

## Appendix E: Stakeholder Conversations and Focus Group Summaries

### **Industrial Business Owners/Property Owners/ Brokers Key Outcomes from Stakeholder Discussion - November 17, 2015**

#### **Discussion Points**

- *What are the best qualities of LIC for your business and the business community as a whole? What is the most important reason you/they are here?*
- *What trends have you been seeing in LIC in the past 5-10 years? What have they meant for your businesses (or your properties)?*
- *What are the biggest challenges do existing businesses face in remaining or growing in LIC?*
- *What is the one thing you need most that you're not getting in LIC?*
- *What government programs or incentives have been successful to bringing/retaining/growing businesses to/in LIC? Which could be adjusted?*

#### **Key Outcomes and Transcription from Stakeholder Discussion**

##### **Demand in LIC**

- Vacancy rates are very, very low. Brokers are seeing sustained interest in LIC for industrial space, especially in the core industrial areas, which aren't feeling the same residential and commercial pressure as other areas in LIC. This includes businesses relocating from within LIC, as well as new small firms coming here.
  - "Manufacturers still want to be close to Manhattan, and LIC offers lower rents [than Manhattan]."
  - "In LIC, we're seeing tremendous pressure on the small manufacturers to get out of town. Rents are sky high and increasing."
  - Many want to be—and remain—in close proximity to one another. ("Small businesses in the light manufacturing and innovation economy are coming to look for space in LIC – they're loving the fact that they're in groups next to each other, transferring knowledge.")
- Landlords don't feel the need upgrade space because they are getting the highest rents ever. They getting at least \$20 psf from warehousing tenants *without* needing to take it offline to invest in the property. (Upgrading takes the property offline for too long, and runs the risk of not being the "right" kinds of improvements for future tenants.) "We're putting a warehouse space on the market for one day and 15 people call us up interested in renting the space."
- There is demand for very large industrial spaces that often cannot be met at affordable rents.
  - New Jersey is the logical alternative for many industrial businesses—especially large ones—that need to service the five boroughs but cannot afford the space in Manhattan or LIC. New Jersey offers much larger spaces at much lower rates. Businesses are able to afford larger spaces than they currently need in New Jersey, which allows them the flexibility to grow in-place. Importantly, many incentive programs that are discretionary in NYC are as-of-right in New Jersey, providing predictability to firms locating there.

- Smaller firms—many of which do not *require* M-zoned land—are moving into industrial space. They prefer the ambiance of the neighborhood and the buildings they’re moving into. Those that have been upgraded by landlords are closer to neighborhood amenities in demand by tech-related firms, and are easier to allow quickly growing firms to flexibly ramp up space needs in situ.
  - Many employ individuals who end up living in or moving to the neighborhood. “We’re noticing that most of our tenants live in LIC. They love the live-work aspect of the neighborhood.”

#### Rents

- The higher rents in LIC are justified by LIC’s position on the transportation grid, access to customers and access to workers.
- Industrial spaces are generally in the high teens/ low 20s.
- For commercial office space, rents are close to \$40 psf (e.g. Falchi), including generous TI, which lowers the effective rate to the low \$30s. Ten years ago at a building like Falchi, was closer to \$12 psf.
  - **Important:** Commercial rent rates at that level do not spur new commercial development. However, they preference commercial uses over industrial ones in refurbished industrial buildings.
- There is a preference among landlords for short-term leases to preserve flexibility in the market and to minimize problems with assignment, etc., as businesses close or move.
  - **Important:** This challenges many industrial users who are seeking stable, affordable space. It also prevents them from accessing key incentive programs which require longer leases.

#### Infrastructure issues

- Sufficient Internet access is challenging, especially in the industrial core.
- Floor drains and toilets regularly flood during storms in industrial areas, particularly in warehousing space.

#### Building new space / increasing density

- Land prices have been driven up recently, making industrial land acquisition nearly impossible. “Industrial landlords are looking to flip their properties because they can get a ton of money. That may be a myth, but the sense of opportunity is at an all time high for owners in LIC.”
- The cost of building new light industrial or commercial space is significant. Even with the relatively lower cost of land in LIC compared to other NYC markets, rents are not yet high enough to break even on commercial development. (Even in a more mature market like Downtown Brooklyn, the City has had to step in to subsidize commercial development.)
- New light industrial is very expensive to build. Basic needs are similar to commercial with additional costs for high ceilings, freight elevators, loading docks, etc.
- Not as easy as people think to build up on existing industrial—even if industrial FAR is increased.
  - DOB will require the whole building to be brought up to code along with additions, increasing costs significantly.

- While property owners may express interest in expansion, they become reluctant once they understand the real cost—especially given existing demand for their spaces. *Business* owners needing more space are more likely for them to bring in consultants to increase the efficiency of their existing space.

#### Incentives

- Existing incentive programs were designed to encourage capital investments and/or underwrite the costs of relocation. Their impact has depended on:
  - Size of space and number of employees
  - Resources for making substantial improvements (or convincing landlord to)
  - Sophistication of the tenant, as the programs are difficult to navigate *and* the outcome not assured, given the prevalence of discretionary programs in NYC.
- For smaller businesses that don't employ a large number of people, incentives like REAP are not the make or break for renting in LIC, just a bonus.
  - For key incentive programs, there's a heavy reliance on incremental hiring for eligibility, which many successful firms are not doing. In fact, many are being incentivized to become more productive by becoming more efficient—doing more with a stable workforce or even decreasing their payroll somewhat. The successful firm remaining in place with a stable workforce does not have access to incentives.
- Ongoing cost reduction handled mostly by energy cost savings programs
- Interest in improving incentive programs
  - Stakeholders were least satisfied with energy incentive programs on this front. Improvement would require cooperation at the City, State and Federal level.
  - Allow businesses to layer incentive programs
  - More transparent (e.g. an accurate prediction of how much the business will benefit and for how long).
  - Develop ways to compete with nearby jurisdictions whose incentive programs are as-of-right and offer specific benefits that can be relied upon and factored into business operations in advance in a way NYC's incentive programs cannot.
  - Current programs conflict with the trend toward smaller businesses and shorter leases from landlords.
  - Many incentives programs can only be used once (CEP), and therefore do not offer long-term subsidization of the ongoing business costs that make LIC challenging to them.

#### Attendees

- Gretchen Werwaiss, Werwaiss & Co., Inc.
- Paula Kirby, Plaxall, Inc.
- Matt Quigley, Plaxall, Inc.
- Charlie Sommer, Public Service Truck Renting, Inc.
- Ann Kayman, New York Grant Company
- Chip Brian, Best & Co.
- Thomas Knierim, Signature Bank

- Greg Smith, JRT Realty Group, Inc.
- Gail Roseman, Sholom & Zuckerbrot Realty LLC
- Robert Altman, Robert S. Altman, Esq. PLLC
- Elizabeth Lusskin, Long Island City Partnership
- Christina Chavez, Long Island City Partnership
- Charles Yu, Long Island City Partnership
- Kei Hayashi, BJH Advisors
- Krzysztof Sadlej, BJH Advisors
- Mark Foggin, Public Works Partners
- Annie Levers, Public Works Partners

**Cornell Tech & LIC**  
**Key Outcomes from Stakeholder Discussion - November 30, 2015**  
**Supplemental Conversation with Andrew Winters – December 9, 2015**

**Discussion Points**

- *How has Cornell been thinking about LIC to date? What are its greatest assets?*
- *What are the projected needs for off-campus space in the coming 5-10 years—especially as it relates to LIC? E.g. amenities, off-campus housing, step-out space, support services, etc.*
- *What does Cornell see as the biggest challenges in having LIC serve as a key location for ancillary or support services/space? (E.g., access, affordability/availability of appropriately configured space, broadband, etc.)*
- *Do certain businesses that may spinoff of Cornell Tech have specialized space requirements that might be an obstacle when searching for appropriate space in LIC?*
- *What single expansion of transportation infrastructure would be most beneficial/attractive to Cornell Tech’s connection with LIC?*
- *Additional Ideas*

**Key Outcomes and Transcription from Stakeholder Discussion**

**Space – Office/Spinout**

- Today, Cornell has 15 faculty and 150 MA students. They project to stay in the low hundreds over the next five years but to grow to a total of 2,000 over the next 25 years. Up to 3,000 with administration and full-time staff.
  - Perhaps 25% of those graduates will start companies and require step-out space.
  - Successful start-up companies may employ anywhere between 3 – 25+ employees.
  - Start-ups will begin with 3-4 people and at that size can find space within the new campus. Once company size goes up to 10 employees move to the NY Times building, and when campus is built to The Bridge on campus.
- In Cornell’s outreach to tech companies, “the #1 interest from businesses for space is brand new construction, capable of accommodating their tech needs.”
  - Industrial chic is nice, but in reality these companies want pleasant places to work with reliable high-speed broadband, climate systems, plumbing, etc.
  - Most of the spinoffs don’t have much industrial needs, so industrial aesthetic is a plus, not a must.
  - Spinoffs are expected pay rent.
  - There’s also interest in adjacencies to prototyping services and manufacturers—or a greater awareness of what is available elsewhere in the neighborhood.
  - The spinoffs generally have no or very little production capacity, some work with contractors to produce hardware.

- Also some interest in being in green / sustainable buildings.
- There's strong interest in co-working spaces, especially for second stage companies (7+ employees, graduating out of Cornell's spaces in NY Times building, and Bridge building once it's online). Only have NY Times building until Bridge building is completed.
  - This is important because co-working space has a higher ROI potential for developers, including on speculation.

#### Space – Housing Needs

- About 2/3 of campus population (students and faculty) will live off-campus and enter the market for housing.
  - Students new to NYC are more likely to take advantage of on-campus housing.
  - Based on previous experience, 30-40% will be international students, most of them will have 1-2 year housing need during their study.
  - Most students are very price sensitive, affordability will be an important consideration.
  - On-campus housing may be a key selling point for recruiting faculty.
- Students on the market may generally want to live close to campus, but more importantly they want to live in an area that's lively and active, that feels safe, that has restaurants, nightlife, etc. "If everything closes at 10PM, that's a deal-breaker." [Student quote]
- In terms of faculty recruitment, "nothing is more compelling than access to high-quality schools for their children."
  - Lots of faculty have young families, and face significant difficulties in finding quality schools for their kids without a lease or on short notice.
- The neighborhood will need to provide many types of housing at different price levels for students, graduates, faculties, and staff.
- Cornell currently has no plan to expand campus (funded) housing beyond Roosevelt Island.

#### Attracting Tech Sector / Clustering

- A community/enclave of entrepreneurs and makers is attractive to the sector, which tends to cluster around universities and other types of knowledge-centers; "The Bridge will provide that type of proximity – an enclave of entrepreneurs and makers."
  - A directory of these types of potential service providers (existing producers with spare capacity) would be helpful to develop.
  - An attractive neighborhood with suitable amenities (food options, infrastructure, housing) is very important for attracting graduates to stay in NYC.
- Cornell Tech will not rely on an anchor tenant to attract businesses to the corporate co-location Bridge building on campus. Instead, Cornell Tech will rely on attracting "magnet" tenants (3-4 smaller established tech companies) alongside start-ups and academic researchers.
  - The concentration of businesses at the Bridge building could increase interest in LIC when these start-up firms outgrow the Bridge.
  - LIC doesn't necessarily need to attract a marquee anchor tenant (like a Google) to develop the nexus of a critical mass of activity

- Business spinoffs are around research topics and interests of the professors, currently mostly involve software.

#### Infrastructure Needs

- People (students, faculty, business owners and employees) want to be within 15 minutes of Manhattan via public transportation. Proximity to the F train is seen as key.
- Roosevelt Island could theoretically have better access to Queens than Manhattan, given the direct route over the Roosevelt Island Bridge.
- There is also interest in public transit connections to other neighborhoods, including in Brooklyn, where allied sectors are also growing.
  - There is a perception that LIC/Queens is disconnected from other neighborhoods (poor reputation of G train; can't get to LIC from Brooklyn without going through Manhattan).
- Bike infrastructure is important for some, but is just one aspect of a transportation system.
  - Interest in improved bike and pedestrian access to the LIC bridge, and reactivating an elevator to service the Queensboro Bridge.
  - Some students/faculty will still prefer not to bike in the city, even with the infrastructure. For 1 year students they don't see NYC as yearlong biking city (winter issues)
  - Cornell is looking into better bike infrastructure on Roosevelt Island, bike ramp connecting helix.
- Access to airports and other types of transportation outside of the city is important, and may increase in its importance as they grow.

#### Neighborhood Amenities

- Tech businesses want to be in pleasant, lively neighborhoods with access to open/green space, restaurants, gyms, bars, and other personal services and recreational activities.
  - Local restaurants and places to eat are particularly important – they want to know they can grab something to eat within 15 minutes.
- Cultural institutions are critically important. LIC's cultural institutions have created a very robust creative community that offers interaction, stimulation and inspiration the tech sector seeks.
- Big takeaway is not just about the start-ups and co-sharing/working spaces but the neighborhood community as well.
- Make it visible what is going on in LIC to make it attractive to the start-ups

#### Future Opportunities for Partnership

- There are currently no publicly accessible maker spaces in NYC.
  - There is a significant need and interest in financially feasible, school-age-friendly maker spaces with graduate-level personnel (perhaps from Cornell Tech) to assist and educate users on basic design and use of equipment. These spaces will increase access to prototyping technologies, but may also support workforce development efforts – engaging local residents, building their skills.
- Workforce Development

- Working with groups (perhaps Per Scholas, Urban Upbound and C4Q) to connect local residents to the budding tech-related jobs in and around LIC.
  - What training programs are needed? Who can fill the gap?
- Consider recruiting an accelerator like General Assembly or Flatiron

### Attendees

- Meghan French, Sr. Director of External Relations
- Diane Levitt, Sr. Director of K-12 Education
- Tuyen Dang, Administrative Assistant
- Juliet Weissman, Chief Administrative Officer
- Adam Schwartz, Cornell Tech Faculty Member & Director, Jacobs Institute
- Brendan Foster, Cornell Tech Student
- Sean Cornell Tech Student
- Elizabeth Lusskin, Long Island City Partnership
- Charles Yu, Long Island City Partnership
- Christina Chavez, Long Island City Partnership
- Kei Hayashi, BJH Advisors
- Mark Foggin, Public Works Partners
- Kasia Orzechowski, Public Works Partners
- Annie Levers, Public Works Partners

## **Cultural Organizations**

### **Key Outcomes from Stakeholder Discussion - December 09, 2015**

#### **Discussion Points**

- *From your point of view, what are the key attractors for cultural organizations in LIC and what are the key detractors?*
- *How has LIC changed in the past 5 years and how has that impacted your organization?*
- *What's on the horizon for you in LIC in the next several years? How is the growth a benefit and a challenge?*
- *What do you need in order to continue to thrive (and grow) in LIC?*
  - *More/more affordable space; appropriately configured space?*
  - *Transportation improvements (if so, which ones?)?*
  - *Specialized space needs (loading docks, ground floor, freight elevator, etc.)?*
  - *Stronger partnerships?*
  - *Something else?*
- *What types of development would complement your organization and/or cultural organizations more generally in LIC?*
- *Who are your partners? In what ways do you work together?*
  - *Other cultural organizations; artists; educators/schools; designers; fabricators, service vendors?*
  - *Are there partnerships you'd like to develop in LIC but haven't been able to?*
- *Visitors & the neighborhood*
  - *Do you know what other activities patrons engage in when they come to visit your institution? (E.g. going to a restaurant before visiting or go for drinks after a movie?)*
  - *Are they looking for additional neighborhood amenities?*

#### **Key Outcomes and Transcription from Stakeholder Discussion**

##### **Why LIC?**

- LIC has traditionally offered artists and cultural organizations attractive, affordable space, especially as compared to Manhattan.
- The mixed-use environment offers artists and cultural organizations proximity to suppliers, like marble and lumber.
  - “That certainly has to do with why we're here – is that mixed use, that feeling...you could also go to Dyke's Lumber and then go down the street and see a [MoMA] PS1 exhibit down the street and it's all part of the same thing.”
- Some of the earliest cultural organizations in the area today arrived in the 60s and 70s to take advantage of, or activate, particular spaces (e.g. Noguchi's studio, Socrates Sculpture Park, and PS1)
  - Over time, they contributed to attracting additional arts-related non-profits
- There is a well-developed ecology of cultural institutions in LIC—large and small, new and well-established—which attracts a community of independent artists [e.g. sculptors, writers, painters, etc.] who have also found affordable housing in the neighborhood.
- The racial, ethnic and economic diversity of LIC's residents allows cultural organizations to “truly walk the walk of accessibility and connect to an enormously broad spectrum of visitors.”
- Increasing residential density has expanded demand for cultural organizations' programming for families over the last five years, even as it puts pressure on real estate prices.

## Space Affordability

The area is experiencing enormous increases in the cost of land and rent, which threatens to displace renters (artists and organizations) and makes it very difficult to purchase and develop new space:

- As renters are displaced they are challenged to find new affordable space after having invested significantly in their existing spaces, adding significant costs and complexity to a move. For example, The Chain Theater which was home to the Variations Theatre Group, their lease was terminated early to expire in February 2016. It is a challenge for the organization to find affordable space and after six years of establishing themselves in LIC they are starting from scratch again.
- Some developers have offered affordable rental space to cultural organizations, but it generally does not meet their needs for space configuration and lease terms—especially lease length and often significant upfront investment is needed to make the space usable.
  - Even long-term leases do not guarantee security; they are subject to loopholes to push renters out when the time is right for development
- Most older local cultural organization own their space which is insulating them from the market. For more recent arrivals and others who still rent, ownership may be an option, however it comes with its own significant challenges.
  - Purchase prices have increased significantly. “People in my neighborhood [Astoria] think that their property is worth \$500 sq. ft. The asking price for a single one-family house is \$5 Million.”
  - Purchasing requires significant fundraising, or to divert funding that would otherwise go toward programming, or both.
  - There are significant barriers to financing the purchase of space.
  - Those who are able to purchase their own spaces often face an increase in facility management and maintenance and also have to undertake, finance and manage build out of space.
- Identifying buildings like the Paragon Paint Building, this could have been renovated for artists.
  - Contaminated sites like this one might actually increase the potential for Federal, State and City grant funding for the project.

## Potential Strategies for Supporting Affordable Space

- Strengthen the positioning of cultural organizations in a neighborhood/community development context:
  - Given their distribution through the neighborhood—and the lack of parks—cultural organizations are effectively the green spaces that help support a healthy LIC.
  - An equity issue—residents’ access to affordable and quality cultural experiences. Socrates Sculpture Park is an outdoor museum and public park with free admission
  - Make the case that LIC is a “receiving site” in the City for artists and cultural organizations due to the attractiveness of its existing ecosystem and relative affordability. This might help LIC position itself to better compete for citywide arts funding, including capital funding.

- Remind developers of cultural organizations' role in community building—amenities that will serve and attract potential residents. This may increase cultural organizations' leverage.
  - Challenge: only the larger developers are likely to have the wherewithal to see the subsidized inclusion of cultural institutions as a strategic asset.
- In terms of the preservation of existing spaces, models from Times Square redevelopment, and perhaps Union Square, could be adapted to preserve existing cultural institutions in LIC.
- Consider creating a capital fund to help support cultural organizations to purchase and outfit new spaces—perhaps a single building.
- There are models for cooperative ownership and management of buildings that might be further researched. These include Fourth Arts Block [FAB] in NYC as well as Diverse Works [Emily Todd] in Houston. Neither is completely transferable but might contain useful ideas. An umbrella organization might manage a space and rent to individual arts and cultural organizations.
- Potential to repurpose the Percent For Art program to be directed toward local cultural institutions and artists, rather than art installations throughout the City could be explored.

#### Other Issues

- Increased development threatens to permanently change the scale of the built environment, and the aesthetic feel of the experience in some of these organizations' locations.
  - “The Noguchi museum will become a very different experience when the lot behind us gets developed with porches that point out toward the garden. This is the big fight that we’re going to come up against.”
- Way-finding and transit is also a significant challenge for visitors to the area; people can get to the neighborhood, but then get lost getting out of the subway and between destinations—venues that are often within sight of one another. “I’ll tell people that we’re two blocks from PS1 and the SculptureCenter and they still get lost along the way.”
  - Apps and paper maps are helpful, but there’s value to having a physical sign on the street – “so that even people who live in the neighborhood can find out that there’s a cultural institution two blocks away, because they don’t know.”

#### Attendees

- Mary Ceruti, SculptureCenter
- Jenny Dixon, Noguchi Museum
- John Hatfield, Socrates Sculpture Park
- Tracy Capune, Kaufman
- Noah Dorsky, Dorsky Gallery & LICCA Interim Chair
- Angel Gil Orrious, Thalia Spanish Theater
- William Lopera, Thalia Spanish Theater
- Greg Cicchino, The Chain Theater (on the phone)
- Kirk Gostkowski, The Chain Theater (on the phone)
- Christina Elise Perry, The Chain Theater (on the phone)

- Jenni Kim, PS1 MoMA (on the phone)
- Elizabeth Lusskin, Long Island City Partnership
- Cheryl Tse, Long Island City Partnership
- Christina Chavez, Long Island City Partnership
- Charles Yu, Long Island City Partnership
- Kei Hayashi, BJH Advisors
- Mark Foggin, Public Works Partners
- Travis Bostick, Public Works Partners

**Residential / Commercial Developers, Owners and Brokers**  
**Key Outcomes from Stakeholder Discussion - November 19, 2015 and Follow-up Discussion**  
**– December 8, 2015 (as well as individual interviews)**

**Discussion Points**

1. *What are your current development projects?*
2. *Why do you invest in and/or develop property in Long Island City?*
3. *How has LIC changed in the past 5-10 years and how has that impacted your investments or developments here?*
4. *Where is the unmet need in the market? What is getting in the way from bringing “in-demand” product into development?*
5. *What are the challenges in bringing tenants to LIC?*
6. *What types of complementary businesses and services do your commercial/residential tenants want to be near?*
7. *What infrastructure (e.g. transportation access/expansion, broadband, resiliency from flood, schools, parks, access to waterfront) would be most beneficial to your development product types?*
8. *Do your tenants have specialized needs that they’re looking for here in LIC? For instance, laboratory space, smaller floor plates or unit sizing?*
9. *Where have you seen residential and commercial mixed buildings working outside of LIC? How do you think a mixed development would ideally be economically and functionally viable for your investment in LIC?*
10. *What types of incentives or programs have you used to develop here, if any?*

**Key Outcomes and Transcription from Stakeholder Discussion**

**Commercial Market**

- LIC Core Study
  - New commercial development was meant to be facilitated by the 2001 rezoning but the economics of commercial construction have meant that virtually no ground up new commercial construction has occurred. The original plan had been for the LIC Core to be the 4th Central Business District of the city.
  - In considering the changes in zoning in the LIC Core Area, the City should not just focus on increased density to accommodate affordable housing. The LIC Core is the most transportation rich area in LIC and thus ripe for commercial development as well. Increased density to accommodate commercial uses for the 21<sup>st</sup> century must also be considered a priority.
  - Ground up commercial development is currently not economically feasible in LIC. Commercial rents do not support the costs of land and construction.
  - Nevertheless there is an opportunity and a need to create commercial space to capture the burgeoning tech markets and spinoff companies that will be created by the Cornell Tech development on Roosevelt Island.
  - The City, in its LIC Core rezoning, should provide a substantial residential bonus for the development of commercial space. Developers’ analyses indicate that in the context of mixed-use development a 6:1 ratio is minimally necessary to provide sufficient incentive to foster commercial development alongside market rate and affordable housing, and satisfy lenders’

requirements. Thus, as an example, with a base residential FAR of 10, if the developer builds 2 additional FAR of commercial he/she would be entitled to an additional 2 FAR of residential. The affordable housing component would then be based on the residential FAR buildout of 12.

#### Development Beyond the LIC Core

- The City should also begin to analyze commercial development beyond the LIC Core. There are areas with low FAR where no significant investment has been made (other than hotels). The City should explore programs to encourage such development in the form of direct economic development incentives and/or zoning incentives.

#### Residential Market

- **Condominium Development**
  - As more families are emerging in LIC there needs to be opportunities to enable these families to remain in LIC. Opportunities for homeownership, including 'affordable' homeownership, was seen as essential for building a long-term, stable community, which can foster long-term income diversity since owners can stay in the community even if property values increase.
  - LIC should not just be a transient neighborhood of renters, but should have a mix of rental and ownership options for all income levels.
  - The proposed changes to the 421a program, i.e. eliminating eligibility for any medium to large scale condominium development, will make the further development of condominiums in LIC a rarity. These proposed changes will also eradicate any private development of affordable home ownership. The committee recommended reinstatement of 421a for condominium development with an affordable housing component in the outer boroughs.
- **Rental Market**
  - As land prices have increased, the floor area of units has decreased (i.e. average 2 BR built today is smaller than a 2 BR built 10 years ago)
  - Contrary to popular belief, market rents are mid-\$40s to mid-\$50s psf (net). Near and around Court Sq., \$48-50 psf. On the waterfront low \$50s psf.

#### LIC Services and Amenities

- As the residential population in LIC grows exponentially, the City needs to address the current and growing need for essential services and amenities: schools, health care, libraries, open space.
- More restaurants and retail is needed to make the neighborhood an attractive place to live.
- While LIC is transportation rich in terms of getting to and from LIC from elsewhere, there are still public transportation gaps in getting around LIC. Continued service disruptions, especially on weekends, negatively impact residential marketing, retail and cultural activities.
- A more inviting streetscape is needed, including place-making and improved way-finding for pedestrians within and across LIC subareas.

## Incentives

- REAP was cited as the incentive program businesses are most interested in.
  - However, REAP requires a long-term lease and we heard that most landlords in LIC are looking at shorter leases (3-5 years) in order to preserve flexibility or to minimize headaches with assignments, etc., as businesses evolve or close).
  - Preserving affordability might mean seeking a change to REAP to allow shorter leases.
  - REAP also requires an investment in the property. In many existing buildings, the investment has been made. In other buildings, the investment is needed. With smaller businesses, landlords need to take on this onus on spec.

## Attendees and Follow-up Discussion Participants

- Paula Kirby, Plaxall, Inc.
- Matt Quigley, Plaxall, Inc.
- Gretchen Werwaiss, Werwaiss & Co., Inc.
- John Werwaiss, Werwaiss & Co., Inc.
- Patricia Dunphy, Rockrose Development Corp.
- Justin Elghanayan, Rockrose Development Corp.
- Jeremy Shell, TF Cornerstone
- David Brause, Brause Realty, Inc.
- Gary Kesner, Silvercup Studios
- Alan Suna, Bridge Plaza Associates
- Frank Monterisi, Jr., Related Companies, L.P.
- Shibber Khan, Criterion Group, LLC
- Caaminee Pandit, Criterion Group, LLC
- Jason Algaze, Property Markets Group
- Brad Zackson, Property Markets Group
- Doug Partrick, Heatherwood
- David Lowenfeld, Worldwide Holdings
- Ameil Sloley, Worldwide Holdings
- Rachel Loeb, Worldwide Holdings
- Matthew Baron, Simon Baron
- Albert Shirian, Lions Group LLC
- Aaron Shirian, Lions Group LLC
- Michelle Adams, Tishman Speyer
- Hal Rosenbluth, Kaufman Astoria Studios, Inc.
- Tracy Capune, Kaufman Astoria Studios, Inc.
- Seth Pinsky, RXR Realty
- John Wilson, Jamestown LP
- Andrew Cohen, Atlas Capital Group
- George Karnoupakis, Vanbarton Group
- David Dishy, L+M Development Partners, Inc.
- Elizabeth Lusskin, Long Island City Partnership
- Cheryl Tse, Long Island City Partnership
- Christina Chavez, Long Island City Partnership
- Charles Yu, Long Island City Partnership
- Kei Hayashi, BJH Advisors
- Krzysztof Sadlej, BJH Advisors
- Mark Foggin, Public Works Partners
- Annie Levers, Public Works Partners

## **Workforce Development**

### **Key Outcomes from Stakeholder Discussion – February 17, 2016**

#### **Discussion Topics**

- State of Workforce Development in LIC
  - What is available?
  - Which industries does it work best for?
  - Which residents does it work best for?
- How can we work together to improve outcomes for both the businesses and the residents/workers?
  - Better connections to local businesses?
  - Different training options?
  - Space for training?
  - Better access to / understanding of local job opportunities?

#### **Key Outcomes and Transcription from Stakeholder Discussion**

##### **Workforce Services Available to LIC**

A wide variety of workforce preparation, training, and placement services are available to LIC residents. Services offered by organizations that participated in the stakeholder discussion include: <sup>1</sup>

##### **For adults:**

- Industry-specific adult continuing education and training programs (e.g. Taxi and FHV Driver Institute at LaGuardia Community College; food service, manufacturing, retail, culinary arts, NYC Food Protection, OSHA, commercial driver's license (CDL), and Home Health Aide trainings).
- Workforce1's Industrial & Transportation Career Center, working with leading businesses to recruit and train job candidates and existing employees in high growth industrial sectors (currently located in Jamaica, with another location planned to open in Long Island City).
- Vocational, work experience, job placement, readiness training and workforce re-entry support for the formerly incarcerated, individuals with disabilities, long-term unemployed and other barriers to employment.
- Targeted employment services, financial counseling, and community support for public housing communities.

##### **For youth:**

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<sup>1</sup> Descriptions of each participating organization are provided at the end of this summary.

- Paid 14-week internship program for youth age 16-24 that are not in school or work, providing resume building and job training workshops.
- Career school (grades 9-14) in energy tech, with a focus on preparation for electrical and mechanical engineering positions in the energy field.
- Summer internship programs, where youths are trained in basic administrative skills in a healthcare setting and are connected with employers in their field of interest.
- College and job readiness courses for youth, including ESOL classes and soft skill training.

#### Training Jobseekers

- Employers and jobseekers alike are often unaware of the many employment services available to them (in Long Island City and city-wide).
- Identifying jobseekers' interests and preferred work culture early on is critical for success (e.g. not everyone wants to work for a very large company, even if that is where many of the opportunities lay). However, sometimes jobseekers are only interested in jobs with which they've already been exposed. Engaging jobseekers in employer-based activities (e.g. job shadowing, information sessions, and guest speakers) can help people get excited about new sectors and occupations.
- Jobseekers particularly lack exposure to high-quality industrial jobs (e.g. transportation, manufacturing, construction, etc.), which limits jobseekers' interest in pursuing those opportunities.
- Jobseekers lack basic soft skills (e.g. appropriate dress, communication, timeliness, etc.) in addition to hard skills (e.g. Commercial Driver's Licenses, CNC Machinists). As noted, many are unaware of these hard skills, in particular, and related job opportunities. Several workforce development organizations are working in LIC to increase awareness around these opportunities and provide training to close these skill gaps.
- Some workforce development organizations lack the space to increase capacity for trainings – particularly for trainings in the food industry (Queens Connect).
- Identifying the appropriate training to increase jobseekers' access to the tech sector is a challenge. New tech and start-ups could provide opportunities for entry-level office administration positions, as well.

#### Collaboration between Businesses and Workforce Providers

- Regardless of industry sector or business size, strong employer partners are key. They can inform the training curriculum, facilitate placements and may even contribute towards the cost of training.

- With larger employers workforce training initiatives can be customized to meet their specific business needs and current vacancies. For example, Con Edison's partnership with Energy Tech High School directly informs the curricula, which helps ConEd fill entry-level vacancies in electrical and mechanical engineering. LAGCC and The Floating Hospital have worked to customize trainings for vacancies at large hospitals and the home health care industry.
- Small businesses require a slightly different approach. Each small business has a different culture in terms of hiring schedules, work culture, etc. Upfront career counseling with jobseekers helps to identify those who would prefer to work at smaller companies. In addition, small businesses often lack the Human Resources capacity, which may generate more interest in turning to workforce development partners for support with job placement and retention.
- Employer partners can also be leveraged as partners in training. For instance, LAGCC leveraged an existing relationship with an employer in the logistics sector to increase LAGCC's capacity to provide Commercial Drivers License (CDL) training.
- Industrial employers, particularly manufacturers, tend to be family-run and depend heavily on personal networks for hiring. It is a personal investment to train someone for the available job, so these employers prefer someone who knows what the job entails and understands the opportunities available to them down the road. Some employers have also had bad experiences with job placement programs; once placed, the same job placement program will recruit the employee to another job, presumably because the program is more concerned with job placements than retention.
  - If workforce development partners invest in developing better relationships with these firms, it may help establish trust between the employer and the workforce development partners – increasing jobseekers' access to jobs in the industrial sector. Workforce development partners could become a part of the industrial firm's trustworthy friends and family network for hiring, as well as provide supporting assistance to retain these workers.
- Some employers, particularly small industrial businesses, are not satisfied with apprenticeship/internship programs that require employers to hire after a training period. It is particularly risky for small businesses to invest (both time and resources) in training and hiring an employee who might technically be qualified (e.g. educational attainment, skill sets, etc.) but lacks the necessary interest, personality and/or work ethic for the job.
- Career schools like Energy Tech are successful in that they provide students with multiple career pathways, training students in technical skills, general job readiness skills and providing early access to higher education.

#### Potential Strategies for Improving Outcomes

- Increase awareness and the accessibility of employment services available in Long Island City (e.g. aggregating resources at a kiosk and/or website).

- Expose more jobseekers to career pathways in industrial sectors, in ways that do not over-burden employers (e.g. give tours of local manufacturers, or coordinate with local high schools to offer for-credit internship opportunities – but do not require employers to commit to hiring students).
- Identify Long Island City’s growing sectors and establish meaningful, mutually beneficial partnerships between employers and workforce development organizations in the neighborhood.
- Consider changes to government funded training programs that require employers to hire after a set time period or provide wage increases to lower the risk of providing training.
- Workforce Development organizations should become the friends and family network for both the jobseeker and the employer, setting expectations and providing dependable support to both parties.
- To improve retention, both the employee and employer need to work together to help balance a demanding job with personal life obligations (e.g. when there is mutual buy-in, employers will work with good employees to give them necessary time off to take care of a family member which many industrial employers already do).
- Workforce Development organizations should continue to provide soft skill training after job placement (e.g. guidance on workplace conflicts) and supporting assistance (e.g. periodic performance review).

#### Workforce Development Organizations Overview

- LaGuardia Community College – Located in Long Island City, LaGuardia Community College (LAGCC) offers employer-driven Adult Continuing Education and training programs (e.g. Taxi and FHV Driver Institute, etc.) aligned with the Mayor’s Career Pathways Report. LAGCC also runs NYDesigns, which provides space and a variety of business services to small businesses and entrepreneurs in the design, fabrication, technology and maker spaces. In addition, LAGCC runs three business assistance programs, two of which focus specifically on connecting small businesses with government contracts. The third program is LAGCC’s Small Business Development Center, which provides entrepreneurs with free, one-on-one professional counseling for existing and start-up businesses.
- Con Edison – In 2011, Con Edison partnered with the DOE, CUNY, National Grid and LAGCC to open Energy Tech High School (grades 9-14) in Long Island City. Con Edison advises on the curriculum to ensure that its classroom learning will prepare kids for the types of jobs needed in the energy field - particularly entry-level electrical and mechanical engineering positions. Faculty and teachers are invited to attend externships to inform classroom training. Con Edison now also offers mentorship and job shadowing opportunities to students.

- Workforce1/NYC Business Solutions – Workforce1 is a service provided by the NYC Department of Small Business Services that prepares and connects qualified candidates to job opportunities in NYC. Its Industrial & Transportation Career Center is located in Jamaica, Queens, and works with leading businesses to recruit and train job candidates in high growth sectors, such as transportation, manufacturing, construction and wholesale trade. A satellite Industrial & Transportation Center will be opening in Long Island City this year.
- The Fortune Society – The Fortune Society supports incarcerated or formerly incarcerated individual to become positive, contributing members of society through a holistic, one-stop model of service provision, including employment services (e.g. job readiness workshops, skills/certification training in culinary arts, commercial driving, green construction, etc.) and education opportunities (e.g. to develop reading, writing, math and computer skills). One of the Fortune Society’s three primary NYC-area locations is located in Long Island City.
- Sunnyside Community Services – Located in Sunnyside, Queens, Sunnyside Community Services provides a continuum of vital services and activities that enrich the lives of individuals of all ages. Its workforce development offerings include college and job readiness courses for youth, including ESOL classes and soft skill training. They offer free training to become a Certified Home Health Aide. They also have a fairly new initiative called Queens Connect in partnership with Queens Community House, Jacob Riis Settlement House, and Ocean Bay Community Development Corporation to provide training in food service, manufacturing and retail and work together with employers in the food industry.
- Goodwill Industries – Goodwill offers an array of Workforce Development Services working with individuals with disabilities and other barriers to employment. They provide vocational, work experience, job placement, readiness training and workforce re-entry support. Its Beyond Jobs programs in Jamaica, Queens provides free training in first aid, NRF certified customers service, NYC Food Protection and OSHA General Industry certification training alongside an array of other services and support.
- Urban Upbound – Urban Upbound is headquartered in Long Island City and offers five programs to transform public housing communities into places of prosperity: employment services; financial counseling; youth development and college access; federal credit union; and community revitalization. Urban Upbound runs a Workforce1 Career Center in conjunction with NYC Department of Small Business Services and a JobsPlus site in Astoria Houses, which is a place-based employment program designed to increase the earnings and employment of working-age residents of public housing.
- The Floating Hospital – The Floating Hospital is NYC’s largest provider of primary health care services to families living in family shelters and domestic violence safe houses. The Floating Hospital has two locations (both of which are located in Long Island City) and a fleet of vans, which provide free transportation to patients in the five boroughs. In terms of workforce development, they have a robust

summer internship program, where participants are trained in basic administrative skills and help connect youth with employers in their field of interest.

- Hour Children – Located in Long Island City, Hour Children’s mission is to help incarcerated and formerly incarcerated women and their children successfully rejoin the community. Hour Children offers an Hour Working Women Program, which includes hard and soft skills training, internship opportunities, mentoring, job referrals to a well-developed network of employers, and intensive support to ensure job retention.
- Cornell Tech – Cornell Tech is a graduate school with plans to open its Roosevelt Island campus in 2017. They are currently have an extensive commitment under the HireNYC program; for at least the first 10 years after the Roosevelt Island campus opens, Cornell Tech has committed to filling 52% of non-academic jobs with members of low-income population. Cornell Tech also expects its graduates (e.g. entrepreneurs starting small companies and start-ups) to generate a range job opportunities in and around Long Island City.
- Jacob A. Riis Neighborhood Settlement House – Jacob A. Riis Neighborhood Settlement provides comprehensive services and programs to youth, families, immigrants and seniors in Western Queens. Jacob A. Riis currently provides two workforce development programs: an Opportunity for Youth paid internship program for youth who are not in school or work, and the Queens Connect food sector training program in partnership with Sunnyside Community Services, described above.

### Attendees

- Bishop Mitchell Taylor, Urban Upbound
  - Cynthia Davis, The Floating Hospital
  - Judy Zangwill, Sunnyside Community Services
  - Michael Brundidge, The Fortune Society
  - Thakur Wint, NYC Business Solutions, Workforce One
  - Francesca Fiore, LaGuardia Community College
  - Linda Mellon, LaGuardia Community College
  - Sheree Cousins, Goodwill Industries of Greater New York & Northern New Jersey
  - Carol Conslato, Con Edison
  - Rob Zapf, Hour Children (on the phone)
  - Jane Swanson, Cornell Tech (on the phone)
  - Elizabeth Lusskin, Long Island City Partnership
  - Cheryl Tse, Long Island City Partnership
  - Christina Chavez, Long Island City Partnership
  - Charles Yu, Long Island City Partnership
  - Allison Quigney, Public Works Partners
  - Annie Levers, Public Works Partners
- One-on-One Interview, Included in Summary**
- Christopher Hanway, Jacob A. Riis Neighborhood Settlement House

**Business Incentives**  
**Key Outcomes from Stakeholder Discussion – February 26, 2016**

**Discussion Topics**

- What specific changes should be made to programs (or new programs created) to?
  - a. For example, changes to the following programs:
    - ICAP
      - Guarantee benefit on ICAP to prevent loss of benefit due to issues with building permits and/or certificates of occupancy
    - CEP
      - Allow tenants in buildings receiving ICAP to also receive CEP
      - Remove benefit cap (\$2.50) to allow manufacturing companies to receive benefit equal to the actual property tax liability beyond the cap
      - Allow lease extension option to be counted as part of the lease term to allow CEP recipients to continue receiving benefit during the “option” years
      - Allow CEP recipients to continue receiving remaining benefit if they relocate to a new location before their benefit expires
      - Allow for early termination in the lease (or at least recapturing) to encourage more property owners to offer CEP to their tenants
    - REAP
      - Allow businesses to apply for REAP after the signing of their lease at new location
      - Allow REAP recipients to continue receiving remaining benefit if they relocate to a new location before their benefit expires
      - Allow REAP credit to be refundable beyond the first 5 years of the program to ensure recipients are taking full advantage of the program
    - ECSP
      - Make ECSP a stand along program that requires lower investment requirement than ICAP to allow more businesses to take advantage ECSP

**Key Outcomes and Transcription from Stakeholder Discussion**

**Challenges of Business Incentives**

Prior to this discussion, stakeholders identified the following challenges with incentive programs:

- Problematic eligibility requirements based primarily on:
  - Relocating (when we want to retain firms in LIC). Incentives with bigger benefits tend to require businesses to relocate.
  - Fixing up under-invested properties (when many properties have already been brought into good repair)
  - Increasing employment (when LIC would benefit from having thriving businesses retain employment) for some incentives such as the City’s BIR Program, IDA to some extent, and State Benefits.
  - Longer lease terms than are currently being granted by many landlords

- Incentives are complicated to understand and expensive to access.
  - Eroding effective value of incentives after paying for associated application costs.
- With the exception of the energy programs, most incentives do not offer ongoing support.
- Most incentives can only be used once, and often cannot be bundled.
- in adjacent jurisdictions have well defined benefits which makes it easy for businesses to anticipate the level of benefits they will receive creating a competitive disadvantage for NYC/LIC

#### Challenges identified during discussion:

- Benefits that are widely available as-of-right (e.g. REAP benefit) could run up a big bill for the City in terms of foregone revenue, and thus might not be attractive to the City to increase eligibility.
- There are adjustments that can be made to ICAP to make it more user-friendly. Currently, the way the program is drafted, there's a significant possibility a renovation gets no benefit.
- Outdated benefit level for some incentives, e.g. CEP \$2.50psf cap does not reflect current real estate cost.
- Early termination clauses often in current leases prevent eligibility to certain incentives.

#### Potential Approaches for Reforming Incentives

- Allow tenants in buildings receiving Industrial & Commercial Abatement Program (ICAP) to also access Commercial Expansion Program (CEP), since ICAP's impact is often diffused for users of multi-tenant buildings, and really runs to the landlord, whereas CEP runs to the tenant. In addition:
  - Make CEP a gateway to the helpful Energy Cost Savings Program (ECSP) (Requires statutory changes.)
  - Eliminate the CEP build-out requirement (Requires statutory changes.)
  - Remove the \$2.50 psf cap to allow manufacturing companies to receive the full benefit equal to the actual property tax liability
  - Allow manufacturers to receive the full 10 years of benefit regardless of lease terms (i.e. options, recapture, early termination) including if they move to a new location in the area (i.e. within the same IBZ).
- Additional ICAP improvements should include:
  - Allowing "manufacturing activity" to include some retail (up to 25% of sales) on site.
  - Also "ancillary uses." Meaning retail and office for the manufacturing tenant/owner, not for leasing out.
  - Allowing design to be considered part of what's allowed in areas used for manufacturing (as long as assembly is on-site) and for workers
- Eliminate the build-out requirement for REAP or is bring it down from \$25 PSF just for Manufacturers would be a good benefit

- Increase the portability of key incentives. For example:
  - Allow businesses who are already enrolled in REAP who are moving and remaining eligible, to notify DOF after signing the new lease/purchase.
  - Allow REAP credit to be refundable beyond the first 5 years of the program and capture additional hires in Years 6-12
- Make ECSP a stand-alone benefit with a lower investment requirement than ICAP to allow more businesses to take advantage of it
- Allow businesses with shorter leases to be eligible for programs. For example, businesses with a 5-year lease that is renewable for an additional 5 years should be eligible.
- Make New York State's Excelsior jobs program, which is refundable for all 10 years, more transparent and as-of-right. (Requires clear rules/regs around this.)
  - Potentially increase the qualified investments to 10%
  - Change interpretation from taking new space to recommitting to staying in the same place
- When developers are applying for zoning changes, include a creative development structure that provides for dedicated space for manufacturers.

### Attendees

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Evan Daniel, Modern Spaces</li> <li>• Brittiny Sessions, Cozen O'Connor</li> <li>• Gretchen Werwaiss, Werwaiss &amp; Co., Inc.</li> <li>• Ann Kayman, New York Grant Company</li> <li>• Sam Freed, Farrell Fritz, P.C.</li> <li>• John Reinertsen CBRE (on the phone)</li> <li>• Seth Pinsky, RXR Realty (on the phone)</li> <li>• Robert Altman, Robert S. Altman, Esq., PLLC (on the phone)</li> <li>• Tom Knierim, Signature Bank (on the phone)</li> <li>• Elizabeth Lusskin, Long Island City Partnership</li> <li>• Cheryl Tse, Long Island City Partnership</li> <li>• Christina Chavez, Long Island City Partnership</li> <li>• Charles Yu, Long Island City Partnership</li> <li>• Mark Foggin, Public Works Partners</li> <li>• Travis Bostick, Public Works Partners</li> </ul> | <p>Invited, but could not attend, although gave feedback outside of the meeting itself</p> <ul style="list-style-type: none"> <li>• Louis Vlahos, Farrell Fritz, P.C.</li> <li>• Paula Kirby, Plaxall, Inc.</li> <li>• Eric Benaim, Modern Spaces</li> <li>• Kenneth Fisher, Cozen O'Connor</li> <li>• Greg Smith, IRT Realty</li> <li>• Gail Roseman, Sholom &amp; Zukerbrot Realty LLC</li> <li>• John Maltz, Grenier-Maltz Realty</li> <li>• John Belo, Kaplon Belo Affiliates, LLC</li> <li>• Gary Kesner, Silvercup Studios</li> <li>• Chip Brian, Best &amp; Co.</li> <li>• Charlie Sommer, Public Service Truck Renting, Inc.</li> </ul> |
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## **Industrial Business Space Needs**

### **Key Outcomes from Focus Group – March 14, 2016**

#### Discussion Topics

- Why is your business here in LIC and why do you want to expand here?
- What do you need to expand your business' space? What barriers do you face?
  - E.g.: Particular location, specific space attributes, infrastructure in the neighborhood, lease terms etc.
  - What will happen to your business if you cannot find additional space?
  - What are your barriers to finding space in the next 3 – 5 years?
- What other costs of doing business make expanding in LIC (and NYC) a particular challenge?
  - Also: Have you found tax/financial incentives programs to be useful in addressing some of these costs?
- What, if any, challenges do you face in maintaining your workforce?
  - E.g.: Pipeline of candidates? Appropriate training? Etc.
- What will happen to your business operations if you cannot find appropriate space in LIC?

#### Key Outcomes and Transcription from Stakeholder Discussion

##### About the Participants\*

There were three participants with a diverse set of circumstances.

Company “A” is a large format printing business and rents about 2,500 square feet on the ground floor. Their lease is about to expire (May 2016) and the owner anticipates that the increase in rent will be significant. The business owner stated his current space also doesn't allow for the type of expansion he needs to accommodate in the next five years—growing to up to 3,500 square feet (and from 3 to 7 employees) in order to accommodate more and larger printing equipment. He would prefer space that is laid out differently (less long and narrow). He's looking at options at the Pfizer building in Brooklyn, but would like to say in LIC if he could because he likes the growth energy here. However, it's not a requirement.

Company “B” is a picture frame manufacturer and rents 20,000-24,000 square feet on the 2<sup>nd</sup> floor of a building. The remainder of the building is fully leased (it was mostly vacant when he purchased the business in 2015), so the business growth the owner anticipates would have to be accommodated by making his current workspace more efficient (or by shifting some inventory and distribution offsite). The owner stated his lease is up in two years and he is anticipating a 50% increase in rent. (Currently paying \$13-15 psf.) While he very much would like to stay in or around LIC to ensure he can retain his base of 35-40 workers—many of whom have been with the company for over 20 years—he thinks he might have to move to another area in/near NYC especially if it allows him to purchase his space. He did express concern

about many of his workers, especially the older and more skilled, not being able/willing to follow the business to an out-of-LIC location.

Company “C” is an HVAC contractor that has grown significantly in the past several years with all of the new construction occurring in NYC. The business owner stated he also owns his property (and two adjoining lots which are also being used by the business). He is trying to balance the return he could earn on developing his property for commercial or residential with the disruption it would cause his HVAC business operations. He has looked at space in Queens and the Bronx to expand and/or relocate, but is also unsure he wants to grow his HVAC business significantly until he can be sure he’s properly managed his recent growth. He also feels the cost of moving will be too expensive. He has about 250 employees—175 in the field and the balance on site doing project management and administration. He needs additional office space desperately at his current site. He is currently at maximum capacity and, as a result, has to turn down some new contracts, and he is worried that doing so harms the company’s reputation.

#### Key Points

- None of the three businesses absolutely has to be in LIC, though all three hoped to remain. The location is good for their business operations and is close to some key customers. But if affordable rent is not available here (or, in the case of Company “C” owner, if it made sense to develop his property), or available space to grow, all three acknowledged they might have to go elsewhere in the region. Business “B” owner, in particular, was interested in finding a location in which he could buy property to avoid real estate pressure in the future.
- Loading docks would be helpful, but it’s not essential for any of them to be on the ground floor. If on an upper floor, a freight elevator would be needed.
- Company “A” business owner was the only one who uses one of the main incentive programs. CEP gives him a helpful, though not critical, reduction in rent every half-year. But it didn’t help him to decide to move here. He had already identified a suitable building in LIC before he applied.
  - He hasn’t taken advantage of any of the programs that required a build-out since he didn’t want the challenge of construction at this point in his business’s life cycle.
- Company “B” business owner asked whether someone could “collect” enough smaller business owners who were interested in co-developing a space, or signing on as tenants in advance of a developer. It raised the question of whether or not there might be some critical mass of smaller businesses who might be willing to plan sufficiently far in advance to sign on to such a deal—assuming an appropriate industrial or innovation industrial-commercial site, could be identified. (Also speaks to the ideas of a commercial or industrial/commercial coop.)
- Of the three, only Company “C” was of a size that it would make sense to take advantage of the public workforce development system and training grants. Company “C” business owner stated he was more than willing to speak with workforce development organizations about identifying appropriately trained local hires.
  - He was particularly interested in developing some in-house training capacity to complement the apprenticeship training his union-based workers received. City-sponsored training programs sounded like a good candidate for this.

\*Business owners and their companies will be kept confidential.

Conversation moderated by,

- Elizabeth Lusskin, Long Island City Partnership
- Charles Yu, Long Island City Partnership
- Mark Foggin, Public Works Partners