

**New York City Economic Development Corporation**  
**New York City Council Oversight Hearing:**  
**Int. No. 1166 - In relation to certain entities under contract with the Department of**  
**Small Business Services**  
**Joe Coletti, Senior Vice President**  
**October 17, 2013**

Good morning Chairwoman Koslowitz and members of the Committee on Economic Development. I am Joe Coletti, Senior Vice President for Government and Community Relations at the New York City Economic Development Corporation ("NYCEDC"). Joining me this morning is Meredith Jones, General Counsel for NYCEDC. Thank you for the opportunity to testify today regarding Introductory 1166, which would require the preparation and submission of new quarterly reports by certain third party not-for-profit, contracted entities, of which a majority of members are appointed by the Mayor that are involved in economic development activities. NYCEDC agrees with the objectives of the bill and shares the Council's goal of ensuring that all stakeholders, including elected officials, neighborhoods and communities have the information they need to evaluate proposed economic development projects.

As you know, last year we testified in front of this committee about the New York City Economic Development Corporation's restructuring, which was approved by the New York State Attorney General and the New York State Supreme Court and became effective on November 1, 2012. The restructuring was a critical but technical step that has made NYCEDC a better organization. Our reorganization did not in any way change NYCEDC's responsibilities to other City entities or to the public, or its reporting to the City Council. By making these changes to our organizational structure, however, NYCEDC is able to carry out its economic development mission on behalf of the people

of New York City more effectively, engaging in a more open conversation with the public and elected officials about land use plans, just as our counterparts in City agencies are able to do. In other words, the City's primary economic development arm, thanks to this restructuring, is now not only able to develop important land use plans for the City, but is also be able to speak freely about them and explain to key stakeholders why it believes that they are, in fact, important. We believe this will continue to increase both efficiency and transparency, allowing NYCEDC to continue to strengthen our City's economy for the 21<sup>st</sup> century and beyond while ensuring that there are no questions about compliance with the law in the future.

As I stated earlier, NYCEDC agrees with the objectives of the bill, however we do have a substantive concern specifically relating to the requirement for reporting with respect to advice and analysis directly applying to any urban planning, urban design, engineering, scientific or similar technical discipline or any legal, accounting or other similar professional discipline. The primary purpose of sharing these analyses and advice is to supply technical information to stakeholders so that they have the tools needed to make informed decisions on proposed projects. To require reporting on these technical advisors would be a burden on a contracted entity without illuminating different interests affecting a proposed project for stakeholders. Therefore, it is our belief that the bill should provide an exception for reporting so that persons meeting these descriptions are not covered.

To conclude, let me reiterate that we believe that, as the City's primary arm of economic development, NYCEDC is most effective if it is able to advocate on behalf of its own projects. NYCEDC's restructuring that took place last year has enabled the

company to operate freely and legally in areas that are necessary and appropriate for it to achieve its economic development mission, and these changes allow NYCEDC to have open conversations with the public, City Council members, and other elected officials about ULURP actions as our counterparts in other City agencies do and as most other not-for-profits are also allowed to do. NYCEDC believes Introductory 1166 will build upon these changes to further increase transparency, and we look forward to working with the Council as this bill moves forward.

Thank you for your time today. I am happy to answer your questions.

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