

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC DEVELOPMENT

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Start: 12:00 p.m.
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HELD AT: Remote Hearing

B E F O R E: Paul Vallone
CHAIRPERSON

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

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

James Patchett, President and CEO
Economic Development Corporation

Lidia Downing, Vice President
Economic Development Corporation

Marjorie Parker, President and CEO
Jobs First NYC

Libby Mattern, Founder
Course of Trade

Scott Denny, Director of Marketing and Sale
Garrett Plastic Packaging

Ibrahim Ndoeye
HD Fashion, Inc.

Edina Levin, CEO
Co-Lab

Sam Payrovi, Founder and CEO
Consortium

Will Camen [sp?], Faculty member
CUNY

UNIDENTIFIED: You and I are keeping our record of starting on time.

UNIDENTIFIED: Sergeants, you may begin your recordings. And, Mr. Bradley, I will pass it over to--

SERGEANT-AT-ARMS: Okay. Hello. Good morning. And welcome to today's New York City Council hearing of the Committee of Economic Development. At this time, will all panelists please turn on your videos? To minimize disruption, please place electronic devices on vibrate or silent mode. If you wish to submit testimony, you may do so at testimony@Council.NYC.gov. Again, that is testimony@Council.NYC.gov. Thank you for your cooperation. We may begin.

CHAIRPERSON VALLONE: Well, let me officially kick us off and gavel in--

[gavel]]

CHAIRPERSON VALLONE: the meeting. So, welcome, everyone, to today on June 24th, 2020 to our Committee on Economic Development. My name is Council member Paul Vallone and I have the privilege of chairing this committee today. These are unprecedented times for New York and, indeed, our

entire world. In Governor Cuomo's final coronavirus press briefing last Friday, he noted that and would hundred 11 days, we went from a doomsday scenario with the potential of over 136,000 potential beds needed in our city, to the reality of just 19,000 beds required statewide during our peak at this crisis. While there remains a long battle ahead for this city, to ensure we keep this virus that they can hopefully return to a new normal, arguably, the intent of the entity most responsible for ensuring the city was able to withstand the storm was the economic development Corporation. I would like to take this opportunity to applaud the efforts of EDC and scrambling its resources to prepare the city for an anticipated surge of infections and hospitalizations that, thankfully, did not materialize the numbers we all feared. While EDC often flies under the radar in our news and in our public discourse, it is important to acknowledge its work, especially in this time of crisis. Whether it was dredging the Hudson River in record time to accommodate the depth necessary for the 1000 bed hospital ship, U.S.N.S Comfort, partnering with over 140 local businesses to develop and manufacture

critical personal protective equipment right here in our city, or working with logistics companies, food distribution centers, city agencies, to set up truck rest stops in order to keep the city's food supply chains intact. EDC has been there to keep the city going. The purpose of today's hearing is taken of the economic development Corporation an opportunity to discuss its various relief efforts during this COVID-19 prices and to highlight its successes, as well as clean valuable lessons learned in the event of a second or third wave of infections, once the current state of emergency is declared over. In fact, really, just to kind of give us a blueprint of what was done or can be done and what will be done in the future. EDC remains heavily involved in ensuring all New Yorkers have access to COVID-19 testing by the preparing of 100,000 test kits each week, by acting as a focal point to the city's business community to provide information on available loan, grand, and other business assistance programs. We, on this committee, encourage EDC to continue these efforts to sustain the city's economy at the first stage of this crisis, now as it begins to die down in New York. And, as we enter phase 2 and look forward

to phase 3. With that said, I know we have a lot to cover. We were going to give some time to Public Advocate Jumaane Williams who can no longer make it, so we are going to submit his testimony so that anyone who would like to see our public advocate's testimony, we will have that linked up. But I would also like to thank the extraordinary work done by everyone on the committee. In my staff, especially. The legislative counsel, Alex Polinov [sp?], the new daddy who just celebrated Father's Day again, policy analyst Emily Forgion [sp?], and finance analyst, Al Lee, for all their hard work and for putting this hearing together. All the hard work behind the scenes really does make us look amazing and they have been working nonstop between this hearing, the budget, the crisis. So, I personally can't thank the staff, who are basically family, enough. So, what I would like to do is now turn it over to our moderator, Committee counsel and new dad, Alex Polinov, to go over some procedural items.

COMMITTEE COUNSEL: Thank you, Chair Vallone. I am Alex Polinov, counsel to the Economic Development Committee of the New York City Council. Before we begin testimony, I want to remind everyone

that you will be on mute until you are called upon to testify. At which point, you will be on mute it by the host. I will be calling on panelists to testify. Please listen for your name to be called. The first panel is to give testimony today will be the president and CEO of the New York City Economic Development Corporation, James Patchett. In addition, Lidia Downing, senior vice president for government and community relations at EDC, will be available to answer questions. I will call on you when it is your turn to speak. During the hearing, if a Council member would like to ask a question of the EDC, or of a specific panelist, please use the Zoom raise hand function and I will call on you in order. We will be limiting Council member questions to five minutes, which includes the time it takes the panelists to answer your questions. Please note that, for a use of this virtual hearing, there will not be a second round of questioning outside of questions from the committee Chair. All hearing participants should submit written testimony to testimony@council.nyc.gov. Before we begin testimony, I will administer the oath. President Patchett, Vice President Downing, please raise your

right hand. I will call on each of you individually for our response. Do you affirm to tell the truth, the whole truth, and nothing but the truth but for this committee and to respond honestly to Council member questions? President Patchett?

PRESIDENT PATCHETT: I do.

COMMITTEE COUNSEL: Vice President Downing?

VICE PRESIDENT DOWNING: I do.

COMMITTEE COUNSEL: Thank you.

President Patchett, you may begin your testimony.

CHAIRPERSON VALLONE: Well, let me just jump in, James, before you start and recognize Council members Koo and Menchaca have joined us. As additional Council members come in, we will just acknowledge that they are here. Go ahead. Thank you.

PRESIDENT PATCHETT: Thank you. Good afternoon, Chair Vallone. Good to see you. And members of the Economic Development Committee. My name is James Patchett and I am President and CEO of the New York City Economic Development Corporation, also known as EDC. Over the past three months, New York has changed. COVID-19 brought us and the world

to a standstill. Firms and practices that were once uncommon, social distancing, face masks in public settings, and virtual gatherings like this one are now part of our new, somewhat bizarre, normal. This does feel strange being on a Zoom call with all of you for hearing, but these are the unusual times we live in and the types of precautions that we have to take. That being said, it is good to see all your faces for the first time in a while. I hope everyone and their families are doing well. Working from home is certainly been an adjustment for me. My staff will tell you that my kids and my cat have been featured guests and many of our meetings. I don't think they will be joining us today, but you never know. Today, we are having an important discussion about EDC's role in the city's response to COVID-19. I am pleased to share my testimony and not only highlight our efforts as an organization, but the resilience of the city and its people and our own businesses and the path forward to a new normal that benefits all New Yorkers. The past three months have been among the most challenging in New York City's history. Thousands of our neighbors and loved ones have died from this terrible disease. Our cities

shut down and is just getting underway with the process of reopening. Many New Yorkers, just like us, continued to work from home and adapt to new professional challenges while juggling childcare and family obligations. Alex, sounds like you've got it down. But, if this crisis reminded me of anything, it's that you should never count out New York City. We step up for one another and we fight for our city. It's just what we do. I have seen this fight firsthand at EDC. We have been supporting the city's response from COVID-19 from the very beginning. In early March, we were a traditional economic development Corporation, focused on making strategic investments to create jobs. Then, in a matter of days, we transformed ourselves into a biotech startup, Manufacturing Corporation, place that set up hospitals and built ventilators. Our cruise terminals morphed into hospitals and our armories into food distribution centers. We started up local supply chains from scratch and produced critical medical supplies. We have worked with members of the New York delegation to advocate for more federal resources for our businesses. And, while these have certainly been long days, I am incredibly inspired by

the innovation, creativity, and tenacity that my team and people across the city have shown in these extraordinary times. It all began with and ask to produce face shields. In a matter of days, we had a design, prototype, and the approval from the Department of Health. And a day later we were in production. Over the past couple of months, we have partnered with 15 domestic manufacturers, nine of which are in New York City, to create over 4 million shields. It was mid-March when we were asked to do the seemingly impossible. Build a new ventilator. In that moment, if you had asked me to explain the term HEPA filter, peak valve, or manual resuscitate her bag, I would have been at a loss for words. How quickly things change. When the Mayor first asked, it seemed crazy that we could ever do this. A ventilator is an incredibly complicated instrument and the thought that we could figure it out, build it in scale production in just a few weeks, and all within New York City, seemed impossible. But we are New Yorkers, so we got to work. We set up a 15 person team from scratch. People who had never done anything like this before. We quickly became experts in FDA certification, the supply chains for medical

grade materials, and translating medical research into manufacturing specs. In less than a month, we identified and convened a consortium of researchers from MIT with local innovators and manufacturers to design, develop, and deliver this lifesaving technology. These breathing assistant machines free up ICU ventilators for critically ill patients and was an absolute top priority at the height of this medical crisis and, unfortunately, maybe again. The rapid evolution in technology, the investments the city made in the tech sector, and the relationships EDC developed through diversifying the economy and planning for a future all came together in a pivotal moment. This was only possible because New York City had done two very important things in the proceeding decades. First, we invested heavily to cultivate our tech sector and became a capital of innovation for the new economy. And, second, we remembered our city's roots and continued to ensure that there were still people in New York City who could make things. Our key partners in this effort included New Lab, and innovative tech space in Brooklyn that enables tech innovation. The ventilators were produced at Boyce technology use in Long Island city, state-of-the-art

manufacturer. ECS supported both New Lab and Boyce over the last several years and the capacity they brought to the table is the only reason we were able to design and produce 30,000 new ventilators here in New York to respond to this crisis. And, beyond technology, the EDC has made strategic investments in key industries like fashion and garment manufacturing, and those investments are paying incredible dividends today. As Broadway went dark, this community did not think about themselves, but how they could support our front-line workers. It didn't take long for EDC need to connect with Javier Munez, a Broadway star best known for playing the lead role in Hamilton. Javier is leading the Broadway relief project, which united Broadway seamstresses, actors, and other members of the community. The goal? To produce and distribute thousands of hospital gowns for our healthcare heroes all while bringing members of the Broadway community back together. This partnership is a true testament to New Yorkers supporting New Yorkers. And with the support and guidance of EDC, the project produced over 50,000 gowns. And this is only one example of our work in this space. [inaudible 00:13:12]

fashion, minority owned business, produced and shipped 420,000 gowns and only five weeks. This effort was made possible through their work with nine subcontractors, all of which are minority and women owned businesses. It is important to note that, through this work, HD Fashion was able to retain nearly 130 workers. We have now partnered with 14 local manufacturers across five boroughs. To date, we have produced 3.2 million gallons. There were many days in the depths of this crisis that hospitals would have run out of gowns if it wasn't for this effort. Now, I share these stories, not just because of what they say about our work to date, but also because I believe it points the way to our collective economic recovery. Thankfully, we've seen incredible progress on the health side. Due to the tenacity of New Yorkers and hard work of our medical professionals, we are on the other side of the health crisis. And, while health and safety must always be the top priority, it is time to look towards the future and the recovery that lies ahead. New York City hit a major milestone on Monday when it entered phase 2. As the reopening of the economy moves forward, we must always follow the data and science.

That is why our efforts to rapidly scale up testing our key. Here again, New York City's innovators are stepping up to be part of the solution. At EDC, we built a new supply chain with local biotech companies and small manufacturers and are now in production on 50,000 COVID-19 testing kits per week. In a matter of weeks, our team consulted with experts across the country, forged relationships with local manufacturers, worked with medical professionals and city agencies to review swab designs, figure out sanitation and vetting processes for medical use, and then, quickly found local manufacturers to begin production. Again, the confluence of innovation and manufacturing partners was essential. As was our efforts to produce ventilators, the ongoing production of new test kits would not be possible in New York without having innovative companies and the capacity to make things here. Print Parts in Manhattan is 3-D printing swabs and the Albert Einstein College of medicine in the Bronx is following the CDC protocol to produce transport medium, the liquid that preserves the collected sample when it is transferred to a lab for testing. In Brooklyn, we have converted a co-working space, Co

Lab, into a test Production facility. It's incredible to me that we develop to these extremely precious size and technologically advanced materials in New York City so quickly. To date, nearly 175,000 test kits have been delivered to H&H hospitals and clinics, nursing homes, and community testing sites. When the first completed kits were making their way off the production line, cheers erupted in the facility. It's incredibly inspiring to see how New Yorkers are stepping up to support New Yorkers. You will hear from some of them today. I am proud of the work that is happening across the city. It highlights my core belief that innovation, science, and New York is working together will get us through this. I know you all share this belief. With the phase to reopen underway, the hard work is only just beginning. There are many to consider. Childcare, transit, when we returned to our offices and later to other public venues. All of this aiming to address the bigger question of how we restore vitality to the city we love. The efforts I've highlighted, face shields, gowns, bridge ventilators, and test kits, have done to really important things for the city. The first is providing our front-line workers with

the supplies and protective equipment they need to fight this disease and keep the city moving. The second is bringing people back to work with these efforts, creating and preserving almost 3000 jobs. Almost 60 percent of gone manufacturers qualify as MWBE's. At Co-Lab, where test kits are being assembled, they every hired their staff and our hiring restaurant workers from the Bushwick area. And while these efforts produce a glimmer of hope, it is only a drop in the bucket. New York is facing the greatest economic crisis since the Great Depression. The unemployment numbers we see are staggering. In a matter of weeks, New York City went from nearly full employment to 1.3 million New Yorkers filing for unemployment benefits. And the Mayor has noted that the city is projected to lose 9 billion dollars in tax revenue this fiscal year. I don't need to remind this committee of the financial straits that we find ourselves in. On top of all of this, this crisis has laid bare even more starkly that inequality exists within our city. Access to healthcare, food, and broadband, among many others. The events of this past month have shown the systemic racism and injustice that exists within our city and across the

nation. People are calling for equity and an end to systemic injustice and police brutality, which had an alarmingly high, disproportionate rate affects black Americans. And words are not enough. We must act and hold ourselves accountable. At EDC, we have taken a series of steps to put equity more at the center of our work. Internally, we are aggressively ramping up recruitment and hiring efforts to diversify our workforce and are implementing mandatory all staff trainings on race and equity. Externally, we must take another look at how our work addresses these issues. Right now, we are undertaking a very intentional, internal effort to guide us on this area over the next few months. [Inaudible 00:18:55] and recovery will be far from easy, and the road ahead will be a long one. The city cannot do it alone. There are only so many tools we can use. And that is why the federal government must take bold action into more. We need a real economic relief. We need a stimulus package that supports states and cities and provides the resources needed for robust recovery. Our small businesses, which are the backbone of our economy and neighborhoods, have been shattered for weeks. Our

incredible restaurant, local retailers, small nonprofits, and cultural institutions are what draw people to New York. Tourists, immigrants, people from all over the world. Small businesses are taking the brunt of this. And it just won't be possible for the city to give them the support they need until the federal government steps up with further relief. PPP is just the tip of the iceberg of what is needed. We now need to look beyond maintaining payrolls and towards what business is will need to be able to restart successfully. This includes additional, more flexible capital. The federal government must do more and I know that EDC, those on this call, and other officials, will continue to push for action and hold federal leaders accountable for their action or inaction. As we advocate for more federal resources, we must ensure that our recovery is equitable and inclusive of all. Returning to the way things were in the past is not good enough. We must create a new normal. Economic development has an important role to play. Working with this committee, we must continue to invest in initiatives that bring good paying jobs to all New Yorkers and ensure they have the skills to get those positions, keep them, and

excel at them. Advanced manufacturing, tech, cyber, life sciences, garment manufacturing, and fashion opportunities created an opportunity to diversify our economy and providing New Yorkers with real chances to attain a greater level of economic stability and success. It is a tall order, but I am confident the city will come through this stronger than before. Into anyone who doubts that, just remember the stories that I shared earlier. Only in New York City can you develop a ventilator in less than a month or nasopharyngeal swamps within weeks. New Yorkers make the impossible possible and we will continue to do it over and over. Thank you for the opportunity to testify. I now welcome any questions you have.

COMMITTEE COUNSEL: Think you, President Patchett. Next, we will hear questions from Chair Vallone. Panelists, please stay on muted, if possible, during this question and answer period. Chair Vallone, please begin.

CHAIRPERSON VALLONE: Thank you, Alex, and thank you, President Patchett. First, let me also acknowledge my fellow Council members who have joined us. I mentioned before Council members Koo and Menchaca, but we have also been joined by Council

members Lander, Barron, Powers, Louis, and Gjonaj.

So, if anyone else jumps in, just let us know and we will get you acknowledged. I also realize there are numerous hearings going on including budget and other hearings, so Council members, as you raise your hands, I will get to you as quickly as possible and deferred time so you can come and go between those hearings. I know we've got a lot to do in a week to get it done. But let me just start with some generalities and that I will turn it quickly to the Council members and that I will come back. President Patchett, thank you. I mean, I couldn't be more proud, being Chair of this committee and working with you. Today really was a chance and is a chance to give that story to be heard because so many good things get lost in today's news and the negativity that seems to surround everything we do. That the city really is stepping up. And that is probably a true testament to where our members are today, as opposed to other states. And I understand Governor Cuomo just issued a ban of folks from other states with high numbers coming into New York today. Boy, how that switched in the last couple months. We couldn't go anywhere and now we are so safe that

folks-- And I think a big part of that is based on the testimony that you gave today. So, let's start with those overwhelming local success stories. And, I guess, now that we have gone from phase 1 to phase 2, how do you envision that partnership now in phase 2 as we go to phase 3? You mentioned the thousands of jobs that we started from the face shields and gowns and bridge ventilators and test kits and the companies that we have worked with the local manufacturers and the biotech companies. Where do you see that relationship with EDC now that we are in phase 2, as we prepare for phase 3?

PRESIDENT PATCHETT: Okay. Thank you for the question. It really looks like you are in the Council Chambers, which is impressive. I must say.

CHAIRPERSON VALLONE: At least in the top half.

PRESIDENT PATCHETT: Yeah. Yeah. So, in any event, I think we have been very fortunate to have amazing partners in this effort. It has been remarkable and many of those partners are joining us on this call today and will have a chance to testify later. To us, we have to recognize we have made

tremendous progress, but that we can't guarantee we are through to the other side of it. So, that means that we need to continue to keep vigilant about what is going to be necessary to see the city through to the other side. And we certainly can't be caught short again on PPE or other critical items to make sure our medical workers are protected. So, each of those items, gowns, face shields, testing kits-- we intend to continue to produce, in some cases at lower scales over time, to ensure that we have a manufacturing capacity in New York City to make sure that we are protected and also make sure that we are seeing the important ancillary benefits of seeing our own people employed in those operations.

CHAIRPERSON VALLONE: So, how can we enhance that? Right? So, if there are companies in New York City are those that are restarting and finding themselves in perplexing situations of the business that they once did may not be where it was pre-COVID crisis, so-- I find one of our most critical roles today is insisting, since we opened on Monday, the first phase and, as businesses come back, I find us in a unique opportunity to assist in that new crisis, so to speak. In that new rush to get our

folks back to being employed and getting our businesses to open and stay open and then transition so many of these may pay opportunities that they didn't know existed. So, maybe we could expand on EDC's role with small business as we employ the use over 3000 employees to-- with the new COVID demand type of jobs, how do you envision that we can now take that next step, expand that number and reach to even more businesses?

PRESIDENT PATCHETT: Well, I think we have learned that being able to make things in New York City is absolutely critical. I mean, you know, at EDC, we've been investing in these sectors for some time because, you know, we believe in garment manufacturing in New York City. We believe that we need to have innovation in New York City and be able to make things in New York City. And that is why we had been making these investments. And so, I think this just underscores the importance of that. It emphasizes the need for us to tell bold down on our local manufacturers. And so, as an example of that, how can we make sure that our local manufacturers are connected to small businesses will be the ones who are supplying them with their PPE as opposed to them

struggling to find it, you know, on the Internet, and unreliable source. How can they go directly to a local small business and find access to that PPE? I think that is an opportunity to expand this effort and also make sure that it is not just benefiting hospital workers who are certainly critical and our first concern, but that it is also benefiting the small businesses and ensuring that they have access to the items that they need.

CHAIRPERSON VALLONE: No. That's great. I think getting that high point for manufacturing companies is a great idea. What about now that we are in phase 2? How do you see EDC's role change from phase 1, which is really getting the critical equipment and survival mode, to now in phase 2? And when do you think we may transition to phase 3?

PRESIDENT PATCHETT: Well, you know, I think that the key now is to be focusing on how do we make sure that the city opens as quickly as possible in a safe way. I think, you know, safety has to be at the core of all of this because we certainly need to do everything we can, again, to avoid a second wave. I mean, there are certain things that are outside of our control but taking things slowly,

gradually, being smart about it is going to be really critical to our overall efforts here. You know, EDC's role in this-- I think the thing that we have learned over the last few months is we didn't even know what the next challenge was going to be, but we are prepared to tackle all of it. One of the things that we have been heavily involved in and which we continue to be involved in is conversations about treatments and potential ways to connect out academic medical institutions to our test and trace efforts. Getting more possible ways for people not just to be tested, as we have been doing with test kits, but also access to new and innovative treatments that might be able to help them get through the other side of this. We also need to continue our efforts around thinking about how we can provide all the support we need to our businesses. And we've been engaging regularly with businesses big and small through our sector councils and also through direct conversations. One of the things that we're very focused on right now is the need to tell the story of New York City. I think New York City is, you know-- has obviously taking a hit from an international perspective. People think of New York City as the

epicenter of this virus and it couldn't be further from the truth right now. You know, as I said earlier today, I'm actually planning to go out to dinner tonight and I'm really looking forward to that. You know, New Yorkers, all around, are out there, you know, living a normal New York City life with a mask. They're being careful. They're being thoughtful, but New York is still a great place to live and it's time for the rest of the world to be reminded of that story and see the incredible resilience of New York City and where we are today. So I think that's going to be a really critical part of reminding the rest of the world that New York City is not just the fabulous city that you knew it was, but also the most resilient city. And also a more equitable city as we come to the other side.

CHAIRPERSON VALLONE: Well, you're exactly right, so I'm going to ask the two of us what do we see as the first steps in a panel we spoke at and we said New Yorkers will lead and show the way because in order-- as we start generating that income and get towards them and get folks to feel comfortable and New Yorkers have to take that step. Just like you going to dinner tonight and my wife and

I celebrating our anniversary and going back out with the family is so important to show that we are back and that, yeah, the numbers are low and, when we can show New York City enjoying New York City again and leading the way with changes, just like we're doing here at the Council, then I think folks will come.

One thing I wanted to ask-- and then I'm going-- I see that Council members Koo and Barron and Menchaca have their hands raised. So I'll turn it over to Alex to get to them. Is the tremendous success that, for a small amount of money, I know you started the small business grant and EDC started with 5 million to small businesses for companies under 100 people and that was exhausted pretty quickly. And I see as we're talking about, at least, a 9 million dollar budget. These critical lifelines, I'd like to call them, that the small businesses are looking for, especially as they are just reopening this week, I think will be real ways to make an impact. You see EDC expanding or continuing projects or, at least, getting additional funding into a program like the 5 million for the small business continuity funding starting?

PRESIDENT PATCHETT: So, we've been partnering very closely with SBS on these efforts. Obviously, they are the administration's face of talking to small businesses, being out there in the field, and having conversations with them, and we want to be a support to that because it is such an important effort right now. This morning, at our board meeting, we had approved a 4 million dollar contribution to the pursuit, which is a CDFI New York City and that 4 million dollars in funding will go to some of the small business corridors that were hardest hit over the last couple of months. So, it's intent is to help businesses get restarted. So we don't-- you know, we don't have the level of funds that are necessary for this, but we are going to be using the funds that we have to dedicate them to getting our businesses restarted.

CHAIRPERSON VALLONE: Do you find any cooperation now on a state or federal with programs like that or are we just kind of on our own?

PRESIDENT PATCHETT: Well, I will say, I mean, there are promising conversations with the private sector and they have been working with the federal government. The state set up their own 100

million dollar small business loan fund, which is primarily funding from banks with some state guarantee, which is a similar approach to what the city did earlier on in this process. And so there is-- But I think we all agree that there is just not enough funds. I mean, I know that that loan fund was spoken for very quickly. We have been working with some of our partners in the private sector and the SBA on trying to come up with a new program that could be rolled out, which might support smaller businesses. So, you know, there is, notwithstanding, the Trump administration's challenges, there are people who are really trying to do the right things, as well as agencies, and those are conversations that we have been having.

CHAIRPERSON VALLONE: And I think our role should be to enhance that and coordinate through agency coordination on how to bring that. Those links to our small business and it's the folks that are desperately trying to reopen. And I think that will be a new challenge for phase two and phase three for us to coordinate with the Council and EDC. Those lifelines that are so critical right now, while negotiating that new budget. So I would like to turn

it over to our legislative counsel, Alex Polinov, to call on some of the Council members who have their hands raised and then I will come back with some more questions.

COMMITTEE COUNSEL: Thank you, Chair Vallone. I will now call on Council members in the order they have used the Zoom raise hand function. Council members, if you would like to ask a question and you have not yet raised her hand, please do so now. You will have a total of five minutes to ask your questions and receive an answer from the panelist. The Sergeant-at-arms will keep a timer and will let you know when your time is up. Once I have called on you, please wait until the Sergeant of amounts that may begin before asking your question. First, we will hear from Council member Koo, followed by Council member Barron and Council member Menchaca. Council member Koo, please begin.

SERGEANT-AT-ARMS: Starting time.

COUNCIL MEMBER KOO: Hello?

[background comments]

COMMITTEE COUNSEL: We hear you.

Council member Koo, you are currently muted. Will the muter please unmute Council member Koo?

COUNCIL MEMBER KOO: Hello?

PRESIDENT PATCHETT: That's a new title.

Muter.

[background comments]

COMMITTEE COUNSEL: You're unmuted now.

COUNCIL MEMBER KOO: Can I--

COMMITTEE COUNSEL: Go ahead. Yeah.

Okay. You can hear me, right? Thank you.

COMMITTEE COUNSEL: Yes.

COUNCIL MEMBER KOO: So, thank you, Chair Vallone and thank you, President Patchett from EDC. I have a couple questions. My first question is, during the discussion-- your testimony, you mentioned that you have ventilators, gowns, masks, test kits. All this business, do they receive any subsidy from EDC to make all this? Yeah.

PRESIDENT PATCHETT: So, they're not receiving subsidy. We have been procuring these items on behalf of the city and paying competitive prices for them. We've been focused specifically on manufacturers that are located in the city of New York. But it is not a subsidy.

COUNCIL MEMBER KOO: So there's no subsidy?

PRESIDENT PATCHETT: No.

COUNCIL MEMBER KOO: But we are buying stuff from them?

PRESIDENT PATCHETT: Yeah.

COUNCIL MEMBER KOO: Okay. So, you always mention about equity on small businesses. There's a big question on this. Every small business owner tell me the biggest problem they have is to how they pay rent because the government forced them to shut down for at least three months. Some four months. Right? And [inaudible 00:36:45] say three months. Now they are open, so the landlords ask them for past rent and what is your position? They don't have money to pay the rent. They have been closed for three months. And rent [inaudible 00:37:04] is really high in New York City. Some small stores in Flushing Main Street close to 30-- 40,000 dollars a month just for 2000 square feet. So, three months is like 100,000 dollars. So, how do you help these small business owners? I know you are always trying to say, oh, we need federal help, but if federal doesn't help, how can the city help? Can you do something like, hey, we stop-- maybe we stop the property tax collection for a couple of months so

that landlords can forgive parcel rent for their tenants. Otherwise, property owners told me, oh, they still have to pay tax. They still have to pay all the utilities. And the city's property tax has been increasing. Well, apartment owner told me his bill has been increased of 150 dollars for every three months and even during the pandemic, our property tax has been increased. So, how do you answer to these people?

PRESIDENT PATCHETT: Well, yeah. No I appreciate the question. Clearly, rent is a huge issue for small businesses. It always has been. But especially when you have been asked to be closed for three months. I think, you know, the effort the state undertook with the freeze on of action was critical. It, obviously, covered commercial tenants, as well, but that is not enough. I think landlords who move to the effect tenants who are, you know, not able to pay all of their back rent, especially small business ventures still have the financial capacity needed to a very short, likely. Especially at this moment in time. But I do acknowledge, you know, the fact that it's not a simple equation. I mean, just to give you an example, our approach at EDC. So we

have over 60 million square feet in this city. We have a substantial number of small businesses in our properties. We have set up rent relief committee at EDC. We have gone business by business and had direct conversations with them about what their needs are and how we can get them through to the other side of this. And no, I can't speak to the overall property tax circumstance of the city. Obviously, that is a complicated question with OMB and DOF, but as far as I am concerned, at a minimum, we, ourselves, as the landlord, and others, need to be thought all about balancing the fact that these businesses are in really hard times, while recognizing, of course, they have expenses.

COUNCIL MEMBER KOO: So, what is the solution? Hello?

PRESIDENT PATCHETT: Yeah. Once the solution?

COUNCIL MEMBER KOO: Right.

CHAIRPERSON VALLONE: James, I know you have in the testimony you mentioned about the deferral agreements and how you work with folks like in Hunt's point. Maybe--

PRESIDENT PATCHETT: Yeah.

CHAIRPERSON VALLONE: Council member Koo's question, that might be something we can expand on. You are working on rent deferral agreements with Hunts point and others. May you be how does that work? Where are we on those and will that be expanded?

PRESIDENT PATCHETT: Yeah. We have had rent deferral agreements, you know, not just in Hunts point, which is in the Bronx at the food markets, but, also with many of our tenants at Brooklyn Army Terminal and Sunset Park with places, you know, really all across the city. And we've tried to be conscious of the economic realities of the circumstances that people are facing. You know, we have been engaging with real estate owners to encourage them to be as flexible as possible because the reality is they are not going to get-- and not going to receive all of their rent. I mean, it is a challenging time. You know, the city is financially struggling. Small businesses are financially struggling. Landlords are going to have to give some. I mean, that is what we have done at EDC and that is one other real estate owners have to do.

COUNCIL MEMBER KOO: [inaudible

00:41:30] I'm talking about small property owners. Right? They only have one building or-- you know? Their livelihood depends on the income, too. They depend on the rental income either for the--

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER KOO: because for their retirement or even when they are young. When they are young, they need the income to pay the mortgage, right? And when they are even the mortgage to pay off. They need the income to pay property tax and for their retirement income. Now, all of a sudden, it's shut off. So it is not fair for them to say, hey, you don't have to pay me for three months. Where is the money coming from--

PRESIDENT PATCHETT: Yeah.

COUNCIL MEMBER KOO: at the end?

PRESIDENT PATCHETT: But, yeah. I know.

I absolutely agree. Look, the reality here is the city just does not have the scale of resources that are necessary to address every one of the circumstances, which are very, very real. And I'm not questioning that at all. In the financial crisis, the federal government stepped in. They did

modifications of mortgages, they were creative about the ways that people could repay their mortgages. They provided relief directly to businesses. I mean, there needs to be more investment from the federal government or there is going to be an awful lot of businesses that-- a lot more than are necessary back go out of business. Honestly, the answer to this has got to be more regulatory relief from the federal government on mortgages, combined with additional resources to businesses. That is the only solution.

COUNCIL MEMBER KOO: I think, at the minimum mom, the city can have a moratorium on property tax increase during this crisis. But, right now, I don't know how the city can do it. Either they increase property tax for like small apartment owners or commercial buildings, this is a bad time. You shouldn't do any increase in all. You said to a moratorium for at least a couple years and make sure you make that suggestion to our mayor. You know?

PRESIDENT PATCHETT: Thank you.

COUNCIL MEMBER KOO: Thanks.

COMMITTEE COUNSEL: Thank you, Council member Koo. We will now hear from Council member

Barron followed by Council member Menchaca. Council member Barron, you may begin.

SERGEANT-AT-ARMS: Starting time.

COUNCIL MEMBER BARRON: Thank you. Good afternoon. I want to thank Council member Malone for calling this hearing and I want to thank President Patchett for coming and I want to thank all of the people who are working behind the scenes to make this event happen. President Patchett, you talked about the production of ventilators and gowns and masks and test kits. Are they all being manufactured locally? The ones that we are using? Or predominantly what percentage? And are these companies that already existed or are these companies that have transitioned? What percentage is it for each of those?

PRESIDENT PATCHETT: Sure. So, the vast majority of all of these items are being made locally. All of the ventilators are being produced locally. Of the 3.5 million face shields that we have produced, 2.7 million of those were produced in New York City. Of the gowns that we have produced, we have produced 3.2 million. 2.8 million of those have been produced by our local businesses. In the

test kits are being produced entirely locally. Just to give you--

COUNCIL MEMBER BARRON: I don't know if anybody--

PRESIDENT PATCHETT: What's that?

CHAIRPERSON VALLONE: Inez, we didn't hear your question. Can you repeat that?

COMMITTEE COUNSEL: Council member Barron is frozen, but--

PRESIDENT PATCHETT: Ah. Zoom calls.

COMMITTEE COUNSEL: President Patchett, if you want to continue what you were saying, then maybe we can wait for her to the come back on.

CHAIRPERSON VALLONE: Yeah. You were talking about the masks.

PRESIDENT PATCHETT: I just want to make sure she gets-- this is able to hear my response. But, yeah. No. Absolutely. I mean, I think to address the question, as you can tell from those statistics, the vast majority of them are produced locally. These are from, you know, existing business is. They are employing New Yorkers. I mean, I think the vast majority of people with whom we had some form of existing relationship-- , just, again, an

example. The viral transport media is being produced by Albert Einstein College of Madison and one of their labs. Their lab had been shut down, so they brought their lab team back into the produce--

COUNCIL MEMBER BARRON: Okay.

PRESIDENT PATCHETT: Yeah?

COUNCIL MEMBER BARRON: A lot of my time got cut because I got some technical difficulties, but my compliments to the staff remains. Still stands, nonetheless. In your testimony-- Oh, sorry. In your testimony, you talked about the fact that we have to understand that this pandemic, in fact, has highlighted the injustices and the inequities and the racism that exists. So, my question is, in terms of your structure and your organization, I heard you say that we are doing training and sessions and all of that. If we look at the hard data, if we look at the numbers, what percentage of your Corporation has Blacks-- and I'm saying Blacks specifically-- in significant positions that have managerial or decision-making capacity?

PRESIDENT PATCHETT: Ray. And I appreciate the question and I understand why you are asking it that way. I don't have those statistics

about Blacks in front of me, but I will definitely get those to you. And I think that we need to, on a go forward basis, the intention of ball about how we are thinking about not just people of color, but specifically black New Yorkers and how they are represented. I can tell you that those statistics-- you know, we have made real progress on this. In 2015, we were 41 percent people of color. As an organization, we are now 51 percent. On leadership, we were 30 percent people of color in senior leadership positions. Senior leadership positions. 30 percent in 2017. As of fiscal 19, we were up to 38 percent. Then we are continuing to emphasize that. And, you know, I have-- just to give you without a specific statistic, I can tell you that, of my team of approximately 20 senior staff members that meet weekly, I believe five of them are black.

COUNCIL MEMBER BARRON: Okay. Follow up question in that regard or similar to that, we know that, when the pandemic hit and supplies and testing materials were gathered and field hospitals were established, they weren't sent to the neighborhoods that data showed had the greatest number of incidents. The Governor sent them to the east side

and to the Javits Center and to the east side on the hot--

SERGEANT-AT-ARMS: Time's expired.

COUNCIL MEMBER BARRON: in Central Park.

As this equipment is being manufactured, do you know where it is being distributed? Who is making requests? Are there independent healthcare facilities or where are these supplies being sent once they are, in fact, completed and manufactured? Where are they going? Because, the question becomes, yes. We want to come through this pandemic. And the phrase that I am hearing is we are all in this together, which would make you think that there is some equity and we are all experiencing the same thing, when we are not. Some of us are in ocean liners, some of us are in yachts, some of us are in rowboats, and some are just having a life jacket to try to get through this. So, as we talk about coming through this, what role can you play in making sure that the necessary supplies that we need are being stockpiled, perhaps, in locations that can immediately get them to the black and brown community that have evidence of the highest incidence and that demonstrated the greatest need, rather than waiting

to be at the end of the distribution pattern and getting the least and almost the left over or what--

PRESIDENT PATCHETT: Yeah.

COUNCIL MEMBER BARRON: that we now I finally caught up to do. So, that is my question.

PRESIDENT PATCHETT: Right.

COUNCIL MEMBER BARRON: What role can you play? Can you tell us where your products have been sent? Do you have that information? Who is putting in those requests? Is it just-- What are those capacities and what can we look forward in that regard?

PRESIDENT PATCHETT: Okay. That's an important question and I just want to acknowledge your totally appropriate statement that, although we are all in this together, many of those have significant advantages in the way we are approaching this challenge and others have very few of those advantages. Then you are absolutely right. Thank you for stating that very clearly. You know, we then primarily producing means for some of the lowest income areas. Specifically our test kits, which are the ones that are being distributed most widely right now. Those are going to directly enter Health and

Hospitals existing clinics and testing sites. And so, as I know the Counsel is aware, the overall effort from Health and Hospitals on testing has been to set up in places targeting specifically the areas that have been hardest hit by the outbreak. And so, we are delivering those test kits directly to those neighborhoods for testing to ensure that there are adequate testing supplies in those locations. And, to your point, we are also ensuring that we have enough in stockpile so that, if we need to expand more testing, let's say in September as school restarts, that we have a sufficient number and that those areas of the city are never going to be left behind.

COUNCIL MEMBER BARRON: Thank you. And I just want to announce for those who may not know, there will be a drive-through testing site in my community located at 888 fountain Avenue. It will start on Monday. So, to make sure we get that information out. Thank you so much and thank you to the Chair.

COMMITTEE COUNSEL: Thank you, Council member Barron. We will now hear from Council member Menchaca followed by Council member Gjonaj.

COUNCIL MEMBER MENCHACA: Awesome.

Thank you--

SERGEANT-AT-ARMS: Starting time.

COUNCIL MEMBER MENCHACA: And President Patchett. Good to see you on this Zoom. Going to get right to it. You mentioned that there is a lack of, literally, just cash. You are limited into how much you can reinvest into communities and you are looking the private sector and other places to kind of bring that investment. Are you in the negotiations with the Mayor to really ask for that kind of support as things are shifting for-- in a call to restart the economy? And I know we have been working through Sunset Park and Redhook advocacy to really kind of think about and enhance our working waterfronts. What role are you playing to really push the budget so that it brings the investments that we meet on the ground?

PRESIDENT PATCHETT: Yeah. I mean we are candidly-- because EDC is funded separately, I mean, you know, we're talking about the fiscal 21 budget, which is a major focus right now in the city. We're not in those discussions because it doesn't impact EDC's funding directly. Our funding comes

from our tenants which that's down for it's own set of reason because we are trying to be accommodating to them.

COUNCIL MEMBER MENCHACA: Got it.

That's just really important for, I think, everyone to know and how we can support EDC has a separate kind of engine of economy. Because the way our headed towards a June 30th deadline and we have to pass a budget.

PRESIDENT PATCHETT: Yeah. Well, no. thank you. I appreciate that. I will say, I mean, look, I think it's going to be a challenging time and I do think we have the ability, you know-- as there is financial flexibility-- and certainly if there is help from the federal government, having resources to put directly into communities to be able to go deeper on financial relief. To be able to provide job training opportunities. I mean, I think those are going to be really critical efforts, so I appreciate the focus on that.

COUNCIL MEMBER MENCHACA: Well, let's talk about the government. The federal government. The FDA has been improving companies across the country to be part of this larger kind of federal

program. And without that-- I guess I'm going to ask you to kind of talk about the importance of being FDA approved to get those funds so that they can create PPE across the country. How are you looking at that? Are you helping companies get approved by the FDA? How many FDA approved companies are there in the city of New York and how many of them are MWBE's?

PRESIDENT PATCHETT: All right. I don't have the overall statistics for you, but we can get that. I mean, I think the definition of FDA approval varies a little bit. So, in some cases, the specific product needs to be approved. In some cases the company, there is actually no FDA standard at all. So, just to take gallons, for a second. There is no FDA basis for that, so we are working directly with the Department of Health and easing their standards and just talking to clinicians about what they need. You know, testing kids, again, there is not an FDA approval. There is an FDA protocol, but there isn't a requirement that the manufacturers be FDA approved and so we are working with approved FDA manufacturers. As it happens, they were producing invisible lines before the crisis. So, it just

really varies by the specific circumstance, but we have been helping all of these companies navigate this because it is an incredibly complicated process and you need to be damned sure you get it right.

COUNCIL MEMBER MENCHACA: Yeah. And I think that is the point because, I think the question here is access to funds and there is the question and about city funds right now, your budget, the state budget, the federal budget, and we are waiting for more stimulus down the line. We could be preparing our companies right now to get ready to connect to all that funding. And so I'm just really curious if we could just speak a little bit more about how you're focusing on companies getting what they need so that they can have access to multiple sources of income.

PRESIDENT PATCHETT: Yeah.

COUNCIL MEMBER MENCHACA: Including funding from the state and from the federal government, since we are in a massive hole where we're--

PRESIDENT PATCHETT: Right.

COUNCIL MEMBER MENCHACA: going to have to fill a 10 billion plus dollar hole right now,

which will include a 1 billion dollar cut to the NYPD and really focusing on communities of color which also include companies that are MWBE's. So, that's how we're looking at it and I just really want to see if there's any orientation around that from EDC to accomplish that.

PRESIDENT PATCHETT: Yeah. So--

COUNCIL MEMBER MENCHACA: Yeah. Just speak to that, please.

PRESIDENT PATCHETT: Of course. It is good to see you, by the way.

COUNCIL MEMBER MENCHACA: Good to see you, too.

PRESIDENT PATCHETT: Even in this setting. So, absolutely. So, just the first-- Like when the first PPP came out, for example, we called--

SERGEANT-AT-ARMS: Time's expired.

PRESIDENT PATCHETT: emailed, reached out to every one of our tenants to make sure that they knew about it, had information about how to apply, and fortunate-- and a lot of them got it in, but, you know, that first round of PPP, it all was spoken for by, basically, within a day. And there was another round. A lot of them did a lot better on

that round. But that's just our tenants. But we have been finding, with other tenants, and just in general small businesses across the city, these programs are really hard to access. I mean, you need to-- you almost literally need someone to fill out the application for many businesses. There are language barriers, which, obviously, we're very aware of in New York City. There are digital divide issues. So, I think that we have to do as much as possible-- and this is something we had, actually, a lengthy discussion with the chambers of commerce in the different all five boroughs. How can we get more boots on the ground to be going business-to-business to actually have conversations with people and say, these are the resources that are going to be available and that are available? This is the piece of paper. Give me these three pieces of information and we will sign up for you.

COUNCIL MEMBER MENCHACA: Okay. My time is over, but I think we should keep talking about that and really monitor that work. And I know there is one company that is on my list of just-- back to stories, you're talking about how do we tell the story and the owner is name Arturo and he has

storytellers and creators is his company in the Navy Yard. He just moved there and he's employing a whole bunch of New Yorkers on the ground. New jobs. And so there is just the really beautiful stories that are on the ground that, I think, we can keep telling. So thank you for the work and looking forward to talking to you more about how we focus on COVID impacted communities as we get our economy up and running. Thank you, Chair.

PRESIDENT PATCHETT: Thank you. And we should say, since Council member Barron did, that we also have a drive through test site at your district at Brooklyn Army Terminal which we have set up together. So, it's very easy to get tested. Get tested.

COUNCIL MEMBER MENCHACA: Thank you for that plug. Thank you.

PRESIDENT PATCHETT: Thank you.

COMMITTEE COUNSEL: Thank you, Council member Menchaca. We will now hear from Council member Gjonaj.

SERGEANT-AT-ARMS: Starting time.

COUNCIL MEMBER GJONAJ: Hi. Do you hear me?

COMMITTEE COUNSEL: Yes. We hear you.

COUNCIL MEMBER GJONAJ: Thank you. I'm actually calling in an, unfortunately, I couldn't get to a Zoom. President Patchett, thank you so much. I heard you mention earlier Yeshiva. Is this a biotech firm that you were referring to or is that a separate [inaudible 01:00:27]?

PRESIDENT PATCHETT: Did I mention Yeshiva?

COUNCIL MEMBER GJONAJ: Yes.

VICE PRESIDENT DOWNING: Maybe Einstein?

[inaudible 01:00:34]

COUNCIL MEMBER GJONAJ: Einstein. I'm sorry. Albert Einstein. Correct.

PRESIDENT PATCHETT: yeah. I did. Yeah. No. Albert Einstein, the school of medicine. Yeah. We are working--

COUNCIL MEMBER GJONAJ: Uh-huh.

PRESIDENT PATCHETT: with them to produce viral transport media in their labs for our test kits. So, it is actually an amazing effort. They have been an incredible partner. I know they are in your district.

COUNCIL MEMBER GJONAJ: Correct. Yes.

They are. Thank you for that. And today also are recipients of a biotech award of 11.6 million dollars but I believe you are familiar with that has been tangled up. And this is the [inaudible 01:01:05] portion of it. But it is all part of the same campus, as you can imagine between the merger between Montefiore and Einstein. Are you aware of that? And I believe they have been in touch with you on how to unravel this log jam of freeing up this much-needed funding.

PRESIDENT PATCHETT: Yeah. We have certainly-- I mean, that is the impetus for our initial relationship with them, absolutely, is there response to one of our efforts to do more-- you know, more production of biotech wet labs in the city and, particularly, R&D in New York City. Then they are part of a-- they responded to an RFP along with several other respondents. There is 50 million dollars of funds overall. We have been in conversation with them, as well as several others and we hope to be making awards soon.

COUNCIL MEMBER GJONAJ: My understanding is that they actually qualified for 11.6 million of that.

PRESIDENT PATCHETT: Well--

COUNCIL MEMBER GJONAJ: [inaudible
01:02:09]

PRESIDENT PATCHETT: We have been in conversations with them and several others said about how to allocate that funding. It is 15 million dollars overall.

COUNCIL MEMBER GJONAJ: My understanding, again, President Patchett, is that they have been prequalified for 11.6 million dollars of which establish them as a New York leader in life science, innovation, and research and development. Something that we all aspire to do for the city of New York and, in particular, the borough of the Bronx where we could really use the assistance. Something while received, but yet we find ourselves months later and I'll log jam of technicality. And this is the problem with bureaucracy. Government is great until you give them a project because they will figure out a way to make it complicated. President Patchett, please free up the money for them so we can help the

less-- by the way, the work that they could have been working on would be-- they could have addressed COVID. Coming up with to combat the virus itself. And we're delaying payment to them. And that leads me into my next Segway because I don't expect you to answer that question except that you're going to say we're working on it. You'll continue dialogue. And I got it. Your economic development, when we think of economic development, our small businesses, in particular, are hoping that we get more from you and the EDC in the form of investments, loans and grants. Get us back up on our feet. To hear economic reports from the EDC and sitting on the sideline and I-- with all due respect, I'm saying this in a fashion where it's not to undermine your hard work, but understanding the task that you have ahead of you. To sit on the sidelines and watch our small businesses collapse and wait for this measure to correct themselves with private landlords-- which were another small business-- to step up to the plate or to wait for federal government to do its part is not a solution to the existing problem. President Patchett, we have seen the-- before COVID, our commercial corridors were experiencing large

numbers of vacancies. Every small business that closes has an impact on our bottom line. They no longer contribute to our tax base. They don't employ locally. We can't afford for our small businesses to close. They are changing and we need to do more to ensure that they have an opportunity to reopen and we think their business models [inaudible 01:05:00] to adapt to the changing world. What can we expect from you to do this?

PRESIDENT PATCHETT: Great. Thank you for the question. First, I just want to reiterate your first point. We really appreciate--

SERGEANT-AT-ARMS: Times expired.

PRESIDENT PATCHETT: the relationship-- We really appreciate the relationship with Montefiore. We've been working closely with them. Up in a follow-up off-line. I choose don't expect your characterization of where they are in the process, but I'm sure that is how they are characterizing it. But we do appreciate them and we want to work with them. You know, as to the broader issue of small businesses, I, you know, I couldn't agree more. This is a critical issue. I just want to acknowledge first that we are not sitting on the

sidelines. We are acknowledging the fact that there is simply not going to be enough resources in New York City to address it. What you are saying, and it gets correct, is that there is a significant financial gap being experienced by a small businesses and their ability to pay their rent and, by extension, landlords and, in many cases, small landlords, they are not getting their rent, are struggling to pay their mortgage. What I'm telling you is that the depth of that financial impact, even if it is just three months, which it is going to be more than that, substantial and way beyond the ability of the city to cover. It doesn't mean we can't do anything. It means we need to do things like working with the state to ensure that tenants get rent relief, that tenants have the ability to stay in place, we come up with creative legislative solutions to preclude landlords from shortsighted league kicking out businesses just because they can't pay a couple of months of back rent. And we need to provide-- you know, we need to work with small business services-- I know you are the Chair-- to get them to, you know, provide on the ground support for the maximum extent possible. And we are prepared

to help to those businesses. I mean, I think what we have done directly with our tenants where we have direct control, is to be as on the ground is working directly with them as possible to meet them where their needs are. I completely agree with you. It is a crisis for small businesses and we can't afford to sit on the fence.

COUNCIL MEMBER GJONAJ: Thank you for that, but here we go again. More specifically, besides letting them know of the programs that are available, the PPP funding and perhaps helping them-- and I understand that you are trying to work with helping them. So, you are around Lane nine doing their applications for them is they are not your attendance. You may not be giving all small businesses the same opportunities. As economic development, as the EDC for the City of New York, you, again, spun it back to saying, well, you know, with class regulations to prevent evictions. Well, that's great. We're helping them-- we're working with the state. Well, that's great. We're working with SBS. Well, that's great. What is the EDC doing to assure that every small business in our commercial corridors will have a chance to reopen? Tell me what

program you have in place. What funding you have in place, what resources you have in place. Not to pass it to the next guy? And I say that knowing that we have a good working relationship and we have done some great things together and I expect to do more, but they are holding my feet to the fire. I need to hold your feet to the fire. This is what government is supposed to do. We're supposed to be proactive, not reactive. In a time of crisis, we're supposed to pull resources to gather and deliver. We are not delivering. President Patchett, we are not even removing some of the basic regulations or for the burdens of these small businesses now that we are struggling with those regulations prior. We still have a commercial rent tax. In this climate in Manhattan. With the highest vacancy rates ever, we haven't removed the rent tax on them because they are located in a geographic area. Real estate taxes, inquiries. No decrease. Water and sewer rates. I know this is a difficult situation that we are in. What can we walk away from with today that I can say President Patchett is committed and here is what he has got in his hands and has pledged to do to show our every small business has a fighting chance? What

can they walk away with from this hearing to delivered on my small businesses? Our small businesses?

PRESIDENT PATCHETT: Fair enough. So, first off, you know, certainly welcome your ideas. I just want to, again, reiterate there is a huge financial challenge here. A staggering financial challenge and what we have done directly with our tenants, again, is to relieve their rent and be as flexible as possible as we can with them and work with them directly. That is not every business in the city, for sure. For the rest of the businesses, we, this morning at our board approved an additional round of relief in partnership with the local CDFI, funding to go directly to some of the hardest hit business corridors in partnership with this organization, pursuit. It is 4 million dollars to be paired with private capital to go to small businesses. We are working directly, as I mentioned, with the SBA to try to establish a new program that would help small businesses across the city access a different type of funding. These are the types of efforts we are working on and we are going to work directly with those businesses and the chambers of

commerce to make sure that they have access to the resources. If what they are looking for is money from EDC, I'm not going to be the source of that. I am going to be honest with you about that. We do not have the resources to do that. We are helping our tenants. In the conversations about property taxes and other issues, I understand those. I understand the complexities of those. You have to acknowledge the city is already facing a 9 billion dollars shortfall and we need to be having those discussions and I recognize the importance of them.

CHAIRPERSON VALLONE: So, President Patchett, I thank the Council members. The only one I see and I have reached out is Council member Brad Lander. I see [inaudible 01:11:48]. Brad, do you have any questions for our crew or do you want me to continue?

COUNCIL MEMBER LANDER: I do. Yes.

CHAIRPERSON VALLONE: Perfect.

COUNCIL MEMBER LANDER: Let me pause and roll the-- can you hear me okay?

SERGEANT-AT-ARMS: Starting time.

PRESIDENT PATCHETT: Yes.

COUNCIL MEMBER LANDER: Thank you, Chair Vallone, and thank you, President Patchett, for being here. And I really want to honor and appreciate the work that you and a lot of folks you helped organize did, especially as you did when PPE was in such short supply. You know, I got a chance to talk to David Aaronburg [sp?] about what was going on at the Brooklyn Navy Yard. And I know what you did and what you organized people to do was really significant. Mike part of the front line is essential more heroic work. And I appreciate it and I think it speaks to the need to preserve our manufacturing and industrial capacity, a thing I know you and I share. And we have pushed on a lot. The question that I want to ask you at this time publicly-- I have asked you privately, as well. And it speaks to the recovery issues. I am really concerned about the 1 billion dollar cuts to the EDC's capital budget that are proposed by the mayor and the executive budget to the neighborhood development fund, to adjust a whole array of your investment programs that are job creating. The whole point of voyage. Like you focus on women and minority owned businesses. You have focused on low income communities, communities of

color, and, to take 1 billion dollars out of the four year capital commitment plan and push it out into the next capital commitment plan ride at the time when our women and minority owned businesses are devastated, when our neighborhoods need investment and we've lost hundreds of thousands of jobs. It just doesn't make any sense to me. And I know, you know, OMB makes a set of decisions about the capital budget, which I have to say, broadly, that it is 2.3 billion dollars in cuts all together, a half billion to affordable housing, but the largest single agency is yours. A billion dollars in cuts. You know, and I guess I'm imagining you'll respond with something like the OMB responds which is there were time delays caused by COVID crisis that pushed those projects back and we're just recognizing reality, but that is not what this budget does. Eliminating the neighborhood development fund is not about projects that were delayed. That was about funds that are supposed to be committed. This should be a time that you are investing more capital. Like [inaudible 01:14:17] economics say, that countercyclical thing that we can do is invest capital smartly in equity positive, job generating activities. So, isn't it a

terrible idea to cut 1 billion dollars from your budget out of the current capital commitment plan and what are you doing instead to invest more money in our communities that are in the industry and our job-creating infrastructure.

PRESIDENT PATCHETT: Yeah. Thank you for the question. It's good to see you. It's like you're right outside city hall.

COUNCIL MEMBER LANDER: I am indeed.

PRESIDENT PATCHETT: So, anyway, it's good to see you.

COUNCIL MEMBER LANDER: I moved away from occupied--

PRESIDENT PATCHETT: Okay.

COUNCIL MEMBER LANDER: demonstration just so it wouldn't, you know? Wouldn't interrupt our hearing.

PRESIDENT PATCHETT: Okay. Thank you. no. I want to acknowledge the important work that you have done, along with your colleagues, to call out the importance of investing in infrastructure at a time of economic downturn. I mean, you are right, as a student of [inaudible 01:15:21] economics, that it is incredibly important to invest in

infrastructure in downturns. And so, you know, it is certainly painful, from an economic development perspective, to see funding reduced and infrastructure. At the same time, you know, there are real budget forces on the city and I am not privy to all of those and I acknowledge that it is a complicated time. And, you know, I want to continue to invest in neighborhoods. I think we want to push and, you know, make sure-- We've been fortunate to have a lot of infrastructure funding moving ahead right now. I have hundreds of millions of dollars of projects approved at my board this morning and we are going to keep pushing to do infrastructure because getting the dollars out quickly and getting them, in particular, as you referenced, MWBE's, out to, you know, businesses that are based in New York, which is certainly a thing that construction can do. That's a really important effort right now.

COUNCIL MEMBER LANDER: So, I guess, look, I understand you don't make the budget decisions. OMB makes the budget decisions, but, I guess, for the record, you know, can you tell us some of what the billion dollars that was in the capital commitment plan for EDC prior to the execute budget and that now

is not there was going to buy in investments that we are now not going to have if that version of the budget is what is adopted.

PRESIDENT PATCHETT: I don't have the specific details of, you know-- by that extension, but, I mean, the capital budget was reduced significantly for EDC, as you said. Close to 1 billion dollars and neighborhood investments and other things. You know, that being said, you know, there is an acknowledgment that it is going to take longer to do capital construction projects right now.

COUNCIL MEMBER LANDER: And I'm not trying to play a gotcha game with you. And OMB--

PRESIDENT PATCHETT: I know.

COUNCIL MEMBER LANDER: makes the budget decisions and you know I think they are making a bad budget decision because, while we must make operating budget cuts, we actually don't need to make capital budget cuts. We have plenty of room. We just issued another billion dollars in bonds that were rated highly by the market. One of the lowest interest rates we have ever seen and, by every measure, even fairly conservative folks like citizens budget commission agree for long-term debt-- different than

short-term, but, for long-term debt, we've got plenty of room. So, I do-- we are not-- I guess I am just going to push you a little more to tell us the kinds of things that we are losing because I think part of the challenge right now is that people don't understand what we are losing by cutting those dollars. And those are things you would have invested in. So, I'm not trying to get you on the hook for, you know, against OMB, but if you could just, for the record, help us understand what we are going to be spending, broadly-- if you can't go specific projects-- 1 billion dollars less on if those cuts go through. I just think that is important for the Council as part of our two challenges, as we are finalizing a budget, to have a clear understanding on so that, if we want to push hard to restore some of that investment because we think it is in poor and, we are a little clearer than it is possible to be with the information that we have.

PRESIDENT PATCHETT: Ray. I appreciate that. So, the single most significant change was in the neighborhood development fund, which is a pool of capital that is intended to be invested in

neighborhoods that are experiencing, you know, meaningful growth and that infrastructure needs to be part of that. So, what does that mean? If it means, in some cases, improvements to the sewers, roads, sometimes park improvements kind of a cross the board comprehensive infrastructure investment. It really varies by community. You know, we remain in conversation with OMB. I know the Counsel certainly is. The ability to move infrastructure projects ahead has been challenged by a variety of things. You know, obviously, COVID is a big challenge and we had a lot of projects that were just paused by virtue of the stay order for the last three months. But, as we are starting to ramp things up, you know, we welcome a continued conversation about how we can get more of those infrastructure projects.

COUNCIL MEMBER LANDER: And I will just close out here and I will just say this more to my colleagues than to you. You know, if what was cut was kind of genuinely a delay, you know, like three months out of the remaining year and a half or, you know, I guess, not in the-- I mean, four-year capital commitment plan still has another three and a half years in it. So, three months out of, you know,

3 1/2 years would be less than 10 percent cut, but your budget has taken a 40 percent cut to its capital and HPD similarly over the next few years. So, I just want to say to the Chair and to my colleagues, as we are finalizing the budget, that we are rightly focused on the operating budget, many issues that are involved there, we should not forget the capital budget, which is a separate bunch and then which way have plenty of room. And, while cutting EDC's capital budget by 1 billion dollars and HPD's budget by 500 million is a terrible decision from the point of view of a thoughtful, just, vibrant, equitable recovery. So, I hope we will just use this information that President Patchett has given us in our budget negotiation to fight hard for the kinds of investments. And I'll even expand the kind of loop in a little of what Council member Gjonaj said, I think there might be ways-- you know, obviously, a lot of that money does go to MWBE's in construction, it is-- it's not only small business support because it is the kind of infrastructure investments that President Patchett talked about. But a lot of it is small business investment. A lot of the investment CDC makes to create new commercial real estate spaces

that are affordable for small businesses in ways that very little else is. So, this is one thing the Council should be focusing on. So, thank you, President Patchett about and, Mr. Chair, thank you for the time.

PRESIDENT PATCHETT: Thanks for everything you're doing. Good to see you.

CHAIRPERSON VALLONE: Thank you, Council member Lander. And you know? President Patchett, the Council members that are part of this committee fought to be on this committee and we are your allies in this budget process. So what Council member Lander said is true. We need EDC to be fully operational, to continue to be the rudder for this city's giant ship that we are. And any cuts to the capital budget has residual effects that we just don't want. So, we will fight with you. That's what we are here on this committee for. So I thank Council member Lander for saying that. And Council member Gjonaj and Menchaca and Barron and everyone that stated because we know-- and that's why today's hearing was so important. And to the folks that are waiting to testify, President Patchett and I are wrapping up and then your questions will be answered

almost in the next few minutes. So hang in there. But I want to echo those efforts. We need to really prioritize and focus as we look at the cuts and the budget. Any cut to you has a 10 time effect for the workforce development, capital projects, neighborhood projects, WMBE's, the minority-owned businesses, and that's why we need to stand up. So we will be your allies in this. And I know today is not the day, but if there is a budget outlook for operational changes, I guess, kindly let's ramp that up now because the budget is going to be going on within the next week. So, whatever we can do to assist you on making sure those cuts are as minor as possible, we're allies on that. Is there anything else you wanted to expand on the budgetary front that you're facing with this year's budget?

PRESIDENT PATCHETT: It's a challenge for everyone. I mean, I think-- we will see what comes out. I think, you know, I recognize the city is in a challenging financial time and we're just trying to do our best to be a part of the solution by getting the economy going.

CHAIRPERSON VALLONE: Well, one of things that-- and I just want to close on. As we talk

about social distancing and folks getting back to work and the concerns between MTA being able to provide that, you know, you and I have always advocated for success of the ferry system. Anything can send an important now more than ever to give folks that additional option while we returned to work. So, can you give us an update on how ferry service is working now? Do you envision any changes in that as we go forward and just what you're working on?

PRESIDENT PATCHETT: Yeah. Absolutely. So, we had, obviously, a significant decline in ridership at the depths of this. But we have seen a huge surge in ridership over, you know, starting with phase one reopening and continuing into phase two reopening. So we have seen, you know, huge increases overall and ridership during that time. What we had did and we worked with the Council on this was to reduce our overall spending for the fiscal year on ferries to try and help save some much needed funding. And we have done that primarily by reducing service, you know, during the period of time where we were-- where the city was really shut down. And we had very low ridership. I believe in ramping service

back up over the last couple of weeks and you're going to continue to do that this weekend. At the same time, we did make some permanent adjustments which make the overall ferry system more efficient and hopefully will have permanent cost savings result impacts but also will provide a more efficient system for riders. This is a positive opportunity to make some of those changes and, hopefully, have an overall better outcome for the system. But, collectively, we know that New Yorkers love their ferries. They are a really important way of linking New Yorkers from all over the city who are in transit deserts to other waterfront areas and to jobs. And so, in this time, as you said, of social distancing, you know, being able to be outside on the top of a ferry vessel as a particularly appealing way to travel and we've seen New Yorkers realize that in significant numbers.

CHAIRPERSON VALLONE: Thank you, President Patchett. Before I turn it over to our policy-- to our legislative counsel, Alex Polinov. I know Council member Robert Cornegy just jumped on. I don't know, Robert, if you had any questions before we turn it over to the witnesses who signed up? Well, if you have any, just shoot out to us and then

we will jump in. At this point, I'd love to thank my staff and, as we turn it over to folks who have been waiting to testify, thank you for your patience. And Alex, over to you.

COMMITTEE COUNSEL: Thank you, Chair Vallone. We will now turn the public testimony. I would just like to know that EDC may remain on the Zoom meeting as we hear from the public. I would like to remind everyone that, unlike our typical Council hearings, we will be calling individuals one by one to testify. Each panelist will be given two minutes to speak. Please being in once the Sergeant has the timer. Started the timer. Council members who have questions for a particular panelist should use the Zoom raise hand function and we will call on you after the panelist has completed their testimony. For panelists, once your name is called, a member of our staff will unmute you and the Sergeant-at-arms will set the timer and give you the go ahead to begin. Please wait for the Sergeant to announce that you may begin before delivering your testimony. I would now like to welcome Marjorie Parker to testify. After Marjorie Parker, we will be calling on Livy

Mattern, followed by Scott Denny. Marjorie Parker, you may begin.

SERGEANT-AT-ARMS: Starting time.

MARJORIE PARKER: Okay. There you are.

I'm on mute--

CHAIRPERSON VALLONE: Hi, Marjorie.

MARJORIE PARKER: Hi. I think I'm-- Oh. Okay. Thank you for having us. Good morning everyone. My name is Marjorie Parker and I am the President and CEO of Jobs First NYC. Jobs First NYC is a workforce intermediary that creates and advances solutions that breaks down barriers and transforms the systems supporting adults and their communities in the pursuit of economic opportunity. We've been working over the last-- since the pause to understand the impact of and the breadth and depth of COVID-19 on the young adults, their communities, and their organizations that that support them. We recently published a support called the Early Impact of COVID-19 on the young adult workforce development system. You should have that in your inboxes. You can look at that report on our website. Informed by the report in our 14 years of experience, we outlined three recommendations that we think that [inaudible

01:29:05] economic development corporation and the New York City Council should consider. One is to invest in faith-based solutions. For over a decade, [inaudible 01:29:15] taken an intentional [inaudible 01:29:19] approach to assist in transformation supporting community-lead partnerships in the neighborhoods with highest rates of out of school, out of working adults. And just as the city has done for the restaurant revitalization program, restricting it to 27 communities hardest hit by the pandemic, we recommend that the EDC COVID-19 relief efforts are hyper localized and focused on the communities that suffer of the highest rates of infection and death from the coronavirus. So, places like Brownsville, for example, where there is a 45 percent infection rate.

SERGEANT-AT-ARMS: Time's expired.

MARJORIE PARKER: Thank you.

CHAIRPERSON VALLONE: You know what, Marjorie? If there's additional testimony that you want to submit in the program that you were mentioning, we would be happy to pass that around everyone. But if you would like to wrap up your time--

MARJORIE PARKER: Yes. I would like to wrap up by saying that we should prioritize in adults and provide immediate support for small businesses, as many of those small businesses are the first place eventually for jobs for young people. Thank you for your time.

CHAIRPERSON VALLONE: Thank you.

MARJORIE PARKER: Uh-hm.

SERGEANT-AT-ARMS: Thank you, Ms. Parker. Will now hear from Libby Mattern, followed by Scott Denny, and then Ibrahim Ndoye. Ms. Mattern, you may begin your testimony.

LIBBY MATTERN: Hi, all. Thank you for having me. I'm having some slight tech issues, so I'm hoping that I get through this.

CHAIRPERSON VALLONE: We can hear you.

LIBBY MATTERN: Okay. Good. I'm Libby Mattern. I'm the founder of Course of Trade and I am proud to be here today speaking about our COVID-19--

CHAIRPERSON VALLONE: I think we lost her.

LIBBY MATTERN: Job training resource. Through our partners said with the EDC, Course for Trade has mobilized five factories in South Brooklyn

including That's My Girl and MCM Enterprises, Direct Promotional, Milia Mills, and The Fashion Poet. In these times of unfathomable economic uncertainty, and the impact of the city stepping in to partner with factories has been palpable. Through this partnership, we were able to create jobs where there would have been nine. This is important for all of us. For all New Yorkers. And together we are providing 300 jobs in in South Brooklyn to produce hospital isolation gowns for the city. By the end of June, next Tuesday we will have shipped over 500,000 gallons in just about two months. It's been really beautiful to see the sense of community and family that has been born from this program. Milia Mills was able to work with SDIDC and the Center of Family Life to hire new sewers to help with this program. Ones that were hired brought her husband on board to help, another brought her daughter, another brought her brother, and another brought two sisters and a brother in law. In the emotional impact of finding strength and helping the family and neighbors not only access much needed work, but also create vital PPE has been immensely powerful. I think what is also critical to note about this program is a very

real financial impact it has had on the factories. The influx of work by way of isolation gowns through our partnership and contract with the EDC has been a means of financial stabilization for factories in the very uncertain times. I can say this for sure. New York City garment manufacturing is absolutely critical for the economic health of the city and the country as a whole. We have incredible and immensely knowledgeable workforce right here in our workforce right here in our five boroughs. Ensuring the longevity of this pipeline of sewers is mission critical, as we weather this economic storm.

SERGEANT-AT-ARMS: Time is expired.

CHAIRPERSON VALLONE: Again, Libby. No problem. Finish up.

LIBBY MATTERN: Okay. The [inaudible 01:32:52] of this manufacturing base risks jeopardizing a vital economic ecosystem. Through ongoing workforce development, we can continue to ensure that there is a broad and deep pool of talented makers who can remain the beating heart of fashion in New York City. And I believe this model of public/private collaboration is continued to have a catalytic effect in stabilizing the labor market in

this vibrant, but volatile sector and ensures the longevity of this important facet of our city's economy. And the commitment in its workforce development, New York City manufacturing by the EDC shows vision, not only providing essential protective gear to our front-line workers and first responders, but also by seizing the opportunity to help fortify a pillar of New York's economy. Thanks so much for having me.

CHAIRPERSON VALLONE: Thank you.

COMMITTEE COUNSEL: Thank you, Ms.

Mattern. Next, we will hear from Scott Denny followed by Ibrahim Ndoye and then Edina Levin. Mr. Denny, you may begin your testimony.

SERGEANT-AT-ARMS: Starting time.

SCOTT DENNY: All right. Can you guys hear me? Okay. I'll go ahead if you-- I hope you can hear me.

CHAIRPERSON VALLONE: We can hear you.

SCOTT DENNY: I'm Scott Denny. I am the director of marketing and sales at Garrett Plastic Packaging. We have been a full-service manufacturer in New York City's since 1963. It is a union workforce with a collective bargaining agreement

going back more than 50 years. Our primary business is plastic packaging and sports bottles. That's what we make. We don't make PPE until this thing started. Our facility is in Hunts Point. 300,000 square feet. Then we have been working with EDCs since 1998 on lots of things. The COVID-19 really, dramatically dropped our business. It was very much reduced. So, though orders and the contracts that we have had from EDC have really helped us. Have provided orders. So far, we have shipped to 750,000 of the face shields for New York City hospitals and we are contracted to make another 750,000 more in July. I brought one. This is what it looks like. We make drink wear. We make sports bottles. So, we follow good manufacturing processes and we make packaging for medical devices so we have been registered with FDA for a long time. So, we were able to set up production lines fairly quickly. We were able to do the die cutting and the assembly. It's not what we usually do, but we have the equipment, so we were able to set it up. And we are also able, because we print on our sports bottles, we can pass everything through a UV light that helps kill the bacteria to ship it as clean as possible. So, these face

shields, it's pretty simple. It's four pieces. It's a plastic shield, it's a foam pad, it's an elastic strap than it is a label. In normal times, we would be able to shop for the best value and--

SERGEANT-AT-ARMS: Time's expired.

CHAIRPERSON VALLONE: That's okay.

Finish up, if you can.

SCOTT DENNY: Finish up. So, the big orders we got from EDC helped us in three ways. First, we were able to purchase and volume to get a good deal. Not so much a good deal, but availability. This stuff was scarce three months ago, so we were able to get it and, having not buying power helped us a lot. Second, we were able to scale up much better than we would have. And, most importantly, we don't have a distribution network to get this stuff to hospitals. We could make it, but we didn't have people to sell it. And shipping it all to a big warehouse so you guys could distribute it to the best places, that was really helpful. And we are planning to keep making these and, if they orders all stop, we can start up and make 1 million more of them and eight weeks if needed in September. And we have added 75 jobs just for this product.

But, indirectly, it has helped so much more than that. The people in this building are really, really proud to be part of this effort and, you know, even a small part. It makes them feel very happy. So, thanks for having me. I really enjoyed listening to your whole conversation. And that's it for me. Thank you very much.

CHAIRPERSON VALLONE: Thank you.

COMMITTEE COUNSEL: Thank you, Mr. Denny. Next, we will hear from Ibrahim Ndoye, followed by Edina Levin and Sam Payrovi. Mr. Ndoye, you may begin.

SERGEANT-AT-ARMS: Starting time.

IBRAHIM NDOYE: Good afternoon, Mr. Chair, and members of the committee. My name is Ibrahim Ndoye and I'm a director and partner of HD Fashion, Inc. at the high-end garment manufacturing company based in New York City garment Center. Thank you so much for the opportunity to testify today. In mid-March this year, when the COVID began to spread, like anyone else in New York City, we were actually concerned about our safety, the safety of our loved ones, and the safety of the city as a whole. Though we weren't an expert in the production of PPE, we

wonder how we could be of service of New York City during this crisis. After extensive research and trial, we were confident that we could actually prove to us gown at a high level. So, we then reached out to the EDC team to collaborate with them and as they provided us with all the resources and support we needed to be successful. We are officially starting the production process on May 1 and, by June 6, HD Fashion and the network of 20 small business partners, we shipped and produced over 420,000 gallons to New York City hospital. So, the project has served a major impact for all of us. It allows us to give back to New York health care workers and, at the same time, it preserved and created jobs at a single business-- for every single business that was involved in this process. So, we would like to thank the entire EDC team under the leadership of Jim Patchett for giving us the opportunity and, most importantly, for the choice he made on us to make this project happen. Thank you so much.

CHAIRPERSON VALLONE: Thank you, Ibrahim.

IBRAHIM NDOYE: Thanks.

COMMITTEE COUNSEL: Thank you, Mr.

Ndoye. We will now hear from Edina Levin followed by Sam Payrovi. Ms. Levin, you may begin.

SERGEANT-AT-ARMS: Starting time.

EDINA LEVIN: Hi. I'm Edina Levin. I'm the CEO of Co-Lab, a WBE-certified company here in New York City and at the pleasure to be addressing all of you today. I was asked by NYC EDC to give a brief overview of the work that we have been doing in collaboration with EDC to produce the COVID-19 test kit. And I want to start by saying that this has been one of the most rewarding and productive experiences of my professional career. From the first call with EDC eight weeks ago where they introduced to us the grand mission that they had in mind to make COVID-19 test kits here in New York City to producing more than 60,000 kits a week, the project has been a seamless collaboration with our partners and EDC, Einstein Medical, and Print Parts. It is, literally, been a case study and execution. From the get-go, all of the distractions that typically masquerade themselves as critical were shoved to the side where they belong. And though focus they came singular. Produce COVID-19 test kits

in New York City and send them to the hospitals and clinics that needed them the most. That's it. That became the singular mission. And it defined every action, every decision, every conversation from that point forward. And that common vision propelled us, as a team, to transform from a nonexistent enterprise to a fully operational medical supply company in three weeks. And so, now, we are here and I am talking to you and sharing how for groups that have never worked together built a medical supply company that is now delivering 60,000 kits a week. Which, to give you a sense of scope, represents 20 percent of all tests administered in the state of New York. And to my knowledge, this has not been done anywhere else in the country. I am really proud of the work that we have all done together. Co-Lab, this project has created 24 new jobs that pay on an annualized basis 52,000 dollars a year and we are able to hire some of the city's most hardhat workers to directly from the restaurants that have been shuttered because of the pandemic. To date, this group of people has been able to create hundreds of thousands of test kits. We have also been able to keep the 24 people we hired, and their families, from further financial and

emotional suffering as a result of the city having shut down because of the pandemic. As I said, I'm really proud of the work EDC, Einstein Medical, Print Parts, and we have accomplished together. Not to mention the entire team at Co-Lab who is hired and trained in three days and who all stepped up and executed at the highest level. This has been the greatest example for me of what happens when a mission is critical in getting the work done is all that matters. Thank you so much for letting me speak today. I really appreciate it.

CHAIRPERSON VALLONE: Thank you, Edina, for that very inspiring story. You're right. That is the most inspirational work that we can do. Thank you for that.

SERGEANT-AT-ARMS: Thank you, Ms. Levin. We will next hear from Sam Payrovi followed by Will C. Mr. Payrovi, you may begin your testimony.

SERGEANT-AT-ARMS: Starting time.

SAME PAYROVI: Dear Council member, my name is Sam Payrovi. I am the founder and CEO of Consortium. We are a retail technology start up based in New York City's meatpacking district. When COVID-19 crisis was at its early peak, we reached out

to EDC and offered to pool our resources and bring together a sizable production effort, supplying New York City hospitals with face shields. Within a few weeks of that initial outreach, we had been awarded a contract to produce a half million face shields and we were able to begin immediately and go into production. Our collaboration with EDC allowed us to hire an employee over 80 New Yorkers, bringing them jobs, pay, and a great sense of purpose and our city's recovery. We set exceptionally stringent safety qualifications to insure not only the safety of our team, but also the quality of our product. In a time where many citizens don't want to step foot outside of their homes, over 80 qualified New Yorkers raised their hands to produce shields for their city. Today, we supplied New York City with half 1 million face shields for distribution into the city's hospital system and we are now proud to continue our efforts as EDC recently ordered an additional 1.1 million shields. And we are doing all of that out of a small 3000 square foot event space behind me where we just lost power. As an early stage startup, we pride ourselves moving at lightning speeds. However, we have also been incredibly impressed with the

speed, efficiency, and forethought by which EDC has operated in a time of crisis, which has allowed us and empowered us to do our part. Last, but not least, over the course of this project, we have been moved by the immense gratitude our team members have expressed for the opportunity to support their city wall also earning a paycheck for their families. And thanks to the mayor's office, City Hall, and EDC, those paychecks will be spent right here in the city's local economy, creating a chain reaction of economic growth as we recover from the crisis. We thank you guys for the opportunity and for the chance to provide testimony.

CHAIRPERSON VALLONE: Thank you, Sam, even in the dark. Much appreciated. I've got my fan on behind me, too, so I [inaudible 01:45:15].

SERGEANT-AT-ARMS: Thank you, Mr. Payrovi. We will next hear from Will C. As a reminder to the public at this time, if your name has not been called and you wish to testify, please raise your hands using the Zoom raise hand function. Will C., you may begin your testimony.

WILL CAMEN: Hi--

SERGEANT-AT-ARMS: Starting time.

WILL CAMEN: I'm Will Camen, faculty member at CUNY and I am coming to you-- I don't know if this is the appropriate venue, but I have a concern about CUNY and I have tried to reach out to them and it's very difficult to get a hold of folks during this time and this is an economic development issue, as far as I can tell. So, I will be concise. I was recently notified by the US government National [inaudible 01:45:56] of Health that I was to receive a 500,000 dollar grant. And the college at which I work has decided to decline the grant in an arbitrary fashion. So, I've been trying to reach out to folks to explain the situation. The grant is to fund research about adolescent bullying and long-term mental health impacts. Also sexual health impacts. And it would also help to employees students and news staff at CUNY, so that is how I see the economic development connection. As you may know, CUNY is facing a 32 million dollar possible cut from the city, so 500,000 dollars is nothing to sneeze at, right? And I would like someone to possibly reach out to me so we can figure out a way to help this move forward. The feds have let me know they are going to let go of this grant in about a week if CUNY

can't figure out what is going on on their side. As your expert witness testified earlier, there is not a time to kind of thumb our nose that federal funds. Everyone is hurting in the city right now. This is obviously an unprecedented and economic crisis. So, I'm not sure how else to kind of emphasize the urgency with this particular project, but I think if there is one bird in the hand, it's better than two in the bush. So, I would love for someone to reach out to me to figure out a solution to be able to receive those 500,000 dollars grant from the feds that, essentially, being offered to us on a platter. So, thank you very much and have a nice day.

CHAIRPERSON VALLONE: So, Will, we will definitely try to intercede for you with the Chancellor, especially since he has taken over and going full scene now. My legislative counsel, Alex Polinov, is going to reach out to you and get your information and we will pass that on to our new CUNY Chancellor. Okay?

WILL CAMEN: Thank you.

COMMITTEE COUNSEL: Thank you.

WILL CAMEN: Thank you all.

COMMITTEE COUNSEL: Seeing now additional hands raised for public testimony, this concludes the testimony of registered panelists. I will now turn it back to Chair Vallone for closing remarks.

CHAIRPERSON VALLONE: Well, with that, thank you, everyone. I know we are negotiating at this time every minute. So, hearing the great work EDC is doing, fighting to get their budget restored, hearing the Council members and other individuals stories of their business is that saved the city in the last three months and transitioning the critical medical equipment that we needed, from the staff who worked so hard to get this done, on behalf of myself and my family and myself who was shucking with the virus who was down for a couple of months, we were completely dependent on all of the companies that stepped up to really save the city. A few of the unsung heroes. I'm glad today we got a chance to shine some of the light on you for that. So, with that, we conclude today's hearing and I thank you, everyone, for your hard work.

[gavel]

C E R T I F I C A T E

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



Date _____ June 30, 2020