

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC
DEVELOPMENT

Jointly with the

COMMITTEE ON SMALL BUSINESS

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HELD AT: Committee Room
City Hall

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Chairperson
ROBERT CORNEGY
Co-Chairperson

COUNCIL MEMBERS:

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

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

Michael DiMarino
Owner of Linda Tool

Luis Nava
Director of Brooks Brothers

Stephen Giumenta
Co-Owner
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[Gavel]

CHAIRPERSON GARODNICK: Good afternoon and welcome to a joint hearing of the Economic Development Committee and the Small Business Committee. Today is Thursday, June 19th. My name is Dan Gardonick and I have the privilege of chairing the Economic Development Committee and I'm here with my colleague, Chair Robert Cornegy, who chairs Small Business. We're also jointed by Council Member Inez Dickens and we expect to be joined in a few moments by a number of other members of both of our committees.

We are here today to consider Resolution 228 which was introduced by Chair Cornegy, calling on the mayor to revitalize the Mayor's Office of Industrial and Manufacturing Businesses and to expand the technical systems that the office would offer manufacturing industrial businesses in the city. The idea for this office came from a 2005 task force commissioned by the Bloomberg administration on the needs and challenges of industrial space in New York.

1
2 The task force came up with a three-
3 point plan. One, designating industrial
4 business zones or IBZs. Two, protecting and
5 stimulating the supply of industrial space. And
6 three, fostering a supportive industry friendly
7 environment. In 2007, Carl Humm was appointed
8 Director of this office which was housed within
9 the City's Department of Small Business
10 Services. Two years later he left and
11 ultimately in 2011 this mayor's office was
12 replaced by the industrial desk at EDC. Today,
13 all of the city's industrial properties, with
14 the exception of the Navy Yard, are managed by
15 EDC's Industrial Desk.

16 In my first six months as Chair of the
17 Economic Development Committee I have gained a
18 greater appreciation for the industrial and
19 manufacturing sector and the important role it
20 plays in New York City's economy. While
21 manufacturing saw considerable decline over the
22 last few decades here in New York, we are happy
23 to see some growth again the last few years and
24 it's important that the city be present to
25 support that growth. In addition to the

1
2 manufacturing sector, the city needs to
3 prioritize protecting industrial space, what has
4 been referred to as the city's back office. We
5 are encouraged by the mayor's ambitious housing
6 plan but we also want to insure that we guard
7 the industrial space that is so critical to the
8 city's operations. We don't want to simply
9 develop away our manufacturing zones.

10 In addition to schools, housing and
11 retail, a healthy city needs warehouses, bus
12 depots and the good paying jobs that come along
13 with manufacturing. Revitalizing the Mayor's
14 Office is one way to demonstrate a commitment to
15 industrial space, but we want to hear from
16 advocates today, specifically what the office
17 could do to support them and whether there are
18 other ways that the city could or should provide
19 the support.

20 So I thank you for being here today.
21 I'm now going to turn the microphone to the
22 Chair of the Small Business Committee, Chair
23 Cornegy and I will be in and out and that I am
24 part of the budget negotiating team and I have
25

1
2 to run up and down stairs. But, you all will be
3 in very, very good hands. Chair Cornegy.

4 CO-CHAIRPERSON CORNEGY: Thank you
5 Chair Garodnick. Good afternoon, my name is
6 Robert Cornegy and I'm chair of the Committee on
7 Small Business. I want to thank Council Member
8 Garodnick for agreeing to this joint hearing on
9 Resolution 228 calling on the mayor to
10 revitalize the Mayor's Office of Industrial and
11 Manufacturing Business.

12 The Mayor's Office of Industrial and
13 Manufacturing Business was established in 2005
14 to retain and grow the industrial manufacturing
15 sector's job base. To execute of the Mayor's
16 Industrial Policy Plan and serve as a single
17 point of coordination for the industrial and
18 manufacturing sector. It was led by a director
19 under the offices of SBS. The office was
20 charged with managing the new created industrial
21 and manufacturing business council. A public-
22 private partnership consisting of members
23 appointed by the mayor to advise the city on
24 industrial policy and promote strategic thinking
25

1
2 about the challenges, issues and opportunities
3 of the industrial sector.

4 In 2006 Mayor Bloomberg appointed Carl
5 Humm as the first Director of the office. But
6 he left two years later to run the Brooklyn
7 Chamber of Commerce and was never replaced. In
8 2011 the office was replaced by the Industrial
9 Desk at EDC whose role is to coordinate the
10 execution of policy initiatives aimed to improve
11 the city's business environment for industrial
12 and manufacturing firms, including the creation
13 of IBZs throughout the city.

14 Today, all of the city's industrial
15 properties with the exception of the Brooklyn
16 Navy Yard are managed by the Industrial Desk at
17 the EDC. In the meantime, the number of
18 industrial business services providers under
19 contract with the city to service the city's 21
20 IBZs has decreased from 12 to 6. Since the
21 start of the IBZ program, the amount of funding
22 the administration allocated to the program
23 steadily decreased from 3.9 million in fiscal
24 year 2006 to 1.1 million in fiscal year 2012.
25 By 2013, IBZ funding was completely eliminated

1
2 from the Mayor's F14 budget. The council
3 restored 1.156 million to the fiscal year 14 IBZ
4 budget in June 2013. Presently Mayor de
5 Blasio's preliminary budget including
6 approximately \$600,000 for the IBZs. The
7 council's response to the mayor's preliminary
8 budget requested that funding for the IBZs be
9 restored to \$1.156 in the FY2015 budget and that
10 it be base-lined for future budgets.

11 Against this backdrop the proposed
12 resolution calls upon the mayor to revitalize
13 the MOIB and to expand the technical assistance
14 it would offer manufacturing and industrial
15 businesses in the city. Accordingly, the
16 resolution reads as follows. Whereas according
17 to a brief by the Pratt Center for Community
18 Development, a healthy manufacturing sector is
19 vital to the expansion of the middle class and
20 to the growth and economic development of New
21 York City. And whereas manufacturing jobs have
22 historically been considered to the middle class
23 for people with limited educational backgrounds
24 and English proficiency and where while New York
25 City has made recent strides to encourage the

1
2 growth of the manufacturing industry through
3 industrial business zones. And with the help of
4 non-profits like the Brooklyn Navy Yard
5 Development Corporation there are still many
6 barriers preventing manufacturers from doing
7 business in the city.

8 These barriers include a lack of stable
9 industrial spaces and a lack of well-trained
10 industrial workforce. Given these barriers, it
11 would be beneficial to industrial forums to have
12 a city run entity whose sole responsibility was
13 insuring the growth and support of the
14 manufacturing and industrial sector. However,
15 city provided technical assistance and support
16 for industrial and manufacturing businesses is
17 currently allocated to the New York City
18 Department of Small Business Services and the
19 New York Economic Development Corporation which
20 are both entities with mandates that extend far
21 beyond the support of manufacturing industry.

22 As an alternative, many industrial and
23 manufacturing related services could be
24 transferred to the management of the Mayor's
25 Office of Industrial and Manufacturing Business

1
2 and whereas MOIMB was created by former Mayor
3 Bloomberg in 2005, its first director departed
4 in 2007 and according to Crains New York
5 Business was never replaced.

6 Whereas an expanding MOIMB the city
7 would grant the manufacturing sector a strong
8 voice in city government insuring that land
9 zoned for manufacturing is used as such. That
10 technical assistance initiatives are
11 sufficiently funded and that the technical
12 assistance programs are designed to meet the
13 unique needs of this vital sector. In doing so
14 the city could encourage the development of
15 innovative small industrial businesses. The
16 growth of well-paying middle class jobs and the
17 progress of economic and community development.

18 I believe that the Mayor's Office of
19 Industrial and Business will play a key role in
20 soliciting and responding to input by workers,
21 community members and organizations that
22 advocate for their interests, environmental and
23 otherwise. Accordingly, I propose the following
24 additional language to be added to the
25 resolution. Whereas the MOIB would also be

1
2 responsible for facilitating dialogue between
3 government actors, industry and local community
4 members, including residents and workers and
5 organizations to insure that the city's
6 industrial and workforce policies and programs
7 are informed by the needs, opinions and advocacy
8 of these stakeholders. The resolution would
9 then include, now therefore be it resolved that
10 the City of New York calls upon the mayor to
11 revitalize the Mayor's Office of Industrial and
12 Manufacturing Business and to expand the
13 technical assistance the office would offer
14 manufacturing and industrial businesses in the
15 City.

16 I would like to acknowledge that
17 earlier this week I was brief on the efforts
18 that the staff of EDC's Industrial Desk are
19 taking to study the policy decisions the city
20 has made with respect to the industrial and
21 manufacturing sector over the past decade. I'm
22 pleased that work is taking place and the EDC
23 seems committed to working collaboratively to
24 complete the study and produce a set of policy
25 recommendations. However, I do not believe that

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2 that commitment obviates the needs for the
3 organizational change that we are proposing. In
4 fact, I believe that EDC may come to agree
5 through this experience that the proposed
6 revitalization of this office is needed to
7 facilitate coordination across city agencies and
8 with community representatives.

9 Finally, I would like to acknowledge by
10 colleagues on the Small Business Committee who
11 are here today, who have already been
12 acknowledged. We've been joined by Dr. Mathieu
13 Eugene and thank my Legislative Director
14 Dynishal Gross and my committee council, Jeffrey
15 Campagna. Council Member Menchaca and Council
16 Member Garodnick and their staff for their work
17 in the resolution and on today's hearing. Thank
18 you.

19 So we will now call the first panel
20 consisting of a good friend, and long term
21 advocate of IBZs and economic development,
22 Deputy Borough President, Diana Reyna, Shawn
23 Campion, Adriana Scotti and David Meade.

24 [Pause]

1
2 CO-CHAIRPERSON CORNEGY: Actually,
3 because of the Deputy President's knowledge,
4 breadth and depth of this, I'm going to ask her
5 to go last.

6 [Pause]

7 EXECUTIVE DIRECTOR MEADE: My name is
8 David Meade. I'm the Executive Director of the
9 Southwest Brooklyn Industrial Development
10 Corporation. As an economic development
11 organization serving the neighborhoods of Red
12 Hook, Gowanus and Sunset Park, SBID believes
13 that strengthening New York City's base of
14 industrial and manufacturing businesses is
15 absolutely crucial to the goals of creating good
16 jobs, improving income ability and a healthy
17 economy overall.

18 Today I'm urging support to reinstate
19 the Mayor's Office of Industrial and
20 Manufacturing Businesses and support for the
21 other policy recommendations set forth in
22 creating quality jobs in the new industrial New
23 York. A 50,000 job challenge. These
24 recommendations address the needs of the
25 manufacturing sector which is critical to the

1
2 overall health and vibrancy of New York City's
3 economy, especially so in our Southwest Brooklyn
4 community. Policy recommendations will also
5 enhance the good work we do at SBIDC which I now
6 will briefly outline.

7 We help businesses on two levels. The
8 way in which business owners, their employees,
9 your constituents notice it and its most direct
10 on the ground support we provide to them. We
11 provide vital technical assistance workshops and
12 one-on-one assistance to help them assemble loan
13 and incentive packages. We also coordinate with
14 city agencies to resolve issues and to help them
15 deal with ticketing, insurance problems, as well
16 finding temporary and permanent space.

17 This past year SBIDC facilitated 15
18 financing deals for local companies that totaled
19 over \$12 million. We also successfully assisted
20 over 80 companies, navigating government issues
21 and over 50 companies with accessing city and
22 state incentives. The other way in which we
23 help them which could be further enhanced by
24 reinstating the Mayor's Office is making sure
25 their concerns are represented within our

1
2 communities. As members of the New York Rising
3 Communities Reconstruction Program, the Gowanus
4 Canal Superfund Community Advisory Group,
5 Bridging Gowanus and the Red Hook Coalition, we
6 were able to inform other community stakeholders
7 about the impacts decisions have on the day to
8 day operations of local businesses.

9 If not for our participation, some of
10 these decisions might lead to burdensome
11 regulations and make it impossible for
12 businesses to continue to function. Also, over
13 the past few years, we've placed over 300 local
14 residents in jobs in local businesses. Local
15 employment opportunities particularly those in
16 the industrial manufacturing sector are
17 extremely important for the economic and social
18 health of the waterfront working class
19 neighborhoods of Southwest Brooklyn. Poverty in
20 these communities is already high and without
21 the thriving business corridor many of the
22 community's residents would have little
23 opportunity to enter the workforce at all.

24 In closing, we believe that
25 reinstituting the Mayor's Office of Industrial

1
2 Manufacturing businesses would provide a
3 powerful needed voice for manufacturers. I
4 believe the office will improve the delivery of
5 business services and workforce development
6 programs, help expand funding for non-profit
7 industrial development. It will strengthen and
8 enforce land use and zoning. It would provide
9 the stability needed for businesses to grow and
10 expand operations. SBIDC values Southwest
11 Brooklyn's landscape and mixed-uses and its
12 continued identity as a working waterfront. We
13 believe the Mayor's Office would elevate and
14 support that vision along with the many diverse
15 needs of the manufacturing sector citywide.
16 Thank you for allowing me to provide comments
17 today.

18 ADRIANA SCOTTI: Good afternoon Chair
19 Cornejo and members of the Small Business and
20 Economic Development Committees here today. My
21 name is Adriana Scotti and I'm the Project
22 Manager for Industrial Policy Development at the
23 Brooklyn Chamber of Commerce. And I'll be
24 delivering testimony on behalf of Chamber
25 President Carlo Scissura.

1
2 The Brooklyn Chamber of Commerce is a
3 membership based business assistance
4 organization representing the interest of over
5 1,700 members businesses as well as businesses
6 across the Borough of Brooklyn. The Brooklyn
7 Alliance is a non-for-profit economic
8 development organization of the chambers which
9 works to address the needs of businesses through
10 direct business assistance programs.

11 We commend both committees for
12 exploring the possibility of revitalizing the
13 Office of Industrial Manufacturing Business.
14 Industrial Manufacturing firms are a vital
15 component within Brooklyn's economy and as such
16 we are in full support of this initiative as an
17 added support system for the industrial sector.

18 In Brooklyn we've seen a dramatic
19 increase in the number of businesses and
20 manufacturers of goods from food and beverage,
21 to furniture, to fashion, to advance
22 manufacturing and prototyping. Brooklyn also
23 has a really strong presence of wholesale and
24 transportation and logistics firms. We have
25 numerous industrial business zones and many non-

1
2 designated hubs of industrial activity. All
3 together the industrial sector represents over
4 16% of all private sector employment in the
5 Borough. And manufacturing jobs, as we all
6 know, are traditionally high quality well paid
7 positions with fewer barriers to entry in
8 comparison to positions such as in retail and
9 restaurant positions. So retaining and
10 increasing these quality jobs such as those
11 offered by the industrial firms are crucial and
12 important to us in order to maintain and
13 diversify our economy.

14 However, the industrial sector is also
15 increasingly more susceptible to shifts within
16 the city's economic landscape. And the global
17 economy overall faces significant challenges in
18 changes in real estate climate, high rising
19 costs, and development pressure. There's a lack
20 of skilled employees to fill the positions. And
21 there's generally high cost and burdensome of
22 doing business here in the city. So it hinders
23 their growth.

24 So given the need for the dedicated
25 support, the Brooklyn Alliance offers a number

1 of direct services to I&M businesses.
2
3 Industrial and manufacturing Businesses, sorry.
4 These include the promotion of cost border trade
5 opportunities, assistance with procurement, help
6 with finding appropriate real estate, accessing
7 low cost financing and advocacy at the city,
8 state and federal levels. And in addition to
9 chamber services for the industrial sector,
10 Brooklyn IBZs are served by three not-for-profit
11 organizations as industrial providers that are
12 present today. And these organizations offer
13 expert technical assistance through the
14 Department of Small Business Services Industrial
15 Business Solutions Program. The Chamber fully
16 supports the industrial business zone program
17 and the industrial providers who service the
18 zones. And we believe that in order to insure
19 manufacturing businesses who are located in New
20 York City and especially in Brooklyn are not
21 lured by our neighbors, it is really essential
22 for the city to enhance IBZ associated services
23 with an ombudsman for the city's industrial
24 sector. And the Office of Industrial
25 Manufacturing Business could we see it assuming

1
2 this role working to attentively meet the needs
3 of these businesses across the five boroughs.
4 And we envision this office as a one-stop shop
5 for industrial businesses with a deep knowledge
6 base of existing city, state and federal
7 programs targeting the industry and a mixed span
8 of referral networks.

9 The OIMB should work closely with
10 industrial service providers and other important
11 stakeholders so that the resources are maximized
12 for the benefit of these businesses who chose to
13 establish themselves and invest in New York
14 City. Thank you.

15 SEAN CAMPION: Good afternoon Chairs
16 Cornegy and Garodnick and members of the
17 committee. My name is Sean Campion. I'm a
18 Budget and Policy Analyst for Economic
19 Development and Small Business Services at the
20 Independent Budget Office.

21 Thank you for allowing us to testify on
22 the resolution calling on the mayor to restore
23 the Mayor's Office of Industrial Manufacturing
24 Businesses.

1
2 This morning IBO released a pair of
3 chart books on the industrial sector completed
4 at the request of Council Member Brad Lander.
5 The first chart book focuses on public support
6 for this sector over the past eleven years. It
7 looks at capital spending on real estate and
8 infrastructure, changing priorities in the
9 expense budget, the cost of incentives and tax
10 breaks and the use of city-owned land.

11 The second profile is the city's
12 industrial workforce. In it we breakdown the
13 broad industrial economy into its primary
14 subsectors and look at the demographic
15 characteristics of the city's industrial
16 workforce.

17 [Interpose]

18 CO-CHAIRPERSON CORNEGY: I'm sorry. If
19 I could get you to speak a little closer to the
20 microphone. We can't hear your testimony.

21 SEAN CAMPION: Sure.

22 [Pause]

23 SEAN CAMPION: The second profile is
24 the city's industrial workforce. In it we
25 breakdown the broad industrial economy into its

1
2 primary subsectors, look at the demographic
3 characteristics of the city's industrial
4 workforce. I encourage you to visit our website
5 to review the work in greater detail. And I
6 also have printed copies with me today.

7 Today I'd like to focus on two topics
8 raised by the resolution. How the city has
9 supported the Mayor's Office of Industrial
10 Manufacturing Business and similar organizations
11 in the past. And how our research on the
12 industrial workforce might help shape the city's
13 economic workforce through policies in the
14 future.

15 Begin in 2003, the Bloomberg
16 administration funded a variety of industrial
17 initiatives. Though many of them were either
18 short lived or subject to the same annual budget
19 pressures that have affected the contracts to
20 industrial business zone service providers in
21 more recent years. In the city's 2005 report on
22 industrial policy, entitled Protecting and
23 Growing New York City's Industrial Job Base.
24 The Bloomberg announced the creation of the
25 Mayor's Industrial Business Office in order to

1
2 coordinate the implementation of the report's
3 policy recommendations.

4 Prior to 2009, funding for most of the
5 office's core operations were not itemized in
6 the city's budget. Which makes it difficult for
7 us to identify how it was staffed and funded.
8 But beginning in 2009, the Bloomberg
9 administration broke out funding for the
10 Industrial Business Office when it created a new
11 budget code for the office in the Department of
12 Small Business Services expense budget. Funding
13 for the office within the Business Services
14 budget totaled slightly more than \$1 million
15 over the next three years. About a third of
16 which was funded by the city council. The
17 remainder was funded by a combination of city
18 and federal funds.

19 Aside from the MOIMB, the Department of
20 Small Business Services also funds a variety of
21 contracts and smaller projects targeting the
22 industrial sector including funds for the
23 relocation of businesses displaced by the
24 rezoning of Greenpoint in Williamsburg,
25 sectorial initiatives at the Workforce One

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2 Career Centers and contracts with the Industrial
3 Business Services Providers.

4 Discreet city funding for the MOIMB
5 ended in 2011. In the years since then, many of
6 the offices functions were transferred to the
7 Economic Development Corporation's Center for
8 Economic Transformation. Our report highlights
9 a number of industrial initiatives that EDC has
10 led in recent years.

11 Since EDC is a non-profit organization
12 that operates under a contract with the city,
13 rather than as a city agency, it's not part of
14 the city's expense budget. However, it's clear
15 that over the last few years most of the city's
16 programmatic work for the industrial sector has
17 moved off budget to EDC. Which has reduced
18 transparency regarding the city initiatives in
19 spending on the industrial sector.

20 EDC also manages a significant portion
21 of the city's capital program, including most of
22 the projects that benefit the industrial sector.
23 Over the past decade the city has committed more
24 than \$800 million in 2013 dollars for projects
25 ranging from the modernization of the Brooklyn

1
2 Army Terminal, the relocation of the Fulton Fish
3 Market from Lower Manhattan to Hunts Point.

4 The current capital plans also includes
5 more than \$500 million for future work on
6 industrial projects. With the exception of
7 projects in the Brooklyn Navy Yard where capital
8 work is managed by the Navy Yards Development
9 Corporation, EDC has overseen nearly all of its
10 capital work.

11 The resolution you're considering calls
12 for new programs to support industrial
13 businesses and singles them out as a source of
14 middle class jobs for New Yorkers. I'd also
15 like to briefly summarize our research on the
16 city's industrial workforce and discuss how it
17 can help to form the city industrial policy.

18 The Census Bureau's American Community
19 Survey provides us with data on individuals who
20 work in New York City. Including their
21 industry, educational attainment, and hours a
22 week worked. While as the survey data and care
23 must be taken to avoid parsing it into so many
24 groups that the results lose reliability, it's
25 one of the main sources of data on education and

1
2 employment of city workers. And we use it to
3 compare education attainment and wages of
4 workers within the industrial subsectors in the
5 city with workers in non-industrial subsectors.

6 Our research finds that industrial
7 businesses on the whole are a very important
8 source of jobs for workers without college
9 degrees. And as a whole offer a higher average
10 wage than non-industrial jobs. However, the
11 sectors that the city currently defines as
12 industrial, which include construction,
13 manufacturing, transportation, wholesale trade
14 and warehousing, include a diverse range of
15 jobs. When aggregate wage data is presented to
16 compare the industrial sector to other sectors
17 like retail or food service, most of the
18 industrial sector's wage premium is driven by
19 construction, which offers a large number of
20 high paying jobs to workers without a college
21 degree.

22 The average wages for workers without a
23 college degree in the other industrial sectors
24 such as food manufacturing, apparel
25 manufacturing, wholesale trade and trucking, are

1
2 that food manufacturing employs Hispanics at
3 nearly twice the rate of the private sector as a
4 whole. And that as among the industrial
5 subsector's most likely to employ a New York
6 City resident. We hope that these profiles will
7 be useful to the council and others when
8 evaluating business development and workforce
9 training programs in the future. Thank you for
10 the opportunity to testify and I look forward to
11 answering any questions you may have.

12 DEPUTY PRESIDENT REYNA: Good
13 afternoon. I'm going to begin by thanking
14 Economic Development Chair Daniel Garodnick and
15 Small Business Committee Chair, Robert Cornegy
16 and all of the members of these two committees.
17 Good morning. This is a near and dear important
18 issue to me as you all know. As serving as the
19 former chair of the Small Business Committee and
20 the city council in representing an area with
21 heavily manufacturing industrial spaces that
22 were encroached in several ways, including city
23 planning rezoning application. I say this
24 because, those are the realities of what has
25 brought us to really bringing further attention

1
2 to these particular industrial parks. Balancing
3 it all is important and we cannot make the
4 mistake that developing land for housing
5 exclusively is going to provide what will be
6 sustainable communities.

7 I am Deputy Borough President, Diana
8 Reyna and on behalf of Brooklyn Borough
9 President, Eric Adams, I am here to express the
10 office's strong support for Resolution 228 which
11 calls on the mayor to revitalize the Office of
12 Industrial Manufacturing Businesses and to
13 expand the technical assistance the office would
14 offer manufacturing industrial business in the
15 city. These providers that are contracted to do
16 this work are trusted. And there's nothing like
17 being able to trust the person you're going to
18 depend on to be able to provide you the services
19 and navigate the government procedures and
20 licensing issues and being able to understand
21 what would be the laws that guide these
22 businesses. It's important that there's
23 specialists. And that's what these providers
24 are when it comes to the business solution
25 providers.

1 The important of industrial and
2
3 manufacturing businesses in Brooklyn's economic
4 landscape cannot be understated. According to
5 the quarterly census of employment and wages,
6 Brooklyn is home to more than 60,000 industrial
7 jobs across the manufacturing wholesale trade
8 and transportation and warehousing sectors.
9 These jobs provide quality workforce
10 opportunities for Brooklynites across the
11 socioeconomic spectrum. Especially items that
12 are made in Brooklyn where, in our visit to
13 China there was this interest in import/export
14 trade and being able to supply what would be an
15 opportunity to exchange what would be these
16 products. We're looking forward to those types
17 of conversations and building what would be
18 waterfront capacity to bring in the distribution
19 of and having a port that can sustain that. And
20 building those jobs that are all too frequently
21 declining.

22 Multiple studies have shown that the
23 industrial and manufacturing sector careers are
24 accessible to workers who do not have an
25 Associate's or Four Year College Degree as has

1
2 been said by my peers on this panel. According
3 to 2012 U.S. Census Bureau ACS data,
4 approximately 40% of Brooklynites working in
5 industrial and manufacturing jobs have no higher
6 education degree. Additionally, workers in
7 these sectors also have higher per hour
8 earnings, especially when benefits are included
9 in the analysis. It is clear to see that these
10 sectors are creating valuable workforce
11 opportunities for Brooklynites. Sustainable
12 planning with community participation and
13 partnership with the IBZ providers, leads to a
14 healthy exchange similar to the work of SBDIC
15 and UPROSE, in the Red Hook and Sunset Park
16 community.

17 And we're proud of the work that
18 joining two organizations to be able to lead on
19 how they would want to see the protection of
20 those jobs. Planning for a future of an
21 expansion of those jobs and the use of our
22 waterways and how to further sustain the issues
23 of climate change. We know the demand for more
24 space is growing and we seek to build a
25 coalition of sharing the resources to direct

1 tenants to available spaces so that we don't
2 lose those businesses interested coming to the
3 City of New York. For example, the Brooklyn
4 Navy Yard is a fantastic hub. It's also city
5 owned, so it's a natural hub for people to
6 always know that's there they want to be first.
7 But we have a waiting list the Brooklyn Navy
8 Yard and it is important for those waiting list
9 individual companies to know that there's other
10 locations to be able to come and express their
11 interest. And that the providers get that
12 exchange of resources so that they know what
13 type of spaces they're looking for so that they
14 can plan ahead.

16 In May, all five borough presidents
17 signed onto a letter calling on the
18 administration to restore funding for industrial
19 business zone providers and the Office of
20 Industrial Manufacturing Businesses at levels
21 equal to if not more than 2006, when the IBZ
22 program was first introduced. Additionally the
23 Brooklyn Borough Board recently passed a
24 resolution calling for the same outcomes of \$4.6
25 million in contracts for IBSPs which is crucial

1
2 for real-time assistance but falls short if
3 little or no enforcement at the level of agency
4 heads where commissioners are responding to
5 those issues. And that is what makes the design
6 of a Mayor's Office of Industrial and Business
7 Office so unique. It is not about sending what
8 would be these issue that stay stagnant at the
9 provider's level but that they're going to be
10 dealt with at a Deputy Mayor's level to be able
11 to engage all Commissioners relevant to those
12 matters. DOT being one of those primary issues
13 of transportation access for trucks that have to
14 deliver goods and services into these particular
15 industrial zones where there abutting a lot of
16 residential, which once upon a time, did not
17 exist.

18 In Brooklyn, organizations like the
19 East Williamsburg Valley Industrial Development
20 Corporation, the Southwest Brooklyn Industrial
21 Development Corporation and Business Outreach
22 Center Network provide valuable services and
23 industry advocacy for the local industrial and
24 manufacturing business that employ tens of
25 thousands of New Yorkers. Without their

1
2 continued support, the future of Brooklyn's
3 manufacturing industrial sectors is in peril.

4 As such, we must continue to
5 effectively fund these integral organizations.
6 Just this month we were issued what would be a
7 Land Use Application..., a BSA variance
8 application to borough hall which we have
9 flagged and with the assistance of making sure
10 that the Industrial Desk at EDC were made aware
11 of. But these are perfect examples of how that
12 application should have been flagged before we
13 were able to receive and brought to the Deputy
14 Mayor's attention by, what would have been the
15 Mayor's Office of Industrial and Manufacturing
16 Office.

17 In conclusion on a personal note, I sit
18 before you today as an example of the importance
19 of the preservation of industrial and
20 manufacturing businesses. My mother, a
21 Dominican immigrant was able to raise my
22 siblings and me in New York City, because she
23 was able to find manufacturing work. The jobs
24 weren't glamorous and neither was the pay. But
25 it was enough to get by. I share this story to

1
2 highlight the importance of insuring that future
3 generations are provided similar opportunities
4 so that another first generation family can
5 realize economic stability, raise their children
6 here in New York City and my one day have their
7 child serve in the city as I. Thank you.

8 [Applause]

9 [Background talk]

10 CO-CHAIRPERSON CORNEGY: Thank you
11 Deputy Borough President and the panel. I'd
12 like to just take some liberty to do a couple of
13 things. One is to say that we've been joined by
14 Council Member Gentile, Council Member Vallone,
15 Council Member Reynoso, Council Member Menchaca,
16 Council Member Koslowitz and Council Member
17 Weprin. And as has been stated earlier some of
18 the members of this committee are also on the
19 budget negotiation team and have to jump in and
20 out. Antonio Reynoso being one of those. So he
21 has a statement that he has prepared. He is
22 disproportionately affected by this bill because
23 he is a waterfront council member, so.

24 [Interpose]

1
2 UNIDENTIFIED MALE: Mr. Chair can I
3 just jump in just one second to say, I just
4 remember when Council Member Reyna was here, she
5 always dressed properly for these committee
6 meetings. I just to be clear about that.

7 [Laughter]

8 COUNCIL MEMBER REYNOSO: Thank you very
9 much for that council member I really appreciate
10 it.

11 But thank you to Chair Cornegy. I do
12 want to say that I'm grateful to see Deputy
13 Borough President Reyna. I don't think I could
14 get used to that just yet, alright. I still
15 call her council member. But I'm glad that we
16 have other colleagues here at this committee
17 hearing today to really continue to inform our
18 body as much as possible of the importance of
19 these manufacturing districts and what I think
20 in this bill and what we're trying to do should
21 be..., it shouldn't be something we have to do. I
22 was hoping that the mayor would just be onboard
23 and understand the value of this..., the
24 manufacturing districts. And we're not there
25 yet, but I think we are getting there. So, in

1
2 my statement, again thank you Chair Cornegy and
3 the Small Business Committee for allowing me to
4 comment on this important issue.

5 My district contains a large number of
6 manufacturing businesses and two IBZs.
7 Manufacturing is a vital component of my
8 district and our city's economy. Providing good
9 paying jobs with low barriers of entry that
10 provide opportunities for local residents to
11 achieve the financial security needed to support
12 themselves and their families. However, for
13 these businesses to continue to thrive in our
14 city we need to provide them with the support
15 necessary to navigate the unique bureaucracy
16 surrounding this sector.

17 First, we need to insure that all the
18 funding for our IBSP providers is baseline and
19 that the administration maintain its commitment
20 to these organizations which provide unique
21 services and have deep relationships with the
22 industrial business community. But we must go
23 further if we want this industry to succeed in
24 New York by revitalizing the Mayor's Office of
25 Industrial Manufacturing Businesses. The mayor

1
2 can send a strong message that industrial
3 businesses have a place in New York City's
4 economy.

5 It is especially important as real
6 estate interests in manufacturing zones been
7 converted to residential use. We have lost a
8 large amount of our manufacturing areas already.
9 And these areas that are protected are being
10 encroached everyday by resident, retail, bars
11 and hotels. We need to strengthen zoning in
12 areas with high concentrations of industrial and
13 manufacturing businesses to prevent non-
14 manufacturing uses and end speculation of
15 misplacement.

16 The Department of City Planning
17 expresses concerns that there are vacancies in
18 manufacturing areas, but the truth is that
19 property owners are sitting on their land hoping
20 for a residential rezoning. Meanwhile my office
21 and our local IBSP providers continually hear
22 from industrial businesses that are looking for
23 space and can't find it. It's a catch-22
24 situation that could be resolved by a real
25

1
2 commitment from the city to preserve
3 manufacturing zones.

4 I'd like to end by stating my full
5 support for this resolution and thanking the
6 committee for bringing attention to this issue.
7 And do want to note that my mother worked at a
8 cheesecake factory where she did get paid well.
9 She was getting paid..., it's no longer there now.
10 It's a residential condo. But in the cheesecake
11 factory she used to get paid more than what
12 she's getting paid now as a home attendant. So
13 just want to be mindful that she raised us on
14 working in a cheesecake factory. And it is
15 extremely important to me personally and I hope
16 that with this hearing will bring more light to
17 how important these IBZs are and it's perfect
18 timing that it happens during budget. So all my
19 colleagues, IBZs thank you very much. And thank
20 you chair.

21 CO-CHAIRPERSON CORNEGY: Thank you.
22 Council Member Koslowitz.

23 COUNCIL MEMBER KOSLOWITZ: Thank you.
24 I had the pleasure of working very closely with
25 Diana Reyna. I was the Chair of the Economic

1
2 Development Committee and she was Small Business
3 and we used to have a lot of joint hearings.

4 IBZs are so important to New York City.
5 I remember when the Brooklyn Navy Yard first
6 started bringing in business. We took a tour of
7 the Brooklyn Navy Yard. And today it is
8 unbelievable what has happened there. The
9 garment industry, I think, is one of the most
10 prevalent industries in my mind when I went to
11 visit it with the Deputy Borough President. It
12 was astounding. I remember as a little girl,
13 how many people made their living by working in
14 the garment center. People that came here from
15 other countries. My own mother, before I was
16 born, worked in a blouse factory, in the garment
17 industry. And now the garment industry is
18 practically gone. There are very few places
19 that are left.

20 IBZs. We have it is Queens. They are
21 wonderful. The people that work them are
22 wonderful. It is so important that we keep the
23 industrial business zones and grow on the
24 industrial business zones for the City of New
25 York. It would give so many people

1
2 opportunities to be able to go to work and earn
3 a living. So, I commend you for your dedication
4 to all the IBZs. You've been doing this for a
5 long time and you're still doing it.

6 Congratulations.

7 CO-CHAIRPERSON CORNEGY: Thank you
8 Council Member. I want to also say that we've
9 been joined by Council Member Peter Koo. So I'm
10 just going to ask a question. I know that my
11 colleagues have a ton of questions. So I'm
12 going to start by asking and you can jump in as
13 it strikes you. But my main question is, what
14 would be your individual visions for the Mayor's
15 Office of Industrial Business? What would it
16 do? And what would its relationship be to the
17 Deputy Mayor's, the commission of SBS and the
18 Industrial Desk at EDC and City Planning. I
19 know that that's a broad question, but we have
20 obviously here at the council, a vision of what
21 this office should do. I'm wondering if those
22 stakeholders that are today, is what you would
23 think.

24 EXECUTIVE DIRECTOR MEADE: I'm happy to
25 start for sure. It's a good question. One

1
2 thing I would touch on is I think, I mention
3 this in my remarks earlier, the operation side
4 for small businesses is rather challenging in
5 New York City. That's the ticketing, the
6 permitting, the fines, the fees, and the
7 navigating government bureaucracy sometimes. I
8 think having a presence at that level will be
9 able to not only provide more better direct
10 service to the providers who are working with
11 the businesses, but be able to coordinate with
12 other city agencies and be able to resolve
13 issues, I think, a lot easier.

14 That is a big thing. The day to day
15 operations for businesses and really in think
16 sometimes it can often drive a business owner
17 out to New Jersey or somewhere else there.
18 There was a questioning of the cost of business
19 here in production and in day-to-day operations
20 are a big piece of that. So I think further
21 coordination through this office would be
22 immensely helpful for businesses.

23 ADRIANA SCOTTI: I think I go with what
24 Dave just mentioned. As I mentioned in my
25 testimony, I envision it as a one-stop shop.

1
2 The staff that would be at the office would have
3 a deep knowledge base of all the city programs
4 that are going on. They would have a very
5 direct relationship with the industrial
6 providers that are directly serving those
7 businesses. And they would be basically the
8 middle person in between the businesses, the
9 industrial providers and the Mayor's office and
10 the city agencies that can solve the issues on
11 behalf of the businesses.

12 SEAN CAMPION: IBO doesn't make
13 specific recommendations or policy suggestions.
14 And I think in our report has served as just an
15 overview of the industrial sector as a whole. I
16 will say one challenge for us in putting this
17 report together was that as the industrial
18 policy moved from being part of the city's
19 budget either as part of the mayor's office or
20 SBS to EDC, we removed some of the transparency
21 that was there prior to 2011. And in our report
22 we tried to go through and identify some of the
23 industrial initiatives that EDC has led since
24 2011. But because they're programmatic spending
25 is not part of the city's expense budget, it's

1
2 very difficult to identify exactly what
3 initiatives they're leading and at what expense.
4 And then also in terms of evaluating their
5 effectiveness.

6 DEPUTY PRESIDENT REYNA: Two very basic
7 points I wanted to just add on to everything
8 that was just mentioned. It's important that
9 the funding is not considered what would be on a
10 yearly basis. And baseline is wonderful, but
11 more importantly, a three-year contract where
12 the providers are not having to deal with the
13 anxiety of not being able to plan ahead, because
14 they have to focus on whether or not they're
15 going to exist for the following year. And so
16 long term contracting with goals clear outcomes
17 is very important.

18 The opportunity to engage is the second
19 point that I wanted to raise. This office needs
20 to and is critical that it meets with what would
21 be the relevant agencies on a monthly basis to
22 understand in a very mapped out geo-targeted
23 effort of issues that are being raised by the
24 providers via this office to be communicated and
25 dealt with. So that there is a timeline that is

1 sensitive to business, to be able to understand
2 the real estate transaction matters, the land
3 use impacts. I mentioned BSA. BSA is one of
4 the defacto agencies that spot zoning was
5 considered the norm back in the early 90s. And
6 we lost a lot of manufacturing buildings because
7 of it. And so this particular office has to be
8 empowered by the deputy mayor to have authority.
9 To be able to say to a commissioner, come to
10 this meeting, we're going to meet monthly and
11 we're going to discuss these issues and we're
12 going to deal with them.

14 And those are the outcomes that then
15 create what would be a very healthy, vibrant,
16 industrial park that's securing jobs and
17 securing businesses to remain and then the fear
18 goes away. The trust is elevated with
19 government and you'll be able to build upon that
20 to continue to tick that model and to just
21 expand it.

22 CO-CHAIRPERSON CORNEGY: Thank you. A
23 couple of things. One of the things I'm very
24 excited about with this council, not as opposed
25 to any other council, but that there haven't

1
2 been many empty pieces of legislation or empty
3 resos that have been put forward. And one of
4 the goals for this is to make sure that it has
5 some teeth and some oversight. And the ability
6 to really command, like you are alluding to,
7 people to do things and to make sure that the
8 sector is provided for and taken care of. So I
9 am excited about that.

10 We've been rejoined by Chair Garodnick
11 and I'd allow him at this point if he has any
12 questions.

13 CHAIRPERSON GARODNICK: Thank you very
14 much and I apologize that I was not here for
15 when you made your presentations. I have been
16 scanning feverishly as soon as I got back.

17 Let me pose a question to you about the
18 governance models that exist on the Brooklyn
19 Navy Yard, Brooklyn Army Terminal. One of them
20 obviously is a straight-up EDC asset. They
21 control it, they operate it, and they take the
22 revenues from it. The other, Brooklyn Navy Yard
23 is managed by a mission driven not-for-profit
24 which takes the funds and puts them right back
25 into the Navy Yard. Do you have any feeling on

1
2 that particular question? I have come to
3 appreciate that that is a question that people
4 have opinions on all over the lot. So I figured
5 I would pose that to you all.

6 EXECUTIVE DIRECTOR MEADE: Yes.

7 Another good question. You know, Southwest
8 Brooklyn Industrial is located in Sunset Park,
9 Red Hook and Gowanus. And I think they're both
10 incredibly interesting models. I know, and its
11 part of what we're talking about today, one of
12 the recommendations is getting more
13 organizations, non-profits involved in
14 industrial real estate. That's something that I
15 know that my organization would be very
16 interested in. And I think the benefit of that,
17 much like a Brooklyn Navy Yard, is it's a
18 mission based organization. So we're looking to
19 purchase, you know, a piece of property and
20 looking to bring in tenants that are job
21 intensive, specifically job intensive tenants.
22 And the dollars that we get to support
23 organization or other organizations can then be
24 utilized towards mission that goes back out to,
25 you know, help other manufacturers or other

1
2 businesses in the communities we serve. So I
3 really do think that mission driven real estate,
4 non-profit development is an absolutely
5 important component of all of this.

6 ADRIANA SCOTTI: I agree. I think that
7 we've seen the model of the Brooklyn Navy Yard
8 work really well. Especially, you know, we work
9 very closely with the Brooklyn Navy Yard here at
10 the chamber and the non-profit model could work
11 well because it is mission oriented. It is not
12 there purely for to make profit off the tenants.
13 And I would like to see it implemented a little
14 bit more in other parts of Brooklyn and other
15 parts of New York City.

16 DEPUTY PRESIDENT REYNA: I have a bias
17 for, what would be the mission driven
18 organization. Having a vital role in preserving
19 what would be these particular spaces for
20 various reasons. One of which is the most
21 important. It engages community, not just in
22 the small business sector but also in the
23 surrounding community that it impacts. So
24 there's a relationship with both. The model as
25 far as the Brooklyn Navy Yard and the Brooklyn

1
2 Army Terminal are great. They're publically
3 owned, they're city-owned land, running with
4 very significant and general stylers. And
5 that's great. But it's even harder for the
6 mission oriented organizations to have the same
7 support. And they do so and do it at incredible
8 numbers as far as the comparison between the
9 Brooklyn Navy Yard and what would be the East
10 Williamsburg Valley Industrial Corporation,
11 where they have double the amount of jobs in the
12 zone. And so to compare the two would be unfair
13 but there's a reality to this. We cannot just
14 depend on the city-owned properties. Because if
15 we do then we won't have enough space ever to
16 accommodate what would be businesses that are
17 calling dozens of companies just wanting to get
18 space. It's the redirecting as to where else
19 can they go to get space.

20 CHAIRPERSON GARDONICK: So let me back
21 up then. And I appreciate your answers to the
22 question. Let me ask a broader question about
23 the way the city is handling and has handled
24 funding for the not-for-profits that are
25 providing services to industrial business zones.

1
2 Because the Economic Development Committee had a
3 preliminary budget hearing some months ago and
4 posed the question to the Economic Development
5 Corporation. Why are there no dollars in the
6 budget to support not-for-profits that are
7 supporting industrial businesses in IBZs? And
8 the response was, that there are some 22 or so
9 different programs that the city is offering
10 itself to manufacturing businesses to IBZs that
11 perhaps obviate the need for that level of
12 funding and that level of support from not-for-
13 profit organization.

14 Now of course, as you all know, the
15 budget for those groups start at somewhere
16 around \$3.6 million, was down to \$1.2 million,
17 was down to zero in the preliminary, and was up
18 to \$600,000 in the executive. We'll see where
19 we land. But can you speak at all to the
20 importance of those particular groups. And what
21 they are doing. Or do you think that the city's
22 perspective was right in what they said, that
23 there's more than enough support for IBZs as it
24 exists coming directly from the city.

1
2 EXECUTIVE DIRECTOR MEADE: I'd love to
3 answer that one. Well I mean, our organization,
4 I have two board members here that will be
5 testifying a little bit. And we're a
6 neighborhood based economic development group.
7 We've been around for over 35 years. And
8 primarily, our board is composed of local
9 business owners who've been in the community for
10 a very long time. We have committee structures
11 that are also encouraging new business owners,
12 small businesses that are interested in the
13 community there. We also run, you know, an in-
14 house workforce program. So we're really taking
15 advantage of the job orders that are being
16 created in our neighborhood and tying that back
17 to residents that live there. Making sure
18 there's a job connection.

19 So I think there's no, in my humble
20 opinion, there's no better organization that has
21 credibility in the local business in Southwest
22 Brooklyn then SBIDC. And I would say that we've
23 certainly worked with our city partners with SBS
24 and EDC on a number of the initiatives. Helping
25 market those, helping, you know, convene groups

1
2 and think through some of the different
3 programs. And we've certainly had some success
4 there. But that granular level is so important,
5 and I think Mike and Steve from my board will
6 speak to this when they testify. That really
7 knowing the business, really knowing the day-to-
8 day operations is critical.

9 And just one other point.

10 Administratively, as director of an organization
11 that's been going through this for about four or
12 five years, it makes it incredibly tough to
13 manage the mission. To do the good work. To
14 employ the staff. To pay the salaries. To do
15 all the great stuff that we can do for
16 businesses. We're just not having any stability
17 around funding. It makes it incredibly
18 difficult to do. And we end up spending an
19 awful lot of our time thinking more about the
20 funding than in the good work that we should be
21 doing.

22 ADRIANA SCOTTI: As a former industrial
23 provider myself, I've seen both worlds. Now at
24 the chamber and formerly as an industrial
25 provider. And I can say that industrial

1
2 providers provide direct technical assistance to
3 what are considered small, medium and large
4 businesses within this industrial business
5 zones. And while I don't mean at all to
6 criticize any of the programs that EDC puts
7 forth for industrial businesses. I do think
8 that they're targeting a different kind of
9 business. Maybe a larger business, maybe with
10 more employees, with larger revenues.

11 Industrial providers work with anyone
12 from one person that just has an idea and wants
13 to start a company, all the way to those
14 established heritage businesses that have been
15 in the neighborhood for many, many years. And
16 you know, this panel has a goal, time and again
17 that it's the direct relationship and the trust
18 that the businesses have with these non-profit
19 organizations that makes it something that we
20 want to preserve and obviously fund for the
21 years to come.

22 DEPUTY PRESIDENT REYNA: So four
23 fundamental matters that I believe are just as
24 important to the small business, is important to
25 the providers. Navigating government,

1
2 affordable space, the good workforce to tap into
3 and the financing. And there are all within the
4 22-points that the city has been able to offer.
5 But it has been an effort due to the work of the
6 industrial providers in response to what has
7 been testimonials being brought to the City of
8 New York about how difficult these four areas
9 are. And one of the ones that still falls
10 short, is navigating government. Because when
11 we have what would be a BSA variance in an
12 industrial park and that application goes
13 through and no one in the administration is
14 aware of it. And it is voted upon favorably,
15 because a property owner was holding onto
16 property trying to speculate on a market, that
17 hurts the industrial part. Because the
18 conformity of that block will be hurt forever.
19 And that one property can be three-quarters of a
20 block in the manufacturing district.

21 So I want to just express how important
22 it is for the providers to be the critical
23 channel as to where funding being invested into
24 them is equal to funding being invested into the
25 businesses. So that they are the experts in

1
2 making sure that these land use matters, the
3 technical aspect of what these businesses have
4 no understanding, or have little understanding.
5 And have to pay hefty costs towards rather than
6 creating more jobs.

7 CHAIRPERSON GARODNICK: Well thank you
8 very much. Let me note that we've been joined
9 by Council Members Miller and Lander. And we're
10 now going to go to Council Member Koo for
11 questions. Followed by Council Member Vallone
12 and Menchaca.

13 [Pause]

14 COUNCIL MEMBER KOO: I am surprised to
15 see the material we have here. The mayor's
16 office eliminate MOIB, the director of MOIB and
17 be replaced with the industrial desk at EDC.
18 New York City is a city of 8 million people. It
19 is one of the greatest cities in the world. In
20 the past we have a combination of manufacturing,
21 industry and also Wall Street and all of these
22 combinations. Now all the manufacturing zones
23 are gone. It's not good for the city. We need
24 those jobs to support the middle class and for
25 those people to grow up the income ladder. Now

1
2 we only have a service industry like Burger King
3 and McDonalds. I don't think we can survive an
4 economy that is filling each other's shoes. So
5 can't we just scratch each other's back to make
6 the economy, no. So my opinion is that we have
7 to have an Office of Industrial and
8 Manufacturing, MOIB. It's critical for our
9 economy. So it's incumbent that administration
10 put in the funding for this. Otherwise we're
11 going to fall behind all the other big cities.
12 If you look at San Jose, San Francisco, or even
13 North Carolina, they have the triangle, the
14 industrial triangle. We should do something
15 like that too. So we need an office to
16 encourage small manufacturing industry to come
17 here to make high tech or low tech stuff. It's
18 really critical for our residents to have
19 manufacturing jobs. Our second generation
20 youngsters, if they don't go to college, they
21 have to work in McDonald's all their life, no.
22 So that's my comment actually. I don't have a
23 question for all of you.

24 CO-CHAIRPERSON CORNEGY: Thank you. I
25 think next we have Council Member Vallone.

1
2 COUNCIL MEMBER VALLONE: Thank you Mr.
3 Chair and fellow council members. You know at
4 most of these hearings we're hearing that the
5 need for interagency cooperation is the only way
6 that this is going to happen. But yet I'm still
7 concerned that's going to happen. And Deputy
8 Borough President Reyna, thank you very much. I
9 think your comments in support are much needed
10 because when you go to the local level in the
11 community boards and the districts there's not
12 often an overwhelming support when you're
13 talking about these types of manufacturing and
14 industrial zones. (Someone sneezes) God Bless
15 you. It's often quite the opposite. So part of
16 the challenge that we have is to take your
17 presentation presented to the remaining areas
18 that this is a possibility. And whatever few
19 sites are still left and fight to keep the ones
20 that are still there. Because your comments,
21 and what I'm also seeing in Queens and
22 throughout the city that the challenge is to
23 preserve these crucial jobs. And it's..., if we
24 don't get the cooperation from both sides, it's
25 not going to happen.

1
2 So my question is, part of the analysis
3 says, including a lack of stable industrial
4 spaces and a lack of well-trained industrial
5 workforces. Ideas for workforce, anything
6 within the schools or programs we can expand
7 there. And also for possible..., something that
8 came up in yesterday's committee hearings, of
9 targeted zoning, almost emergency based, we were
10 talking yesterday for senior centers. And now
11 we're in the industrial IBZ zones too. So would
12 that be something that would be promoted,
13 proposed. Some thoughts?

14 EXECUTIVE DIRECTOR MEADE: Yes. I can
15 talk about the workforce one right away. That's
16 another good one. Umm, so I had mentioned that
17 our organization runs an in-house workforce
18 program and you know, I think industrial jobs
19 are incredibly important. They pay more, than
20 certainly the retail sector. They pay over
21 \$50,000. They provide all these great things.
22 Career pathways, income ability, jobs benefits
23 quite often, retention. You know, folks have
24 been there for a very long time. Again, two
25 providers are here today, they've had employees

1
2 that have been there for over 20 years. And I
3 think there is, frankly, a widening skills gap
4 that's been going on for quite a while now too.
5 And I think part of that is there's an aging
6 workforce with a lot of our manufacturers.
7 We've got a lot of machinists, Lee Spring and
8 Wiggby Precision in the Brooklyn Army Terminal.
9 A lot of folks in there, they're in their early
10 to mid-50s now are starting to get ready for
11 retirement and those companies are really
12 concerned about whose next. Where can they draw
13 from? And I think it's a much longer thing to
14 discuss and a bigger picture question, but, you
15 know, where is our goal to get them? Where are
16 our training programs to prepare students and
17 young adults for careers like that?

18 The other think that I see is the
19 widening skills gap in, what's called the
20 innovation economy and the tech sector. You
21 know, the one thing that I want to be sure is a
22 community based organization that the folks that
23 we're working with that we're trying to find
24 jobs are as ready as possible for some of these
25 new economy jobs that are coming out. And I

1 think that is yet again a bigger picture
2 question where we have to start probably at a
3 much younger age around STEM and different types
4 of education. But I think engaging the
5 community in the skill sets that the employers
6 need is going to be critical in the near term,
7 and for sure in the long term.

9 DEPUTY PRESIDENT REYNA: Thank you for
10 your comments Council Member Vallone. I wanted
11 to just to express to you the most recent
12 dialogue I had in a chamber of commerce. It was
13 the Greenpoint Chamber of Commerce, where I
14 asked, you know, where..., does anybody here know
15 or work with youth from any of the high schools
16 in the area. And a few people raised their
17 hand. And I asked, well, you know, do you know
18 of the Williamsburg High School for Architecture
19 and Design? And there was a gentleman in the
20 room who has just started up his own company, in
21 the tech business, and needed what would be that
22 type of skill. And it's important for us to
23 understand that there's a lack of connection
24 between the resources we have in the City of New
25 York and the demand for it. And so, this

1
2 office, that we continue to express, I cannot
3 state enough how important it is, how critical
4 it is. Because we miss opportunities every time
5 we're not coordinating these types of
6 connections. They don't happen automatically.
7 There's not a fairy godmother that actually
8 makes it happen and if we're not investing in an
9 office like this to make those connections
10 happen. Then you're question will never be
11 answered. So I appreciate the value in my
12 testimony and everyone else's here at the table.
13 And those that are going to go after us. But it
14 is critical that those are the statements we
15 continue to mention over and over again. Where
16 we have opportunity to create apprenticeship
17 programs. That we continue to provide support
18 to our CTE schools. Those Certified Technical
19 Education curriculums is what then fosters
20 relationships with the business sector, such as
21 the industrial parks. Seeing the need for it.
22 The Harbor School on Governor's Island. They're
23 teaching what would be maritime uses. And there
24 was a point where we were giving up on our
25 waterfronts. Today, that's the opposite. We're

1
2 approving and building more arenas around
3 Brooklyn. And we want to see that there's going
4 to be a workforce ready to be, ready, trained
5 and positioned in job posting. So we're not
6 then saying, the first day of operation, oh, did
7 we remember the workforce.

8 So these are the coordination skills
9 under what would be the Mayor's Office of
10 Industrial and Manufacturing Office that I
11 personally envision happening. That it's not
12 just about having four-walls and a small team
13 with rhetoric but that there's policies and
14 enforcement of those policies so that we can see
15 those outcomes come to fruition.

16 SEAN CAMPION: I'd just like to add
17 quickly, that the city actually has committed
18 significant resources to workforce training for
19 the industrial sector. And in fact, it's
20 probably on a dollar basis, was the largest
21 investment by the city through the expense
22 budget for the industrial sector. Currently the
23 Department of Small Business Services Workforce
24 One Career Centers have an office..., or a career
25 center focusing on manufacturing and other one

1
2 on transportation. They were created as part of
3 Mayor Bloomberg's CEO initiative, beginning in
4 2007. And they're the only initiatives now
5 targeting the industrial sector that are base
6 lined in the current executive budget. With an
7 initial \$20 million or so committed through
8 2018.

9 And also to follow-up on another point
10 about the difference between a lot of existing
11 jobs and jobs in higher tech manufacturing
12 sectors, like computer manufacturing and
13 pharmaceuticals and chemical manufacturing. A
14 lot of those jobs as opposed to jobs in more
15 traditional sectors like food manufacturing,
16 apparel manufacturing, you know, machine shops,
17 require advanced degrees. And our research
18 shows that in order to place workers in those
19 jobs it may require more than just targeting
20 placements or promotions through Workforce One
21 Centers, we're also investing in higher
22 education.

23 CO-CHAIRPERSON CORNEGY: Do you have
24 the job placement numbers from the program?

1
2 SEAN CAMPION: I don't have them with
3 me, but we did have some as part of the report.

4 CO-CHAIRPERSON CORNEGY: Thank you. So
5 Carlo Menchaca, who has waited patiently and I
6 believe is chomping at the bit, literally.

7 COUNCIL MEMBER MENCHACA: Thank you
8 Chair Cornegy and Chair Garodnick for hosting
9 this hearing. I just want to highlight that we
10 have a very strong presence of District 38 in
11 the house with our Community Board 7. Some
12 organizations like UPROSE. We have some small
13 businesses in the house as well. Thank you for
14 being here. This committee is waiting to hear
15 from you as well.

16 And because of that I want to make sure
17 you all get here and thank you so much for your
18 patience.

19 First, I want to focus with you David
20 at Southwest Brooklyn Industrial Development
21 Corporation and help us understand the gap
22 between this moment in time, where we are
23 without an office. This moment in time when we
24 are in the first one hundred and some days of me
25 coming into office, experiencing some incredible

1
2 lack of ability to advocate and engage the
3 community with some BSA applications that we
4 worked together on. And just to help us
5 understand that gap. And two, what would this
6 office look like if it could help us with those
7 items. On land use, on zoning and really engage
8 this new environment where we have a mayor
9 that's aggressively pushing for affordable
10 housing in communities where we are experiencing
11 some realities of lots that are ripe for a kind
12 of development. So just give us that picture.
13 And I think I'll be okay with just one question.
14 Because I think that's the most important for us
15 as we look forward to engaging the
16 administration in this office.

17 EXECUTIVE DIRECTOR MEADE: Do you have
18 all day?

19 [Laughter]

20 EXECUTIVE DIRECTOR MEADE: No. I mean
21 I know you definitely do not. Yes, it's a
22 fantastic question around structure and what the
23 office could do. I think that one of the things
24 that our organization, and I can speak
25 specifically to us at the hyper ground level and

1
2 the membership in the businesses. One thing
3 that's really been missing is land use, and the
4 protection of the IBZs were never built up to
5 what they really needed to be. And I think,
6 obviously with new leadership on onboard there
7 is a real moment in time to critically look at
8 issues such as hotels, issues such as private
9 schools, and drug rehab facilities, coming in
10 encroaching on areas and what that sets up for
11 future land use for industrial businesses in the
12 area. And I defer to Linda Tool, who's a Red
13 Hook manufacturer who will be speaking in a
14 minute or two. He's very concerned about, for
15 instance, a private school that came in a couple
16 of blocks away from him and what that's going to
17 do, not only for his business, but his employees
18 ability to get to work. And he's in Red Hook
19 because it's a place where he can manufacture
20 and do precision parts and that's a place, where
21 he feels like he's had stability. He's very
22 concerned about that stability now. And what
23 the future is going to hold for him. And is
24 that the first of many things that starts to
25 happen, because we know in New York City, land

1
2 is very finite. We only have so much of it and
3 how do we insure that these industrial business
4 zones are protected as much as possible.

5 I also think, and Council Member, I've
6 obviously worked on this a lot with you. I
7 think the office can take on a big recovery and
8 resiliency role and I know in District 38,
9 working with groups like UPROSE and the
10 Community Board, we're really not only looking
11 at kind of industrial retention and, you know,
12 business attraction and economic development but
13 also recovery, resiliency, how we prepare folks
14 for, you know, the next future weather related
15 event. And how we're in the best position to
16 make sure that, you know..., I felt like we were
17 prepared at the very ground level because we had
18 such an amazing community. But how do we
19 actually put specific systems and organizations
20 in place. And do we really focus on business
21 and residents to make sure they're ready for the
22 next problem. And I think that's another big
23 thing that the office can be looking at too.

24 COUNCIL MEMBER MENCHACA: Thank you.
25 Now I'll hand it over to the Chair. But before

1
2 I do that I just want to highlight a couple of
3 things that you said, which is the kind of
4 important of engagement, community engagement,
5 increasing the capacity for our zones to be
6 fiercely committed to our manufacturing
7 district. But also to kind of remain cognizant
8 of the resolution that we're hearing today. And
9 this is an opportunity for us to use the data,
10 the testimony that we're going to be hearing
11 from everyone to change it, to make sure that it
12 really speaks to the moment in time that we
13 have. And what this office needs to be at its
14 most robust place. SO thank you.

15 CO-CHAIRPERSON CORNEGY: Thank you
16 Council Member. So I'm going to thank you for
17 your expertise in this area. And I look forward
18 to, as well as this committee, in working with
19 you in the future to make sure that we protect
20 our zones that have been stated that are so
21 important to us.

22 We have been joined by Council Member
23 Inez Barron and Council Member Donovan Richards.
24 Thank you.

1
2 I just want a little bit of
3 housekeeping as we go forward. I've never had
4 the need for the clock, but have now developed a
5 need for the clock. So I'm excited and scared
6 at the same time. We're going to ask that the
7 council members limit their questions to three
8 minutes. That is question and answer. And that
9 the presenters also limit their presentations to
10 three minutes so that we get a chance to hear
11 from the robust and vast array of expertise
12 that's in the room. Thank you.

13 The next panel we're calling is Mr.
14 Adam Friedman, Ryan Chavez, Juan Camilo Osorio,
15 and Robert Altman.

16 I'll just remind you as you're
17 transitioning, we're asking for the
18 presentations to be under three minutes. So
19 that may be a subtle way of asking you to
20 summarize if necessary. Especially with this
21 panel who is another panel of experts. So if we
22 could just start to my left, your right.

23 RYAN CHAVEZ: Good afternoon, Chairman
24 Cornegy and Chairman Garodnick. My name is Ryan
25 Chavez and I'm the Infrastructure Coordinator at

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2 UPROSE. We are an environmental justice
3 organization based in Sunset Park, Brooklyn.
4 And have for decades mobilized Sunset Park
5 residents on issues of sustainable and just
6 development, participatory planning practice and
7 governmental accountability. I thank you for
8 the opportunity to discuss the revitalization of
9 the Mayor's Office of Industrial and
10 Manufacturing Business.

11 In communities like Sunset Park, this
12 proposal is of the utmost importance and we
13 applaud the city council for taking up the
14 issue. We all acknowledge the crippling impact
15 that the industrialization has had on the
16 working class information cities. Manufacturing
17 has historically offered employment prospects to
18 workers at all skill and education levels. And
19 is a particularly important provider of well-
20 paying jobs for workers without a college
21 degree.

22 In the last 50 years however, we have
23 seen a dramatic plunge in the number of goods
24 producing jobs. This has coincided with
25 significant job expansion in the service sector

1
2 which does not typically provide the same
3 prospects for living wages and upward mobility
4 as industry and manufacturing.

5 In New York City, during the tenure of
6 the previous administration the total number of
7 manufacturing jobs decreased by half. Falling
8 from over 150,000 in 2001 to roughly 75,000 in
9 2012. In communities like Sunset Park, this
10 trend has had a devastating impact on the
11 economic stability of residents. Today the
12 poverty rate in Sunset Park is 28%. However, in
13 both Brooklyn and New York City averages.

14 Moreover, the number of residents with high
15 school diplomas lags behind both borough and
16 citywide levels. For this reason the
17 reinvigoration of a citywide agenda on
18 industrial and manufacturing jobs is critical to
19 the livelihood and resilience of our community.

20 All that said, I feel we would be remiss to
21 overlook the few key principals that could
22 substantially strengthen the resolution before
23 you today. I would ask the committee members to
24 review this resolution and consider the
25 following points.

1
2 One. Accountability, transparent
3 decision making and community oversight must be
4 structurally incorporated into any new proposal
5 to attract and retain industrial and
6 manufacturing businesses in New York City. The
7 structure of the new mayor's office ought to
8 include an advisory board to oversee its
9 functions and operations and represent local
10 stakeholders, including community boards,
11 environmental justice organizations, and
12 community based organizations.

13 Two. The city's six significant
14 maritime industrial areas which cluster the
15 heaviest industrial uses are all located in
16 storm surge zones and environmental justice
17 communities. Including Sunset Park. To
18 strengthen the resilience of our city's
19 industrial zones, the new mayor's office should
20 incorporate climate adaptation measures, energy
21 efficiency, pollution prevention approaches and
22 post-disaster planning. To insure the economic
23 resilience of neighboring residents, the policy
24 agenda should also include a prioritization of
25

1
2 local workforce development for low income
3 workers.

4 In conclusion we are supportive of
5 these committees for taking up this resolution
6 and I thank you once again for the opportunity
7 to comment.

8 JUAN CAMILO OSORIO: Good afternoon,
9 Chairs Garodnick and Cornegy and members of the
10 city council. My name is Juan Camilo Osorio and
11 I'm here to testify on behalf of the New York
12 City Environmental Justice Alliance in strong
13 support of the Resolution 228.

14 EJA is a non-profit, citywide
15 membership network linking grass roots
16 organizations from low income neighborhoods and
17 communities of color in their struggle for
18 environmental justice. Where the sustainability
19 and resilience of industrial waterfront
20 communities is central to our mission.

21 In 2010, EJA launched the Waterfront
22 Justice Project to advocate for the reform of
23 waterfront zones designated as significant
24 maritime and industrial areas designed to
25 encourage the clustering and concentration of

1 heavy industrial and pollution infrastructure
2 uses. Our research has led to the conclusion
3 that local businesses and industry organizations
4 must play a key role in implementing disaster
5 risk production and community resiliency
6 strategies. As documented by the mayor's
7 special initiative for rebuilding and
8 resiliency, approximately 800 industrial
9 companies in the Brooklyn and Queens waterfronts
10 along, half of the total impacted by Super Storm
11 Sandy in these areas, were industrial
12 businesses. These companies are a critical
13 sources of stable employment for working class
14 New Yorkers who depend on well-paying jobs.
15 However, heavy industrial activity has also
16 negatively impacted industrial waterfront
17 communities. Impacts that have the potential to
18 worsen with climate change. Environmental
19 regulatory compliance can be seen as costly.
20 Creating fears that local businesses will flee
21 to less well-regulated areas, increasing
22 unemployment and leaving brown stains and other
23 toxins behind. In order to protect these jobs
24 and businesses and protect the health and safety
25

1
2 of those working and living in and around these
3 areas, EJA is advocating for technical and
4 financial strategies to help industrial
5 businesses comply with environmental regulations
6 to build a more sustainable and resilient
7 working waterfront.

8 We commend the council for taking an
9 important step in this direction. However, in
10 order to maximize the impact of these
11 initiatives, we strongly recommend that you
12 consider including the following recommendations
13 developed in partnership with UPROSE, one of
14 EJA's member organizations.

15 Number one. Appoint a citywide
16 advisory board to the Mayor's Office of
17 Industrial Manufacturing Businesses. An
18 advisory board which includes the representation
19 of local community stakeholders will help
20 establish a transparent and inclusive planning
21 process for the design and negotiation of
22 economic development strategies to reinvigorate
23 New York City's industrial policy.

24 Number two. Create a citywide
25 industrial policy agenda to guide the work of

1
2 the Mayor's Office of Manufacturing and
3 Industrial Businesses that prioritizes, a)
4 community resiliency in industrial
5 neighborhoods, b) climate change adaptation and
6 post-disaster planning, and c) the participation
7 of local industrial jobs and businesses in
8 recovery and resiliency of a resiliency building
9 projects.

10 And finally, number three. Create a
11 blueprint to structure the work of the Mayor's
12 Office of Industrial and Manufacturing
13 Businesses in order to consolidate and implement
14 recommendations for industrial development that
15 have already been articulated in previous
16 community based planning efforts.

17 Thank you. We commend you for taking
18 these steps and I are really glad for the
19 opportunity to provide a public comment.

20 ROBERT ALTMAN: My name is Robert
21 Altman. I'm testifying today on behalf of
22 myself. Over the years I've compiled a list of
23 industrial clients both large and small. I am
24 an attorney.

1
2 For some I assist with relocations and
3 others for governments only. For others I am
4 their attorney. There are a number of different
5 steps city government can take to assist
6 manufacturing. Some are relatively small and
7 effective. For example, a few months ago I had
8 an article in Crain's New York Business, saying
9 that the city should fully fund the IBZ program
10 to its original funding of \$4 million. This is
11 a very simple first step that should be taken as
12 soon as possible. Outside of IBZ funding, there
13 are other ideas.

14 But we first have to recognize that
15 certain areas of the city are changing. I
16 helped relocate a number of businesses,
17 industrial businesses, from Manhattan to Long
18 Island City, Greenpoint and other areas of New
19 York. And those areas are now changing. And
20 those leases that they signed are now coming up
21 and they cannot afford the rents in the area.
22 Many of them would like to stay in New York
23 City, but there's no program that's really there
24 to help them. So there choice is, move to
25

1
2 another part of the city or move out of the
3 city. And many of them are viable businesses.

4 So I think you need ideas to help those
5 companies now. For example, when the energy
6 cost savings program was originally conceived
7 over 20 years ago. It created two pressure
8 zones in the outer boroughs..., or in the
9 boroughs, let's not call them the outer
10 boroughs. Fulton Ferry Landing and Hunters
11 Point, Queens.

12 Frankly, the pressure of rents in those
13 areas now has expanded beyond the narrow scope
14 of those areas. Other businesses leaving those
15 areas to go to other parts of the city can get
16 the energy cost savings program. You need to
17 expand those zones so that more businesses can
18 take advantage of the energy cost savings
19 program.

20 Second, we have REAP for businesses who
21 move out of Manhattan, south of 96th Street. I
22 would tell you that I think that you should have
23 REAP for those areas as well. How long, how
24 much, can be discussed and debated. But moving
25 costs are a big issue. And the IBZ tax code

1
2 doesn't cover all areas and second, it's just
3 not enough, because it's limited to 1,000
4 employees or the moving costs whichever are
5 less, and frankly there's a lot of expense when
6 a business moves to a new space. Building it
7 out, making sure they can actually operate in
8 that area. So that's another area you can look
9 at.

10 Next they have, which was expanded
11 under the Bloomberg administration, is the
12 commercial expansion program. Which limits the
13 benefit to \$250 a square foot. To the extent
14 that the benefit for an industrial entity is
15 over \$250 a square foot, I would recommend that
16 they be allowed to get the whole thing.

17 And finally benefits should not be
18 conflicting with one another. ICAP and the
19 commercial expansion program actually conflict
20 with one another. It's landlord against tenant.
21 We should get rid of that.

22 All of my suggestions help industrial
23 tenants now. I'm sure you'll hear other ideas
24 that will help them in the long term but the
25 city needs to allow the current businesses to

1
2 make it to that long term with the right
3 assistance it can. Thank you.

4 ADAM FRIEDMAN: Good afternoon. I'm
5 Adam Friedman, I'm the Director of the Pratt
6 Center for Community Development. I'll do my
7 best to summarize the testimony that we handed
8 out.

9 We strongly support the creation of a
10 Mayoral Office of Industrial and Manufacturing
11 Businesses. And you've heard about how it will
12 oversee the services of both the IBZs and the
13 city's own services. So it presents a unique
14 opportunity to integrate services and policy.
15 To not routinely done here, but by being the
16 office that does both, the services can be
17 informed by policy and perhaps equally
18 important, the policy can originate in the
19 services.

20 In short, we think it's all about
21 mission and accountability. The industrial
22 sector needs a champion. It employs more than
23 484,000 people. But it consistently gets
24 eclipsed in the thinking of the other agencies.
25 Why? Because they have a broad mission. Their

1
2 missions have to do with the overall well-being
3 of the city's economy. Of course, sectors like
4 tourism and finance, and now IT and software
5 have more glamour, so people tend to focus on
6 them. It's not that the new office will have
7 smarter people. It's not that the people in the
8 existing offices aren't smart and well meaning.
9 It's all about what incentives they are given.
10 What are they going to be held accountable for?

11 I believe the de Blasio administration
12 is absolutely committed to the industrial and
13 manufacturing sectors. And during the campaign,
14 the mayor laid out a very aggressive vision for
15 industrial development. If the city wants to
16 grow its industrial jobs, it needs somebody
17 focused and held accountable to that objective.
18 Today, Pratt along with ANHD and several of the
19 groups in the room released this paper on how do
20 we..., what are the positions, what are the action
21 items we need to take to create another 50,000
22 jobs and bring the total number within that
23 sector to about 530,000 jobs.

24 We see the creation of the Mayoral
25 Office as critical to implementation. You've

1
2 heard a lot about how there's a clear vision and
3 goal in housing. We need something to balance
4 that. So when the decisions are being made in
5 the room about this area, and that area.
6 Somebody is there articulating the needs of the
7 industrial sector. And working to balance them.
8 Working to compromise.

9 So what's the specific mission? We
10 would describe it as the following. The mission
11 should be to strengthen the industrial and
12 manufacturing sector and create I&M jobs in ways
13 that foster a more equitable and environmentally
14 responsible economy. Advancing equity and
15 sustainability should be at the heart of the
16 city's economic development efforts and should
17 permeate all the city's operations. New York
18 now has the greatest income disparity of any
19 city in the United States and it undermines our
20 social contract. Likewise, the threat to our
21 city from climate change has become absolutely
22 inescapable. So we have to weave sustainability
23 into all our other programming.

24 Finally, the office should be a direct
25 report to the Deputy Mayor so that as those

1
2 negotiations, as that high level decision making
3 is taking place, there's a spokesperson for the
4 industrial sector championing their needs.

5 We look forward to working with the
6 city council and the mayor's office in helping
7 to realize this vision. Thank you.

8 CO-CHAIRPERSON CORNEGY: Thank you.
9 So, a lot has been talked in the previous panel
10 and as this discussion goes on about the
11 responsibilities or what we believe the
12 responsibilities to be of that office. And what
13 its role will be. I'm curious if anybody would
14 like to speak about what the role of advocates
15 and stakeholders will be within that office.

16 JUAN CAMILO OSORIO: As I stated in the
17 testimony. This is an opportunity as well to
18 increase community engagement as part of the
19 process to envision, discuss, design and
20 implement our reinvigorated industrial policy
21 for New York City. That's why we feel that
22 along with the revitalization of the office, the
23 creation of an advisory board, that both can
24 support the coordination of the office itself
25 with some of the other government agencies that

1
2 are already working in this regard. Could also
3 benefit from direct participation, not just from
4 local businesses, but from local communities
5 that can help shape the design and help support
6 the implementation of these projects.

7 UNIDENTIFIED MALE: I just have to say
8 I was really struck by Diana Reyna's story about
9 the High School for Architecture and Planning
10 and clearly the absence, not the absence,
11 inadequacy of networking and this could be an
12 office that brings the disparate elements of
13 city hall and city government together to really
14 see this as a whole ecosystem or as a continuum,
15 where workforce development is integrated into
16 business development, is integrated into land
17 use. So that holistic approach is very
18 important. And it's an opportunity for
19 brainstorming. You know, people have talked
20 about land use. Why is it the case that housing
21 is pitted against jobs? You know we have to get
22 a way beyond that, and that requires getting the
23 right people in the room, including the
24 advocates and including community
25 representatives and brainstorming about

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2 alternatives that are win/win situations. And I
3 think you're also getting at a sort of a
4 misconception about the role of advocates. You
5 know, we're fellow travelers. We, in many ways,
6 share the goals of the agencies, but there's a
7 certain amount of distrust. And we have to
8 figure out some way of getting beyond it.
9 Because we all have areas of expertise and if we
10 can reach consensus of what the strategy and
11 what the vision should be and what the programs
12 could be. There's got to be great synergy
13 there.

14 CO-CHAIRPERSON CORNEGY: I for one,
15 look forward to the joint hearing between, you
16 know, small business, economic development, land
17 use and housing and health. You know, I think
18 that we're moving in that direction, so that to
19 me and that cross collaboration between agencies
20 will definitely determine the trajectory of this
21 city and with a progressive administration, I
22 believe that this is the time that that synergy
23 can happen.

24

25

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2 I believe that Council Member Dickens
3 has a question or a statement. Barron, I'm
4 sorry, Inez just left. I'm sorry.

5 COUNCIL MEMBER BARRON: Thank you Mr.
6 Chair. Thank you for having this hearing. I
7 just have a question. As we talk about..., I read
8 some of the briefing notes and said that the IBZ
9 is now operated by a desk at city hall. The
10 industrial desk at the EDC. Have you had any
11 ideas for other areas that would be appropriate
12 for development of industrial work? I'm
13 specifically thinking about East New York.
14 There is a parcel of land several block..., you
15 may know it, paralleling on the West Side of the
16 El Train. The El train is the elevated line
17 that goes out to Canarsie. And on the western
18 side of that elevated train there is a scrap
19 metal and cars crunching. But other parts of
20 East New York have large areas that are not yet
21 developed or there are businesses there. Have
22 you thought about targeting that area for
23 development of the industrial and manufacturing
24 that you're talking about? Or what would be
25 your perspective in terms of identifying some of

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2 that area. We know the mayor has a plan for
3 housing and has targeted East New York for that.
4 But we don't just want housing in East New York.
5 We want a balance. We want people to be able to
6 work near where they live and be able to have
7 opportunity for those who don't have higher
8 level education credentials to be able to get
9 jobs that have decent wages, living wage jobs
10 that they can support their family. So what are
11 your thoughts on that?

12 ROBERT ALTMAN: I actually think you
13 make a very good point because a lot of the
14 businesses that have existed who I mentioned had
15 moved from Manhattan to Long Island City or
16 Greenpoint or Western Brooklyn, would very much
17 want to remain in the city, but need some sort
18 of assistance to get out there. If you're going
19 to go and take space that needs to be developed
20 and created, they need to have the funds.
21 Whether those funds come through city's working
22 with non-for-profits such as the..., for example
23 one was done years back in Greenpoint.
24 Greenpoint Manufacturing and Design Center and
25 had to be done that way. Or it had to be done

1
2 in fact by the for profit entity itself. That
3 needs money. That needs..., and a business that's
4 looking to move out there needs to be able to
5 access that money and have that available to it.
6 Whether that's being done by an industrial REAP
7 or something similar. You know, that's
8 important to them. But there is an opportunity
9 here for businesses who are coming up on the end
10 of their leases to come to that situation where,
11 yes, I can't afford it here anymore, but to look
12 at East New York, to look at Jamaica, Queens, to
13 look at areas of the Bronx. Where they will be
14 further out but things will work better for
15 them. Just like the point..., a desk at EDC for a
16 sector which Adam has said here is 487,000 jobs,
17 a desk. One person, has got to hit you as
18 crazy.

19 COUNCIL MEMBER BARRON: Thank you Mr.
20 Chair.

21 CO-CHAIRPERSON CORNEGY: Mr. Altman,
22 you keep mentioning umm, there's got to be
23 something available. Do you mean in terms of
24 tax breaks. What are you suggesting?
25

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2 ROBERT ALTMAN: Well that's what the
3 industrial REAP does. It does create stream of
4 revenue that could be used. REAP from Manhattan
5 to Queens is \$3,000 per employee. So that's if
6 you have 50 employees, that's a stream of
7 \$150,000 a year. If I think if they're going to
8 develop the site, because right now it's a tax
9 credit that's redeemable, which means, if they
10 don't use it, they get a check back. I think
11 you might want to extend that redeem ability for
12 people who go into areas where they are in fact,
13 how should I say..., they get land where they have
14 to build something, so they get something of
15 that stream to be able to pay the debt service
16 on that building. So all of a sudden you have
17 something where there's an assistance for
18 getting that building up. Because it's not
19 cheap to build new construction. Even if it's
20 just a shell that you're putting up that has
21 warehouse capability and then you're throwing
22 the equipment in that will do the manufacturing.
23 It's still a lot of money and they still would
24 need some subsidies and an industrial REAP would
25 work well with that.

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CO-CHAIRPERSON CORNEGY: Thank you.

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JUAN CAMILO OSORIO: Excuse me. I wanted to answer the question of Council Member Barron. I wanted to say that I really appreciate your question. Because I think that the IBZs is a paramount part of this discussion but it's not the only one. While it's really important that this mayor's office reinforces the provisions to prevent rezoning away from manufacturing and review applications to the board of standards and appeals for zoning variances. There's a lot of other lands zoned for manufacturing outside of the IBZs that should also require special attention. For example the significant maritime and industrial areas that are already zoned for manufacturing but can be potentially rezoned.

However, what I want to emphasize is that your question really highlights the real need to redefine what our local jobs? To make sure that the resources that are in place right now for workforce development are really targeting the local communities that in some cases walk to work, but in often times are not

1
2 being hired by standard and traditional economic
3 development proposals.

4 ADAM FRIEDMAN: First of all there may
5 be somebody, a community group behind us that
6 can respond in more detail to that specific
7 area. But that's one of the areas that likely
8 to be targeted for increased housing development
9 and I think there is some openness now, some
10 recognition that it can't only be housing. And
11 that they have to treat it much more
12 comprehensively and one of the things that
13 should precede any zoning change in that area is
14 thinking about, okay so where are the jobs, what
15 are the likelihood. Cypress Hills has done a
16 lot of work in planning for the future of
17 industrial development in that community. How
18 far can it extend. And they have certain
19 specific areas mapped out. Maybe that can be
20 helpful.

21 CO-CHAIRPERSON CORNEGY: Council Member
22 Vallone.

23 COUNCIL MEMBER VALLONE: I just wanted
24 to follow on Council Member Barron's idea and I
25 think that's critical as we look at all these

1 ideas for growth. The zoning component and the
2 combination of housing and infrastructure and
3 what the need is for a particular community and
4 for existing businesses that may be struggling
5 and tenants that are facing the end of a lease.
6 All that has to be played together. So your
7 input is critical and we thank you for that.
8 And if there's any follow-up ideas like the ones
9 you had today, to continue to submit those to
10 us. As we look at ways to expedite areas for
11 these needs that the city is looking at and not
12 to forget one area over the other. And we think
13 looking at..., an area that comes to mind that we
14 keep talking and where we can use your input, is
15 probably the largest one the city sees in the
16 foreseeable future with hundreds of millions
17 dedicated to is Willets Point. So there are
18 undefined areas there that need expert help on
19 what the future of the city, we're talking about
20 thousands of jobs and new places for housing and
21 business and schools and parks. It's all there.
22 So let's take the models that worked, take the
23 things that we're talking about that need to be
24 done. I think it is something that we can look
25

1
2 forward to. And in my last point for my World
3 Cup fans, Columbia defeated the Ivory Coast in a
4 hard fought match 2 to 1, as I'm sure my son is
5 screaming at home right now.

6 CO-CHAIRPERSON CORNEGY: So before I
7 let you go. I just want to say that in my very
8 long testimony, or opening statement, I did say
9 that if there was something that I could include
10 on an amendment that I could make, it would be
11 for more input from the community and from its
12 stakeholders. So, I will definitely look to
13 make good on that and we look forward to sit
14 with you and make sure that those
15 recommendations are represented in the
16 resolution as it goes forward. Thank you.

17 The next panel is Debra Mesha
18 (phonetic), Nancy Carin, Leah Archibald,
19 Elizabeth Lusskin, Laura Imperiale, I'm certain
20 that I didn't pronounce that correctly.

21 [Background talk]

22 CO-CHAIRPERSON CORNEGY: Yes. And
23 again just with a little bit of housekeeping.
24 We've been here a long time, so I just want to
25 remind us that we're going to ask for you to

1
2 keep your presentations to three minutes if
3 possible. And for our council members that are
4 remaining, your questions and answers should
5 remain in and under three minutes. Thank you.
6 So whoever would like to start you can do so.

7 [Background talk]

8 EXECUTIVE DIRECTOR CARIN: Hello. I'm
9 Nancy Carin, Executive Director of the Business
10 Outreach Network and we are the industrial
11 business solution provider for Queens West,
12 especially Maspeth area and for Brooklyn East,
13 East New York and the surrounding areas and the
14 entire Borough of Manhattan on a shoestring
15 budget.

16 I would like to skip around in my
17 testimony so as not to just speak so fast that
18 no one will be able to follow me. And I'd like
19 to make some specific points to support the
20 resolution but also to acknowledge that the IBZs
21 are critical and just a couple of days ago two
22 of our staff who have joined the Community Board
23 were there for a zoning resolution. And because
24 of their presence at the community board
25 meeting, they were able to forestall the zoning

1 permission to take a piece of industrial land
2 and turn it over for residential development.
3 And that's because we're very entrenched in the
4 community and we partner with the businesses to
5 maintain the integrity of industrial space.

6 However, as Lea pointed out 90% of industrial
7 businesses are not in the city-owned areas and
8 also a large percentage of industrial businesses
9 also exist throughout the boroughs in
10 neighborhoods, including many in minority and
11 women owned contractors, construction
12 businesses. All the types of community
13 businesses that do relate to what we call,
14 industrial electricians, etc., etc.

15
16 And we provide support to all of those
17 businesses as well. It's part of our mandate as
18 industrial business solutions providers to not
19 just work with businesses inside of a geographic
20 boundary of a zone, but within a much larger
21 boundary so we actually have a footprint
22 together, collectively that cover the entire
23 city, all five boroughs. And in doing so we are
24 able to help. Not just businesses that have
25 been in the city for a very long time and

1
2 preserve jobs, but we're able to help new
3 businesses that are starting up with just a
4 couple of jobs and help them get access to the
5 resources they need. Access to future space,
6 access to financing and technical assistance so
7 that they can develop new businesses in the
8 city. In a wide range of industries. And I
9 think that the collective work that we do as
10 industrial business solution providers is the
11 way that the New York City Economic Development
12 Corporation and others really communicate down
13 to the level of the businesses when they create
14 new initiatives and new programs.

15 As our colleague from South Brooklyn
16 stated before, we are great partners for all of
17 these new 22 initiatives. We create
18 information, we tell businesses individually
19 about these initiatives and in groups. And
20 we're able to market them and make them more
21 effective. Our role is really intrinsic to the
22 success of all of the industrial strategies for
23 New York City.

24 So our experience and knowledge of the
25 businesses that we work with is something that

1
2 comes from many, many years of the
3 organizational commitments. And I think that we
4 are in a new environment working with the new
5 administration. And I think there's a new
6 valuation for the value of community and what
7 committed organizations, community development
8 organizations, local development corporation,
9 bring to the city. And that it just can't be
10 replaced from the central office of city
11 government. We can work in partnership and that
12 partnership can make incredible impact on the
13 future of the city.

14 I think that the infrastructure of the
15 IBZs is a critical importance in order to
16 maintain jobs as we've learned from many of the
17 other testimony. So I'm not going to repeat
18 that. But one of the things, you know, we
19 haven't talked a lot about was the encouragement
20 of access to city procurement by minority women
21 businesses.

22 Am I finished?

23 CO-CHAIRPERSON CORNEGY: So I was
24 nervous when you said you were going to skip
25 around in your testimony. Because I knew that

1
2 that may impact on your time. But if you could
3 just, for me, really quickly, just kind of
4 summarize it.

5 EXECUTIVE DIRECTOR CARIN: I will. So
6 within the last couple of years we've approved
7 \$2.7 million in loans to enable minority and
8 women contractors in construction to get access
9 to city contracts. And this is a very important
10 push that we've done in order to work through
11 the industrial program to impact equitable
12 access to government procurement.

13 So, in summary, we maintain
14 communications with thousands of businesses and
15 we help hundreds of businesses each year
16 individually. We connect business with
17 emergency resources and financing after Super
18 Storm Sandy and we will continue to assist
19 certified MWBE businesses to access their fair
20 share of city contracts. And I'm looking
21 forward to working as a team with my colleagues
22 and yourselves to make the city a better place
23 to do business.

24

25

1
2 CO-CHAIRPERSON CORNEGY: I just want to
3 say that we've been joined by Council Member
4 Ulrich.

5 EXECUTIVE DIRECTOR ARCHIBALD: Hello.
6 My name is Leah Archibald and I'm the Executive
7 Director of EWVIDCO. We are the local
8 development corporation that works with
9 businesses up in industrial North Brooklyn. Our
10 organization has been at this for over 35 years.
11 On behalf of my organization I want to express
12 support for the resolution that you put forth.
13 We're so gratified to see such tremendous
14 support on the part of city council. But also
15 want to highlight some of the recommendations in
16 the report creating quality jobs in the industry
17 in New York, a 50,000 job challenge that was
18 released earlier today by ANHD and our friends
19 at the Pratt Center.

20 And I'm going to speak about the
21 recommendations. I did come here to tell you
22 about all of the great stuff my organization's
23 doing, but you guys have heard all that before.
24 So I'm going to take a new tactic and talk a
25 little bit about how the recommendations in that

1
2 report effect our organization in a way that we
3 can provide services to businesses.

4 So obviously, we would like to see the
5 administration reinstitute the Mayor's Office of
6 Industrial and Manufacturing Businesses. This
7 would help streamline government operations,
8 insuring that citywide policies and services
9 directly support business growth and job
10 creation. Although EDC and SBS have many fine
11 economic development initiatives, the vast
12 majority of New York City businesses interface
13 with the many agencies under the purview of
14 operations. Like my friend, Dave Meade
15 mentioned, code enforcement, transportation, and
16 planning.

17 Area agency coordination is the key to
18 achieving overall economic impact. Therefore
19 when we instituted this office, when we married
20 the program oversight function which is
21 currently over at SBS and the policy development
22 function which is currently housed at EDC, it
23 would result in better program coordination and
24 better job growth.

1
2 We support the improvement of business
3 services for manufacturers to link residents to
4 jobs and improve the competitiveness and
5 environmental performance of companies. As you
6 mentioned, funding for the industrial business
7 zone program has radically diminished in the
8 past few years.

9 On a personal note, our organization
10 used to receive about \$360,000 when the program
11 was first created to serve two IBZs. Last year
12 we received a \$170,000 for a much broader
13 service area. Finally, right now, as you point
14 out, there's about \$580,000 in the current
15 executive budget to serve the whole city. It's
16 just insufficient to provide services of any
17 value to these businesses and therefore we need
18 to have it reinstated at the same funding levels
19 that will result in some impact.

20 Well, you heard me earlier talk about
21 expanding funding for non-profit industrial
22 development to modernize and expand the amount
23 of affordable industrial real estate that will
24 be held for industrial uses in perpetuity. And
25 by implementing these recommendations, New York

1
2 City is going to be able to retain valuable jobs
3 and ideally grow another 50,000 more.

4 On behalf of my organization, I am
5 delighted to partner with the administration,
6 with city council, with my friends in other
7 community organizations to help make this goal a
8 reality.

9 UNIDENTIFIED MALE: Well we knew the
10 power of women at the table were going to be
11 much more animated than the previous tables.

12 CO-CHAIRPERSON CORNEGY: I just want to
13 say that Ms. Archibald, every time I see you, I
14 forget how animated you are until you get on the
15 mike. So I see you I say hello, and then all of
16 a sudden you just...

17 EXECUTIVE DIRECTOR ARCHIBALD: Well I
18 keep a lid on it until I can't.

19 [Laughter]

20 CO-CHAIRPERSON CORNEGY: Thank you.

21 DIRECTOR IMPERIALE: Good afternoon,
22 Chairs Garodnick and Cornegy and members of the
23 committees. Thank you for the opportunity to
24 testify before you today on the revitalization
25

1
2 of the Mayor's Office of Industrial and
3 Manufacturing Businesses.

4 My name is Laura Imperiale and I'm here
5 today in several capacities. I'm the Director
6 of Government Affairs for Tully Construction
7 Company and for our affiliated company, Willets
8 Point Asphalt. I also serve on the Queens
9 Chamber of Commerce, and chair their
10 Manufacturing and Industrial Committee. And we
11 are also members of the Southwest Brooklyn
12 Industrial Development Corporation and the
13 Brooklyn Chamber of Commerce.

14 I'm here today to lend support to the
15 resolution, revitalizing such a critical office.
16 In Queens we have noticed a steady increase in
17 industrial and manufacturing businesses.
18 Especially within our new member enrollments.
19 Enough to warrant its own committee at the
20 Queens Chamber of Commerce. Businesses such as
21 food manufacturing, paper and printing
22 production, metals, machinery, and
23 transportation equipment have found fertile
24 ground there and have grown.

1
2 Queens however is not the only borough
3 to see this large expansion in these sectors.
4 All five boroughs have seen expedient growth
5 with industry specializations particular to each
6 borough. I'd like to make note that while, yes,
7 manufacturing of the large scale kind has
8 decreased in the past, but new small
9 entrepreneurial firms have taken root in New
10 York City and continue to grow. In 2012, the
11 industrial sector made up 10.7% of gross city
12 product and as of August 2013, New York City's
13 industrial businesses accounted for 13% of New
14 York City's private employment figures. And the
15 trend continues to rise.

16 Additionally, industrial occupations
17 provide a range of annual salaries from
18 approximately \$36,000 to \$88,000 a year. And in
19 fact, many of these jobs mostly the union jobs
20 in the heavy industry sector such as our asphalt
21 manufacturing plant, are secure and come with
22 union pay and benefits. There are the jobs, we
23 as a city should be promoting. These are well
24 paying jobs with low barriers to entry. They
25

1
2 provide economic stability and upward mobility
3 to families.

4 Revitalizing the Mayor's Office of
5 Industrial and Manufacturing Businesses would
6 mean a real commitment to these business
7 sectors. Doing business here in the City of New
8 York and succeeding is no small feat. This
9 office used to provide support, knowledge and
10 critical advocacy for many already established
11 businesses and start-ups. Supporting this would
12 also mean that the administration truly
13 understands the connection between workforce
14 development, economic development and affordable
15 housing. It's critical to include in a
16 conversation about affordable housing, job
17 promotion and job growth.

18 Last I'd like to take moment to thank
19 Deputy Borough President Diana Reyna, Council
20 Members Reynoso and Lander, for their tireless
21 advocacy on behalf of the industrial and
22 manufacturing community and further I would like
23 to thank Miquela Craytor who is the Vice
24 President of Industrial Initiatives and Income
25 Mobility and further I'd like to recommend her

1
2 for the position heading up the newly
3 revitalized Office of Industrial and
4 Manufacturing Businesses. Thank you.

5 CO-CHAIRPERSON CORNEGY: Wow. Shameless
6 plug.

7 DIRECTOR IMPERIALE: She's fabulous and
8 we love her.

9 PRESIDENT SPAETH: Hi my name is Sandy
10 Spaeth and I'm president of Spaeth Design. We
11 are a design and manufacturing company. And the
12 beneficiary of the 2013 IBZ Long Island City
13 Partnership relationship. Because of Long
14 Island City Partnership, we are now owners of a
15 20,000 square foot building in Woodside, Queens.
16 And we absolutely love it. And we were wooed by
17 two other states that want us to move there
18 because our business is very sexy. We are the
19 ones that actually create the animated holiday
20 windows for Lord Taylor, Saks, and Bergdorf.
21 So, you know we're like, you might as well add
22 entertainment company to that. And they wanted
23 us. And then we thought about it long and hard
24 and we've been in business for 60 years, but
25 we've always felt like we're struggling by

1
2 itself. We never had support. We never knew we
3 had support, until we met Long Island City
4 Partnership, who helped us find an building,
5 helped us find a bank, they found us a lawyer,
6 Robert Altman, sitting right there. They helped
7 us navigate through the purchase of it and we
8 hired a general contractor who is located in
9 Long Island City. And we closed on it last
10 August and we moved in March of this year. And
11 we love being there and one of the things, as
12 I've said, we wouldn't have gotten it without
13 their help. And when I heard that there was a
14 possibility that the funding..., first of all you
15 know that the funding shrunk considerably, which
16 was like..., as a business person you know you
17 can't operate without a poultry amount of money.
18 That I'm here to speak on behalf of all of these
19 wonderful groups and people that help small
20 businesses like myself to stay in New York and
21 to be fully functioning. So thank you.

22 PRESIDENT LUSSKIN: Hi. Liz Lusskin,
23 I'm the President of the Long Island City
24 Partnership. I agree with everything that's
25 been said. I'm not going to repeat it, I'm not

1
2 going to read my testimony. There's some nice
3 facts and figures in there, including the fact
4 that while we..., in terms of looking at Long
5 Island City which has a lot of industrial
6 business area, the proportion of employees in
7 the area employed by the businesses is
8 disproportionate to the business. So in other
9 words, those businesses employ a greater
10 proportion of the employees in the area than all
11 the other businesses. So these are..., not only
12 have we heard about good jobs, they tend to
13 employ more people. And they employ them at
14 every level. And it's small businesses, but
15 it's also mid-size businesses and other business
16 we have here. You will hear from Luis Nava from
17 Brooks Brothers. They employ 215 people. These
18 are not all businesses that are employing five
19 people. We want those businesses, but we also
20 need to keep the big businesses.

21 And what I really want to say, because
22 a lot of this has been said before. And I want
23 to applaud you and the committee for recognizing
24 this. These issues are not simple, they need
25 coordination, they need high level focus and

1
2 they are also local. And you need the IBZs at
3 the same time as you need the mayor's office
4 because putting those two things together, you
5 can actually make an impact on these businesses
6 and keep these jobs locally.

7 Seventy to ninety percent, depending on
8 the company of the employees are really local
9 people. And when I say that, in our area, we
10 have a very significant population that is
11 living below the poverty line, or by other
12 measure of poverty. Including, we have the
13 largest public housing project in the country.
14 So, when we say local workers, we really mean
15 the kinds of people who need jobs and don't
16 necessarily have the education to get a lot of
17 the other kinds of jobs. And these are good
18 jobs. So thank you and I hope you read my
19 testimony. And I know from past experience, you
20 do. So I won't repeat it for you.

21 CO-CHAIRPERSON CORNEGY: So. And do
22 you mean Queensbridge?

23 PRESIDENT LUSSKIN: I do.

24 CO-CHAIRPERSON CORNEGY: I just wanted
25 to say my colleague came and sat next to me to

1
2 remind me of what I was already thinking, which
3 was that the model, your business model in
4 collaboration, that got you to where you are
5 today, is a perfect example of what we should be
6 modeling throughout the city. So I really
7 appreciate your testimony. We've heard from,
8 you know, the experts and we heard from the
9 advocates. But to hear from an actual business
10 owner who was helped through a process gives me
11 a better understanding of what we should be
12 doing and the direction that we should be going
13 in. So your testimony is extremely valuable.

14 PRESIDENT SPAETH: Thank you. Earlier
15 I think Diana made a statement that lack of
16 connection is so obvious. Like we worked here
17 for 55 years. We never knew there were services
18 available to us. We just found out about it
19 last year. Is that no ridiculous?

20 CO-CHAIRPERSON CORNEGY: That is
21 ridiculous. And my shameless plug is hopefully
22 we'll be rolling out a mobile small business
23 services, so that no one else in this city will
24 have to say that again.

1
2 DIRECTOR IMPERIALE: Can I comment on a
3 question that was asked earlier?

4 CO-CHAIRPERSON CORNEGY: Sure.
5 Quickly.

6 DIRECTOR IMPERIALE: You raised the
7 point, is there a purpose in having these
8 providers. Isn't it enough to have the 22
9 initiatives available? And I have to tell you,
10 I work for a company that has, within the
11 company, five companies, we have over 2,000
12 employees. They don't have time, whether you're
13 a large billion dollar company, or small start-
14 up. These folks don't have time to go out and
15 look for that stuff. They hire experts. I'm
16 their internal expert on these sorts of things.
17 But if you're doing a company, you're focused
18 on, you know, ordering your, whatever your
19 supplies are, getting your customers. I mean,
20 that's your focus. And you have to understand
21 too that in a lot of the communities..., we're in
22 Willets Point, we're right near Flushing. A lot
23 of the Asian communities, they don't speak
24 English. That's not their first language. So
25 just because it's available to folks, doesn't

1
2 mean that people are able to access. So the
3 providers are the boots on the ground folks
4 working in these industrial communities,
5 bringing this knowledge and these services to
6 them and that's why it's critical. So just
7 because it's on a website, doesn't mean it's
8 going anywhere.

9 CO-CHAIRPERSON CORNEGY: Thank you. Do
10 you have any questions? Thank you so much.

11 The next panel is Barika Williams,
12 Stephan Hyacinthe, Josephine Infante, and Aron
13 Kurlander.

14 [Background talk]

15 CO-CHAIRPERSON CORNEGY: Please excuse
16 me as the hour grows late my ability to
17 announce becomes less pronounced and so I know
18 I'm butchering some names. But I apologize.

19 [Background talk]

20 DIRECTOR KURLANDER: Hello. My name is
21 Aron Kurlander and I am the Director of Business
22 Services for Greater Jamaica Development
23 Corporation.

24 CO-CHAIRPERSON CORNEGY: Is you mike
25 on?

1
2 DIRECTOR KURLANDER: My name is Aron
3 Kurlander and I'm the Director of Business
4 Services for the Greater Jamaica Development
5 Corporation. Thank you for this opportunity to
6 speak before you today. GJDC has been a front
7 line economic development organization with day-
8 to-day contact with manufacturing and industrial
9 firms for over 40 years. In that time we have
10 administered many of the city's local industrial
11 assistance programs including the In-Place
12 Industrial Park program, the IPIP. The
13 Industrial Business Zone program, the IBZ and
14 now as the industrial business solutions
15 provider.

16 Technical assistance offered to local
17 industrial firms is the best tool we have as a
18 city to attract and retain the living wage
19 industrial jobs that our communities need. A
20 recent case in point is A&D Entrances, an
21 elevator frame installation company. A&D
22 contacted GJDC for assistance finding space to
23 accommodate their expansion plans which included
24 manufacturing parts that they now buy from other
25 manufacturers. We found them the manufacturing

1
2 space they needed in the Jamaica area. GJDC
3 also assisted them in navigating the available
4 pool of government incentives for businesses.
5 GJDC helped them save thousands of dollars on
6 rent and energy costs through government
7 incentive programs. A&D is currently building
8 out its facility and as a result of our efforts
9 they will hire 15 production workers with an
10 average starting pay of \$18 an hour. As a new
11 manufacturer, they could have easily gone to New
12 Jersey or Nassau County. But our direct
13 assistance helped them stay in the city.

14 As you know the funding available to
15 local economic development organizations to
16 provide industrial assistance including business
17 attraction and retention has been decreasing
18 from its original funding level of over \$4
19 million to the proposed \$578,000 in the mayor's
20 executive budget. These funds are essential for
21 GJDC to be able to continue to provide these
22 services. A restoration of the funding to the
23 original \$4 million level will go a long way to
24 help grow our industrial workforce in Southeast
25 Queens and provide good paying jobs for our

1
2 communities. Again thank you for your time and
3 attention.

4 CO-CHAIRPERSON CORNEGY: And I just
5 want to say that the time is not like rollover
6 minutes. So you don't get your partner's time.

7 PRESIDENT INFANTE: Oh that's too bad.
8 My name is Josephine Infante and I'm the
9 President of the Hunts Point Economic
10 Development Corporation in the Greater Hunts
11 Point Chamber of Commerce in the Bronx. We are
12 located in the south east corner and I'm sure
13 you've heard of Hunts Point because of the food
14 industry.

15 It is with pleasure that I salute and
16 address members of the city council in regard to
17 the economic development program and strategy I
18 know very well. And the prospect of the renewal
19 of the Mayor's Office of Industrial and
20 Manufacturing Businesses for the industrial
21 business zones.

22 I came to Hunts Point at the request of
23 the businesses in the Bronx Borough President
24 back then for member Ferreras to address the
25 multi layered challenges in the Hunts Point

1 Peninsula. Segregated from other parts of the
2 South Bronx by the Brooklyn Express that was in
3 itself an obstacle to serve that include the
4 famous Fort Apache police station and a good
5 distance away from residential community in the
6 area called the Hunts Point Industrial Park.
7 There were missing signage everywhere, post
8 office miles away, pot holes to walk into, and
9 streets with sewage, abandoned buildings used as
10 drug stores and a line-up of prostitutes and
11 boys and watch-outs for police used by the drug
12 dealers cushioned in the middle of the
13 residential community.
14

15 That was 1988 and that was my
16 challenge. The very first funding for this
17 challenge came from the Industrial Park Services
18 Contract. In my location was in the Hunts Point
19 Food Distribution Center. When you work in the
20 food center you realize how essential it was to
21 fight for infrastructure and business incentives
22 for Hunts Point. For 24 hours, six days a week
23 a workforce appeared at 9 in the evening to
24 assure fresh products were received from all
25 over the world. Placed on trucks and fed over

1
2 20 million people. And today from Boston to
3 Washington and beyond food is delivered. That
4 means jobs, all kinds of jobs. All of this
5 happened while an atmosphere of neglect, fear
6 and misunderstanding persisted.

7 We're going to fast forward 20 years
8 and the industrial park land which was used by
9 the way it was the lowest of the grants allowed
10 the business community to join the residential
11 community and local government to get attention
12 to civil services and authority.

13 It is true that the challenges like
14 these make you stronger when you look at the
15 effect of leadership for the right causes and
16 how it can change a direction of a deserving
17 community. Both the residents and the business
18 community in this case. More in this case the
19 industrial park designations were instrumental
20 in the designation of Hunts Point as an
21 empowerment zone and empire zone. And that
22 happened with leadership and bootstrapping.

23 Unfortunately the demise of the support
24 of the New York City Office of Industrial and
25

1
2 Manufacturing hampered the on the ground
3 business support to important industries there.

4 In other words in the Bronx there was
5 only..., we have three industrial organizations
6 running industrial parks and it went down to
7 one. And I went down to zip. To no support
8 whatsoever.

9 There are more and more new immigrants
10 and minority entrepreneurs who need hand holding
11 to assist these new industrial businesses. The
12 local economic development approach produce a
13 support system of the Office of Industrial and
14 Manufacturing office provided many more
15 opportunities to assist small businesses. And
16 in Hunts Point this is still the industrial park
17 of opportunity.

18 I hope that the Hunts Point Economic
19 Development Corporation has the opportunity to
20 apply once more and contribute to a mixed level
21 of growth in this industry. Specifically
22 industrial park and the food industry which is a
23 sector that is growing all the time. And I'm
24 hoping that we find you supporting the
25 industrial businesses that have stabilizing and

1
2 confirmed Hunts Point as a regional significant
3 business park. Thank you for your attention and
4 I would be very happy to answer any questions.

5 DIRECTOR HYANCINTHE: Good afternoon my
6 name is Stephane Hyacinthe I am the Director of
7 the Industrial Business Zones in the Bronx.
8 Thank you chairman and fellow New York City
9 Council Members. I thank you guys for your
10 support for being at the table. I've been doing
11 this for over seven years and I've seen the
12 ground swell of support increase as the years
13 have gone by. So I humbly appreciate this
14 meeting.

15 I'm going to keep my speech fairly
16 short. We are in support of the resolution that
17 reestablishes the Office of Industrial and
18 Manufacturing Businesses. The Mayor's Office of
19 Industrial and Manufacturing Businesses and the
20 restoration of funds back to \$4 million. When
21 we initially, when I initially had come on board
22 there were five zones and there were three
23 providers. And it's gone down to one provider
24 and we've increased our industrial area.
25 Actually our mandate and so that has had its

1
2 challenges. And so we are here to support the
3 increase in funding and in the restoration.

4 The support for the Mayor's Office of
5 Industrial and Manufacturing Businesses that
6 helps institutionalize a business support
7 mechanism for the city. It increases business
8 confidence which is a metric that is measure by
9 all financial publications. And it gives a
10 sense of clarity and transparency. It helps us
11 strive for one goal. And I echo the words that
12 were used by my predecessors in that it helps
13 provide support on a granular level. At least
14 the non-profits do. And having that access to
15 the mayor's office would be definitely
16 instrumental.

17 Right now it's an opportune moment for
18 the Bronx. As Ms. Infante has mentioned, the
19 food manufacturing business, the food and
20 beverage industry as a whole has been growing in
21 New York and particularly in the Bronx we've
22 seen a lot of expansion. We've seen a lot of
23 businesses from Brooklyn, from all over the
24 country look for real estate and space,
25 particularly in the Bronx. So we're being a

1
2 little selfish here but we'd like to see the
3 support for them maintain an increase. WE are
4 dealing with encroachment of other uses,
5 particularly residential conversions in the area
6 and so the support of the mayor's office would
7 definitely be necessary. We've noticed an
8 influx of tech businesses and transportation
9 based businesses and we believe that being our
10 role as industrial business zone coordinators
11 helps supports these industries and these
12 businesses.

13 The last point is the synergistic
14 relationship between the committees. I had
15 listened to your earlier speech, Chairman,
16 regarding hopefully the committee's land use,
17 SBS, EDC and maybe local non-profits kind of
18 getting together and coming with this common
19 goals and it be in one direction. I just want
20 to state that we as non-profits we've done that
21 for years and we'd be more than willing to share
22 in that. Thank you.

23 DIRECTOR WILLIAMS: God afternoon, my
24 name is Barika Williams. I'm the policy
25 director at ANHD the Association for

1
2 Neighborhood and Housing Development. So I
3 apologize that I don't have a written testimony
4 because I didn't originally plan to testify but
5 some of the previous council members questions,
6 it seemed like it made sense for me to come and
7 give some remarks. I'm happy to give written
8 remarks afterwards.

9 So ANHD is a trade association of about
10 100 community based groups across the city and
11 normally you all know us and see us as the
12 Affordable Housing Group and we know and do
13 affordable housing top to bottom. But I think
14 what people often forget is that these are
15 community groups, right. They're locally based
16 community groups and their broader mission is
17 really community development. And community
18 development encompasses a bigger set of things
19 and it's about creating viable safe affordable
20 neighborhoods.

21 Many think within our groups are doing,
22 small business development and street-scaping
23 and providing local services and workforce
24 training. And so there's really been a
25 recognition within ANHD and within our

1 membership and the broader community development
2 movement that there's a space and more support
3 needs to be had within this area. So ANHD has
4 been meeting with many of the IBZs over the past
5 year in conjunction with the Pratt Center to
6 really look at how we can support both our
7 membership and the broader set of stakeholders
8 and groups that are already working in this
9 area. And I think that's all because we all
10 come and we all recognize that no amount of
11 affordable housing is affordable without a job.
12 Right. And at the end of the day you have to
13 have employment opportunities for people for
14 them to be able to afford any kind of affordable
15 housing that's happening in our neighborhoods.
16 So you have currently about 44% of the city's
17 population that has a high school diploma or
18 lower as their highest education level. So
19 really we're looking at industrial and
20 manufacturing as an opportunity to employ so
21 much of the workforce in our neighborhoods that
22 don't really have opportunities elsewhere. And
23 have somewhat been left behind by some of the
24

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2 economic development growth that's happened over
3 the past 12 years under the last administration.

4 So, we kind of see this as..., and ANHD
5 is approaching this both as supporting our
6 membership but also really thinking about our
7 communities more holistically, right. So how do
8 we value and think about the value within our
9 land and within the space that is in our
10 neighborhoods. It's important to protect the
11 industrial and manufacturing space, the land and
12 the buildings. There's opportunities to
13 leverage the huge amount of development
14 expertise that is within the CDC movement
15 already. To be able to modernize and develop
16 much of this industrial space. So ANHD's
17 membership alone has developed 100,000 units of
18 affordable housing in the past 25 years. Can
19 you imagine if some of that energy and capacity
20 was put towards industrial development with
21 additional resources, what we could do in some
22 of these areas if landlords..., if property owners
23 knew they couldn't just hold their buildings
24 offline, they had to do something with them.

1
2 So we really are looking forward to
3 partnering with everybody here and I kind of
4 just wanted to just speak so that you all knew
5 that this is something that is being supported
6 by community development and by community
7 organizations on the ground as well as by the
8 IBZ providers.

9 CO-CHAIRPERSON CORNEGY: Thank you so
10 much for your testimony.

11 And so the final panel for today will
12 be Luis Nava, Stephen Giumenta, Ernie Wong and
13 Mike DiMarino.

14 [Pause]

15 CO-CHAIRPERSON CORNEGY: Thank you
16 gentleman, would you begin.

17 MICHAEL DIMARINO: My name is Mike
18 DiMarino and I'm the owner of Linda Tool. We
19 are a New York Based manufacturing company that
20 has been in operation since 1952. My company
21 Linda Tool makes custom precision components and
22 assemblies for a number of industries including
23 aerospace, hydraulics and robotics. Our state
24 of the art production and testing facilities are
25 located in the historic Brooklyn neighborhood of

1
2 Red Hook. As a long time industrial business
3 owner I am here today in support of the creation
4 of the Mayor's Office of Industrial and
5 Manufacturing Business or the MOIMB for short.
6 I believe by creating this office, the city
7 could provide a more robust and comprehensive
8 policy on issues concerning industrial land use
9 and encroachment. I also believe MOIMB could
10 better address neighborhood workforce
11 development and the widening skills gap and help
12 to alleviate the operation constraints
13 manufacturing businesses face. For many years
14 our industrial providers, Southwest Brooklyn
15 Industrial Development Corporation has been an
16 important partner and vital resource for Linda
17 Tool. With their assistance, we've been able to
18 access many government incentive programs.
19 Programs that have helped us expand our business
20 and create jobs in our community. They have
21 provided us with invaluable information
22 regarding training programs, workshops and ways
23 to promote greater energy efficiency. Among our
24 successes was the construction of a 12,000
25 square foot new roof with the help of funds

1 secured by SBIDC. I should also note that my
2 neighborhood, Red Hook, was devastated by
3 Hurricane Sandy and there is still a lot of work
4 to be done in rebuilding and rethinking our
5 infrastructure and economy after the storm.
6 This is a challenging time and services for
7 industrial businesses are needed now more than
8 ever to address the long term resiliency and
9 recovery. I believe that SBIDC, my business and
10 countless others would benefit from having a
11 strong central office for industrial businesses.
12 I know the creation of MOIMB would help us grow
13 and provide stable employment opportunities for
14 the residents that live in our neighborhood.
15 Thank you.

17 LUIS NAVA: Good afternoon, my name is
18 Luis Nava. I'm the director of the Brooks
19 Brothers LIC facility in Sunnyside, Queens. I
20 want to thank you for the opportunity to speak
21 here today and share my experience with IBZ
22 providers. More specifically with LIC
23 Partnership. Our facility is a tie factory and
24 alteration center. We manufacture 1.5 million
25 ties and perform 225,000 alterations each year

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2 for Brooks Brothers and other customers. We
3 have a facility that is 85,000 square feet. We
4 have been manufacturing in New York City for
5 more than 60 years and 50 years in our current
6 location in Queens. We employ 210 associates of
7 all levels and from very different backgrounds.
8 95% of them live in the State of New York and
9 the majority of our associates live in the close
10 proximity to our facility. 50% of the people
11 live in Queens. And 34% of our associates have
12 worked in our company for more than 15 years.
13 There are other benefits associated with
14 manufacturing in the New York City area. There
15 is a geographical proximity to designers and
16 merchants in the city that facilitates the
17 product development. There is access to ports
18 and highways. There's proximity to some of the
19 best-selling stores. And there's a very
20 experience and talented workforce for the skills
21 that we require. But the environment is very
22 competitive. There's pressures from the market
23 to reduce cost. There's a lower cost of
24 manufacturing the products overseas. The rents
25 in the area continue to grow and it's very

1
2 challenging to find space to build, renovate or
3 rent. Particularly space that is for
4 manufacturing. And the high cost of living
5 compared to other areas drive salaries up.

6 Our lease expires this year and in 2013
7 we were tasked with evaluating the possibility
8 of moving our manufacturing operation to a
9 different state where the rents are lower, the
10 wages are lower and other states offer different
11 incentives. Cost benefit analysis shows that in
12 spite of the strong desire for the company to
13 stay in the current location, there is still a
14 compelling business case for relocating the
15 facility away from New York City. This was the
16 point where we found Long Island City
17 Partnership that helped us look at better
18 options and understand what incentives were
19 available to make a more compelling case for
20 staying in our current location. Specifically
21 LIC Partnership helped us understand that
22 different programs available to incentivize
23 manufacturing businesses like ours. They
24 explained how to apply for the available
25 incentives and they helped us network with the

1
2 all other manufacturers in the area that have
3 taken advantage of the same incentives and
4 helped us find opportunities to employ them and
5 put them to work.

6 With the guidance of LIC Partnership,
7 we were able to secure an Empire State
8 Development Incentive for job creation and we're
9 now planning to create 38 more jobs in the same
10 location in the next five years. We will start
11 next year implementing energy efficiency
12 measurements to reduce our utility costs and
13 we're now looking at different training programs
14 that with different government incentives we can
15 use to improve the skills of our workforce. So
16 I can say that from my experience that LIC
17 Partnership was definitely decisive for helping
18 keep those jobs in New York City.

19 STEPHEN GIUMENTA: Good afternoon. My
20 name is Stephen Giumenta of Architectural
21 Grille. We are a family owned ornamental metal
22 work company located in Gowanus that has been in
23 operation since 1945. Today we are the leading
24 manufacturer of custom grills and ornamental
25 metal work. And we are proud to say that our

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2 client list includes many major public and
3 private sector firms from all across the
4 country, including Turner Construction, The Walt
5 Disney Company, Starbucks and the U.S.
6 Government.

7 As a long time industrial business
8 owner, I am here today to support the creation
9 of the Mayor's Office of Industrial and
10 Manufacturing Business or MOIMB. There are many
11 barriers that industrial businesses face trying
12 to do business in the city. I believe having
13 the MOIMB office will give manufacturers a
14 strong voice in city government. Over the years
15 our industrial providers, SBIDC, of which I'm a
16 board member, has been there to help us navigate
17 government and access incentives. Having an
18 organization that is intimately acquainted with
19 our business and our neighborhood has been very
20 beneficial. Following Hurricane Sandy, SBIDC
21 assisted us in accessing financial opportunities
22 and helped us complete our national grid
23 application which resulted in a \$250,000 grant.
24 They've also helped us find job ready employees
25 throughout the years via their in-house

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2 employment program. I believe that
3 manufacturing is critical to the overall health
4 and vibrancy of the local Southwest Brooklyn
5 community. This is an exciting time for
6 Southwest Brooklyn with projects such as the
7 South Brooklyn Marine Terminal, redevelopment of
8 the 1.2 million square foot federal building in
9 Sunset Park into a light industrial hub and
10 utilizing the state's Brownfield programs to
11 identify and remediate under-utilized industrial
12 sites in the neighborhoods.

13 This is also an incredibly challenging
14 time and the Architectural Grille continues to
15 recover. We need to address a number of
16 concerns. I'm very concerned about the current
17 land use pressure on businesses in industrial
18 business zones. I'm concerned about the
19 abatement and incentive programs that are
20 outdated and no longer competitive. I'm
21 concerned about the need for resiliency and
22 storm preparedness plans in case of future
23 extreme weather events. I believe that the
24 SBIDC, my business and the families we employ
25 would benefit from having a robust central

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2 office for industrial businesses. I believe
3 with the creation of the MOIMB our manufacturing
4 business and all the manufacturing businesses in
5 the city will be helped immensely and ultimately
6 have a greater voice on decisions that directly
7 impact us. I especially think that the office
8 will help Architectural Grille grow and
9 ultimately help us provide jobs with upward
10 mobility to residents of the community. Thank
11 you for your time.

12 CO-CHAIRPERSON CORNEGY: Questions? My
13 colleagues has pointed out again, another great
14 example of a business and what we should be
15 doing to support the growth and development of
16 small business. So I want to thank you. I want
17 to especially want to say thank you to my
18 colleagues, especially Carlos Menchaca and
19 Council Member Vallone who have stayed and run
20 in and out. And just to make sure that their
21 voices were heard and that their constituencies
22 were clear about their testament and commitment
23 to this issue. So I want to thank you
24 publically for that. I want to thank you for
25 your testimony. Your recommendations will be

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2 taken under advisement as we move this very
3 important piece of legislation forward in the
4 city council. Thank you again.

5 This hearing is adjourned.

6 [Gavel]

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C E R T I F I C A T E

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



Date 06/21/2014