



NYC REGIONAL ECONOMIC DEVELOPMENT COUNCIL

MEETING AGENDA

May 4, 2012
8:30 a.m.

John Jay College of Criminal Justice
Manhattan

- 8:30 – 8:40 a.m.** **Welcome and Introduction**
Lieutenant Governor Robert Duffy
CUNY Chancellor Matthew Goldstein
- 8:40 – 8:50 a.m.** **ReCharge NY Presentation**
Carol Conslato, Scoring Committee Member
- 8:50 – 9:10 a.m.** **CFA Round Two and Regional Council Presentation**
Irene Baker, Executive Chamber
- 9:10 – 9:25 a.m.** **PlaNYC Presentation**
Adam Freed, Deputy Director of the Mayor’s Office of Long-Term
Planning and Sustainability
- 9:25 – 10:25 a.m.** **Priority Projects Status Presentation**
Hunts Point Terminal Produce Market – Deputy Mayor Robert Steel

Brooklyn Navy Yard Green Manufacturing Center – Andrew Kimball,
President, Brooklyn Navy Yard Development Corporation

NYC Seedstart – Owen Davis, Managing Director, NYC Seedstart LLC

Staten Island Green Zone – Cesar Claro, President, and Sandy Wolff,
Green Developments Manager, Staten Island Economic Development
Corporation
- 10:25 – 10:55 a.m.** **Small Business Issues Presentation**
Robert Walsh, Commissioner, NYC Small Business Services

Steven Cohen, Deputy Commissioner Senior Vice President, Community
Economic Development, Empire State Development
- 10:55 – 11:00 a.m.** **Wrap-up**
Lieutenant Governor Robert Duffy
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
Friday, May 4, 2012
John Jay College of Criminal Justice/CUNY, Manhattan**

Meeting Summary

Attendees:

Hon. Robert Duffy, Lieutenant Governor

Regional Council Members and Representatives

Matthew Goldstein, Chancellor, The City University of New York (co-chair), w/ Jay Hershenson
Steve Lemson, representing Kenneth Chenault, chairman and CEO of American Express (co-chair)
Ademola Oyefeso and Zayne Abdessalam, representing Stuart Appelbaum, President, Retail, Wholesale and Department Store Union
Marlene Cintron, President, Bronx Overall Economic Development Corporation, w/ Frank Randazo
Cesar J. Claro, President & CEO, Staten Island Economic Development Corporation, w/ Sandy Wolff
Carol Conslato, President, Queens Chamber of Commerce
Francine Y. Delgado
Amy Sugimori, representing Mike Fishman, 32BJ SEIU
Heather Beaudoin, representing Gary LaBarbera, President, NYC Buildings and Construction Trades,
Nick Lugo, President, Hispanic Chamber of Commerce, w/ Peter Spinella
Marcia V. Keizs, President, York College, CUNY
Douglas C. Steiner, Steiner Studios
Sheena Wright, President & CEO, Abyssinian Development Corporation
Kathryn Wylde, President & CEO, Partnership for New York City

Elected Officials & Representatives (City)

Hon. Gale Brewer, member, New York City Council
Raymond Sanchez, representing Hon. Ruben Diaz, Jr., Bronx Borough President
Thomas B. Donaldson, representing Hon. Christine Quinn, Speaker of the NYC City Council
Shira Gans, representing Hon. Scott Stringer, Manhattan Borough President
Andrew Steininger, representing Hon. Marty Markowitz, Brooklyn Borough President

Elected Officials & Representatives (State)

Judy Rapfogel, representing Hon. Sheldon Silver, Speaker, New York State Assembly

Elected Officials and Representatives (Federal)

Robert Gotlam, representing Hon. Jerrold Nadler, U.S. Congressman

New York City Mayor's Office

Hon. Robert Steel, New York City Deputy Mayor, w/ Tokumbo Shobowale and Tim Sullivan

Regional Council Staff & ESD

Joseph Tazewell, NYC Regional Director, ESD
Marion Phillips, Facilitator, ESD

John Moyer, DOL
Andrew Fletcher, ESD
Ingrid Nathan, ESD
Jim Brown, DOL
Curtis Cravens, DOS
Justin Ginsburg, ESD
Steve Cohen, ESD
Abigail Leib, ESD
Linda LaViolette, ESD
Maria Mannarino, Intern, ESD
Ahsan Sayed, Intern, ESD

Executive Chamber Representatives

Robert Duffy, Lieutenant Governor
Irene Baker, Executive Vice President, Director of Regional Councils
Zach Greenky, Governor's Office
Erik Bottcher, Governor's Office
Gregory O. Smiley, Governor's Office

State Resource Team

Phil Giltner, AGMKT
Joseph Palozzola, NYS NCR
Joe Chan, ESDC
Merrill Hesch, NYS OPRHP
Karen Phillips, NYS OPRHP
Fred Testa, representing Thomas Matthews, NYS EFC
Sharon Griffith, NYSERDA
Ellen Poliski, DOH
Gregory Watson, NYSHCS
Fred Landa, NYS DOS
Adam Levine, NYS DOT
Joe Brown, NYS DOT

CUNY

Jay Hershenson, Senior Vice Chancellor for University Relations & Board Secretary
Jeremy Travis, President, John Jay College of Criminal Justice
Dr. Suri Duitch, University Associate Dean for Continuing Education

EXECUTIVE SESSION

I. Welcome and Introductions

Lieutenant Governor Duffy and Chancellor Goldstein welcomed everyone to John Jay College's brand-new facility. John Jay President Jeremy Travis thanked the State Legislature and Chancellor Goldstein for their work in securing the new facility. Lieutenant Governor Duffy also thanked Judy Rapfogel, representing Speaker Sheldon Silver, whose work was critical to making the new building a reality.

II. Spending and Government Efficiency (SAGE) Commission Presentation

The lieutenant governor asked Derek Utter, deputy director of the SAGE (Spending and Government Efficiency) Commission, which is working to improve efficiency and effectiveness in state government, to offer an overview of the commission's work. The commission will issue its final report by June 1.

PUBLIC SESSION

I. Welcome and Introductions

Chancellor Goldstein welcomed everyone to the public session.

II. Recap of Council Activities

Chancellor Goldstein offered a summary of recent council activities. At the February 7 meeting, Irene Baker described what to expect in 2012 and the next round of the Consolidated Funding Applications. At that meeting, the council approved a resolution delegating to the scoring committee the authority to complete and submit the scoring of the ReCharge NY applications. Since then, the scoring committee has scored 170 ReCharge NY applications over two rounds: 156 in the first round, and 14 in a second.

In early March, Chancellor Goldstein appointed an executive committee empowered to make decisions on behalf of the council regarding time-sensitive or confidential matters.

Joining the council co-chairs on the executive committee are:

- Kathy Wylde, chair of the Strategic Plan Writing Committee
- Kenneth Knuckles, chair of the Scoring Committee
- Steve Hindy, chair of the Legislative and Regulatory Committee; and
- Stuart Appelbaum, member of the Scoring and Legislative and Regulatory Committees.

In late March, a 2012 New York City Regional Council Agenda was circulated to the members with proposed meeting topics in line with the regional council's strategic plan implementation agenda.

III. ReCharge NY: Report on Final Allocations and Regional Council Scoring

Chancellor Goldstein thanked the members of the scoring committee, who have scored 170 ReCharge NY applications: Kenneth Knuckles, chair; Stuart Appelbaum; Marlene Cintron; Steve Hindy; Nick Lugo; Marcel Van Ooyen; Carol Conslato; Steven Spinola, Gail Grimmett, Carl Hum, and Francine Delgado.

Carol Conslato, filling in for Ken Knuckles, reported that ReCharge is the state's new economic development power program that allocates power to qualified businesses and not-for-profits. Applications are reviewed by The New York State Economic Development Power Allocation Board and by the 10 regional councils. Last week, the governor announced that 517 businesses and not-for-profits across the state will be awarded nearly 600 megawatts in the first round of funding. This includes 81 New York City businesses and not-for-profits (receiving the largest amount—16%—of the regions). Council members

were asked to base their scores on how well the allocation would reflect the priorities and strategies of the council and contribute to the local economy. The 170 completed applications received were each scored by two members (so each scored about 34 applications).

IV. Presentation on the CFA Round Two and Regional Council Competition

Irene Baker reported on how the state will be tracking the 2011 projects and what the competition will look like in 2012.

In 2011, nine agencies participated in the CFA, but the agencies did not track projects. For 2012, regional directors will be responsible for tracking and advancing the progress of CFA projects. Projects that were not quite ready in 2011 will be reevaluated for 2012. There will also be a public portal to track 2011 CFAs. Because these are reimbursement projects and do not have to wait for funding, they are moving forward.

In 2012, there will be \$150 million available in capital funding, \$70 million in tax credits from the Excelsior Program, \$530 million available from 12 state agencies through the CFA process, and more megawatts through ReCharge NY. The CFA process will be open until July 16, and scores are due August 27. Awards will be made in September/October.

Lessons learned in 2011 will be applied to the 2012 process, including increasing the time to apply and to review applications, making improvements to the online application, providing the Regional Councils with more training, and empowering an executive committee to address time-sensitive and confidential projects. The state will offer workshops to help the public understand what the program is and how to apply.

This year is about implementation and reporting progress to the state. The regional councils will focus on:

- Establishing a framework to advance their strategic plans (the Executive Committee, work groups, public engagement, performance monitoring)
- Implementing the strategies (what actions are needed, who is responsible, the time frame, the intended results)
- Creating a project pipeline (including a description of the project, how it contributes to the council's vision, its readiness, its resources and management, its financing, its job creation expectations and workforce development, its economic impact, etc.)
- Evaluating 2011 projects (state will identify a statewide endorsement standard, instead of each council creating standards)
- Reporting on progress (a summary of how the council has progressed, due in early fall). The state will provide a guidebook to the council with a work plan and templates.

It was announced that \$25 million would be available to this year's winners. There will also be enhanced assistance from state agencies. Each agency is reviewing each regional council's strategy to see how the agency can partner with the region to advance the plan.

In answer to a question from Chancellor Goldstein about CFA scoring, Irene Baker said that the application had been rewritten to seek additional information from the applicants. Chancellor Goldstein reinforced the principle that scoring should reflect how well the applications reflect the strategic plan.

In answer to a question from Kathy Wylde about the August 27 due date for the submission of scores—a popular vacation time—Irene Baker noted that the council could move that deadline up if it chooses.

In answer to questions from Marlene Citron, Irene Baker clarified that it would be possible to see all of the proposals online (rather than one at a time), and that the state will do a better job of informing state administrators of the regional council initiative and the councils' priorities

Lieutenant Governor Duffy praised Irene Baker for her work to streamline an enormous bureaucracy, and he recognized Megan Daly, Irene's assistant.

V. Update on PlaNYC

Adam Freed, deputy director of the mayor's office of long-term planning and sustainability, offered an update of PlaNYC. The plan was launched in 2007 and updated in 2011. It was created to address projected population growth and enhance quality of life and economic opportunities in the city. It contains 132 initiatives, and over 400 milestones to be achieved by 2013. A progress report is available online.

While the plan has 11 main goals, from housing to parks, today's report focuses on energy and solid waste.

Regarding energy, the city's goal is to reduce greenhouse gas emissions from city government operations by 30 percent by 2017. Among other things, the city has required energy efficiency improvements in large buildings, which should result in a 5 percent reduction in greenhouse gas emissions, save energy costs, and create jobs. It has also created the NYC Energy Efficiency Corporation to finance energy efficiency projects in private buildings, and it is training building operators in energy efficiency.

Regarding solid waste, the city has two goals: to divert 75 percent of the city's solid waste from landfills and to double the residential recycling rate. Among other things, it has issued an RFP for new and emerging technology for an energy conversion plant in the city, and it is exploring the expansion of plastics, in part through a new recycling facility being built in Brooklyn.

To date, the city has achieved a 13 percent reduction in greenhouse gas emissions from 2005 levels. It is about halfway to meeting its goal.

The city received a \$1 million grant through NYSERDA's Cleaner, Greener Communities Program and the CFA process, which will help it identify additional policies and strategies to reduce citywide greenhouse gas emissions by 80 percent by 2050.

Chancellor Goldstein congratulated Deputy Director Freed on the EPA award his office and CUNY recently received.

VI. REDC Priority Projects: Presentation on Current Status

Project sponsors offered presentations on four of the NYC REDC priority projects:

Hunts Point Terminal Produce Market

Deputy Mayor Robert Steel introduced the Hunts Point project, and Senior Policy Advisor Tim Sullivan

offered an update. The market was built in 1967 and is the largest in the country. It generates \$2 billion in revenue, provides 60 percent of the city's produce, supports 100 businesses outside the food center, and is a key to the upstate food market.

The market has several issues: insufficient capacity, transportation problems, a lack of quality food protection, and insufficient infrastructure. A \$320 million redevelopment project will provide new space and rail sheds to increase storage, eliminate rail-truck conflicts, maintain the cold chain, and facilitate future rail usage. The project will add thousands of jobs, enhance food access, increase food quality, and offer environmental benefits.

The city and the state have committed \$175 million (\$137 million from the state), about half of what the project needs, and the city is confident that it can get the rest of the funding from the federal government and other sources. Design work and negotiations continue, and construction is expected to be completed by 2016.

Brooklyn Navy Yard Green Manufacturing Center

Andrew Kimball, president of the Brooklyn Navy Yard Development Corporation, spoke about the history of the Navy Yard since its origins in 1801 as a shipbuilding facility. Efforts to diversify the tenant base and address the decaying infrastructure have resulted in 275 businesses and 5,800 employees.

Today, the Navy Yard looks to create industrial jobs, develop underutilized areas of the yard, modernize the infrastructure, and become a national model for sustainable urban industrial parks. The yard has emphasized small-scale manufacturing, local employment, and collaborations with local universities. Twelve new industrial buildings have been added in the last few years.

The green manufacturing center is a key part of the yard. It is a massive structure, and it would be wise economically and environmentally to reuse the steel. With the support of government and private financing through the EB-5 program, the construction documents are complete and the project is shovel ready.

Other projects include adding a supermarket, light industrial space, and neighborhood retail, as well as the Steiner Studios and media campus expansion, including the partnership with Brooklyn College's Graduate School of Cinema.

Chancellor Goldstein noted that CUNY is very happy to be partnering with Steiner, and complimented Deputy Mayor Steel and Economic Development Corporation President Seth Pinsky for the recent Cornell announcement and the NYU Poly collaboration, both of which have energized the academic community.

NYC Seedstart

Owen Davis, managing director of NYC Seedstart, explained that the program is a parent seed fund that was started in 2008 to provide very early companies with small amounts of capital. It also created a 12-week summer program for high-tech startup entrepreneurs.

The program has launched 13 new companies and created 100+ jobs. It is currently focused on the media sector, leveraging companies with corporate headquarters in NYC (Google, Time Warner, Hearst, etc.). This model will be expanded to other industries important to the city, including health IT, financial IT, and

entertainment. The goal is to attract and retain talent, fuel growth in these fields, and translate the investment in universities to businesses.

The proposed expansion means that every three months there will be a new program, starting with enterprise software (fall 2012), education, and fashion and e-retailing.

Job creation estimates range from 80-150 initial jobs in year one, 120-200 jobs in year two, and 275+ jobs in year three as companies continue to be added, and initial companies expand. A breakout company could double those numbers. The program focuses on the number of successful companies created, the percentage of companies receiving follow-on capital, and the strength of the network created through Seedstart graduates.

Seedstart raises \$1.2 million from private venture firms and large companies, and ESD provides \$500,000 for incentive costs. The regional council can help by connecting Seedstart to upstate stakeholders and making referrals.

Staten Island Green Zone

Cesar Claro, president of the Staten Island Economic Development Corporation, and Sandy Wolff, green developments manager of the Staten Island Economic Development Corporation, discussed efforts to get a green zone designation for the West Shore section of Staten Island (which has expanded to include the Arthur Kill correctional facility and the Fresh Kills landfill).

Since being named a priority project, the Green Zone has seen increased activity. Funding was received to develop a USEDA grant, and Green Zone legislation has been drafted in the New York State Assembly. The EDC also hosted its annual Green and Clean Expo.

New York City is supporting these efforts through the West Shore Business Improvement District. The Green Zone project was a state Brownfield Opportunity Area grant finalist, and it received a NYSERDA Energy Target Zone Designation

A city RFP was issued for a solar and wind farm on the site of the former Fresh Kills landfill. In April, ground was broken for NY Fragrance's new facility, a warehouse for distribution.

The project's regional significance (maritime, freight rail), and build out (4,500 acres) remain important indicators. In the short term, the sponsors will build on the above activities; in the long term, they hope to create the West Shore Bluebelt Plan and receive Port Authority Foreign Trade Zone designation.

VII. Small Business Issues

Robert Walsh, commissioner, NYC Small Business Services, and Steven Cohen, deputy commissioner and senior vice president, Community Economic Development for Empire State Development, offered presentations on New York City's and New York State's efforts to assist small businesses.

Commissioner Walsh noted SBS's three areas of service in the city: businesses, neighborhoods (through the most extensive BID program in the country), and jobseekers.

Small businesses are generally defined as those with fewer than 100 employees; 80 percent of NYC businesses have fewer than 10 employees. Mayor Bloomberg created the Department of Small Business Services to help businesses get access to capital, get help with regulations, and find qualified workers.

SBS connected over 800 businesses to loans in 2011 (for \$38 million), provided 5,800 customers with free business courses, and saved 445 customers an average of \$1,200 in legal fees. The New Business Acceleration team helped more than 600 businesses open doors an average of 72 days sooner.

Areas of opportunity include:

- Strengthening partnerships between the state's Small Business Development Centers and NYC Business Solutions, and working with local universities
- Working with MWBEs to build capacity and management training. Five initiatives were created to help MWBEs compete to win (e.g., technical assistance, bond readiness, construction mentorship)
- Business Improvement Districts: 67 BIDs invest \$100 million annually to serve more than 3,500 block faces. Twenty-three new BIDs have been created, most of them outside of Manhattan
- Building capacity of local nonprofit economic development organizations through programs such as the Main Street program and Neighborhood Leadership Program
- Build out the network of Workforce 1 Career Centers, which have connected 35,000 New Yorkers to jobs. Many are connect with CUNY campuses. SBS could use help in getting expanded access to state jobs wage reporting data in order to track wage gains

Steve Cohen spoke about state resources for small businesses, which are responding to needs the regional councils identified: access to capital, improving the business climate, streamlining government.

An important resource is www.nyfirst.ny.gov, a one-stop shop for all of the statewide economic development programs in New York. Other resources are the NYS Directory of Small Business Programs and the NYS Directory of Small Business Alternative Lending Programs.

New financial assistance programs include:

- Capital access program (\$18.4 M)
- Innovate NY Fund (\$25 M) (seed stage equity fund)
- Surety Bond Assistance Program
- Small Business Revolving Loan Fund (\$25 M)

Additional financial assistance programs include:

- Linked deposit program
- Community development financial institution assistance program
- Revolving loan trust funds
- Small business technology investment fund
- Manufacturing assistance program

In addition, technical assistance is offered through:

- Entrepreneurial Assistance Program
- Ombudsman/Direct Business Assistance
- Small Business Development Center Network (operated through SUNY)

Deputy Commissioner Cohen also noted that the NYC Contract Reporter site is undergoing a major overhaul. Regarding the Division of MWBE, the governor has set an ambitious goal of increasing MWBE participation by 20 percent across the state. ESD has developed fast-track applications to streamline the process, in addition to bringing the process online. A NYS e-licensing program to bring permitting and licensing online will be developed (an RFP was distributed in November). ESD is working hard to connect MWBEs to state opportunities.

In response to a question from Kathy Wylde about consolidating state and city MWBE certification processes, Commissioner Walsh noted that there is a reciprocity program whereby the city accepts state certifications. The state will also accept city certifications, but the state requires two additional pieces of information. State certification has increased by 80 percent, but the state is challenged by the volume of applications, some of which are complicated. As of April 1, the state has more resources to address this.

Commissioner Walsh noted that contract numbers are up in the areas where the city has flexibility, but there are still challenges for contracts above \$100,000. Now when an MWBE certifies with the city, it is informed of all the other services available.

Lieutenant Governor Duffy recognized Councilmember Gale Brewer, and then commended Commissioner Walsh on the acceleration team's progress and suggested that the SAGE Commission could be helpful if there are any difficulties in working with the state.

VIII. Wrap Up/Adjourn

Chancellor Goldstein thanked all of the presenters. With no further comments or questions from council members, he then adjourned the meeting.