



NYC REGIONAL ECONOMIC DEVELOPMENT COUNCIL

MEETING AGENDA

September 13, 2011
8:30 a.m.

Brighton Heights Reformed Church
Staten Island

Session Three

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| 8:30 – 8:45 a.m. | Welcome and Introduction
Lieutenant Governor Robert Duffy
Chancellor Matthew Goldstein, CUNY |
| 8:45 – 9:10 a.m. | NYC Presentation
NYC Deputy Mayor Robert Steel |
| 9:10 – 9:20 a.m. | Vision Statement Discussion
Chancellor Matthew Goldstein, CUNY |
| 9:20 – 9:30 a.m. | Regulatory Environment Work Group Report
Dr. Howard Apsan, CUNY
Daliz Perez-Cabezas, CUNY |
| 9:30 – 9:40 a.m. | Developing Strategies to Identify Catalytic and Transformative Projects Work Group Report
Carol Conslato, Queens Chamber of Commerce |
| 9:40 – 9:50 a.m. | Project Evaluation Criteria and Consolidated Funding Application Endorsement Standards Work Group Report
Kathryn Wylde, Partnership for New York City |
| 9:50-10:10 a.m. | Consolidated Funding Application Presentation
Irene Baker, Executive Chamber |
| 10:10-10:35 a.m. | Identifying Catalytic, Transformative Projects
Facilitated Discussion (Executive Session) |
| | New York City Regional Issues
Facilitated Discussion of Invited Public |

10:35-10:45 a.m.

Report of Breakout Session

10:45 – 11:25 a.m.

Public Comment

11:25 - 11:30 a.m.

Wrap Up/Next Steps

Lieutenant Governor Robert Duffy

Chancellor Matthew Goldstein, CUNY

**OPEN FOR BUSINESS:
A NEW STATE GOVERNMENT APPROACH TO ECONOMIC DEVELOPMENT
New York City Regional Economic Development Council: Third Meeting
Tuesday, September 13, 2011
Brighton Heights Reformed Church, Staten Island**

Meeting Summary

Attendees:

Hon. Robert Duffy, Lieutenant Governor

Regional Council Members

Matthew Goldstein, Chancellor, The City University of New York (co-chair)
Stephen Lemson, Vice President for State Government Affairs, American Express Company, representing
Kenneth Chenault, Chairman & CEO (co-chair)
Stuart Appelbaum, President, Retail, Wholesale and Department Store Union, w/Ademola Oyefeso
Marlene Cintron, President, Bronx Overall Economic Development Corporation, w/ Frank Randazo
Cesar J. Claro, President & CEO, Staten Island Economic Development Corporation
Carol Conslato, President, Queens Chamber of Commerce
Francine Y. Delgado, Senior Vice President, Seedco, w/ Shaneequa Owuso and Lauren Miura
Amy Sugimori, representing Mike Fishman, 32BJ SEIU
Peter Ward, President, Hotel & Motel Trades Council, w/ Josh Gold
Steve Hindy, President, Brooklyn Brewery
Carl Hum, President & CEO, Brooklyn Chamber of Commerce
Kenneth Knuckles, President & CEO, Upper Manhattan Empowerment Zone Development Corporation
Marcel Van Ooyen, Executive Director, Grow NYC
Dr. Alfred Ntoko, representing Marcia V. Keizs, President, York College, CUNY
Steve Spinola, President, Real Estate Board of New York
Douglas C. Steiner, Steiner Studios
Sheena Wright, President & CEO, Abyssinian Development Corporation
Kathryn Wyld, President & CEO, Partnership for New York City
Ashok Nigalaye, Epic Pharma

Elected Officials

Hon. James Molinaro, Staten Island Borough President, w/ Jason Razefsky
Raymond Sanchez, representing Hon. Ruben Diaz, Jr., Bronx Borough President
Melva Miller, representing Hon. Helen Marshall, Queens Borough President
Thomas B. Donaldson, Legislative Counsel, Infrastructure Division, New York City Council, representing Hon.
Christine Quinn, Speaker
Robert Cataldo and Michael Arvanites, representing Hon. Diane Savino, NYS State Senator
Hon. Michael Cusick, NYS Assembly, w/ Christopher Lee
Hon. Nicole Malliotakis, NYS Assembly
Shira Gans, representing Hon. Scott Stringer, Manhattan Borough President
Scott Hobbs, representing Hon. Marty Markowitz, Brooklyn Borough President

New York City Mayor's Office

Hon. Robert Steel, New York City Deputy Mayor, w/ Ashley Cotton and Tokumbo Shobowale

Regional Council Staff

Joseph Tazewell, NYC Regional Director, ESD
Tara Brooks-Smith, Facilitator, NYS Dept. of Labor
Nydia Loyd, Facilitator, NYS Dept. of Labor
Marion Phillips, Facilitator, ESD
Markly Wilson, Facilitator, ESD

John Moye, DOL
Andrew Fletcher, ESD
Ingrid Nathan, ESD

Executive Chamber Representatives

Robert Duffy, Lieutenant Governor
Irene Baker, Executive Vice President, Director of Regional Councils
Rodney Capel, Governor's Office
Zach Greenky, Special Assistant, Governor's Office
Nicholas Weatherbee, Director of Intergovernmental Affairs, Lt. Governor's Office
Brian Quiara, Policy Director, Lt. Governor's Office

State Resource Team

Kiumars Amiri, NYSERDA
Wayne Benjamin, NYS DMV
Joseph Chan, MTA
Janet Cox, Port Authority NY/NJ
Sobeida Cruz, NYS Power Authority
Phillip Eng, DOT
Heather Sporn, DOT
Rachel Gordon, OPRHP
Sharon Griffith, NYSERDA
Venetia Lannon, NYSDEC
Adam Levine, DOT
Ellen Poliski, DOH
Lindsay Robbins, NYSERDA
Gregory Watson, NYSHCS
Charles O'Shea, DOT

CUNY

Jay Hershenson, Senior Vice Chancellor for University Relations & Board Secretary
Suri Duitch, University Associate Dean for Continuing Education
Howard Apsan, University Director, Environmental Health and Safety
Daliz Pérez-Cabezas, Associate Director of Workforce Programs
Frederick P. Schaffer, Senior Vice Chancellor for Legal Affairs

Members of the Public

Dean L. Balsamini, Director, Small Business Development Center (CSI)
Joe Palozzola, NYS HCR
Samantha Jacob, CSI
Max Lindeman, CCA
Leah Archibald, EWVIDCO
Anne O'Hara, CLCHC
Jukay Hsu, Coalition for Queens
Katie Schwab, Manatt
Alinda Franks, ITAC
Nancy Carin, BOC Network
Frank Randazo, BOEDC
John Lavelle, DSIC
Barbara Baer, CPC
Nicholas Zvegintzov, Ferry Riders Committee
Erin Dorcz, Intrepid Museum
Humberto Restrepo, J.I.B.
Paul Burton, Bond Buyer

Derek McPhatter, Apollo Theater Foundation
D. Rodriguez, American Museum of Natural History
J. Bocian, Manatt
William Budd, Hudson Square Connection
M. Oesterreich, CWE
Richard Werber, GIDC
Nancy Doon, VHB

I. Welcome and Introductions

At 8:30 a.m., Lieutenant Governor Duffy, on behalf of the governor, welcomed everyone to the third meeting of the New York City Regional Economic Development Council. He thanked co-chairs Matthew Goldstein and Kenneth Chenault, executive director Joe Tazewell, and council members for their time. He commended Mayor Bloomberg and his team for their work in addressing Hurricane Irene and on the 9/11 memorial ceremonies. He then invited Borough President Molinaro to say a few words. The borough president welcomed everyone to Staten Island, the greenest of the boroughs, and reminded the group that the function of government is to cooperate and work together, as it is doing here.

Chancellor Goldstein also thanked Borough President Molinaro, as well as Rev. James Seawood, the pastor of the Brighton Heights Reformed Church, for the use of today's meeting facility.

Chancellor Goldstein noted that the council has a vision statement draft that has undergone multiple revisions and should now be adopted. He moved to accept the current version of the statement, Deputy Mayor Robert Steel seconded the motion, and it was unanimously approved.

Chancellor Goldstein summarized that in the first meeting, the council identified assets, opportunities, and challenges; between the first and second meetings, it drafted a public participation strategy and a vision statement; and at the last meeting, two breakout groups discussed strategies and project criteria, which were discussed in further detail by two work groups, while regulatory issues were discussed by a separate work group. Reports from those groups will be given today. He then invited Deputy Mayor Steel and David Bragdon, who directs the city's Office of Long Term Planning and Sustainability, to offer a quick review of PlaNYC.

II. New York City Deputy Mayor Presentation

Deputy Mayor Steel thanked Chancellor Goldstein and the lieutenant governor and reviewed a Power Point describing PlaNYC. He noted that New York City has been growing since the 1980s and will have an additional million people by 2035. This will affect infrastructure, housing, and many other components, so the mayor convened a group in 2007 to develop a comprehensive strategy for sustainable growth (updated this year). There are 10 different components, a set of indicators to mark progress, and a commitment to implementation.

Deputy Mayor Steel reviewed in more detail the four pillars of economic development, as described in the Power Point: improving quality of life, creating a pro-business environment, investing in the future, and innovation and economic competitiveness.

New York City accounts for about 42 percent of the population and jobs in the state, but 66 percent of the salaries. There are four sectors with more than 300,000 jobs, the largest being business services and health care. The city also has more tech workers than any other city in the country. He emphasized that unemployment in the city is still unacceptably high and is the most important issue facing the city today.

The first of the four pillars, quality of life, includes public safety, schools, clean streets, cultural institutions, parks and recreation, and clean air and water. Today, the city competes not just with cities like Chicago but with places like Boulder and Austin. People want a safe, clean, positive place to live.

Creating a pro-business environment means helping businesses open, expand, and thrive. This includes improving customer service; for example, the city offers 400 licenses and permits, but only 10 percent of such services are offered online. The city is also focused on making business productive, through regulatory reform, and on small businesses, including supporting nine incubators citywide.

Investing in the future requires thinking in a forward fashion. This includes improvements and developments in transportation/critical infrastructure, affordable and public housing, commercial office space, and distribution networks. The key is to invest, not just spend.

The final pillar, innovation and economic competitiveness, focuses on repositioning New York City to reclaim its place as the capital of American innovation. It comprises three categories: capital (including the NYC Investment Fund and the NYC Entrepreneurial Fund); real estate (including the Brooklyn Navy Yard and nine startup incubators); and talent (including attracting a top-tier applied science school).

He then suggested a potential project for the council: the Hunts Point Terminal Market. Built in 1967, it is the largest anchor in the city's food distribution center and provides more than 3,000 jobs. It faces several infrastructure challenges; the site should be redeveloped to increase capacity and enhance safety and access. The project merits consideration, as it is located in the Bronx, which has the city's highest unemployment rate, it impacts all five boroughs, it impacts the statewide economy, it could lead to an increase in good-paying jobs, it offers an opportunity to improve the environment, and it would expand access to fresh vegetables and fruit.

Chancellor Goldstein noted that the project addresses the council's criteria in a formidable way and opened the floor to questions.

Marlene Cintron, speaking on behalf of Borough President Diaz, thanked the mayor and deputy mayor for their commitment to the Bronx. The market was one of the first issues raised with the mayor, and he understands that it has a citywide impact.

Stuart Appelbaum complimented the administration for focusing on high-paying job creation and retention and suggested that this should inform the council's work.

Lieutenant Governor Duffy thanked Deputy Mayor Steel for the presentation, noting that the state must nurture what it has—i.e., the Hunts Point Market—or it will lose it. The market was being recruited by New Jersey, and it is a priority for the city and state.

Kathy Wylde noted that, as the vision statement points out, New York City has more low-income people than the rest of the state combined and struggles with issues of economic distress. It would be an eye-opener to pick a project that is counterintuitive to the perception of the city. New York City is not just Wall Street; the 8 million people who drive the city's economy do so because of places like Hunts Point. Including this project helps to change the stereotype of New York City.

Chancellor Goldstein noted that there seems to be unanimous support for the Hunts Point project, and it will be looked at more closely.

III. Regulatory Environment Work Group Report

Howard Apsan and Daliz Pérez-Cabezas, filling in for member Gail Grimmett, summarized the meeting of the regulatory environment work group. Attendees suggested several regulatory changes: speeding the approval process; promoting interagency collaboration; minimizing red tape; providing additional financing incentives; reviewing specific environmental regulations; addressing the impact of transportation costs; promoting predictability in approval processes; encouraging local procurement; and looking at models elsewhere that would provide lessons for New York City.

Kathy Wylde noted that Deputy Mayor Steel had just cited the city's most important industries, yet many of the regulatory concerns of these industries are not represented in the regulatory discussion. She suggested that the council get feedback from these major industries, perhaps through industry associations. Regulatory complaints are common and comprise much more than those delineated.

Chancellor Goldstein agreed and drew particular attention to two major regulatory bodies, EPA and Homeland Security, which have a tremendous impact on the business climate.

Borough President Molinaro suggested that to encourage interagency collaboration, agency meetings could be presided over by borough presidents. Staten Island has interagency meetings once a month to encourage communication and coordination.

IV. Strategies for Identifying Catalytic and Transformative Projects Work Group Report

Carol Conslato reported the findings of the group, which was facilitated by Suri Duitch. The group identified six strategies that were based on the vision statement: infrastructure (including developing sustainable infrastructure, moving goods and not just people, exploring public/private partnerships, and airports); human capital (including academic and business communities working together for job training with emphasis on basic skills, encouraging support for entrepreneurs and immigrants); reducing barriers (including researching barriers that exist in other states); leveraging (looking at New York City's unique assets, encouraging corporate/nonprofit partnerships); good jobs (including creating long-term, well-paying jobs, tracking results, and encouraging private investment); and addressing the competition (i.e., how does the state stack up against other states; examples included the city tax credit to the film industry and the city's work on brownfields). New York State should be marketed as a whole state, and the needs of low-income people of color should not be left out.

Steve Hindy, speaking for entrepreneurs, noted that any government assistance should be focused on reducing the cost of doing business in New York City.

Marlene Cintron noted that tourism is a large source of revenue, and the city should encourage opportunities for tourists to enjoy the outer boroughs. Adding additional tourist days and dollars to get visitors to the outer boroughs helps to create high-paying positions in the boroughs.

V. Project Evaluation Work Group Report

Kathy Wylde presented the report from a discussion facilitated by Shayne Spaulding, with assistance from Curtis Cravens. The group talked about the distinction between CFA criteria and project criteria. It focused on what it would take for the New York City region to be competitive and win one of the major funding awards from the state for transformative projects. Three categories were settled on: one, economic impact—projects must have benefits for the entire state; two, reminding the state that the city deals with tremendous issues of economic distress; and three, the quality of the city's human capital and workforce development (ensuring that there is a pipeline of good jobs and that training allows people to access them).

Chancellor Goldstein noted that the criteria issue needs more discussion; there are criteria that will be common to all 10 regions, but specific criteria will be needed for each particular region. He also reinforced the importance of the first recommendation. A project's economic impact must benefit other areas of state, as scaling up should be an operative principle. He also agreed that the city must remind the state that it has pockets of deep, long-term poverty.

VI. Consolidated Funding Application Presentation

Irene Baker reviewed a Power Point presentation on the Consolidated Funding Application (CFA). The application has gone live. Solicitations opened on September 2 and will remain open for 60 days. The state will begin implementing a communication plan over the next two to three weeks to advise people that the CFA is open. Through the CFA, multiple funding sources are available, but each project needs only a single application.

In reviewing the Power Point, she made several observations:

- Each council will submit a strategic plan plus priority projects. Regions could end up with 700-1,000 applications.
- Once submitted, web applications will be sent to the council for review. Councils are responsible for 20 percent of the scoring and state agencies for 80 percent. The state agencies' review will reflect the criteria the council has developed.
- Councils must develop endorsement standards along with project criteria.
- A council's priority projects do not have to be CFA projects. There is a wider spectrum of funding available, outside the CFA.
- Councils will need a work group—comprising only members—that will review projects.
- The review of projects must happen within a very short time. Council members cannot review, discuss, or vote on CFAs in which they have an ownership interest. Members should submit a statement of ownership interest.
- The project review work group will review projects based on endorsement standards. Councils will give each project a score (0-20) and submit the scores to the state.

Chancellor Goldstein asked if all members were asked to participate in the webinar on ethics training from Seth Agata. By a show of hands, most members had participated.

He also asked if the five-year strategic plan to be delivered by November 14 should be directed at the first \$200 million in funding or if the council should develop a long-range plan. Baker advised that the plan should not be limited to the first pool of funding (the \$200 million), as that does not represent the entire spectrum of available funding. The November 14 plan should be longer term, as economic development programs will continue to exist.

Chancellor Goldstein suggested that by November 14, the council would need to have identified a fairly rich group of projects to endorse, with each one scored on a scale up to 20 points. He wondered if the council should then wait and see how its initial ideas are received. Baker noted that the CFA is not a one-shot deal; it will be the process that will be used going forward. Priority projects not funded in this round could be funded in next round, and the council should identify what type of funding is needed.

In response to a question by Steve Hindy, Baker said that the state hopes to have committed the \$1 billion in funding by the end of the year.

In response to a question by Cesar Claro—who noted that the CFA closes on October 31, while the strategic plan is due two weeks later, and wondered if projects needed to be in the plan—Baker said that the strategic plan will include priority projects, which may not be CFA projects. That scoring could come later, after the plan is in place. She also noted that the CFA would reopen and be available quarterly, and she encouraged members to solicit projects. The state will conduct at least two outreach events per region.

In response to a comment from Sheena Wright—that the council would have to ensure that there is wide dissemination of information about the CFA—Baker noted that a public communication plan has been put together, and the state would provide the council with the information it needs.

Kathy Wylde pointed out that the criteria discussed in the meeting apply to the council's recommendations, but there are different criteria that state agencies will use for projects. It will be important to think about this in the next legislative session; there may be conflicts with decades-old legislative funding criteria. The council should think about how specific funding programs are inconsistent with today's objectives for state government and ask legislators for help in reconciling that difference. Baker agreed that regulatory reform, legislative reform, budget reform, and other things could be done to align statutory requirements with the new paradigms.

Marlene Cintron asked if the council could get CFAs as they are submitted, or if it must wait for the deadline, and Baker suggested that the state would like to do a test before it gets a high volume of projects (perhaps early October). She noted that it may be difficult for the council to score individual projects until it has seen the full spectrum of projects.

In response to a request from a representative of the Queens Borough President's office, Baker noted that the Power Point would be put online (nyworks.ny.gov); an existing 16-page guide is already online.

Ken Knuckles asked about the advisability of council members meeting with potential applicants, and Baker recommended that members refer applicants to the co-chairs and Joe Tazewell, to ensure that projects are tracked and to eliminate any question of undue influence.

In response to another question about process, Baker clarified that the CFA is the funding process for the initial \$200 million, and those projects go through the 80/20 review. The scoring process is the same for priority projects and CFA projects, but the \$40 million, if won, would go straight to the priority projects.

Chancellor Goldstein suggested a structure for the council. Going forward, the council will identify projects consistent with its previous work (e.g., identifying assets, opportunities, and challenges, as well as criteria). These transformative projects will be the basis for the council's strategic plan, to be submitted by November 14. It will also create a subcommittee to act as a scoring group (20 percent of each project); the scoring will have to be associated with set of metrics. Staff will ask members to volunteer for the scoring subcommittee. He emphasized that the council has a lot of work to do in a very short time. Today, work groups will begin to recommend projects; other project recommendations will come from the community.

He emphasized Kathy Wylde's point about alignment; while changes in legislation will not happen in time for all projects, alignment is critical. The scoring committee will have to do serious, thoughtful work to make sure that the way projects are scored is consistent with scoring by the strategic planning review committee.

Chancellor Goldstein then invited members to break into two groups to talk about projects. The breakout groups meet in executive session. A public discussion will be held while the breakout groups meet. Dr. Howard Apsan and Daliz Pérez-Cabezas will facilitate one group, and Dr. Suri Duitch will facilitate the other.

VII. Identifying Catalytic, Transformative Projects

Steve Hindy reported for the first group. The group focused on identifying certain sectors and encouraging entrepreneurship in those areas, through a Brooklyn Navy Yard concept, much like an incubator. It can be difficult to find space, financing, and a welcoming environment to start a business in the city. There is a long list of businesses waiting to get into the Navy Yard, and that concept should be implemented in other boroughs. The group talked about incentives to green development in transportation and other areas and viewed brownfields as a prime location for Navy Yard-type development. The group suggested rebates for energy efficiency, tax credits for businesses hiring the long-term unemployed, and a focus on food, media, entertainment, and the tech sector through the incubator concept.

Sheena Wright reported for the second group, which concluded that the council has a lot of work to do and must order its steps. It must be clear about the criteria for funding sources (i.e., tax credits or capital). In addition to coming up with catalytic investments, the council should identify projects already in development and determine gaps that could be filled in those projects. The group identified specific industries—including food, waterfront, technology, transportation, health-care delivery systems, entertainment, and incentives around green zones—as well as projects, including Hunts Point, the Metro North expansion, the Gowanus Expressway development, and the Kingsbridge Armory. The group's overarching theme was to create the maximum number of high-quality jobs in every project, and to ensure that there are workforce development opportunities and initiatives for the long-term unemployed.

Chancellor Goldstein underscored the importance of considering projects already in development, which may need a final push.

VIII. Public Participation

Marion Phillips from the Empire State Development Corporation offered a brief overview of the public discussion. The group in attendance reviewed the public participation survey that asks about the region's assets, opportunities, and challenges. Suggested challenges included regulatory issues, red tape, permitting, infrastructure, and transportation. Opportunities included the region's airports, education, and health care. Assets mentioned included people, cultural institutions, and waterways.

Members of the public then offered input.

Nancy Carin, Business Outreach Center Network. The network is a small business/micro-enterprise development organization focusing on under-served entrepreneurs. She noted that the availability of quality child care is an enormous issue in the city. The council should focus on business development in areas like child care, which can offer livable-wage opportunities for local residents and supports improving the quality of home-based child care.

Humberto Restrepo, Joint Industry Board of the Electrical Industry. The issue of aligning criteria with statutory regulations is a city issue as well as a state issue, particularly with the Department of Buildings. The electrical industry would like to support more green technology—wind turbines, for example—but the Department of Buildings has not yet created criteria or standards to follow. The city must also invest in infrastructure or it will be difficult to entice small businesses; for example, it must invest in the electrical grid in order to make the goals of green technology viable.

Dean Balsamini, Small Business Development Center. As director of the Small Business Development Center at the College of Staten Island, he commended the borough president and other partners on Staten Island who have been working on a number of initiatives. The center assists people in job training and business counseling and has held round-table discussions with small businesses and students. The biggest student concern is jobs. He suggested that alignment with federal initiatives is also important. Chancellor Goldstein invited him to participate in the council's forthcoming work group on alignment issues.

Jukay Hsu, Coalition for Queens. The coalition encourages the development of the high-tech industry in Queens. He highlighted a regulatory challenge for the high-tech industry in New York State: the ambiguity of intellectual property regulations. The state must create the right kind of entrepreneurial environment in order to encourage the tech industry.

IX. Wrap-up

Chancellor Goldstein noted that the next meeting will be October 4 at 8:30 a.m., with a location to be announced. He encouraged members to focus on the foundational principles that ground the council's discussion and asked those interested in serving on a subcommittee on scoring to be in touch with Joe Tazewell. He affirmed that the council's meeting notes are made available to the public.

Lieutenant Governor Duffy noted that the New York City council is the most time-efficient regional council in the state. He thanked Chancellor Goldstein, members, and the public for their participation. He noted that a great deal of work has gone into CFA, and the educational process about the application is key. He reminded members that the governor is trying to improve the way business is conducted in the state and invited members to help state government understand what the state can do better. Joe Tazewell is the point person for what the governor hopes will be a one-stop shop.

He suggested that the council think of a David Letterman-type top-10 list of what impedes business, whether regulatory or systemic. The government does not want to inhibit small business growth. The governor has invested a lot of faith in the members of the council, so the 20 percent portion of project scoring that belongs to the council is critical. He reminded members that they have been drafted for two years, and that this is an ongoing process. He thanked them for their time, energy, and support.

The meeting was adjourned 11:25 a.m.