

**OPEN FOR BUSINESS:
A NEW STATE GOVERNMENT APPROACH TO ECONOMIC DEVELOPMENT
Public Forum of the New York City Regional Economic Development Council
Thursday, September 12, 2013
The Graduate Center /CUNY, Manhattan**

Summary

Attendees:

Regional Council Members and Representatives

Matthew Goldstein, Chancellor Emeritus, The City University of New York (co-chair)

Zayne Abdessalam, representing Stuart Appelbaum, President, Retail, Wholesale and Department Store Union

Heather Beadoin, representing Gary LaBarbera, President, New York City Building and Construction Trades Council

Wellington Chen, Executive Director, Chinatown Partnership Local Development Corporation

Carol Conslato, President, Queens Chamber of Commerce

Douglas Steiner, Steiner Studios

Kenneth J. Knuckles, President and CEO, Upper Manhattan Empowerment Zone

Kathryn Wylde, President & CEO, Partnership for New York City

Elected Officials & Representatives (City)

Kai Fedder, representing Hon. Marty Markowitz, Brooklyn Borough President

Regional Council Staff & ESD

Joseph Tazewell, NYC Regional Director, ESD

Lauren Bierman, ESD

Adem Bunkeddeko, ESD

Andrew Fletcher, ESD

John Moyer, DOL

Ingrid Nathan, ESD

Marion Phillips, ESD

Grace Prestamo, ESD

CUNY

Barbara Cura

Suri Duitch

Kara Heffernan

Hourig Messerlian

Shanequa Terry

Anthony Vargas

I. Welcome and Introduction

REDC Chairman Matthew Goldstein welcomed everyone to the forum and to The Graduate Center, which he noted is home to all CUNY's Ph.D. programs. He also apologized for the scheduling mix-

up, noting that the meeting time was listed in different places as 10:00 A.M. and 10:30 A.M.

Chairman Goldstein then welcomed members of the Regional Council to The Graduate Center and launched into his introductory remarks. He noted that the public forum is about identifying investment opportunities that will support job creation across state. The New York City REDC is one of ten regional councils in the state competing for funds. The purpose of the funding process is to incentivize implementation of the plan, award regional performance, and motivate stakeholders to work together.

Chairman Goldstein then thanked the Governor for developing the idea of the REDCs, reminding everyone that this is the third year of the initiative, and noted that investments are intended to spur economic development and job growth. He said that at least \$5 million and no more than \$25 million in capital funds will be allocated to the region, and that up to \$10 million in Excelsior tax credits will be available.

This year, the Regional Councils were given the following guidance on developing priorities:

1. Keep the project pipeline flowing
2. Select Innovation Hot Spots
3. Develop an Opportunity Agenda
4. Train the workforce for today and tomorrow
5. Engage local government officials
6. Create interregional collaborations
7. Advance regional cleaner, greener communities
8. Measure performance

Chairman Goldstein reminded the audience that two of the eleven criteria used to identify priority projects in 2013 emphasize job creation and job retention. In selecting its priorities, the council was looking for measurable impacts, including projections about jobs, investment outcomes, and how investments would yield community benefits. In seeking projects that exhibited demonstrable job creation, whether indirectly or directly, the council was considering wage levels, benefits, permanency of jobs, and career advancement opportunities.

Chairman Goldstein then explained that at this forum, the council will hear public comment on the New York City Regional Economic Development Council's draft 2013 progress report that was posted on the Regional Council web page earlier in the week. He then asked Kathryn Wylde, chair of the REDC writing committee, to offer an overview of the Progress Report.

II. Update on Progress Report

REDC Member Kathryn Wylde explained that the progress report is an update of the council's implementation of the projects from the last two years and includes new strategies/amendments to the strategic plan. The previous progress report was released shortly before Hurricane Sandy, so this progress report includes components that focus on issues made more prominent in the wake of Hurricane Sandy, including development of the waterfront and the economic implications of the storm on the city and its neighborhoods.

Ms. Wylde noted that the coming change in the mayoral administration was on the minds of the committee when drafting the progress report. The strategic plan should align with and reflect the priorities of the new mayor, so the council reserves the right to update the plan based on conversations with the new mayor after the election in November.

This year, the Governor asked the councils to develop an Opportunity Agenda that would specifically focus on economically distressed communities. Through its agenda, the council is looking to address workforce development issues and the skills gap facing many New York City residents. The council desires workforce development projects that engage the educational community and employers and that show positive performance metrics, which will be possible when the Wage Reporting System Act is implemented. The Act mandates reporting by workforce development providers who receive public funds of outcomes that include job titles, job locations, and salaries. It is the hope of the council that the system will be in place quickly once the law is signed.

Lastly, Ms. Wylde highlighted some of the funding priorities of the council contained in the progress report. She noted that the cluster of projects on the St. George Waterfront in Staten Island was receiving priority support. She also noted that for the Innovation Hot Spot, the Queens Tech Incubator was selected, and for the NYS Business Incubator Project, the NYDesigns Incubator Project at LaGuardia Community College was selected. In the case of the both the projects in Queens, the projects are partnerships between universities and companies around technology and design issues.

Ms. Wylde turned the microphone back to Chairman Goldstein, who asked everyone on the dais to introduce themselves.

III. Public Forum

Chairman Goldstein said that the remainder of the meeting would be devoted to listening to public comments. Each speaker was given three minutes to speak and invited to leave a written copy of their statements.

Alinda Franks, ITAC. ITAC is one of ten NYS-designated Regional Technology Development Centers (RTDC) and the Manufacturing Extension Partnership (MEP) Center for New York City. Its mission is to grow the manufacturing and technology sectors. Ms. Franks commended the report and hopes that in the future more manufacturing and technology projects will be considered, specifically projects that ITAC has worked on. She asked the council to also consider more projects from smaller firms.

Rich Marin, New York Wheel. The City Planning Commission was satisfied that the requirements of the Uniform Land Use Review Procedure (ULRUP) were met and recently approved the project. The City Council will next vote on the project. The project is the centerpiece of the Staten Island economic development program proposed for the North Shore Waterfront and will make the North Shore a destination, bringing 4 million tourists to the area. The project will create 350 construction jobs, all of which will be union jobs, and 700 full-time jobs. The themes of the project are of New York City vision, high tech/social media, and sustainability.

Brian Donnelly, City University of New York. The CUNY Early College Initiative has been developing new 9-14 schools that allow students to earn dual degrees, both a high school diploma and an Associate Degree. The newest Early College school is PTECH, a partnership between CUNY, the DOE and IBM. Last month the Governor announced the winners of the NYS PTECH program, which will form public-private partnerships that will prepare high school students for high-skill jobs. Currently, there are 6,400 students enrolled in nine CUNY early college schools. These schools have a graduation rate 20% higher than other DOE schools. The Closing the Gap program designated by the council to receive support under the Opportunity Agenda will support employers to develop partnerships to spur the development of more early college schools. Current CUNY partners include IBM, SAP, ConEd, National Grid, and Montefiore Medical Center.

Carlyle Towery, Greater Jamaica Development Corporation. Mr. Towery offered his support for hotel project in downtown Jamaica. Jamaica has seen many job losses recently. The hotel, located on a brownfield site in Community Board 12, would be the first new investment in the area. He discussed the many challenges facing the local population. The project would also have regional connections as it is located at the intermodal hub that contains the AirTrain, LIRR, and subway.

Jorge Farber, Madelaine Chocolates. Mr. Farber thanked the REDC. He is the president/CEO of a family business started in 1949 by two brothers in downtown Manhattan. The business, now located in the Rockaways, produced over 100,000 pounds of candy per day during peak periods. After Hurricane Sandy, the company needed to repair and/or replace its processing equipment, which was damaged during the storm, and for some time after the storm no product was being produced. The company needed three new machines. Today, there are 80 employees and the company hopes to bring more back soon. It received an SBA loan after Hurricane Sandy.

Kathryn Wylde asked Mr. Farber if his company received any emergency assistance in the wake of Hurricane Sandy. Mr. Farber answered that the company received only an SBA loan.

Natalia Arguello, LaGuardia Community College. Ms. Arguello thanked the council for its proposal to designate NYDesigns as the Business Incubator Project. NYDesigns helps design firms by providing studio space, training, and counseling. It has served over 5,200 clients and 50 companies, which have gone one to create over 300 jobs and brought in over \$24 million in grants and contracts. NYDesigns has more recently branched out to serve technology companies and REDC support will allow it to create a plan to serve both design and technology companies, and thereby support the REDC's priorities.

Charlotte Hall, Build Up New York. Build Up New York represents workers in the building and hospitality industries. Ms. Hall expressed opposition to the Empire Outlets Project, stating that the project developer refuses to firmly commit to creating good jobs and will only consider setting higher employment standards for the publicly funded portion of the project, not the entire project. She states that the jobs being created under the project offer no long-term career development and upward mobility for workers and that there is no return on investment. She asked for the council to require that the entire project meet higher job standards.

Ms. Wylde asked Ms. Hall about her feelings about the Lighthouse Point Project and the hotel jobs it will be creating. Ms. Hall said she had no knowledge of the specifics of this project.

Captain Tom Ferrie, Sandy Hook Pilots Association. Mr. Ferrie thanked the council for designating the Sandy Hook Pilots Association for priority status. The association, part of the region's maritime transportation system, ensures that commerce flows, regardless of the conditions, and helps the Coast Guard during emergencies, like 9/11 or Hurricane Sandy. Hurricane Sandy destroyed the association's building and its pier. The project will create four new pilot jobs every year and allow the association to rebuild above the floodplain in a sustainable manner with minimal environmental impact.

Elizabeth Luskin, NYU Poly. Ms. Luskin updated the council on the Center for Urban Science and Progress and NYU's incubators. The Center for Urban Science and Progress enrolled its first class in 2013. It will be moving into a new building, formerly belonging to the MTA, in downtown Brooklyn in 2017. There are currently three NYU incubators that have, since 2009, created 900 jobs and spawned 100 companies. The economic impact of the incubators on the city has been high. The Urban Future Lab will be the fourth incubator.

Jonathan Weinbach, NY Proton Center. The NY Proton Center is a partnership of the five largest cancer centers in New York City—Mount Sinai Medical Center, Memorial Sloan-Kettering Cancer Center, Continuum Health Partners, NYU Langone Medical Center, and Montefiore Medical Center. The proton radiation treatment that the center will offer allows for tumors to be more precisely targeted. Such treatment is currently unavailable anywhere locally and patients who seek this treatment must travel for it. The project was recently granted a Certificate of Need by New York State, which helps the state determine how many of such facilities are needed. The center, located in Harlem, will create 400 construction jobs and 125 permanent jobs.

Seth Bornstein, Queens Economic Development Corporation (EDC). The Queens EDC has served over 1,000 individuals in the last year and its incubator has helped over 300 businesses, mostly food businesses, since 2010. The Queens EDC has five applications pending. The EDC has had 51 businesses graduate its incubator program in the last year, which is important because small food businesses make a significant economic impact. This was documented in *Jobs for a Healthier Diet and a Stronger Economy*, a recent report by Hunter College. Without council support, the EDC may not be able to keep its incubator open past next year.

Shani Leibowitz, Brooklyn Navy Yard. There are over 330 businesses and 40 buildings that make up the Brooklyn Navy Yard. Collectively they have placed more than 2,000 people in jobs yielding over \$2 billion in economic output, according to a recent report by the Pratt Center, *The Brooklyn Navy Yard: An Analysis of Its Economic Impact*. The Navy Yard will be adding new space that in the next two years will create 2,500 new jobs. Ms. Leibowitz asked for support for Building 77, which will transform one million square feet of underutilized space and create 1,500 new jobs.

Ryan Gleason, Staten Island Chamber of Commerce. Mr. Gleason asked the council to support all the projects on the St. George Waterfront, which will bring in \$480 million in private investment and create jobs and draw tourists to the area.

Jukay Hsu, Coalition for Queens. Mr. Hsu thanked the council for making the Queens Tech Incubator a priority project. The incubator will catalyze high-growth technology industries in Queens. Jamestown, the developer of Chelsea Market, will renovate the space. Access Code, a

project of the coalition that trains individuals in iOS app development, had 21 students graduate from the program, yielding four new apps in the Apple apps store. Google recently became a program sponsor.

Diane Coogan, Queens College. Ms. Coogan offered support for the Coalition for Queens project. Queens College promotes entrepreneurship opportunities and new business initiatives. There is significant demand for what the incubator will be offering.

Felicia O'Garro, Coaliton for Queens. Ms. O'Garro was one of 21 graduates of the Access Code program run by the Coalition for Queens. After losing her job in the financial industry, she applied for a seat in the Access Code program. The course gave her access to influential members of the local tech community, and during the course she built a mobile app that is now available in the Apple app store. After meeting successful entrepreneurs during the course, she launched an education technology startup which is working on iOS developer skill-building.

Kathryn Wylde asked Ms. O'Garro if she had a STEM undergraduate degree. Ms O'Garro stated that she did not, nor did she have any formal technical training.

Donald Epstein, World Business Lenders. World Business Lenders provides business loans to small and medium-sized enterprises (SMEs), giving them access to working capital that can be used to acquire equipment. The company serves small businesses of various types, including retail, medical, and food service companies. World Business Lenders provides loans that are usually not available from commercial lending institutions, thereby filling a gap in the market. The average loan amount is \$40,000 and the typical client has under 100 employees and \$1 million in annual sales. Support from the council will support a call center that will provide customer service and loan servicing.

Don Capoccia, BFC Partners. The Empire Outlets Project will contain 340 square feet of retail outlets, 500 square feet of parking, and a 200-room hotel. The project will result in over 1,000 permanent jobs. The project is in negotiation with two 2 lenders and would start in mid-2014. Mr. Capoccia stated that the projects would improve infrastructure around the Staten Island Ferry Terminal, which is necessary in the wake of Hurricane Sandy. He also stated that there was a plan to address training and workforce issues and give preference to local residents for the jobs created.

Dan Walcott, Build Up NYC. Build Up NYC represents 200,000 workers in the hospitality industry. Mr. Walcott spoke in opposition to the Empire Outlets Project and the priority designation granted by the council. He stated that the New York Wheel Project was taking positive actions regarding jobs and training, including participating in an apprenticeship program for the project's construction jobs, but that the Empire Outlets Project did not satisfy REDC criteria.

Mike Halpin, Build Up NYC. Mr. Halpin spoke in opposition to the Empire Outlets Project. Seventy-five percent of workplace accidents happen on construction sites, and 25% of those sites are not participants of approved training and apprenticeship programs. Mr. Halpin asked the council to invest in projects that stress safety, and is concerned that Empire Outlets Project does not do this. He asked that the developer have to make concessions.

Arthur Rosenfield, Long Island City Chamber of Commerce. The Long Island City Chamber of Commerce is a new chamber of commerce. Mr. Rosenfield offered the resources of the chamber to work with the REDC in western Queens.

Kamillah Hanks, Historic Tappen Park Community Partnership. Ms. Hanks expressed her support for the Empire Outlets Project. The project will bring 1,000 jobs to the community, which currently has high unemployment and offers few opportunities for its residents.

Jack Friedman, Queens Chamber of Commerce. Mr. Friedman offered his support for numerous projects in Queens, including the Jamaica transportation project, the Greater Jamaica Development Corporation-supported hotel, the Bloomfield retail development project, the Madelaine Chocolates project, the Queens Tech Incubator project, and the Queens EDC-sponsored projects.

Chairman Goldstein thanked all of the speakers. He again promised that all testimony would be seriously considered. He thanked the Governor's staff for its assistance and his council colleagues.

The meeting adjourned at 12:07 P.M.