

New York City Economic Development Corporation Testimony

NYCEDC's Relief Efforts During the COVID-19 Crisis

James Patchett, President and CEO

June 24, 2020

Good afternoon Chair Vallone and members of the Economic Development Committee. My name is James Patchett and I am president and CEO of the New York City Economic Development Corporation, also known as EDC.

Over the past three months, New York City has changed. COVID-19 brought us and the world to a standstill. Terms and practices that were once uncommon – social distancing, face masks in public settings and virtual gatherings – are now part of our new normal. It does feel strange doing this zoom hearing with you all, but these are the times we live in and the precautions we must take. That being said, it is good to see all your faces and I hope you and your families are doing well. Working from home has been an adjustment – my kids and cat have been featured guests in many meetings. I do not believe that will be the case today but, you never know.

Today, we are having an important discussion about EDC's role in the City's response to COVID-19. I am pleased to share my testimony and not only highlight our efforts as an organization but the resilience of this city and its people, and the path forward to a new normal that benefits all New Yorkers.

The past three months have been among the most challenging in New York City's history. Thousands of our neighbors and loved ones have died from this terrible disease. Our city shut down and is just getting underway with the process of re-opening. Many New Yorkers just like us continue to work from home and adapt to new professional challenges while juggling childcare and family obligations.

But if this crisis has reminded me of anything, it is that you should never count out New York City. We step up for one another and fight for our city. That is just what we do. I've seen this fight first-hand at EDC. We've been supporting the City's response to COVID-19 from the very beginning.

In early March, we were a traditional economic development organization focused on making strategic investments to create jobs. Then, in a matter of days, we transformed ourselves into a bio-tech startup, a manufacturing corporation, a place that set up hospitals and built ventilators. Our cruise terminals morphed into hospitals and our armories into food distribution centers. We stood up local supply chains from scratch and produced critical medical supplies. And we've worked with members of the New York delegation to advocate for more federal resources for our businesses.

And while the days have been long, I am incredibly inspired by the innovation, creativity, and tenacity that my team and people across the city have shown.

It all began with an ask to produce face shields. In a matter of days, we had a design, a prototype and approval from the Department of Health. And a day later, we were in production. Over the past couple of months, we've partnered with 15 domestic manufacturers, 9 of which are in NYC, to create over 4 million shields.

It was mid-March when we were asked to do the seemingly impossible: build a new ventilator. In that moment, if you asked me to explain the terms HEPA filter, PEEP valve, or manual resuscitator bag, I would have been at a loss for words. How quickly things change. When the Mayor first asked me, it seemed crazy that we could ever do this. A ventilator is an incredibly complicated instrument and the thought that we could figure it out, build it and scale production in just a few weeks--and all within New York City—seemed impossible. But we're New Yorkers, so we got to work.

We set up a 15-person team from scratch— people who have never done anything like this before. They quickly became experts in FDA certification, the supply chains for medical-grade materials, and translating medical research into manufacturing specs. In less than a month, we identified and convened a consortium of researchers from MIT with local innovators and manufacturers to design, develop and deliver this life-saving technology. These breathing assistance machines free up ICU ventilators for critically ill patients, which was an absolute top priority at the height of this medical crisis.

The rapid evolution in technology, the investments the city made in the tech sector and the relationships EDC developed through diversifying the economy and planning for the future, all came together in a pivotal moment.

This was only possible because New York City had done two very important things in the preceding decades:

- First, we invested heavily to cultivate our technology sector and became a capital of innovation for the new economy.
- Second, we remembered our city's roots and continued to ensure that there were still people in New York City who could make things.

Our key partners in the ventilator effort included New Lab, an innovative space in Brooklyn that enables tech invention. The ventilators were produced at Boyce Technologies in Long Island City, a state-of-the-art manufacturer. EDC has supported both New Lab and Boyce over the last several years, and the capacity they brought to the table is the only reason we were able to design and produce 3,000 new ventilators here in New York to respond to this crisis.

And beyond technology, EDC has made strategic investments in key city industries like fashion and garment manufacturing, and those investments are paying incredible dividends today.

As Broadway went dark, this community did not think about themselves but how they could support our frontline workers. It did not take long for EDC to connect with Javier Muñoz, a

Broadway star known for playing the lead role in Hamilton. Javier is leading the Broadway Relief Project, which united Broadway seamstresses, actors, and other members of the community. The goal: produce and distribute thousands of hospital gowns for our healthcare heroes all while bringing members of the Broadway community back to work. This partnership is a true testament to New Yorkers supporting New Yorkers, and with the support and guidance of EDC, the project produced over 50,000 gowns.

And this is only one example of our work in this space. HD Fashion, a minority-owned business, produced and shipped 420,000 gowns in only 5-weeks. This effort was made possible through their work with 9 sub-contractors, all of which are minority- and women-owned businesses. It is also important to note that through this work, HD Fashion was able to retain nearly 130 workers.

We've now partnered with 14 local manufacturers across all five boroughs. To date, we've produced 3.2 million gowns. There were many days in the depths of this crisis that hospitals would have run out of gowns if it wasn't for this effort.

I share these stories not just because of what it says about our work to date, but also because it points the way to our collective economic recovery. Thankfully, we've seen incredible progress on the health side. Due to the tenacity of New Yorkers and hard work of our medical professionals, we are on the other side of the health crisis.

And while health and safety must always be the top priority, it is time to look towards the future and the recovery that lies ahead. New York City hit a major milestone on Monday when it entered Phase 2. As the reopening of the economy moves forward, we must always follow the data and science. That is why our efforts to rapidly scale up testing are key.

Here again, New York City's innovators are stepping up to be part of the solution. At EDC, we built a new supply chain with local biotech companies and small manufacturers and are now in production on 50,000 COVID-19 testing kits per week. In a matter of weeks, our team consulted with experts across the country // forged relationships with local manufactures // worked with medical professionals and City agencies to review swab designs // figured out sanitization and vetting processes for medical use // and then quickly found local manufacturers to begin production.

Again, the confluence of innovation and manufacturing partners was essential. As with our efforts to produce ventilators, the ongoing production of new test kits would not be possible in New York without having innovative companies and the capacity to make things here. Print Parts in Manhattan is 3D printing swabs and the Albert Einstein College of Medicine in the Bronx is following a CDC protocol to produce transport medium ----- a liquid that preserves the collected sample while it is transferred to a lab for testing. And in Brooklyn, we've converted a co-working space, Collab, into a test kit production facility.

It's incredible to me that we developed these extremely precise and technologically advanced materials in New York City so quickly. To-date nearly 175,000 test kits have been delivered to H+H hospitals and clinics, nursing homes, and community testing sites. When the first completed kits were making their way off the production line, cheers erupted in the facility.

It is incredibly inspiring to see how New Yorkers are stepping up to support New Yorkers. And you will hear from some of them later today. I am proud of the work that's happening across the city. It highlights my core belief that innovation, science, and New Yorkers working together will get us through this. I know you all share this belief.

With the phased re-open underway, the hard work is only just beginning. There are many pieces to consider: childcare, transit, how and when we return to our offices, and later to other public venues. All of this aiming to address the bigger question of how we restore vitality to this city we love.

The efforts I've highlighted – face shields, gowns, “bridge” ventilators, and test kits – have done two really important things for the city. The first is providing our frontline workers with the supplies and protective equipment they need to fight this disease and keep the city moving. The second is bringing people back to work with these efforts creating/preserving almost 3,000 jobs. Almost 60 percent of gown manufacturers qualify as MWBEs. At Collab, where test kits are being assembled, they have re-hired their staff and are hiring restaurant workers from the Bushwick area. And while these efforts provide a glimmer of hope, it is only a drop in the bucket.

New York City is facing the greatest economic crisis since the Great Depression. The unemployment numbers we are seeing are staggering. In a matter of weeks, NYC went from nearly full employment to 1.29M New Yorkers filing for unemployment benefits. The Mayor has noted that the City is projected to lose \$9 billion in tax revenue this fiscal year. I don't need to remind this committee of the financial straits we find ourselves in.

On top of this all, this crisis has laid bare even more starkly that inequalities that exist within our City – access to healthcare, food, and broadband. The events of the past month have shown the systemic racism and injustice that exist within our city and across the nation.

People are calling for equity and an end to systemic injustice and police brutality, which at an alarmingly high, disproportionate rate impacts Black Americans. Words are not enough. We must act and hold ourselves accountable. At EDC, we have taken a series of steps to put equity more at the center of our work. Internally, we are aggressively ramping up recruitment and hiring efforts to diversify our workforce and are implementing mandatory all-staff trainings on race and equity. Externally, we must take another look at how our work addresses these issues. Right now, we are undertaking a very intentional internal effort to guide us on this area over the next few months.

This process and recovery will be far from easy and the road ahead will be a long one. The City cannot do it alone – there are only so many tools we can use. It is why the Federal Government must take bold action and do more.

We need real economic relief. We need a stimulus package that supports states and cities, and provides the resources needed for a robust recovery.

Our small businesses, which are the backbone of our economy and neighborhoods, have been shuttered for weeks. Our incredible restaurants, local retailers, small non-profits and cultural institutions are what draw people to New York—tourists, immigrants, people from all over the world. Small businesses are taking the brunt of this, and it just won't be possible for the City to give them the support they need until the Federal Government steps up with further relief—PPP is just the tip of the iceberg of what's needed. We now need to look beyond maintaining payrolls and towards what our businesses will need to be able to restart successfully. That includes additional, more flexible capital.

The Federal Government must do more, and I know that EDC, those on this call, and other officials will continue to push for action and hold federal leaders accountable for their action or inaction. And as we advocate for more federal resources, we must ensure that a recovery is equitable and inclusive of all. Returning to the way things were done in the past is not good enough. We must create a “new” normal.

Economic development has an important role to play. Working with this committee, we must continue to invest in initiatives that 1) bring good paying jobs to all New Yorkers and 2) ensure they have the skills to get those positions, keep them and excel in them. Advanced manufacturing, tech, cyber, life science, garment manufacturing, and fashion offer opportunities for us to continue to diversify the city's economy while providing New Yorkers with real opportunities to attain a greater level of economic stability and success.

It is a tall order, but I am confident the city will come through stronger than before. And to anyone who doubts that, just remember the stories I shared earlier. Only in New York City can you develop a ventilator in less than a month or nasopharyngeal swabs within weeks. New Yorkers make the impossible possible, and we will do it again and again.

Thank you for the opportunity to testify. I now welcome any questions you have.



PUBLIC ADVOCATE FOR THE CITY OF NEW YORK
Jumaane D. Williams

**TESTIMONY OF PUBLIC ADVOCATE JUMAANE D. WILLIAMS
TO THE NEW YORK CITY COUNCIL COMMITTEE ON ECONOMIC
DEVELOPMENT - OVERSIGHT HEARING
JUNE 24, 2020**

Good afternoon,

My name is Jumaane D. Williams, and I am the Public Advocate for the City of New York. I would like to thank the Committee on Economic Development Chair Paul Vallone for holding this oversight hearing.

I welcome today's discussion with representatives from the New York City Economic Development Corporation. The topic of relief efforts amid COVID-19 is vital, especially since an economic recovery is on the minds of New Yorkers. It is important to continue efforts for this recovery since this requires a lot of innovation and work.

Within the administration's Executive Budget, contract payments from the New York City Small Business Services to the EDC for attracting and retaining businesses are declining. In fiscal year 2021, the proposed SBS contribution is \$25.1 million, down from about \$50.6 million in fiscal year 2020. In fact, since 2017, the contributions have been decreasing. If the City intends to support small businesses through these contributions, then there should be a clear and legitimate reason for why they are declining. Otherwise, it means even less help for small businesses in this climate.

The EDC's decision to help manufacturers produce face coverings and hospital gowns is an example of a sensible policy. Businesses suddenly facing a loss in income are able to make necessary supplies for our health care workers. This is a type of innovation that makes me concerned when seeing this budgetary decline for a program that is intended for small businesses.

There is also the worry on EDC's contributions to the City. According to the Citizens Budget Commission, EDC's operating revenue from 2015 to 2019 increased by 10 percent or \$35 million. But its operating expenses over the same time frame increased by 36 percent or \$384.2 million. Both capital-related operating expenses and office rent significantly rose by triple digits from 2015 to 2019. Notably, in 2019, operating income before payments to the City was at a deficit of \$1.9 million. Previously, this was at a surplus. It is troubling that contributions to the



PUBLIC ADVOCATE FOR THE CITY OF NEW YORK

Jumaane D. Williams

City are declining, which stem from high expenses including operating the NYC Ferry. I hope officials discuss how to manage, if possible, this dilemma.

I also want to highlight the support of MWBEs, an issue that several Councilmembers have raised in previous hearings. We should recognize that communities of more color have been disproportionately affected in the economic downturn. An April report from the Center for New York City Affairs found 68 percent of 1.2 million jobs lost from the pandemic were held by people of more color. Women too have been impacted as they held 55 percent of the nationwide jobs lost in April alone per the Bureau of Labor Statistics. The field is still uneven, and we need to make sure that current relief efforts recognize the barriers that exist.

This is also true for the New York Works program. This is an especially important time to think about the employment of transgender, gender non-conforming, and non-binary people in such a program. Indeed, one of the goals of the program is ensuring “those jobs are accessible to New Yorkers.” We need to ensure the jobs truly are accessible. I recommend EDC highlight efforts in TGNCNB employment going forward.

Finally, I would like to raise, in response to the City’s ongoing fiscal problems, the question of the Hudson Yards development. Specifically, the tax breaks given to the developers. If billions were given to these developers, then why are we not looking at those tax breaks to cover at least a portion of the City’s revenue shortfalls? We do not know when development will be complete, and there is uncertainty surrounding the future of Hudson Yards. The area, already viewed as a place for the wealthy, should merit a review based upon the City’s existing financial woes.

Relief will persist for a long time, and that is needed for a steady recovery. Of course, it is not easy as it sounds based upon the City’s revenue shortfalls. EDC can help with decisions that make sense and make a difference for businesses. Of course, we remain vigilant on all relief efforts. Thank you, and I welcome today’s testimony.



Thank you for the opportunity to submit testimony to the Committee on Economic Development. My name is Marissa Shorenstein and I serve as Chief Communications Officer at WeWork.

WeWork has been redefining offices for over a decade, creating flexible spaces for companies of all sizes. Today, as these businesses prepare to find new ways to safely create connection and interaction, WeWork is working with companies at 828 locations across 149 cities and 38 countries around the globe to reimagine what the future of work will look like in a post-COVID-19 world.

With more than 100 locations inside New York City, WeWork is the city's largest tenant, offering companies a vast portfolio of flexible office locations and we want to be part of the solution to help get New Yorkers back to work and reignite our economy.

I write today to share the findings of research WeWork recently commissioned from Hamilton Place Strategies with data from Replica and CivicScience.

The COVID-19 pandemic has forced us to think about how we work and what we value in a workplace. Prior to the pandemic, just [3.4 percent](#) of Americans worked from home. But at the peak of the shutdown, an Upwork report in partnership with MIT found that [nearly half of the U.S. workforce](#) was working remotely. Today, the [question in every sector](#) is whether there will be a permanent change in the way businesses, workers, and customers think of the workplace.

The office will continue to be important for many companies and workers, and the benefits of an office environment—such as training, mentorship, and collaboration—remain as essential as ever. With a viable vaccine still likely [months away](#), how can we realize the upsides of an office environment while [keeping employees safe](#) and healthy? One of the most important lessons learned is that both companies and workers desire flexibility, and the office space will need to adapt.

Should we return to the workplace?

CEOs and business leaders, from Google's Sundar Pichai to Accenture's Julie Sweet, have spoken about the importance of the office: In-person interaction matters for innovation, relationships, culture, and more. In fact, an [April 2020 McKinsey report](#) found co-located teams have an easier time building trust and making decisions quickly. This is likely because people prefer to communicate complex information face-to-face, a [Brookings Institution report](#) found.

Employees want to get back into the office. In a May 2020 CivicScience poll of the New York City metro area, the number of respondents saying that (barring safety concerns) they would prefer to work in the office at least part of the time was more than double the number who said they would prefer to stay fully remote.

The majority—76 percent—of respondents said they felt an office setting was “very important” or “somewhat important” for collaboration and innovation. Roughly one-third of respondents said they felt America’s long-term innovation and ingenuity would eventually suffer if many companies continue to work remotely.

The training and mentorship of an office environment may be most important for those just beginning their careers; large percentages of [millennial and Gen Z workers](#) report feeling less connected to coworkers or are having difficulty communicating as a result of remote work, according to a survey by Smartsheet. Ensuring that everyone has a seat at the table can be difficult over videoconferencing, and “[Zoom fatigue](#)” is real.

A flexibility framework for returning safely to the office

As employers begin planning to bring tens, hundreds, or thousands of employees back to the office, there are three dimensions to consider: space, geography, and time.

Space

Employees will need to feel safe when they are in the office. This means creating [space to spread out](#) and ensuring clean and sanitary work conditions.

This means “de-densified” office space with “professional distancing” that is in line with guidelines from the Centers for Disease Control and Prevention (CDC) and local authorities. This includes considering the appropriate square footage per employee and adjusting desks to ensure a safe distance between each employee.

“De-densifying” office space will also require a reimagination of [common areas](#) and how people interact and move around the office. This might lead to improved ventilation, larger [conference rooms](#), new [kitchen](#) protocol, one-way pathways, and reduced capacity in elevators. Enhanced cleaning protocols and the ubiquitous availability of hand sanitizer and disinfecting supplies will be essential.

Geography

In the CivicScience poll of the NYC metro area, 70 percent of respondents said they preferred an office space within walking distance of their home. More than half—55 percent—of respondents said they would feel “somewhat” or “very” uncomfortable commuting into the office before there is a vaccine for COVID-19.

To reduce commutes for employees, company footprints will need to be dispersed, with office locations spread across cities to meet people closer to home. Some call this the hub-and-spoke model: Companies and organizations have a centralized “hub” office with dispersed “spoke” offices across the city in neighborhoods where employees live.

Time

In the short term, employers will likely need to implement staggered or phased approaches to returning to work to satisfy professional distancing recommendations, with groups of fewer employees going into the office at any given time. In the long term, working in the office and working from home will no longer be a binary choice, with some companies providing employees with the opportunity to do both.

With de-densified offices and a dispersed footprint, employers will need to determine the “critical mass” of employees needed for each office location to reap the benefits of collaboration and in-person interactions. Once these staggered or phased schedules are put in place, employees can come into the office ready to tackle the challenges most requiring increased collaboration.

Employers already know there is value in offering employees a flexible schedule. In Prudential’s [Pulse of the American Workforce Study](#) conducted in June 2019, respondents were asked what factors, aside from compensation, would encourage American workers to stay at their current employer: 48 percent said they’d want a flexible work schedule.

How flexible workspaces can get us back to work

Flexible workspaces are uniquely positioned to help get people back to work safely and quickly. Yet not all employers have the resources, financial or otherwise, to quickly implement a flexible workspace model that stretches across the city. Companies like WeWork, IWG, and Industrious are built on providing employers this flexibility and have already thought through these questions on space, geography, and time for their clients.

With WeWork and New York City as a model, below is how flexible workspaces can support a safe transition back to an office environment.

Space

As Manhattan’s [largest tenant](#) of office space, WeWork offers businesses the room to expand their operations to accommodate appropriate distancing practices. In [Manhattan](#) alone, WeWork holds nearly 9 million square feet across more than 60 locations.

Across all spaces, WeWork has [heightened cleaning and hygiene standards](#) to align with guidance provided by the CDC and local health organizations to keep employees safe.

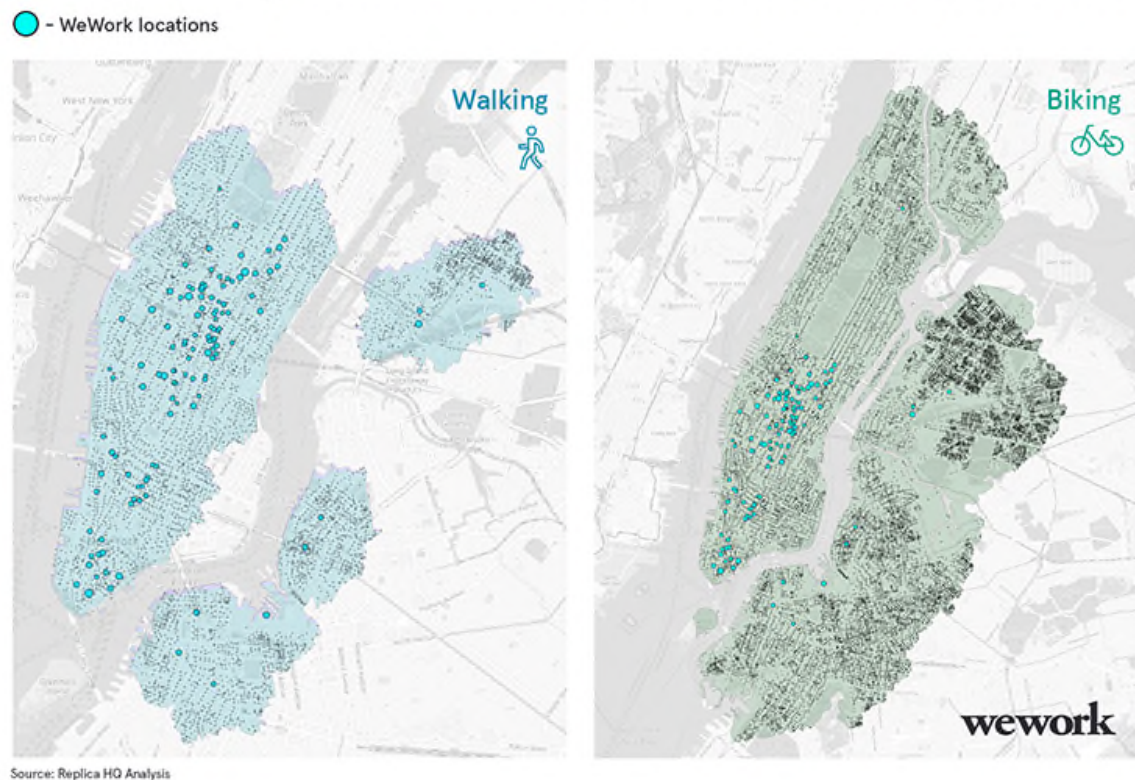
Not only can employees feel confident that their office space is safe, employers can save money; a company of four can [save](#) \$24,000 on average annually when renting from WeWork compared with traditional commercial real estate, according to WeWork's [2019 Global Impact Report](#).

These cost savings become especially important as companies of all sizes face uncertain economic conditions. As time goes on and distancing restrictions ease, companies can scale into additional office space as needed to allow for more employees to return to the office at one time.

Geography

Through the existing network of flexible workspaces [throughout New York City](#), WeWork and other providers like it can help companies offer their employees places to convene and work that are within walking distance or a quick bike ride away.

New York City residences within 15 minutes of a WeWork



In an original analysis by Replica, an urban planning tool that helps cities answer key transportation questions, around one-third of New York City-based office workers—approximately 303,000 people—could be a 15-minute walk from their nearest WeWork. More

than 58 percent of office workers in the city—approximately 565,500 people—live within a 15-minute bike ride of a WeWork.

Looking at the boroughs individually, Replica’s analysis found that the impact is felt most heavily in Manhattan, where a staggering 379,865 individuals, making up 96 percent of local office workers, live within a 15-minute walk or bike ride of a WeWork. Half of all Brooklyn office workers, and a quarter of such workers in Queens live within a 15-minute bike ride or walk of a WeWork.

For office workers across all five boroughs, the median commute is nearly seven miles. Meanwhile, office workers within a 15-minute walk to the nearest WeWork location could cut their commute down to one mile. This would mean an 85 percent reduction in miles commuted for those workers.

A dispersed footprint would also have important external benefits. Replica’s analysis showed that if workers used a 15-minute walk or bike ride to travel to their nearest WeWork rather than commuting to their standard place of work, New York would see approximately 45,000 fewer car trips and 225,000 fewer vehicle-miles-traveled (VMT) daily—over 1 million VMT per week.

A reduction in 225,000 VMT per day is approximately equivalent to cutting CO₂ emissions by 448 metric tons, or planting nearly 7,500 urban trees each week, according to the [Environmental Protection Agency](#).

Moreover, a hub-and-spoke approach can have secondary benefits for other industries—helping neighborhood businesses recover by allowing employees to work, shop, and eat closer to home.

Time

Flexible workspaces like WeWork are also already set up to support the different ways people use an office. Some want to be at an office from 8 a.m. to 6 p.m. to have distinct boundaries between work and home, others want to use an office because it can have a more reliable or faster internet connection, or to use high-quality printers.

Each WeWork location features a [unique set of amenities](#) including technological necessities like hard-wired Ethernet and access to WiFi, multi-function printers, and smart boards, as well as community benefits such as networking events.

This is why 80 percent of WeWork members [report](#) increased productivity since joining, and 54 percent [credit](#) WeWork with accelerating their company’s growth. In the long term, these spaces can provide a cost-effective way for employers to scale or downsize as needed. Employees get to keep the benefits of collaboration, productivity, and relationship-building that come from working in an office.

The COVID-19 pandemic has upended the way we work, but we have an opportunity to reshape the future of the workplace—and that future is flexible. It is imperative to think through solutions that work for each industry and segment of the population—including office workers. With the flexibility that WeWork, and other companies like it, can provide, New York and cities across the country can get back to work safely in a way that benefits employees, the economy, and the environment.

Hamilton Place Strategies (HPS) is an analytical public affairs consulting firm with offices in Washington, D.C., New York, and California. HPS uses substantive analysis to understand complex topics, and creative public affairs tools to explain issues to target audiences and to reach critical stakeholders.

Replica data is an estimation of movements and associated metrics derived from a composite of de-identified mobile location data and other third-party data sources. The technical methodology contains a number of preventive measures to ensure a single individual cannot be reidentified.

CivicScience fielded a poll from May 27, 2020, to June 1, 2020, among adults 18 and older and weighted this data according to U.S. Census figures for the New York City DMA for gender and age.

To access the full report, please visit:

[https://res.cloudinary.com/wework/image/upload/v1592247630/Reimagining_Work_in_the_Ti me_of_COVID-19.pdf](https://res.cloudinary.com/wework/image/upload/v1592247630/Reimagining_Work_in_the_Ti_me_of_COVID-19.pdf)

Thank you again for the opportunity to submit testimony. We look forward to finding ways to work together to support your efforts to get New Yorkers back to work.

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But if this crisis has reminded me of anything, it is that you should never count out New York City. We step up for one another and fight for our city. That is just what we do. I've seen this fight first-hand at EDC. We've been supporting the City's response to COVID-19 from the very beginning.

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Broadway star known for playing the lead role in Hamilton. Javier is leading the Broadway Relief Project, which united Broadway seamstresses, actors, and other members of the community. The goal: produce and distribute thousands of hospital gowns for our healthcare heroes all while bringing members of the Broadway community back to work. This partnership is a true testament to New Yorkers supporting New Yorkers, and with the support and guidance of EDC, the project produced over 50,000 gowns.

And this is only one example of our work in this space. HD Fashion, a minority-owned business, produced and shipped 420,000 gowns in only 5-weeks. This effort was made possible through their work with 9 sub-contractors, all of which are minority- and women-owned businesses. It is also important to note that through this work, HD Fashion was able to retain nearly 130 workers.

We've now partnered with 14 local manufacturers across all five boroughs. To date, we've produced 3.2 million gowns. There were many days in the depths of this crisis that hospitals would have run out of gowns if it wasn't for this effort.

I share these stories not just because of what it says about our work to date, but also because it points the way to our collective economic recovery. Thankfully, we've seen incredible progress on the health side. Due to the tenacity of New Yorkers and hard work of our medical professionals, we are on the other side of the health crisis.

And while health and safety must always be the top priority, it is time to look towards the future and the recovery that lies ahead. New York City hit a major milestone on Monday when it entered Phase 2. As the reopening of the economy moves forward, we must always follow the data and science. That is why our efforts to rapidly scale up testing are key.

Here again, New York City's innovators are stepping up to be part of the solution. At EDC, we built a new supply chain with local biotech companies and small manufacturers and are now in production on 50,000 COVID-19 testing kits per week. In a matter of weeks, our team consulted with experts across the country // forged relationships with local manufacturers // worked with medical professionals and City agencies to review swab designs // figured out sanitization and vetting processes for medical use // and then quickly found local manufacturers to begin production.

Again, the confluence of innovation and manufacturing partners was essential. As with our efforts to produce ventilators, the ongoing production of new test kits would not be possible in New York without having innovative companies and the capacity to make things here. Print Parts in Manhattan is 3D printing swabs and the Albert Einstein College of Medicine in the Bronx is following a CDC protocol to produce transport medium ----- a liquid that preserves the collected sample while it is transferred to a lab for testing. And in Brooklyn, we've converted a co-working space, Collab, into a test kit production facility.

It's incredible to me that we developed these extremely precise and technologically advanced materials in New York City so quickly. To-date nearly 175,000 test kits have been delivered to H+H hospitals and clinics, nursing homes, and community testing sites. When the first completed kits were making their way off the production line, cheers erupted in the facility.

It is incredibly inspiring to see how New Yorkers are stepping up to support New Yorkers. And you will hear from some of them later today. I am proud of the work that's happening across the city. It highlights my core belief that innovation, science, and New Yorkers working together will get us through this. I know you all share this belief.

With the phased re-open underway, the hard work is only just beginning. There are many pieces to consider: childcare, transit, how and when we return to our offices, and later to other public venues. All of this aiming to address the bigger question of how we restore vitality to this city we love.

The efforts I've highlighted – face shields, gowns, “bridge” ventilators, and test kits – have done two really important things for the city. The first is providing our frontline workers with the supplies and protective equipment they need to fight this disease and keep the city moving. The second is bringing people back to work with these efforts creating/preserving almost 3,000 jobs. Almost 60 percent of gown manufacturers qualify as MWBEs. At Collab, where test kits are being assembled, they have re-hired their staff and are hiring restaurant workers from the Bushwick area. And while these efforts provide a glimmer of hope, it is only a drop in the bucket.

New York City is facing the greatest economic crisis since the Great Depression. The unemployment numbers we are seeing are staggering. In a matter of weeks, NYC went from nearly full employment to 1.29M New Yorkers filing for unemployment benefits. The Mayor has noted that the City is projected to lose \$9 billion in tax revenue this fiscal year. I don't need to remind this committee of the financial straits we find ourselves in.

On top of this all, this crisis has laid bare even more starkly that inequalities that exist within our City – access to healthcare, food, and broadband. The events of the past month have shown the systemic racism and injustice that exist within our city and across the nation.

People are calling for equity and an end to systemic injustice and police brutality, which at an alarmingly high, disproportionate rate impacts Black Americans. Words are not enough. We must act and hold ourselves accountable. At EDC, we have taken a series of steps to put equity more at the center of our work. Internally, we are aggressively ramping up recruitment and hiring efforts to diversify our workforce and are implementing mandatory all-staff trainings on race and equity. Externally, we must take another look at how our work addresses these issues. Right now, we are undertaking a very intentional internal effort to guide us on this area over the next few months.

This process and recovery will be far from easy and the road ahead will be a long one. The City cannot do it alone – there are only so many tools we can use. It is why the Federal Government must take bold action and do more.

We need real economic relief. We need a stimulus package that supports states and cities, and provides the resources needed for a robust recovery.

Our small businesses, which are the backbone of our economy and neighborhoods, have been shuttered for weeks. Our incredible restaurants, local retailers, small non-profits and cultural institutions are what draw people to New York—tourists, immigrants, people from all over the world. Small businesses are taking the brunt of this, and it just won't be possible for the City to give them the support they need until the Federal Government steps up with further relief—PPP is just the tip of the iceberg of what's needed. We now need to look beyond maintaining payrolls and towards what our businesses will need to be able to restart successfully. That includes additional, more flexible capital.

The Federal Government must do more, and I know that EDC, those on this call, and other officials will continue to push for action and hold federal leaders accountable for their action or inaction. And as we advocate for more federal resources, we must ensure that a recovery is equitable and inclusive of all. Returning to the way things were done in the past is not good enough. We must create a “new” normal.

Economic development has an important role to play. Working with this committee, we must continue to invest in initiatives that 1) bring good paying jobs to all New Yorkers and 2) ensure they have the skills to get those positions, keep them and excel in them. Advanced manufacturing, tech, cyber, life science, garment manufacturing, and fashion offer opportunities for us to continue to diversify the city's economy while providing New Yorkers with real opportunities to attain a greater level of economic stability and success.

It is a tall order, but I am confident the city will come through stronger than before. And to anyone who doubts that, just remember the stories I shared earlier. Only in New York City can you develop a ventilator in less than a month or nasopharyngeal swabs within weeks. New Yorkers make the impossible possible, and we will do it again and again.

Thank you for the opportunity to testify. I now welcome any questions you have.

Good Afternoon!

My name is Malika Watson, I am a female black business owner. My business began late last year, and just opened up for business and completely remodeled the space that I am using.

Any assistance would truly help me as I have had to close completely as per the state guidelines. I have not been able to pay the rent for my space, and any funds received will be used specifically for that purpose.

My EIN number is 84-4123626- Grace and Space

Thank you so much in advance for your service and assistance.

**Malika
malika.j.watson@gmail.com**