, all the Council Members that are here are
12 more than welcome to advocate for you because as you
13 can see, that's what we're doing. I'm very happy that
14 EDC stayed through and listened. We much appreciate
15 that you're heard all the comments. We have one more
16 panel if they can make their way up to here.
17 Charlie, come on down. I want to comment that New
18 York City has been waiting for you. Lauren Phillips,
19 and also Jerome McDaniel. [background comments/pause]
20 And that is our last panel. So if there is anyone
21 else who signed up late that didn't, this would be
22 the panel that you would be on. [background
23 comments/pause] Alright, Charlie, if you want to
24 lead us off.

2 CHARLES PLATKIN: Oh, yes. Good
3 afternoon. Let me get this a little closer. Good
4 afternoon, and thank you Chairperson Vallone, and the
5 members of the Committee on Economic Development for
6 the opportunity to submit testimony regarding the
7 economic impact of Hunts Point Food Distribution
8 Center. My name is Charles Platkin. I'm providing
9 this testimony on behalf of the Hunter College New
10 York City Food Policy Center of which I'm the
11 Executive Director. The Center works with policy
12 makers, community organizations, advocates and the
13 public decreed and healthy and more sustainable food
14 environments, and we thank the City Council for their
15 support. Let me start out—start out by saying that
16 the Hunts Point Distribution Center is extremely
17 valuable to New York City's complicated food system.
18 Hunts Point distributes food to 22 million area
19 residents, generates a \$5 billion annual economy, and
20 provides approximately 20,000 connected jobs.
21 Clustering a food supplier is beneficial because of
22 cost efficiencies such as receiving shipments as well
23 as increased revenue because customers can shop at
24 several nearby food suppliers at the same time.
25 Thus, providing lower food costs to New Yorkers.

2 Furthermore, the location of Hunts Point gives food
3 suppliers access to a very large employee and
4 customer base, which we've heard. However, the
5 current model and vulnerabilities of Hunts Point is
6 cause for concerns including, but not limited to the
7 risks of natural and manmade disasters, threats from
8 other markets such as Philadelphia, direct
9 distribution for major supermarket chains, upcoming
10 lease renewal, and a lack of transparency regarding
11 Hunts Point operations. The following are a
12 selection of key-of several key points and
13 recommendations. Number 1: Most of us can agree that
14 Hunts Point is vulnerable to a disaster, which is
15 outlined in great detail in my written testimony.
16 However, it's important to note that New York City
17 residents face additional vulnerabilities if they're
18 low income, lack mobility, face geographic isolation
19 or have limited choices of where to purchase food on
20 a daily basis. Number 2: There needs to be a greater
21 transparency with all things related to Hunts Point
22 and clean details on leases, subleases, leases for
23 space, tax breaks and most specifically, which hasn't
24 been brought up, the details of an emergency
25 preparedness plan, which should be shared with the

2 general public. Number 3: Invest and Continue to
3 invest in Hunts Point, and let the public keep track.
4 As we approach the lease renewal of the produce
5 market, we need to invest in the revitalization and
6 make sure that the Administration's commitment to
7 invest \$150 million stays on course. There should be
8 an updated public website dedicated to keeping track
9 of the many different earmarked funds including
10 local, federal and state. We need to—we need backup
11 generators right now. Number 4. We applaud the
12 microgrid plan, but it will not be complete for
13 several years, as we've discussed. It's not
14 acceptable if a disaster strikes in the interim, and
15 there are available truck generators and things of
16 such—of such that could be supplied. Number 5:
17 Support the proposed barge terminal, which will
18 reduce over-reliance on trucks, and Number 6: We need
19 more projects like the Green Market Food Hub, and
20 should explore hydroponic and greenhouse food
21 production at Hunts Point if possible to encourage
22 food sovereignty. We at the Hunter College New York
23 City Food Policy Center stand ready and able to help
24 in any way we can, and thanks again for the

2 opportunity to provide testimony. I didn't mind
3 waiting at all.

4 CHAIRPERSON VALLONE: [laughs] Thank you,
5 sir. Just real quick on the—what about the
6 educational component since you're with the
7 education. I'm always trying to link the schools
8 with our food policy, and getting the kids involved
9 especially within careers and opportunities and
10 healthy food alternatives. The market here is
11 critical on all that, but did—is there a connection
12 there that we can--?

13 CHARLES PLATKIN: Yeah, I think, you
14 know, I think that again, you know, we've been trying
15 to connect Hunts Point to—to academia, and including,
16 you know, um, city schools, and I think it's a—it's a
17 slow process, and we had a—we did have a panel two
18 years ago, and it was very helpful, and we want to
19 have more activity with Hunts Point and integrate
20 them into the New York City school system, and I
21 think that that's part of what I mean by transparency
22 and connectivity.

23 CHAIRPERSON VALLONE: I think that would
24 be a key step to understanding the next
25 generationals' involvement there.

2 CHARLES PLATKIN: Yeah, and it was--and
3 when we--

4 CHAIRPERSON VALLONE: [interposing] I
5 would like to see that within our school system.

6 CHARLES PLATKIN: And it will be great to
7 set up a series of tours that's more systematic for,
8 um, our public school system into Hunts Point so they
9 could see how that distribution takes place.

10 CHAIRPERSON VALLONE: That would be
11 great. Thank you, Charlie.

12 LAUREN PHILLIPS: Thank you. Good
13 afternoon, Chairman Vallone and members of the
14 Committee on Economic Development. Thank you for the
15 opportunity to provide testimony today regarding the
16 economic impact of the Hunts Point Food Distribution
17 Center. My name is Lauren Phillips and I am the
18 Government Relations Manager for the Food Bank for
19 New York City. Food Bank's home in the Hunts Point
20 Market is a 90,000 square foot warehouse where we
21 safely store and distribute fresh produce, protein
22 and non-perishable items to partnerships such as with
23 New York City's Emergency Food Assistance Program
24 also know as EFAP. Thanks to investments from the
25 City Council we are also able to distribute personal

2 car products like shampoo, deodorant, diapers and
3 menstrual products. The inventory stored in our
4 warehouse is delivered daily to a network of nearly a
5 thousand charities, food pantries, soup kitchens,
6 shelters, senior centers and as well as schools.
7 Support from the Hunts Point Market makes that
8 possible. Food Bank relies on donated items, and we
9 are grateful that the produce distributors and
10 wholesalers to the market have been long-time food
11 bank donors. Thirty-six years ago our founders
12 recognize the best way to secure sustainable
13 donations for New York City's Food Bank was to be
14 neighbors with the other largest food distributors in
15 our city. Our relationship with vendors in the
16 market has grown so that the last year alone the
17 market donated more than one million servings of
18 fresh produce that we distributed to food pantries
19 and soup kitchens in every corner of the city. The
20 importance of the market in serving in times of
21 crisis cannot be under-estimated. The early 2019
22 government shutdown was a hit to New Yorkers who
23 struggled to make ends meet, and put up a spotlight
24 on what being financially vulnerable means for New
25 York City. That month as a missed paycheck for

2 federal employees and a gap in SNAP benefits
3 coincided with a snow storm and a school break, Food
4 Bank was able to mobilize to serve those impacted by
5 creating emergency food packages distributed in
6 Brooklyn, Queens, the Bronx and Staten Island.
7 Donations from our partners in the market helped fill
8 emergency bags with fresh produce, protein, dairy and
9 personal care items to ensure everyone who came
10 through our lines left with essentials. This was not
11 the first time that our partnership with the market
12 proved critical during a disaster, and as Food Bank
13 is a member of VOLAR the volunteer organizations
14 active in disaster, our work to support those
15 impacted by Hurricane Sandy would also not have been
16 possible without the continued operation of the
17 market strengthening its infrastructure to ensure
18 uninterrupted operations in the face of disaster is
19 essential, and we encourage continued investment in
20 resiliency planning and support efforts to ensure its
21 long-term security. We are grateful to be partners
22 with the Hunts Point Market and look forward to
23 continued partnership to do the critical work of
24 feeding New Yorkers in need. Thank you.

2 CHAIRPERSON VALLONE: We were just saying
3 that what you were just saying is probably the
4 grounds for a whole separate hearing topic because
5 that is some critical information in that. So, you
6 have that relationship in times of an emergency with
7 Hunts Point. What other partners will-have-work with
8 you in times to fill those needs?

9 LAUREN PHILLIPS: Within the market?

10 CHAIRPERSON VALLONE: Uh-hm.

11 LAUREN PHILLIPS: Um, we've worked with
12 Krasdale and Baldor I believe but they're--

13 CHAIRPERSON VALLONE: Not just--not just--

14 LAUREN PHILLIPS: Oh.

15 CHAIRPERSON VALLONE: --but I'm just
16 saying how do you fill that food emergency need?

17 LAUREN PHILLIPS: Um, we are partners
18 with-have partnerships with grocers, um, with the
19 members of Grow NYC also help us. We glean produce
20 with them as well, um and partners--

21 CHAIRPERSON VALLONE: Sounds like you're
22 on your own.

23 LAUREN PHILLIPS: [laughs]

24 CHAIRPERSON VALLONE: Sounds like you're
25 putting this all together. We may have to figure out

2 a way to put a citywide system in place to make sure
3 you have the resources and means to do that.

4 LAUREN PHILLIPS: Well, we also—we're
5 partners with--

6 CHAIRPERSON VALLONE: [interposing] We
7 kind of take it for granted here.

8 LAUREN PHILLIPS: Well, we're partners
9 with the City as well with EFAP and HRA.

10 CHAIRPERSON VALLONE: Okay.

11 LAUREN PHILLIPS: So, and, um, the state
12 we work with the—with OTADA, with the, um, Hunger
13 Prevention, Nutrition Assistance Program another part
14 of that alphabet soup of—of programs that we
15 participate in.

16 CHAIRPERSON VALLONE: We have so many
17 acronyms. We hold the record.

18 LAUREN PHILLIPS: Yes.

19 CHAIRPERSON VALLONE: Thank you very
20 much.

21 LAUREN PHILLIPS: Thank you.

22 JONAH DANIEL: Good afternoon. I want to
23 thank you Chairman Vallone and members of the
24 committee. My name is Jonah Daniel. I'm the
25 Associate Director of Policy and Government Relations

2 at City Harvest. Similarly, City Harvest is also a
3 food bank in New York City, and we've been rescuing
4 food from a wide network of food retailers, farmers,
5 grocers, kids doing can drives, and we distribute it
6 to a network of 400 plus, a different emergency food
7 programs across the five boroughs. In particular
8 this year we're on pace to rescue 64 million pounds
9 of perfectly edible food, more than half of which
10 being fresh produce and delivering that to our
11 network of pantries, soup kitchens and shelters.

12 CHAIRPERSON VALLONE: 64 million--?

13 JONAH DANIEL: 64 million pounds.

14 CHAIRPERSON VALLONE: How does that
15 compare to a previous year? Is that going up?

16 JONAH DANIEL: It's been exponentially
17 going up. I could say when I started in 2015 it was
18 about 50 million pounds, and in particular for this
19 hearing I really want to underline that a lot of that
20 local partnership is due in part to the success of
21 the Hunts Point Food Market, particularly their
22 produce market, and a lot of the support they have
23 given us for our local food donations. In fact, they
24 are consistently among our top five local food
25 donors. These past three years we've rescued five

2 million pounds of perfectly edible food from about 21
3 different food vendors at the Hunts Point Market. So,
4 twice a day, um, four times a week we're sending two
5 to three drivers. They are trained in food safety
6 vending through the products and then picking up from
7 Hunts Point, and then redistributing that to, um,
8 programs in Brooklyn, Queens and the Bronx that are
9 receiving the product.

10 CHAIRPERSON VALLONE: Maybe in the next
11 redesign, we have a specific location that can
12 expedite within the market that we have just for the
13 pickup.

14 JONAH DANIEL: Yeah, and--and actually we
15 have--

16 CHAIRPERSON VALLONE: [interposing] Now
17 we have additional food in the time frame that you
18 need so that it's--it's a--it's more focal centralized.
19 I think there might be a way to build in to the next
20 plan and a spot just for what both of you are doing
21 so that we can immediately get to you before that
22 timeline.

23 JONAH DANIEL: Yeah, and I wish Margaret
24 Gordon was still here, but she's really a critical--

2 CHAIRPERSON VALLONE: They're listening,
3 they're watching.

4 JONAH DANIEL: [laughs] She's a huge part
5 of making sure that, you know, we're able to, you
6 know, get through without any issues, and make it to
7 those, you know, 21 key vendors that are loading up
8 our truck with the produce and really a high quality
9 produce. As a matter of fact, we've been serving the
10 pantries and the clients and about 93 to 96% of them
11 are saying that it's high quality, it's great
12 variety, and it's meeting their needs, but, um, in
13 addition to the food that we're picking up from Hunts
14 Point, I also kind of wanted to take this moment to
15 highlight some of the technical support that it might
16 offer. I know that there was talk today about the
17 rail and barging. So, City Harvest through our
18 coalition work are also connected to vital Brooklyn,
19 and some of the conversations that are happening
20 there around the Central Brooklyn Food Co-op and the
21 possibility is there. We also pay a lot of attention
22 to the possibilities and liability of the Good Food
23 Purchasing Program, and it was exciting to hear that
24 brought up because a lot of that can really support
25 some of the, um, some of the infrastructural barriers

2 that evolve with possibly having some sort of
3 operation in Central Brooklyn because there's simply
4 --as they say, there is not enough cold storage space
5 or all those other type of barriers. So, really the
6 success of Hunts Point is really hitting so many
7 different parts of that food cycle. It's getting
8 people food at food access points, distribution,
9 processing, and also at food recovery for the
10 pantries and the--and the soup kitchens at shelters,
11 and also technical support for different geographies
12 across our city that are trying to bring in product
13 and for the city to actually source more product for
14 potentially a good food purchasing program. So, I
15 still would like to say that City Harvest would
16 really welcome the city paying close attention to the
17 liability of Hunts Point Market. We're long-term,
18 long time supporters. We've been working with them
19 for 35 years, and, um, we're excited to be a part of
20 that conversation.

21 CHAIRPERSON VALLONE: You could tell
22 you're passionate about it since you didn't even read
23 any of your notes. So, I could tell that you're
24 [laughter] right on it, right ont that. So, we

2 appreciate that. Council Member Cornegy, did you have
3 any comments for this panel.

4 COUNCIL MEMBER CORNEGY: Yeah, thank you,
5 Mr. Chair. So, when we—when we think about economic
6 development, we generally don't think about how we
7 trickle down and the importance of what it means to
8 food insecurity in the city. So, from Food Bank and,
9 um, the organizations like it that provide these
10 services, it's really refreshing. I wish everyone
11 had stayed to hear how important, you know, the
12 viability not only from an economic development
13 standpoint of the Hunts Point Market, but to the
14 people on the ground that organizations like you food
15 source from and actually service. So, in—in I want
16 to say in my district, which is Bed-Stuy and Crown
17 Heights, both organizations do tremendous work in. I
18 see Keith Carr in the audience who on the ground has
19 done so much for food security in Bed-Stuy and we
20 often don't put the two together though. So, we
21 often think of economic development and viability
22 monetarily of places like the Hunts Point Food
23 Market. We don't think about its relationship to
24 food insecurity in the city. So, thank you for
25 pointing that out, but again, I wish that EDC was

2 here to hear. I know they're here and they're
3 watching, but I wish that they could have really
4 heard that testimony because I think it's essential
5 to those families who are living below the margins.
6 In my district in particular, um, while, you know,
7 we're the epicenter of gentrification, um, and
8 displacement, unfortunately we see that our food
9 pantries are getting less and the lines are getting
10 longer, and there are more families who are in need
11 of this service. So, you know while I guess, you
12 know, 89% of this hearing was about the economic
13 viability, um, we don't—we also—we also don't think
14 about, you know, the food insecurity portion of it
15 and organizations like both of yours that are doing
16 so much to make sure that we—that we force that in a
17 way that it helps families, um, who need it through
18 non-profit work. So, I just wanted to point that
19 out, and—and thank you for the work that you do in my
20 community, across the city in the five boroughs, but
21 in particular in Bed-Stuy and Crown Heights.

22 JONAH DANIEL: I think we're both in your
23 committee so [laughs] thank you.

24 COUNCIL MEMBER CORNEGY: Absolutely,
25 absolutely. So, I didn't know your--

2 CHAIRPERSON VALLONE: [interposing] I
3 think you guys came and talked that out. [laughter]

4 COUNCIL MEMBER CORNEGY: I swear to God I
5 had no idea that he was working—but I know that you
6 do, honestly that you do—that you do excellent work
7 for—for the other constituents who are in vital—in
8 vital need of your services.

9 JONAH DANIEL: Thanks.

10 CHAIRPERSON VALLONE: Alright. Anything
11 else you guys want to close with? With that, I want
12 to thank everyone for working and helping out to
13 making today's hearing such a success. Again, thank
14 you to Alex, Emily Johnson and then Council Member
15 Cornegy for staying, and it ends right here. Thank
16 you everyone. [gavel]

17

18

19

20

21

22

23

24

25

C E R T I F I C A T E

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



Date December 1, 2019