



NYC REGIONAL ECONOMIC DEVELOPMENT COUNCIL

MEETING AGENDA

June 25, 2013, 9:00 a.m.

John Jay College of Criminal Justice
Manhattan

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| 9:00 – 9:05 a.m. | Welcome and Introduction
CUNY Chancellor Matthew Goldstein |
| 9:05 – 9:10 a.m. | Recap
CUNY Chancellor Matthew Goldstein |
| 9:10 – 9:20 a.m. | Governor’s REDC Leadership Summit
Stuart Appelbaum, RWDSU
Ken Knuckles, Upper Manhattan Empowerment Zone |
| 9:20 – 9:40 a.m. | 2013 CFA, REDC Competition and START-UP NY
Andrew Kennedy, Governor’s Office |
| 9:40 – 9:50 a.m. | Opportunity Agenda – Strategies and Project Criteria
Kathy Wylde, Partnership for New York City
Suri Duitch, CUNY |
| 9:50 – 9:55 a.m. | Announcements
CUNY Chancellor Matthew Goldstein |

Public Forum

Welcome and Introduction
CUNY Chancellor Matthew Goldstein

**OPEN FOR BUSINESS:
A NEW STATE GOVERNMENT APPROACH TO ECONOMIC DEVELOPMENT
Meeting of the New York City Regional Economic Development Council
Tuesday, June 25, 2013
John Jay College of Criminal Justice/CUNY, Manhattan**

Summary of Meeting

Attendees:

Regional Council Members and Representatives

Matthew Goldstein, Chancellor, The City University of New York (co-chair), w/ Jay Hershenson
Stuart Appelbaum, President, Retail, Wholesale and Department Store Union, w/ Zayne Abdessalam
Marlene Cintron, President, Bronx Overall Economic Development Corporation
Carol Conslato, President, Queens Chamber of Commerce
Kenneth Knuckles, President & CEO, Upper Manhattan Empowerment Zone Development Corporation
Marcia V. Keizs, President, York College, CUNY
Steve Spinola, President, Real Estate Board of New York
Douglas C. Steiner, Steiner Studios
Kathryn Wylde, President & CEO, Partnership for New York City

Elected Officials & Representatives (City)

Andrew Kalloch, representing Hon. Scott Stringer, Manhattan Borough President
Monica Foskett, representing Hon. Marty Markowitz, Brooklyn Borough President

Elected Officials & Representatives (State)

Gerard Kassar, representing Hon. Martin Golden, New York State Senate

New York City Mayor's Office

Tim Sullivan, representing Hon. Robert Steel, New York City Deputy Mayor

Regional Council Staff & ESD

Joe Chan, Executive Vice President, ESD
Mehul Patel, Chief of Staff, ESD
Joseph Tazewell, NYC Regional Director, ESD
Lauren Bierman, ESD
Ingrid Nathan, ESD
Andrew Flamm, ESD
Adem Bunkeddeko, ESD
Abdullah Ayaz, ESD Intern
Grace Prestamo, ESD Intern

Executive Chamber Representative

Andrew Kennedy, Deputy Secretary of Economic Development, Governor's Office

State Resource Team

Sobeida Cruz, NYS Power Authority

Bonnie Devine, NYS Department of State
 Sandra Dixon, PANYNJ
 Phil Giltner, NYS Dept. of Agriculture and Markets
 Sharon Griffith, NYSERDA
 Merrill Hesch, NYS OPRHP
 Fred Landa, NYS Department of State
 Venetia Lannon, NYS DEC
 Adam Levine, NYS DOT
 Thomas Matthews, NYS EFC
 Joseph Palozzola, NYS HCR
 Karen Phillips, NYS OPRHP
 Ellen Poliski, DOH
 Sandra Reyes-Guerra, NYS DEC
 Kevin Wardally, NYS DOT
 Gregory Watson, NYSHCS

CUNY

Dr. Suri Duitch, University Associate Dean for Continuing Education
 Kara Heffernan, Office of Academic Affairs
 Hourig Messerlian
 Anthony Vargas

I. Welcome and Introductions

Chancellor Goldstein, chair, welcomed everyone to John Jay College of Criminal Justice. He thanked President Jeremy Travis for hosting today's meeting and invited him to say a few words.

President Travis welcomed everyone and noted that it is Chancellor Goldstein's last week as chancellor and that the John Jay campus demonstrates the chancellor's tremendous work over the last 14 years. The building in which the council is meeting is new, and the college's 15,000 students can now study in state-of-the-art facilities. He wished the council great success in its continued work.

The chancellor outlined today's meeting: the council will hear about the governor's Regional Economic Development Leadership Summit, which took place May 15 in Albany; learn more about Round III of the CFA, the 2013 Regional Council competition, and the governor's new initiative, START-UP NY; and talk about the council's proposed approach to the Opportunity Agenda and follow-up activities.

The council will also hold a public forum today to hear about proposed priority projects.

II. Recap of Last Meeting

The chancellor provided a recap of the last meeting. Empire State Development President and CEO and Commissioner of the NYS Department of Economic Development Kenneth Adams provided an overview of the 2013-14 state budget and the lieutenant governor's Regional Council Leadership Workshop. The council also heard a report on the governor's new Opportunity Agenda initiative.

In addition, the council received a report from the scoring committee on the Department of Environmental Conservation Environmental Justice Grants. The chancellor also provided an update on the NYC Cleaner, Greener Communities Program.

In the council's public session, it heard a report on the Work for Success initiative and received a status report on the CREATE @ Harlem Green development, one of the 2011 priority projects.

III. Governor's REDC Leadership Summit

Chancellor Goldstein asked Stuart Appelbaum and Ken Knuckles to say a few words about the governor's Regional Economic Development Council Leadership Summit, which took place May 15 in Albany. He thanked them for representing him at the summit.

Stuart Appelbaum noted how grateful the council is for Chancellor Goldstein's continued leadership on the council, which has served as a reminder of the many contributions CUNY makes to the city, especially as the council has visited many CUNY campuses. At the summit, he and Ken made a progress report to the governor and lieutenant governor, as did the other nine councils. Their report reiterated that while New York City is a global center, it also has huge economic disparity, with one-fifth of its population living below the poverty line, and that it needs to create a more inclusive economy. They offered an update on three of the 2012 priority projects, and reported that the \$160 million awarded to the region is projected to result in \$1.3 billion in economic development, a ratio of 11 to 1, by far one of the highest of the state's regions. Ken added his thanks to the chancellor, commending him for lasting 14 years in a leadership position in the city. The governor stayed for the entire leadership summit, which speaks to his commitment to the Regional Council initiative. The experience of participating with the other nine councils offered a sense of the energy around the state. The work the council has done so far has been very beneficial.

IV. 2013 Consolidated Funding Applications, REDC Competition, and START-UP NY

Andrew Kennedy, assistant secretary of economic development, provided an overview of the 2013 CFA, the REDC competition, and the governor's new START-UP NY initiative.

He noted that Lieutenant Governor Duffy could not attend today, and he echoed others' comments about the chancellor's good work. After two rounds, the REDC initiative has awarded over \$1.5 billion to over 1,400 projects, with 75,000 jobs created. New York City has not won the best plan award but has received its fair share of awards. Overall, the initiative is helping the governor's office identify projects that are aligned with local priorities.

Round three of the funding makes \$760 million available from over 30 programs and 13 state agencies. Five regions will be identified as top performers and will get \$25 million each in capital funds; the rest will compete for the balance of \$25 million. Each region is also eligible for \$10 million in tax credits. In determining awards, the governor's panel will look at the consistency of a council's strategic plans, how well the plan is updated, how well the progress of projects is tracked and indicated, and how collaborative the council has been, both in and out of its region (e.g., Brooklyn Brewery partnering with Seneca).

The CFA opened June 17 and will close August 12. Plan updates are due September 24, and the awards ceremony will be in December.

The REDC endorsement counts for 20% of a project's score, and the agency technical review is 80%. Twenty points is the highest score (indicates priority projects).

The new Opportunity Agenda intends to address the challenges of poverty, encouraging projects that create more entry-level jobs, connect workforce training to open positions, and attract businesses to distressed communities. Reviewers will look at the strategies and initiatives the council uses to address this initiative.

The Innovation Hot Spots initiative is focused on partnerships between higher education and private-sector companies. The council needs to identify one high-tech incubator that promotes entrepreneurialism and can develop commercially viable ideas; existing incubators can apply for designation. Incubators should have a demonstrated link to regional sources of innovation, utilize accepted best practices, be able to operate for three years, and be able to support a 2:1 match. ESD will review and competitively score 10 business incubators with support of up to \$125,000. Those chosen will be exempt from business and sales taxes for a five-year period.

The Start-Up New York initiative was unveiled in late May. Participating companies agree to locate on or near higher education institutions. They will not pay any taxes for 10 years, and their employees will pay no income taxes for the first five years. Businesses have to be start-ups, either relocating from out of state or New York companies that are expanding. It does not include retail and wholesale businesses and restaurants. In New York City, Long Island, and Westchester County, businesses must also be a high-tech company or a new start-up company. Colleges and universities must develop plans to attract businesses.

The primary focus is driving business to upstate New York. CUNY can designate one area in each of the five boroughs, and every SUNY community college and four-year college can establish an area—including vacant land, vacant space in buildings, property owned or leased by CUNY in upstate New York, and, for SUNY, space within a mile of a campus (for those north of Westchester County). A three-member board will decide how the 3 million square feet north of Westchester County will be used. The board can also designate up to 20 strategic state assets as tax-free communities (e.g., former mental health facilities); they must be on state-owned land, and each would be affiliated with a college or university. The state has also put in protections for taxpayers—e.g., no shirt-changing, no conflicts of interest, etc. This initiative enhances the Excelsior Jobs Program, increases the investment tax credit to 5%, and allows for proportional credit to businesses that satisfy eligibility but realize less job creation than projected, and for a rollover of any portion of the tax credits not used.

Ken Knuckles asked if a high-tech start-up on a CUNY campus or leasing space on a CUNY campus would be eligible. Andrew Kennedy said that it would, and that CUNY should identify one area in each of the five boroughs. Space on that campus or in an affiliated space would be eligible—any space that is owned, leased, or affiliated.

In response to a question from Marlene Cintron, it was confirmed that the campus could be a SUNY institution in the city, a CUNY institution (one per borough), or a private university.

V. Opportunity Agenda

Kathy Wylde and Dr. Suri Duitch then reported on the council's approach to the governor's Opportunity Agenda.

Kathy said that the council is delighted that the program is focused on skills gaps and challenges in distressed communities, as this is an acute issue in New York City. The initiative is an opportunity to think seriously about how to generate opportunities for the lowest-income communities. The council will integrate into its criteria how a project closes the skills gap and how the workforce can be integrated into the innovation economy. It can focus on partnerships already in place with CUNY, e.g., the 9-14 high school initiative. She added that the council is not focusing on one geographic area in the city, but on programs that are opening doors to upward mobility in the new economy. The other piece is to understand what programs are working in workforce development. The wage access reform that was passed this year will be very helpful in providing information about graduates or clients emerging from these programs. The data will allow us to revisit what has been done with workforce development resources.

Regarding the opportunity agenda document made public on the 18th, Suri said that the council wanted to focus citywide because there are so many neighborhoods in distress. The document offers some specific guidance on populations and communities and wage criteria for CFA and specific funding streams.

VI. Announcements

Chancellor Goldstein made a couple of announcements:

- The council will be working on several new initiatives during the summer and drafting the 2013 progress report, so council staff may contact members about attending various council workgroup and committee meetings. Those who are unable to attend can send a representative.
- The council's first CFA workshop was held at Brooklyn College June 17, and there will be four additional CFA workshops at the following locations:
 - The College of Staten Island, July 9
 - Hostos Community College, July 11
 - John Jay College of Criminal Justice, July 17, and
 - LaGuardia Community College, July 23

The schedule for these workshops is listed on the regionalcouncils.ny.gov website.

VII. Wrap-Up/Adjourn Public Meeting

The chancellor then adjourned the meeting and invited members of the public to join the public forum.