MAS Testimony to the New York City Council Committee on Economic Development regarding Transparency & Reform of the New York City Economic Development Corporation and Intros. 1316 and 1337

December 8, 2016

The Municipal Art Society of New York (MAS) supports Intros 1316 and 1337 with our recommendations included herein. The proposed legislations by the City Council would amend the City Charter and Administrative Code to improve transparency and accountability for actions undertaken by the New York City Economic Development Corporation (EDC) under contract with the New York Department of Small Business Services (SBS).

Background

Intro 1316 would require EDC to include the City Comptroller or the Comptroller’s appointee on its board, share project data on the City’s open data portal, publicly release reports on the fiscal, social, and environmental impacts of projects, and hold public hearings in the communities affected by projects it undertakes.

Intro 1337 would require EDC to submit a project description and budget to the local Community Boards, Council Members, Borough Presidents for review before project agreements can be executed or projects can be approved by the Mayor.

In addition to its primary function of stimulating economic development in New York City, EDC plays a significant role in many of the city’s land use and planning projects and initiatives. Similar to the Department of City Planning (DCP) and the City Planning Commission (CPC), which are authorized under the City Charter to make discretionary planning decisions, EDC often serves as lead agency for actions subject to environmental review, coordinates with other city agencies, issues RFPs, selects consultants, facilitates public participation efforts, and represents the Mayor's Office in negotiations for actions subject to ULURP.

In terms of its land holdings, according to the City-Owned and Leased Properties dataset maintained by the Department of Citywide Administrative Services (DCAS), EDC manages a total of 160 properties, encompassing over 17 million square feet of land. Fifty-five of these holdings are categorized as properties with “no current use” and 97 are committed for sale or long-term lease. The full list of these holdings is provided as an attachment to this testimony.

However, according to its asset management online map, EDC manages over 20 million square feet of property and a total of 108 sites. Based on these informational discrepancies, we feel the improvements proposed under 1316 with regard to EDC’s datasets are well warranted.

Position

Although MAS believes that amendments proposed under Intro 1316 and 1337 will improve transparency and accountability for certain actions undertaken by EDC, we feel they do not go far enough. Therefore, we propose the following recommendations.
Based on EDC’s involvement in major city planning efforts and the extent of its land holdings, MAS strongly recommends that the City Charter should be further amended to define EDC’s role with regard to planning and ULURP.

- The proposed amendments should apply to EDC contracts with all city agencies, and not be limited to only those with SBS.
- Intro 1337 should include specific steps and mechanisms by which comments and feedback from Community Boards, Council Members, and Borough Presidents would be incorporated into the planning process for projects undertaken by EDC.
- Similar to Intro 1132 (introduced by the Council in August), which would establish a tracking database for all city commitments for any city-sponsored applications subject to ULURP, MAS recommends that Intro 1316 and 1337 should define tracking procedures for commitments made by EDC, including, but not limited to, Community Benefit Agreements (CBAs) and Memorandums of Understanding (MOUs).
- MAS recommends that the proposed legislation specifically address the disclosure of financial analysis and lease terms undertaken by EDC for each site within their purview.

MAS is currently monitoring several ongoing EDC initiatives including the Brooklyn Queens Connector (BQX), neighborhood planning studies in Inwood and Downtown Far Rockaway, and transactions/leases for developments in the South Street Seaport.

We are hopeful that the Council will include our recommendations so that necessary regulatory changes would apply to these projects.

Thank you for this opportunity to testify on this important matter.