



NYC REGIONAL COUNCIL

MEETING AGENDA

August 23, 2011

8:30 a.m.

The Graduate Center

CUNY

Session Two

8:30 – 8:50 a.m.

Welcome and Introduction

Lieutenant Governor Robert Duffy
Matthew Goldstein, Chancellor, CUNY

8:50 – 9:10 a.m.

Consolidated Funding Application Discussion

Irene Baker, Executive Chamber

9:10 – 9:35 a.m.

Public Participation Strategy Work Group Report

Jay Hershenson, Sr. Vice Chancellor, CUNY
Stephen Lemson, American Express Company

9:35 – 10:00 a.m.

Vision Statement Work Group Report

Dr. Suri Duitch, CUNY
Stephen Lemson, Vice President, American Express Company

10:00 – 10:45 a.m.

Developing Criteria to Identify Catalytic, Transformative Projects

Facilitated Discussion

New York City Regional Issues

Facilitated Discussion

10:45 – 11:25 a.m.

Public Comment

11:25 - 11:30 a.m.

Wrap Up/Next Steps

Matthew Goldstein, Chancellor, CUNY

**OPEN FOR BUSINESS:
A NEW STATE GOVERNMENT APPROACH TO ECONOMIC DEVELOPMENT
New York City Regional Economic Development Council
Second Meeting
Tuesday, August 23, 2011
The Graduate School and University Center, The City University of New York**

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

Cesar J. Claro, President & CEO, Staten Island Economic Development Corporation

Carol Conslato, President, Queens Chamber of Commerce

Francine Y. Delgado, Senior Vice President, Seedco

Josh Gold, representing Peter Ward, President, Hotel & Motel Trades Council

Gail Grimmitt, Senior Vice President for New York, Delta Airlines

Eric Ottoway, representing Steve Hindy, President, Brooklyn Brewery

Carl Hum, President & CEO, Brooklyn Chamber of Commerce

Kenneth Knuckles, President & CEO, Upper Manhattan Empowerment Zone Development Corporation

Michael Hurwitz, representing Marcel Van Ooyen, Executive Director, Grow NYC

Marcia V. Keizs, President, York College, CUNY

Gary LaBarbera, President, Building and Constructions Trade Council of Greater NY, w/Heather Beaudoin

Nick Lugo, President, NYC Hispanic Chamber of Commerce, w/Peter Spinella

Kevin Ryan, Founder & CEO, Gilt Groupe

Angela Sung Pinsky, representing Steve Spinola, President, Real Estate Board of New York

Mike Fishman, President, 32BJ SEIU, w/Amy Sugimori

Sheena Wright, President & CEO, Abyssinian Development Corporation

Michael Scotto, representing Kathryn Wylde, President & CEO, Partnership for New York City

Elected Officials

Hon. James Molinaro, Staten Island Borough President, w/ Jason Razefsky

Raymond Sanchez, representing Hon. Ruben Diaz, Jr., Bronx Borough President

David Stattenstall, representing Hon. Scott Stringer, Manhattan 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

New York City Mayor's Office

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

Empire State Development Corporation Senior Management

Dennis Mehiel, Vice Chair, Board of Directors

Peter Davidson, Regional President

Justin Ginsburgh, Chief of Staff

Regional Council Staff

Joseph Tazewell, NYC Regional Director, ESD

Tara Brooks-Smith, Facilitator, NYS Dept. of Labor

James Brown, Labor Market Analyst, NYS Dept. of Labor

Thom Kleiner, Commissioner, Mid-Hudson Region, NYS Dept. of Labor

Nydia Loyd, Facilitator, NYS Dept. of Labor

Marion Phillips, Facilitator, ESD

Marina Vranich, Council Liaison, NYS Dept. of Labor

Markly Wilson, Facilitator, ESD

Executive Chamber Representatives

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

State Resource Team

Kiumars Amiri, NYSERDA

Harvey Cohen, ESD

Sobeida Cruz, NYPA

Jay Emmingham, NYSERDA

Phillip Eng, DOT

Phil Giltner, NYS Ag & Mrkts

Justin Ginsberg, ESD

Sharon Griffith, NYSERDA

Max Joel, NYSERDA

Earnest Langhorne, NYS HCR

Venetia Lannon, DEC

Adam Levine, DOT

Ivan Lisnitzer, SUNY Downstate Medical Center

Dominic A. Martello, NYS AHC

Tom Matthews, NYS EFC

Joseph Palozzola, NYS HCR

Ellen Poliski, DOH

Justin Rodgers, Jamaica EDC

Heather Sporn, DOT

Jay Hershenson, Senior Vice Chancellor for University Relations & Board Secretary, CUNY

Suri Duitch, University Associate Dean for Continuing Education, CUNY

Howard Apsan, University Director, Environmental Health and Safety, CUNY

Andrew Fletcher, ESD

Ingrid Nathan, ESD

I. Welcome and Introductions

Chancellor Matthew Goldstein called the meeting to order at 8:30 a.m. and introduced Lieutenant Governor Robert Duffy. On behalf of Governor Andrew M. Cuomo, Lieutenant Governor Duffy welcomed everyone to the second meeting and thanked them for being part of the New York City Regional Economic Development Council. He noted that the 10 councils have almost finished with the second round of meetings, and that expectations were high for the process. He reminded the council that the governor's goal is to break down bureaucracy and make government more responsive, and that the state officials present are ready to assist the council. He noted that at this, the second meeting, the state will step back and the council will become more active.

Chancellor Goldstein thanked Lieutenant Governor Duffy and noted that co-chair Kenneth Chenault was not able to attend today but will attend future meetings. Chancellor Goldstein summarized the day's schedule, which begins with a brief presentation from Irene Baker, director of the regional councils, regarding the Consolidated Funding Application, the portal through which all funding applications will flow. Reports from the facilitators of the public participation and vision statement work groups will follow, and then there will be breakout sessions regarding project criteria. He noted that this month's issue of *Scientific American* is devoted to better and smarter cities, including an article from Mayor Michael Bloomberg, who is interested in the role of applied science in stimulating economic growth. MIT, for example, has generated about \$2 trillion in partnerships with businesses, entrepreneurs, and others, which is what the city and state are trying to do—spur new initiatives for economic development. Chancellor Goldstein thanked everyone for taking time for this important effort and noted that later there would be time for the public to make comments.

II. Consolidated Funding Application Discussion

Irene Baker described the Consolidated Funding Application (CFA) as a new approach to funding, noting that it is meant to last beyond this immediate process and change the way the government works. Phase I was the budget session; Phase II is changing the organization and funding, in order to make the state more responsive to its constituents. The regional councils are the first step, and there are many state agencies ready to serve as resources to the council.

She then referred to two funding numbers that members may have encountered: \$200 million that the governor announced, and \$1 billion, which incorporates the \$200 million, available through the CFA. The \$200 million comprises \$130 million in capital funding and \$70 million in Excelsior tax credits. At the end of the strategic planning process, the plans will be scored, and the top four plans will receive \$40 million each. The remaining \$40 million will be spread across the remaining six plans.

The councils' strategic plans will identify priority projects. The governor identified \$1 billion for CFA; this is pre-existing money. What is different is that the 17 state programs and nine state agencies participating are changing the way funding can be applied for. Applicants no longer have to apply to each separately; once the project type is identified, the state will determine whether the applicant qualifies for funds. This opens up an opportunity to qualify for more than one source of funding. This is the way the state will do business going forward.

CFA is a web-based portal. An applicant identifies what the project is, and once a series of threshold questions is answered, the applicant is dropped into the appropriate part of the application. Once an

application is filed, the regional councils will have a chance to review it. The score the project receives is based on the council's recommendation. Council recommendations will be based on criteria for prioritization being developed today. By the time councils have a draft plan completed in mid-October, the CFA should be ready. By the end of this process, councils will submit a plan and a list of priority projects. Any projects a council identifies can be included in the CFA.

Going forward, the timing of submissions will be based on the council's timing. This is an ongoing process, and the council will play a role long-term. The council also has the opportunity to weigh in about what projects should be priorities.

In response to a question, Baker referred to page 37 of the guidebook, which lays out the broad principles upon which the guidelines are based. The work groups will develop criteria more specific to New York City.

Chancellor Goldstein noted that it is important to emphasize that before the council starts talking about projects, it must discuss the criteria for prioritizing projects. That discussion will take place today and spill over to the next meeting.

Lieutenant Governor Duffy thanked Irene Baker and emphasized that the CFA reflects the change that the governor wants to initiate. Funding streams have been consolidated, and representatives from each region have an important advisory role. This is a monumental change. He also introduced and thanked Dennis Mehiel, vice chair of the Board of Directors of the Empire State Development Corporation, who was brought in to offer a private-sector focus.

Chancellor Goldstein noted that it is important as part of this process to reach deep into the city's communities for input, which is why this meeting is an open meeting and the public will be allowed to make comments later.

III. Public Participation Strategy Work Group Report

Jay Hershenson, CUNY, and Steve Lemson, American Express, co-facilitators of the working group, offered a summary of the group's work.

Hershenson noted that council members have received the summary of the August 18 work group, which included 25 attendees, of which 16 were regional council members or their designees. The group reviewed the concise timeframe for the preparation of the initial strategic plan so that its recommendations would be practical, thoughtful, and realistic.

It was recommended that meetings, including this one, be conducted as open to the public, announced in advance. CUNY TV is videotaping today's meeting, and CUNY will work with Joe Tazewell to post it to the current website (nyworks.ny.gov). The group also recommended that the council reserve the right to go into executive session if needed, that working groups should continue to be conducted on an invitational basis, and that external resource persons, including people from organizations involved with economic development, be included in the work groups (this provides another opportunity for public participation).

The group suggested that in future meetings, a portion of the meeting should be made available for public comment, utilizing appropriate sign-up procedures, and public comments should be accessible through the website. Communications received should be summarized and circulated as well, and documents received

should be posted, along with the vision statement when it is adopted.

The work group suggested that the borough presidents be requested to elicit input from the elected officials in their respective boroughs about current economic development proposals in the context of the council's work, and that citywide offices should be contacted centrally.

Outreach should include community boards, community, business, and labor organizations, and philanthropic groups, drawing on the lists available to council members and staff, as well as the use of borough access stations.

Media inquiries should be directed to Joe Tazewell.

Steve Lemson then spoke about the social media aspects of the work group discussion. The group talked about the power of social media (e.g., Facebook and Twitter) in this process. The governor's office has parameters around which social media may be used, and Irene Baker then discussed those parameters. She noted that the state wants the councils to be able to maintain control of the content and suggested that the council touch base with Joe Tazewell or Beth Mitchell so that the governor is not surprised by anything the council decides to post. She advised the council to keep the governor's office apprised of anything that will be proactively posted to the site.

Hershenson noted that the work group recommended holding meetings in the other four boroughs at CUNY campuses, and CUNY is working with the executive director to schedule the remaining four meetings.

IV. Vision Statement Work Group Report

Chancellor Goldstein referred to a draft vision statement that had been distributed to council members and said that creating a vision statement is an iterative process, and the council will continue to iterate until it converges on a draft that all can agree on. The initial vision statement before members represents two iterations: an initial draft from the work group staff, and a revision by council member Kathryn Wylde.

Dr. Suri Duitch, CUNY, and Steve Lemson, American Express, co-facilitators of the work group, offered a summary of the group's work.

Lemson noted that members had received a summary of the August 19 vision statement work group meeting. He said the group had a lively discussion, which reflects the importance of the document. The draft is not final by any means, but the group hopes to have a statement approved in short order.

Duitch noted that many members of the council and their representatives attended the work group meeting. She explained that the draft on the table is a second iteration, following the one received yesterday afternoon. The work group wanted to communicate that New York City is a global center and the key economic engine of the state and region, while at the same time acknowledging that it has been hit hard by the economic downturn. Indeed, the city has an unemployment rate that exceeds the state average and has increasing foreign competition. The group talked about strengthening the city's fundamentals, bringing greater opportunity to parts of the city, and building the city's economy overall. There were a few overarching points: 1. infrastructure, including modernizing transportation systems and recapturing underutilized assets; 2. the need for a reduction of barriers to business development, as the regulatory environment sometimes stymies development, while also recognizing the importance of entrepreneurs and

businesses throughout the city; and 3. human capital, including the importance of education to maintaining and growing a diverse and highly qualified workforce.

In response to a question from Chancellor Goldstein, Duitch said that the work group considered the council's previous work in identifying assets, challenges, and opportunities, and that the group's conversation focused on who, where, and what: who the council is focusing on, what sectors or areas should be included, and what the council wants to accomplish.

In response to a question about process from Stuart Appelbaum, it was clarified that the first draft of the vision statement was developed by staff through the summary of the work group meeting, and once that draft was distributed to members, Kathy Wyldde offered suggestions, which led to the revision members have today. There will be additional changes as members discuss the draft.

Appelbaum then suggested that communications should go to all members of the work group. Regarding the content of the statement, he suggested more focus on the people the council is trying to serve. Perhaps something could be added to the section on human capital, since job creation without concern for job standards is outdated. Poverty wages for the sake of jobs is too costly; the working poor are not able to contribute as much to the circle of income with local businesses. When people fall below the poverty level, they turn to the welfare system and other public income support services to supplement their low wages. He suggested a friendly amendment, reflecting the notion that developing capital through higher education and labor standards adds to economic growth.

Marlene Cintron suggested retaining the mention of the outer boroughs, which is where the work is being done by city residents. A reference to New York City alone makes people focus on Manhattan. Also, the statement should not refer only to the aging of the infrastructure/transportation system; infrastructure/transportation should also include green and tech zones, and the expansion of food centers.

Raymond Sanchez noted that job growth in the outer boroughs is outpacing Manhattan's, and the vision statement should reflect how the city is changing. Mike Fishman suggested that since economic development is about improving the quality of life for New York's residents, specific reference should be made to that in the third paragraph, i.e., "improve the quality of life" should be added to the first sentence, following the list of items after "...New York City seeks to...".

Chancellor Goldstein suggested that members can contact Suri Duitch or Steve Lemson with additional suggestions.

V. Facilitated Discussion Groups

Chancellor Goldstein then introduced the task of the breakout groups. While the council's ultimate task is to find projects that will have a significant impact on the council's economic impact goals, the next step is to talk about the principles that will drive these innovative, catalytic projects. Two breakout groups were asked to begin to discuss and develop criteria and strategies to guide the selection of projects.

The group addressing the topic, "Developing Criteria to Identify Catalytic, Transformative Projects," was facilitated by Curtis Crevans, Department of State.

The group addressing the topic, "New York City Regional Issues," was facilitated by Dr. Howard Apsan, CUNY, and Marion Phillips, Empire State Development.

[Please see separate summaries of the discussion groups.]

VI. Reports from Discussion Groups

The "Developing Criteria to Identify Catalytic, Transformative Projects" group was represented by Francine Delgado of Seedco, who noted that the group focused on conceptualizing criteria and strategies for prioritizing projects.

Criteria included: feasibility (can the project be financed; is there a decent time horizon); sustainability; measurability; leveraging (both private resources and philanthropy, with questions about timing of funding); impact (community, organizational, regional, quality of life); and transparency (of time frame and resources).

Strategies focused on broad themes and included: improving regulations to ensure there is systemic development; a two-pronged approach to projects (transformative, and more modest but steady); more technical assistance for small businesses, particularly to increase participation in incentives; fostering entrepreneurialism in educational settings; support of diversity and its expansion; and a focus on regional infrastructure to support outer-borough activity.

The group also considered possible work groups that would be helpful in supporting the strategies, including: job quality; regional linkages; transportation (emphasis on waterfront, rails, and air); development of marketing strategies; reliable power; and education.

The "New York City Regional Issues" group was represented by co-facilitator Howard Apsan, who reported on just those facets of the group's discussion that the previous group's report did not cover.

Like the previous group, they discussed timelines and financial resource and implementation issues, but talked about putting everything on table regardless of the parameters.

In terms of criteria, the group focused on the ability to create and sustain good, long-term jobs, as well as innovation, and made the point that sometimes even routine economic development activities might be transformational.

Chancellor Goldstein thanked both groups for their reports and noted that Joe Tazewell would be in touch with members regarding the creation of work groups as a result of these discussions. The hope is minimize the number of work groups (perhaps two to three), so that the energy isn't diffused. Tazewell will report back to the lieutenant governor and co-chairs about the membership of the work groups.

He also noted that another work group regarding the CFA, the endorsement standards group, would be created and that members are invited to join it. All work groups will report out at the next meeting. The council will then start thinking about projects. No particular project will move to the front of the line; the beauty of this process is that the politics will be minimized because selection will be based on the metrics the council is developing.

VII. Public Comment

Arthur Rosenfield, Long Island City Chamber of Commerce. The council should address innovation, particularly finding ways to do things at a lower cost. For example, the chamber of commerce he is forming for Long Island City is contemplating a ladders summit to tutor students falling behind in school. On the business side, it established the Long Island City Tourism Project to improve local market development by looking at local resources.

Jose Luis, CEO/founder of the Hispanic Information and Telecommunications Network. [Offered his views in a breakout session, not at the public forum] Council members should keep the interests of the Latino community in mind as they make decisions. He wondered whether multiple regions can collaborate and noted that it is important for the Latino community that these projects be inclusive.

Barbara Baer, Community Preservation Corporation. The corporation focuses on affordable housing. The council needs to remember that affordable housing is economic development, but it is not mentioned in the draft vision statement. Housing is jobs, green growth, and community training; many agencies and funds could be pulled together around affordable housing. It is part of the future of the city. In addition, she hopes that the city could be the first to break the glass ceiling for women.

Helana Natt, Greater New York Chamber of Commerce. Job creation and access to money are important concerns. How do we get money to small businesses (e.g., to hire an attorney, meet bankers, complete applications)? She suggests working with the Department of Labor; rather than the DOL giving checks to the unemployed, paychecks should go to employers, who would pay the unemployed. Employers would then invest back into their companies to generate revenue and development.

M. Steven Williams, Danford Development Partners; member, Bronx Community College board. He is concerned that this project will be a provincial undertaking. The council should not forget the many people who are trying to make it in the city. Those who go to community colleges, for example, need a chance to move up the economic ladder. Otherwise, this is part of the planned obsolescence of humans—as we develop, we eliminate jobs. The council should look at how policies are applied; for example, discounts on monthly transit passes don't help everyone, including those who can't afford a credit card. The council should be aggressive, creative, and bold, and take risks with projects. For example, the city needs an alternative fuels/biofuel industry.

Kevin Kong, Renaissance Economic Development Corporation. The corporation is a nonprofit that gives direct loans to small businesses, along with technical assistance. New York City's strongest asset is its immigrant entrepreneurs, and the council should keep them in mind. They create jobs, and they have access to international markets; they buy from overseas, importing goods and services.

Nathalie Alegre, Alliance for a Greater New York. The alliance is pleased to see that job quality is part of the council's discussion, including a focus on wages and duration. This should be a priority for economic development and the way the strategic plans are measured. In terms of aging infrastructure, the council might consider a project under development to grow green manufacturing; the alliance has been working with other groups to make the Brooklyn Navy Yard a hub for transportation manufacturing. This would result in good-paying manufacturing jobs.

Justin Yu, Chinese Chamber of Commerce. The chamber represents Chinatown, which has suffered many job losses from the collapse of the World Trade Center and the garment industry. Chinatown has been cut off and excluded from the World Trade Center economic development plan. The chamber wants to reposition Chinatown and reconnect it with the city. It is a builder to the Far East. However, even though certain immigration visas encourage foreign investors, the minimum investment for New York City is \$1 million, and this is a deterrent to potential Chinatown investors.

Hope Cohen, Regional Planning Association. The RPA is a 90-year old planning, research, and advocacy organization focused on ensuring the economic vitality of region. The RPA suggests the council push the envelope and use the criteria it is developing to support transformational projects that are not requesting funding but might have substantial development already. One idea is to do something creative with the site of the Javits Convention Center—i.e., sell off the land and put \$1 billion into the Farley Building to help develop Moynihan Station and put a high-end conference center there, and take \$1.5 billion and build a true trade-show center, perhaps at an appropriate site in Queens.

Jukay Hsu, Coalition for Queens. The mayor's Applied Science Initiative is potentially transformative for the city's economy. It would build a new science facility and encourage new technological development in the city. Hundreds of companies would spin out of this new university, making it a great use of investment resources. Four of the top engineering schools in the country have expressed interest. Queens should be considered a potential site for this university; the city could leverage its immigrant entrepreneur community and its ties to China.

Matt Bishop, I Give More. I Give More is a tech start-up using integrative social media for fundraising. Three points: regionally, economic development is traditionally Manhattan-centric, even though four out of five residents live in the outer boroughs); access to capital is key; and the mayor's applied science initiative would affect many of the factors the council has mentioned, and Queens, with its entrepreneurial environment, would be a good location for it.

Bettina Damiani, Good Jobs NY. The council should keep in mind three important factors: transparency (particularly through public participation); due diligence (review whether projects already have investment); and job quality.

VIII. Wrap-up/Next Steps

Chancellor Goldstein thanked everyone for a productive meeting and noted that the next meeting would be September 13 at a venue to be determined.

Lieutenant Governor Duffy thanked the co-chairs on behalf of governor, and thanked the public for its thoughtful comments. He noted that Joe Tazewell will be the point of contact for resolving any issues related to state government. The governor wants state agencies to act as facilitators and hopes to create synergy among the state's regions.

The council adjourned at 11:20 a.m.