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2 CITY COUNCIL

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CITY OF NEW YORK

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THE TRANSCRIPT OF THE MINUTES

6

of the

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COMMITTEE ON WATERFRONTS

8

(Held Jointly With)

COMMITTEE ON ECONOMIC DEVELOPMENT

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February 7, 2008

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City Hall

Committee Room

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New York, New York

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B E F O R E:

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MICHAEL NELSON

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Chairperson, Waterfronts

Committee

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THOMAS WHITE

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Chairperson, Economic Development

Committee

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2 A P P E A R A N C E S

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COUNCIL MEMBERS:

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- 5 Joseph Addabbo
- 6 Gale Brewer
- 7 Melissa Mark-Viverito
- 8 Diana Reyna
- 9 Michael McMahon
- 10 David Weprin
- 11 Letitia James
- 12 Annabel Palma

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2 A P P E A R A N C E S (CONTINUED)

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Venetia Lannon

4 Senior Vice President of Maritime Department
New York City Economic Development Corporation

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Marta Bede

6 New York City Economic Development Corporation

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Director

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12 Maritime Association of the Port of New York/New
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Roberta Weisbrod

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Brian Hughes

15 Erie Basin Marine Association and Hughes Brothers

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Phaedra Thomas

Southwest Brooklyn Industrial Development

17 Corporation

18

Mary Habstritt

Roebling Chapter Society for Industrial Archeology

19

Tom Fox

20 President and CEO

21 New York Water Taxi
22 David Sharps
23 President
24 Waterfront Museum
25

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1 WATERFRONTS AND ECONOMIC DEVELOPMENT

2 CHAIRPERSON NELSON: Thank you for all
3 being here today. I'm here with co-chair Thomas
4 White, who would like to read an opening statement.

5 CHAIRPERSON WHITE: Thank you very
6 much. Mr. Chairman, I would just like to make a
7 note for the record that I'm next door in Housing
8 and Buildings meeting, and we have this joint
9 meeting going here, and I have another meeting in a
10 district dealing with the water taxes in my office
11 with some homeowners. So, what I'd like to do is
12 offer my statement, and I will support my legal
13 counsel, Mr. Smyth will be here, and my Legislative
14 Aide, Josh will be in attendance.

15 Good afternoon. I'm Councilman
16 Thomas White, Jr., Chairman of the Committee on
17 Economic Development. The Economic Development

18 Committee is happy to join today with the members of
19 the Waterfront Committee, whose Chairman is Michael
20 C. Nelson.

21 In the 19th century, New York led the
22 world in port commerce, ship building and industry.
23 In the 1950's, the shipping industry was
24 revolutionized by the development of
25 containerization. Before the use of

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2 containerization, 17 stevedores could unload 40 tons
3 of cargo in an hour. The same team can now unload
4 500 tons.

5 Today, the Port of New York and New
6 Jersey is the third largest port in the country in
7 terms of containers imported, and the largest in the
8 East Coast.

9 In the New York and New Jersey area,
10 port- related industries support over 120,000 jobs
11 directly, and another 110,000 indirectly. Port-
12 related industries generated \$15.5 billion in GDP
13 and \$5.8 billion in local, state and federal tax
14 revenues.

15 Today, the Committee will hear

16 testimony from the New York City Economic
17 Development Corporation on the Maritime Support
18 Services Location Study, and how the recommendations
19 from this study and the policy objectives of the new
20 waterfront revitalization program will affect their
21 development plan for the New York City Significant
22 Maritime and Industrial Areas.

23 Mr. Chairman.

24 CHAIRPERSON NELSON: Thank you,
25 Chairman White.

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2 Good afternoon. Welcome to today's
3 hearing, the joint hearing by the Committee on
4 Waterfronts and the Committee on Economic
5 Development. My name is Mike Nelson. I have the
6 honor to chair this Committee. The subject of
7 today's hearing is Oversight, Maritime Support
8 Services. Today, the Committee on Waterfronts will
9 hear testimony from the New York City Economic
10 Development Corporation on their upcoming Maritime
11 Support Services Location Study, which is scheduled
12 to be released on March 31, 2008.

13 Marine and shipping activities are
14 growing in the New York Harbor, and consequently,
15 the need for support services, including tugboats,
16 barges and ship repair facilities is growing as
17 well. Tugboats play a critical role in the New York
18 City Harbor by safely escorting and navigating large
19 freight ships and tankers into the port, and barges
20 transfer a variety of cargo and act as a floating
21 station for offshore construction and are also
22 important intermodal transportation. The use of
23 tugboats and barges eliminates 3.1 million trucks on
24 our streets. One 24- barge tow can move the same
25 amount of cargo as 1,440 trucks.

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2 The Port's dry docks and repair
3 facilities also serve as an important support tool
4 for the maritime industry. Dry docks and wet berths
5 in Brooklyn, New York provide repair services to the
6 more than 6,000 vessels that pass through the port,
7 including cruise vessels, containerships and
8 tugboats.

9 At the hearing today, we hope to hear
10 from EDC, which we will, what they've learned about

11 the vital role Maritime Support Services play in the
12 New York City economy, and how this study will
13 impact their future development plans, particularly
14 in the Significant Maritime Industrial Areas, such
15 as Red Hook, Sunset Park, Erie Basin and Newtown
16 Creek.

17 I'd like to thank Jeffrey Baker,
18 Counsel to the Committee; Colleen Pagter, Policy
19 Analyst; Rob Farley, Deputy Chief of Staff; and with
20 that, I would like to proceed. -- I'm sorry.
21 Members, Letitia James and Annabel Palma.

22 I believe the first testimony will be
23 Venetia Lannon, and Marta Bede. If you will
24 identify yourself for the record please, prior to
25 your testimony.

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2 MS. LANNON: Good afternoon, Chairman
3 Nelson, Chairman White and members of the Committees
4 on Waterfronts and Economic Development. My name is
5 Venetia Lannon, and I am the Senior Vice President
6 of the Maritime Department at the New York City
7 Economic Development Corporation, or EDC. With me

8 is Marta Bede of my staff.

9 Last year, Deputy Mayor Bob Lieber,
10 when he was EDC president, created the Maritime
11 Department in recognition of the vital role that the
12 maritime industry plays in the City's economy and
13 the major role that EDC plays as the steward of the
14 City's waterfront infrastructure. In many ways, EDC
15 is the Port Authority of the City of New York.

16 EDC, through its maritime contract
17 with the City of New York, oversees development of
18 the City's maritime assets, including Howland Hook
19 Marine Terminal, South Brooklyn Marine Terminal, and
20 the Manhattan and Brooklyn Cruise Terminals and
21 ferry landings around the City.

22 Historically, the City's economic
23 prosperity has been inextricably linked to maritime
24 commerce. The New York and New Jersey Port complex
25 continues to be one of the most active ports in the

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2 world, as you cited, the third largest in the United
3 States. The Port has enjoyed an average annual
4 growth rate over the past five years of more than
5 seven percent. Supporting port activities are

6 tugboats and barges that guide vessels to their
7 berths, supply bunker fuel, remove waste and repair
8 operations.

9 In 1991, the City and its regional
10 port partners, the Port Authority and the State of
11 New Jersey, conducted an in depth survey of the
12 maritime support industry. EDC, in an effort to
13 better understand how the industry has been
14 evolving, its value to the City and its future
15 prospects, has been conducting the Maritime Support
16 Services Location Study with the SUNY Maritime
17 College led by Professor Sam Yahalom. The Maritime
18 College is another great New York institution.

19 In recent years, the City's
20 dependency on maritime services has been increasing.

21 A large part of this new demand springs from a
22 simple fact, we are a growing City, consuming more,
23 and much of what we consume -- clothes, electronic
24 goods, food, construction materials to name a few
25 -- are carried across the ocean in ships. As a

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2 port city, New York can directly benefit from these

3 trends. The payoff is decreased truck dependency,
4 lower transportation costs to businesses and
5 residents, and less traffic congestion.

6 Another benefit from maritime
7 services is its ability to handle freight in a more
8 environmentally friendly way. As you know, the
9 City's Solid Waste Management Plan maximizes the use
10 of barging, which dramatically reduces trucking
11 garbage out of the City and improves air quality by
12 eliminating three million truck trips annually.
13 And, of course, all of these benefits are embedded
14 in the Mayor's PlaNYC 2030.

15 To meet these goals, the
16 Administration has charged EDC with pursuing a
17 balanced strategy for waterfront development. To
18 unlock what heretofore has been an under- utilized
19 resource, the EDC has developed programs to promote
20 maritime industrial uses to meet the needs of New
21 York businesses and to encourage public access to
22 meet the recreational needs of New Yorkers.
23 Creating this balance is challenging, so EDC seeks
24 to work as much as possible with the various
25 stakeholders to gather good ideas and make wise

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2 policy choices.

3 Specifically, we are encouraged by
4 the activities of advocacy organizations like the
5 Municipal Waterfront Alliance and industry groups
6 like the Harbor Operations Committee, which actively
7 and thoughtfully encourage a public discourse on
8 these ideas and issues.

9 We are fortunate that the City
10 reserved areas for the maritime support industry
11 when the Department of City Planning created the
12 Waterfront Revitalization Program in the early
13 1990's and recommended the designation of six
14 Significant Maritime Industrial Areas.

15 These six Significant Maritime
16 Industrial Areas are found in the South Bronx,
17 Newtown Creek, the Brooklyn Navy Yard, Red Hook,
18 Sunset Park/Erie Basin, and Staten Island along the
19 Kill Van Kull. These areas were the focus of our
20 Study.

21 Within these areas are located the
22 maritime support industries, which can be described
23 as industry sectors that provide services to both
24 the ocean- going vessels and tugs and barges. These
25 services could include fueling, lube and sludge

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2 services, ship assistance and piloting, ship
3 provisioning, inspections, repair and drydocking
4 among many others.

5 The objectives of the Study were as
6 follows, and they are summarized on this slide here.

7 One, to update the inventory of
8 existing companies in the tug, barge, ship
9 repair/dry- dock and government services sectors.
10 This was accomplished through a detailed survey that
11 was filled out by a majority of the maritime
12 businesses throughout the harbor.

13 Two, to project supply and demand of
14 maritime support services through 2016.

15 Three, to analyze pier infrastructure
16 costs. One of the largest constraints to growth of
17 the maritime industry is the ever- increasing cost
18 to maintain waterfront infrastructure. We have
19 asked the SUNY team to catalog these costs and
20 develop approaches to defray these costs through a
21 user fee system.

22 Four, to evaluate the Brooklyn Navy
23 Yard dry docks and their economic impacts. This
24 analysis was carried out in coordination with the

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2 Five, to recommend policies to meet
3 future demand, improve and expand existing
4 facilities and establish a financing mechanism for
5 infrastructure improvements.

6 While we haven't finalized the report
7 -- As you mentioned, we will wrap it up in March
8 -- we are happy to return to the Committees to
9 discuss recommendations at a future date. For
10 today, let me run through the highlights of the
11 industry inventory. The SUNY team uncovered some
12 compelling findings.

13 While it may be true that a
14 significant portion of the ocean- borne cargo
15 vessels call at facilities in New Jersey, the vast
16 majority of tugs and barges are located right here
17 in New York City. The Port cannot function without
18 these support vessels.

19 Because ship calls are increasing,
20 the tugboat fleet is also increasing. The Study
21 found that the number of New York City based
22 tugboats has increased by 37 percent from 1991, from

23 150 tugs to 205 tugs. Fully one- quarter of the
24 tugboats operating along the East Coast of the
25 United States are based in New York City.

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2 Similarly, New York's barge fleet
3 represents almost a third of the total U.S. East
4 Coast fleet. Demand for barge services has been
5 growing as well, and the barge fleet has grown by 20
6 percent since 1991.

7 This maritime activity results in
8 significant economic benefits. The Study found that
9 a total of 11,800 workers are directly and
10 indirectly employed in this industry. Maritime
11 support industries by themselves generate \$1.1
12 billion in annual regional income and \$2 billion in
13 taxes. In New York City the maritime industry as a
14 whole supports \$4 billion in personal and corporate
15 income. That's significant.

16 Because we have a vibrant maritime
17 sector, we can rely on this mode to transport lots
18 of large and heavy cargos and eliminate truck trips.
19 One standard barge, carrying commodities such as

20 garbage, sand and gravel is equal to 60 trucks. A
21 tug frequently handles six barges at a time, or 360
22 trucks per barge move. In aggregate, the maritime
23 support industry removes approximately 3.1 million
24 trucks from local roads per year.

25 As I mentioned previously, the report

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2 has not yet been finalized. We received comments
3 from various stakeholders, including members from
4 the Port of New York and New Jersey Harbor
5 Operations Maritime Support Infrastructure
6 subcommittee, a group that was specifically
7 organized by the various port interests -- tug and
8 barge, shipyard operators, and the Sandy Hook Pilot
9 Association -- to inform the Study.

10 EDC -- And as I mentioned Sandy
11 Hook, I see Councilman McMahon. That's timely.

12 EDC and its partner agencies -- the
13 Department of City Planning, Brooklyn Navy Yard and
14 the project's co-funding sponsor, the New York
15 Department of State Division of Coastal Resources
16 -- would like to come back and present you with
17 the finalized findings and recommendations of the

18 Study.

19 Our goal is to take the findings to
20 the next level. Findings of the study will be
21 incorporated into EDC's recently commenced port-
22 wide Cargo System Plan, an update of the 1999
23 Strategic Port Plan, and evaluated from a strategic
24 implementation perspective.

25 There is still a lot to do, so the

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2 SUNY team will continue working with us and our
3 partners over the next month. In Phase II of the
4 Study, we will analyze other maritime support
5 industry sectors such as passenger transportation,
6 how to resolve and balance the conflicting
7 recreational and commercial activities in the
8 navigational channels, and most importantly, we will
9 be expanding the geographic scope are beyond the six
10 Significant Maritime Industrial Areas. The sites
11 that will be evaluated include the West Shore of
12 Staten Island, Coney Island Creek, Sheepshead Bay,
13 Jamaica Bay, Mill Basin and others.

14 We are looking forward to the final

15 findings and presenting them to you. There are some
16 pretty brochures over here to my left with valuable
17 information going around. Please take one. They
18 are on, again, the Maritime Industry and New York
19 City, put out by EDC, and I'd be happy to take any
20 questions that you may have at this time.

21 CHAIRPERSON NELSON: Thank you, Ms.
22 Lannon. I appreciate it. Not many people know
23 really the tremendous advantages of the maritime
24 industry to New York City in the taxes, the jobs and
25 the environment.

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2 MS. LANNON: Absolutely.

3 CHAIRPERSON NELSON: It appears to be
4 almost as good as any other thing that's being
5 floated. No pun intended. I think we should get
6 the word out more than has been overall.

7 I'm going to have one question --
8 By the way, we've been joined, as was previously
9 announced by Councilman Mike McMahon from the great
10 borough of Staten Island.

11 There was a previous study, as you
12 mentioned, on the maritime support services

13 commissioned in 2004. Could you briefly go into a
14 little bit about what happened to that study
15 utilizing X amount of it, or all of it, or whatever?

16 MS. LANNON: That study was undertaken
17 in 1991, so I think that while --

18 CHAIRPERSON NELSON: Started in '91,
19 right.

20 MS. LANNON: You know while obviously
21 the issues are largely the same, I think that we
22 recognized that it had been a long time and that we
23 probably needed to revisit this. I think one of the
24 most significant things that has changed is the
25 pressure on the waterfront by housing and by

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2 recreation. Again, I just want to emphasize that
3 the Administration is very committed with EDC to
4 pursue a balanced strategy such that we can provide
5 for housing and provide for recreation and open
6 space on the waterfront, but we need to maintain and
7 grow our maritime industries.

8 CHAIRPERSON NELSON: So between the
9 '91 and 2004 I guess a lot of the same ideas that

10 were forthcoming would be still involved in the next
11 step.

12 MS. LANNON: Yes, I think one of the
13 most important things that happened between '91 and
14 now was in 1999 our Strategic Port Plan, which,
15 again, we're updating that as well, which, again,
16 with a host of stakeholders has led to some of the
17 important projects. That was the sort of planning
18 that led to some of the important projects that
19 we're pursuing on the waterfront now, such as the
20 South Brooklyn Marine Terminal, which, as you see on
21 the slide there has been really dormant as a
22 maritime facility since the mid- 80's, and we're
23 working to bring in the Access Group, who will bring
24 in Cargo by Water, Automobiles by Water, and with
25 the Sims Group, we're bringing recyclables to the

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2 29th Street Pier by water. So this is a major
3 reactivation effort that was identified in the '99
4 port plan along with many other things.

5 So we have not been asleep at the
6 wheel as it were since '91. We've been planning and
7 actually implementing some of the things that were

8 called out in those earlier studies.

9 CHAIRPERSON NELSON: Any issue like
10 this is somewhat vexing, but was there any
11 particular reason why it was brought up again in
12 2007, anything that set off the need or the interest
13 in it? And I agree there is.

14 MS. LANNON: I think it's something
15 that's a ten- year projection. It's something that
16 we plan to keep -- You know we'll go back again in
17 ten years and do this again. I think enough things
18 change. But I think the real focus that has been
19 put on it lately really was when, as I said, when
20 Bob Lieber took over at EDC. You know there was
21 just a feeling that we have all of these assets, and
22 we need to be doing everything we can to meet the
23 Mayor's mandate to diversify our economy and make
24 sure that we maintain blue collar union jobs on the
25 waterfront as well as luxury condominiums.

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2 CHAIRPERSON NELSON: Any particular
3 reason why it was put off, the most study, from
4 January now to March?

5 MS. LANNON: Yes. I'm sorry. As
6 Marta is advising me, it was due to finalizing the
7 recommendations.

8 And, again, we gone exhaustively. I
9 mean we're not trying to drag our feet obviously,
10 but there's a lot of findings, and there's a lot of
11 stakeholders to make sure that we have incorporated
12 everybody's comments, but there's no particular why
13 we pushed it back to March.

14 CHAIRPERSON NELSON: Okay. I was just
15 asking. You're dragging on it, but you think there's
16 a very good chance that it would come out in March?

17 MS. LANNON: I'm going to insist on
18 it, so hopefully.

19 CHAIRPERSON NELSON: Good. Terrific.

20 Do you know how much was spent on the
21 2004 study by any chance?

22 There was none in 2004?

23 MS. BEDE: There was the 1999 --

24 CHAIRPERSON NELSON: -- Into 2001.

25 MS. BEDE: Which really was supposed

3 you know the public procurement took some time to
4 procure.

5 CHAIRPERSON NELSON: I'm crossing off
6 the 2004, but how about the 2007?

7 MS. BEDE: Actually, we commenced a
8 study back in 2006, in the early summer of 2006,
9 yes.

10 CHAIRPERSON NELSON: Is there any
11 amount of approximate cost for the study?

12 MS. BEDE: Phase I of the study is in
13 the range of \$250,000 dollars.

14 CHAIRPERSON NELSON: Okay. You may
15 have it under wraps, but is there some examples of
16 some potential ideas that are being implemented?

17 MS. LANNON: You mean the potential
18 recommendations that will be coming out of this
19 study?

20 CHAIRPERSON NELSON: Yes.

21 MS. LANNON: As I eluded to in my
22 comments, I think obviously the important things are
23 regarding real estate and in particular -- I'll
24 just reiterate that. As I eluded to in my comments,
25 some of the recommendations that will be coming out

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2 of the study deal with real estate issues, and in
3 particular, the importance of maintaining the dry
4 docks that we have left and creating new ones.

5 Also, incentivizing marine
6 provisioning companies to locate in the City to be
7 able to provide the supplies that these ships need.

8 Also, some kind of fee system.

9 Again, I can't emphasize how expensive it is to
10 maintain docks in the City just due to wear and
11 tear, due to the fact that some of these facilities
12 have been literally neglected for 30 years, but as
13 we see the growth of this industry again, there's
14 some major infrastructure repair to be done, and
15 this notion of user fees in something that we're
16 looking at to try to defray these costs. Things
17 like that. Things to do with mooring of vessels, tie
18 up of vessels. You saw a picture of Erie Basin
19 where a lot of barges are tied up now, but to try
20 --

21 CHAIRPERSON NELSON: Dredging as well?

22 MS. LANNON: The report doesn't deal
23 with dredging?

24 MS. BEDE: No, no dredging.

25 MS. LANNON: I didn't think so, but

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2 no, it doesn't deal with dredging.

3 Here's a picture of Erie Basin, and
4 it's a home base for many tugs and barges of Hughes
5 Marine. But, again, if you have barges -- You
6 know you see barges out in the water doing all kinds
7 of construction. They're needed to carry to cranes,
8 needed to carry many things, but they need a place
9 to park, and it's critical that we preserve places
10 for them to be able to tie up especially as we make
11 more waterfront parks. You know people don't want
12 to see barges tied up, but the report advocates that
13 it's critical that we have space for these
14 activities around the City. So those are the types
15 of recommendations that the report will make.

16 CHAIRPERSON NELSON: Is the cost borne
17 entirely by the City of New York? Do we have help
18 from the State and the feds?

19 MS. LANNON: No, largely the cost is
20 borne by the City. You know we always look for
21 funding where we can in terms of grants. The
22 federal government is involved. Obviously, the Army
23 Corps permits all activity, but by and large, this
24 is a cost that has fallen to the City. Just like

25 we're responsible for maintaining our streets, this

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2 is the infrastructure of the waterways, and it's
3 really a City expense, but obviously, we're always
4 looking for people to chip in.

5 CHAIRPERSON NELSON: Just one question
6 before I go to my --

7 MS. LANNON: Can Marta add one thing
8 to that?

9 CHAIRPERSON NELSON: Sure.
10 Absolutely.

11 MS. BEDE: Sorry. Actually, this past
12 looked at the private sector, and not the public
13 sector owned piers since the City owns those piers,
14 and we have the data. What we evaluated was how the
15 private sector comes up with a mechanism to fund
16 their piers, maintain their piers and what kind of
17 funding sources basically they have.

18 CHAIRPERSON NELSON: Thank you.

19 MS. LANNON: Thank you.

20 CHAIRPERSON NELSON: Any idea where
21 dry docks could be located? Then, I'm going to hand

22 it over to one of my colleagues.

23 MS. BEDE: We're talking about
24 floating dry docks, so most of them are actually
25 -- The private sector is already acting on the

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2 demand for dry dock needs, the care needs for the
3 different types of vessels, and potential locations
4 that are on Staten Island.

5 CHAIRPERSON NELSON: Thank you. Now,
6 Council Member Tish James had a question.

7 COUNCIL MEMBER JAMES: That was a good
8 segue into the issue of dry docks, and specifically
9 the Brooklyn Navy Yard. Your previous study in
10 1991, 2001, 2004, whenever it happened, did it
11 include an evaluation of the dry docks in the Navy
12 Yard, and if so, what were the findings?

13 MS. BEDE: Actually, this study
14 evaluated the needs for the dry docks and the
15 economic benefits of those dry docks at the Navy
16 Yards, and as a matter of fact, as a result of these
17 preliminary findings of the study the Navy Yard
18 already made two significant steps to improve those
19 dry docks. One of them is they extended their

20 existing lease for a longer period of time to
21 utilize the dry docks in a better way and really
22 give the options and opportunity to the tenant to
23 invest and amortize that investment over a longer
24 period of time.

25 The second steps that they made was

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2 improving the access to the dry docks meaning they
3 will be dredging the channel into the dry docks, and
4 also they will be reusing the dredged material by
5 filling in some of the other areas that could be
6 used as a real estate project.

7 MS. LANNON: To summarize what Marta
8 is saying I think that the study and EDC has been an
9 advocate for a long time that the dry docks are not
10 only critical to the maritime support industry, but
11 that they are actually something that is financially
12 lucrative for the Navy Yard Corporation, and we did
13 that analysis and helped them see that don't fill
14 this is and put in a movie studio. This is actually
15 a good deal for you, and I think as Marta said, as a
16 direct result of this analysis that we were able to

17 help preserve that dry dock.

18 COUNCIL MEMBER JAMES: What is the
19 demand in the City of New York for dry docks and/or
20 for ship repair facilities?

21 MS. BEDE: Again, this is preliminary
22 data. There is shortage for dry docks.

23 COUNCIL MEMBER JAMES: Shortage for
24 dry docks.

25 MS. LANNON: We do not have enough

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2 right now.

3 MS. BEDE: That's why the private
4 sector is investing in floating dry docks. I mean
5 building a graving dock is an enormous expense, and
6 the private sector cannot do that on its own.

7 COUNCIL MEMBER JAMES: And right now
8 the expense of maintaining the dry docks in the Navy
9 Yard falls upon the lessor?

10 MS. BEDE: Maintaining the dry dock is
11 the owner, the City.

12 COUNCIL MEMBER JAMES: Okay. Thank
13 you.

14 CHAIRPERSON NELSON: Thank you,

15 Council Member James. Now, Council Member Mike
16 McMahon has a question.

17 COUNCIL MEMBER MCMAHON: Thank you,
18 Mr. Chairman, and thank you for convening this very
19 important hearing, and, of course, it's always good
20 to see our friends from EDC who do such a great job
21 for the City.

22 I have two areas I'd like to talk
23 about, Ms. Lannon. The first is go you go to -- I
24 don't know your assistant's name. I'm sorry.

25 MS. LANNON: Marta.

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2 COUNCIL MEMBER MCMAHON: Marta, could
3 you go to what's page four in my guide? It's the
4 one that says study locations. It's a little bit
5 hard to see, but I just want my -- There you go.
6 You have the cursor right there where the letter F
7 is, and there's a large area representing Howland
8 Hook. I want my colleagues to understand what I'm
9 talking about. Just south of that, directly
10 adjacent to it, was where Jimmy Oddo wanted to put
11 the Nascar track.

12 MS. LANNON: Right, the GATX site.

13 COUNCIL MEMBER MCMAHON: That's where,
14 actually, Jimmy and the other republicans wanted to
15 put the Nascar track there, and I and my colleagues
16 in the Council were able to stop them. Wait until
17 they see this on t.v., huh? And the Nets arena
18 there too.

19 But that is now a 675- acre vacant
20 parcel of land that if the City EDC and the Port
21 Authority don't act quickly will probably become
22 some sort of site for warehouses, land- based,
23 truck- based. Yet clearly if one looks at the
24 harbor that is the natural spot for expansion of
25 harbor activities particularly with reference to

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2 container, porting, so on and so forth. Why doesn't
3 the EDC get after the Port Authority and get this
4 City on board to purchase that land while it's
5 available?

6 MS. LANNON: Those conversations have
7 been ongoing. Obviously it's something we recognize,
8 from a port perspective, is a potential critical
9 piece of infrastructure. The Staten Island Railroad

10 runs right through it. I know that New York
11 Container Terminal is very interested as it's
12 exactly adjacent to Howland Hook. There are bridge
13 clearance issues there for some of the larger ships,
14 but you can certainly barge commodities there.
15 Conversations are ongoing with the Port Authority.
16 It's something that the City is aware of and is
17 evaluating.

18 COUNCIL MEMBER MCMAHON: I know that
19 the Nascar people had one buyer. The deal fell
20 through. Now, apparently, there's another buyer. I
21 mean if we don't move quickly, we're going to lose a
22 once in a lifetime opportunity because clearly
23 there's no other place in the City that provides
24 that waterfront capability for expansion of the
25 things you mentioned, and yes, there's a problem

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2 with the bridge clearance, but for open bulk
3 shipping and so forth, it would certainly work. And
4 it would provide a great opportunity for Staten
5 Island because it would put the property to a
6 beneficial use if you will as opposed to a very

7 obnoxious use. So what can I do? Who should I talk
8 to? The new EDC President, Deputy Mayor Lieber?

9 MS. LANNON: Deputy Mayor Lieber is
10 aware of this, but I think he would be the person
11 that would be most fruitful to push on that, and
12 Madeline Wills (phonetic) at EDC as well. I mean we
13 have ongoing conversations with the Port Authority
14 on a number of subjects. I think that, if you
15 wanted to --

16 COUNCIL MEMBER MCMAHON: As a maritime
17 person, I think -- not to put you on the spot, but
18 you agree with --

19 MS. LANNON: Personally, I'm in
20 complete agreement with you. I think it's an ideal
21 site for a port- related facility.

22 COUNCIL MEMBER MCMAHON: Okay.

23 MS. LANNON: I mean if we can't have
24 Nascar that is.

25 COUNCIL MEMBER MCMAHON: Well if those

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2 aforementioned people have their way, you know that
3 could happen, but we've got to act quickly to make
4 sure that happens.

5 Then just one other line, if I could,
6 Mr. Chair.

7 CHAIRPERSON NELSON: Sure.

8 COUNCIL MEMBER MCMAHON: On the other
9 part of Staten Island you highlight sort of just
10 above the letter F, what's Richmond Terrace or Shore
11 Road, if you will, the very active and flourishing
12 maritime industry there, and quite often, people
13 even from Staten Island will say well why do we
14 have, along that strip, a Jersey City type of
15 development? Why don't we have housing? And you
16 mentioned the push for residential, and I always say
17 well you don't realize that there's an incredible
18 ship support industry there. So my question is
19 isn't there a way to make that a special maritime
20 support industry zone to highlight what is there?

21 But also the problem is you do have
22 all these industries. You have a major dry dock.
23 You have tugs. You have barges, but then you also
24 have businesses there that are much less romantic,
25 if you will, but certainly are not water dependent,

2 junk yards, construction supply and debris -- What
3 did I say? Nothing. Nothing on the record.

4 CHAIRPERSON NELSON: Who ratted you
5 out?

6 MS. LANNON: Never a dull moment in
7 the Council.

8 COUNCIL MEMBER MCMAHON: Where was I
9 tongue in cheekily?

10 I stand by all my statements because
11 they were made in good jest. Tish James wants to
12 put the Nets at the GATX property, and I told them
13 that you prefer the Nascar property.

14 COUNCIL MEMBER ODDO: Tish, when I'm
15 borough president, you and I can have a
16 conversation. It may not last long, but.

17 COUNCIL MEMBER MCMAHON: But is there
18 a way to create a zone that is really a maritime
19 support zone in that it allows the public to see it
20 and to understand it and appreciate? To me, it's
21 very fascinating, but it's all behind galvanized
22 steel fencing, so nobody knows it's there, but also
23 a way to make it flourish even more because you have
24 some very sort of obnoxious -- I don't mean to
25 call a business obnoxious, but there are businesses

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2 there just because it's an M Zone there, but they
3 really don't need to be on the water, so you could
4 find a way through zoning to make this a maritime
5 support industry zone.

6 MS. LANNON: Right. To your first
7 point, this actually is one of the six Significant
8 Maritime Industrial Preserves. Perhaps you could
9 suggest a better label. We were calling it Kill Van
10 Kull. That is what we meant, so that is one of the
11 zones that we very much want to preserve, and
12 personally, I think this is an extremely important
13 one because there are obviously great waterfront
14 views from that area, and you know people are
15 already talking about the gold coast of Staten
16 Island and envisioning a Port Liberty kind of
17 scenario. That's exactly what we're trying to
18 accomplish with this study is to be able to quantify
19 the economic benefits of these industries and to be
20 able to advocate on their behalf.

21 The second point that you made about
22 the appearance of these facilities is I think
23 something that is a serious concern, you know the
24 aesthetics of them. I think a great model is being
25 pursued by -- You know Phaedra Thomas is here in

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2 the audience from Southwest Brooklyn Industrial
3 Development Corporation. I think the way businesses
4 look and the appearance that they have and the
5 environmental practices that they follow are going
6 to be more and more important as residential areas
7 come closer and closer to our manufacturing areas.
8 So I think a lot of these businesses, especially in
9 that particular area of Staten Island, they have
10 their backside on the street, and quite literally.
11 You know I mean they are just not paying any
12 attention to what they look like back there, and it
13 does look, quite frankly, not very good.

14 Our first priority is to preserve
15 this area for industrial use, but then I think
16 groups such as Phaedra's that are taking that next
17 step I think we need to follow to have serious
18 conversations about cleaning up your backside as it
19 were, and being a better neighbor to people so that
20 you're not threatened.

21 COUNCIL MEMBER MCMAHON: Right, and
22 we're in agreement there. I agree with you one
23 hundred percent, but one final statement on it. In

24 a way, if it was like Caddell, for instance. I mean
25 when they have a ship in there, and they're working

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2 on whether it's a ferry boat or another ship --
3 They had the boat from South Street Seaport that
4 they were working on, the schooner -- it's
5 actually fascinating to look at. I mean it's very
6 wonderful if it's kind of nice, so that's something
7 we have to encourage, that good neighborliness, but
8 also would help get the word out about their
9 businesses and the benefit that they have to
10 everyone because everyone thinks it's just another
11 junk yard, if you will.

12 MS. LANNON: I mean this is exactly
13 the thing we keep harping on about a balance, and
14 again, I'll cite the Metropolitan Waterfront
15 Alliance. You know we need to get people down to
16 the water to educate people about the water, and we
17 need to educate people not only about the marine
18 ecosystems and the great resources that the
19 waterfront can provide as a classroom, but also get
20 people down and educate them about the working
21 waterfront. These are all strands that we're trying

22 to move all of them forward, and they don't always
23 fit such as recreational vessels and maritime
24 industrial vessels in the same channels. These are
25 the kinds of conflicts that we have, but our group

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2 at EDC is the advocate for the maritime industrial
3 businesses on the waterfront, but I think it's a
4 good dialogue to be starting on Staten Island in
5 particular.

6 COUNCIL MEMBER MCMAHON: Isn't that a
7 great point? People will come to my office and say
8 we should make that all a park there. Well you
9 better go look because there are thousands of people
10 working there, and it's funny. When you see it from
11 the water, it's a totally different perspective than
12 when you see it from the roadway.

13 MS. LANNON: It's beautiful.

14 COUNCIL MEMBER MCMAHON: We agree. I
15 won't belabor the point, but I would volunteer to
16 work with you on that effort in anyway I can.

17 CHAIRPERSON NELSON: Okay. We were
18 joined by David Weprin, who had to go to another

19 meeting, and Melissa Mark- Viverito has been with
20 us.

21 Before that, I just want to say,
22 we're all privileged to have a very spirited exhibit
23 happening, which is rare. That was interesting

24 Jimmy, when you're watching this late
25 at night, go downstairs to the kitchen and make some

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2 green tea and relax.

3 Melissa Mark- Viverito.

4 COUNCIL MEMBER MARK- VIVERITO: Thank
5 you, Mr. Chair. I just have a quick question because
6 I'm looking at the last page of your testimony, and
7 you're talking about the Phase II of the Study that
8 will analyze other maritime support industries
9 sectors, such as passenger transportation, which is
10 one of the questions I had before I read the
11 transcript with regards to how do we also
12 accommodate potentially in these areas, or in the
13 proximity, for passenger service because that is
14 PlaNYC 2030, and we all want to have some level of
15 ferry service at some point. You mention about
16 expanding the geographic scope, but you don't

17 mention as any site. Potentially, maybe a Manhattan
18 site? I know that for maritime purposes, that
19 wouldn't be good, but if you are talking about
20 passenger I think that we would want to accommodate
21 some level of ferry service.

22 MS. LANNON: Right. In particular, to
23 be clear, what we're looking at in this study is
24 areas where ferries can be repaired, but to your
25 point, absolutely. EDC, and our group in

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2 particular, is working with the Department of
3 Transportation to put together an East River ferry
4 service, and we are trying -- It would be a loop
5 looking at South Greenpoint, South Williamsburg,
6 North Williamsburg, up to Queens West.

7 COUNCIL MEMBER MARK- VIVERITO: Is
8 there a Staten Island portion in there?

9 MS. LANNON: We are doing a
10 feasibility study looking at developing ferry
11 service at Camp St. Edwards on Staten Island, so
12 we're actively, at the same time, pursuing expanding
13 passenger ferry service to the waterfront in Queens,

14 Manhattan, Brooklyn and Staten Island.

15 In particular, what we're looking at
16 here is the services that are required to service
17 the boats basically.

18 COUNCIL MEMBER MARK- VIVERITO: Right,
19 understood, but in your testimony you're talking
20 about the Phase II aspect of the study would also
21 look at the transportation aspect, no?

22 MS. LANNON: I apologize. Perhaps the
23 testimony is unclear.

24 COUNCIL MEMBER MARK- VIVERITO: It
25 says passenger transportation.

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2 MS. LANNON: Exactly. So as we work
3 to get more ferries and create more ferry service,
4 that's a new world of boats that's going to require
5 maintenance, supplies, all those kinds of things. I
6 apologize that the testimony is not clearly worded
7 there.

8 COUNCIL MEMBER MARK- VIVERITO: But
9 regardless, you're saying that there's a separate
10 --

11 MS. LANNON: -- Separate effort.

12 COUNCIL MEMBER MARK- VIVERITO: Right,
13 effort that's being done with regards to analyzing
14 where ferry service will be viable, where it could
15 be set up, all that kind of stuff.

16 MS. LANNON: Correct.

17 COUNCIL MEMBER MARK- VIVERITO: And
18 what's the timeline? I'm sorry I'm going off track
19 a little bit, but I'm just curious because that's
20 kind of important to me as well. What's the
21 timeline on that?

22 MS. LANNON: There's a number of
23 different initiatives. Some, like the Rockaways,
24 are further along than other areas like Camp St.
25 Edwards is just in the feasibility stage.

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2 We'd be happy to come back and have a
3 separate hearing on ferries. I know that's
4 something that is heating up over the next month in
5 the Council, so I'd be happy to keep the lines of
6 communication there.

7 COUNCIL MEMBER MARK- VIVERITO: Now
8 with regards to the South Bronx location, because a

9 portion of that I share with my colleague, but a
10 portion of that is in my district, what exactly is
11 being looked at for that area?

12 MS. LANNON: Marta, you want to talk
13 to that?

14 MS. BEDE: We looked at the water
15 site, and actually we created this very important
16 database looked at by block and lot numbers on the
17 waterfront, different types of businesses and their
18 operation, and that is exactly for the purpose of
19 companies that don't belong on the waterfront, that
20 they don't need waterfront access should not be on
21 the waterfront. So we have everything tabulized for
22 the six Significant Maritime Areas, and that will
23 also be done in Phase II for the expanded geographic
24 scope.

25 COUNCIL MEMBER MARK- VIVERITO: I'm

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2 not sure I understood. I'm sorry maybe I just
3 didn't listen for a second there, but just in terms
4 of what you're talking about, so what is projected
5 for that South Bronx portion?

6 MS. LANNON: Right now, as Marta was

7 saying, it's just an inventory of businesses that
8 are on the waterfront, and in particular, our goal
9 is hopefully to help relocate businesses that don't
10 need to be on the waterfront such that waterfront
11 businesses have more room.

12 COUNCIL MEMBER MARK- VIVERITO: I know
13 that that area, because Randall's Island is in my
14 district as well, but that piece there between
15 Randall's Island and at South Bronx is very shallow,
16 so I don't know to what extent --

17 MS. BEDE: The South Bronx is mostly
18 occupied by companies that -- It's really oil
19 tanker forms up there that the heating oil fuel is
20 delivered by barges, filled into the tank forms.

21 COUNCIL MEMBER MARK- VIVERITO:
22 There's rail also there, right? There's rail there
23 as well, correct?

24 MS. LANNON: Yes. I think you're
25 correct that water depths are shallow there, so you

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2 don't see some of the big ships going there, but
3 what you do see are fuel barges and scrap metal

4 barges which are -- You know it's so important
5 that those things move by water because if they move
6 by truck, it would just be dozens of more trucks in
7 the South Bronx.

8 COUNCIL MEMBER MARK- VIVERITO: Right.

9 So what's the inventory? I know Waste Management
10 is there. I know the Post is there. I mean what's
11 the inventory so far?

12 MS. BEDE: Which companies?

13 COUNCIL MEMBER MARK- VIVERITO: Yes.

14 MS. BEDE: Oh, I can give you that
15 right now. Basically, the book is really a thick,
16 heavy --

17 MS. LANNON: When we release the
18 study, we can share it certainly with you if you'd
19 like to see the section on the South Bronx.

20 COUNCIL MEMBER MARK- VIVERITO: You
21 could open it up to the page and I'll look at it.
22 You don't have to read it to me.

23 MS. LANNON: Okay. We will do that.

24 COUNCIL MEMBER MARK- VIVERITO: I'll
25 just be curious. The only think I know that's there

2 is Waste Management and the Post, and I didn't know
3 what else was there, so I'd be curious.

4 MS. LANNON: There are a number of oil
5 companies, home heating fuel companies, and scrap
6 metal companies that use the waterways.

7 COUNCIL MEMBER MARK- VIVERITO: Okay.
8 Thank you.

9 MS. LANNON: You're welcome.

10 CHAIRPERSON NELSON: Council Member
11 Tish James.

12 COUNCIL MEMBER JAMES: Just a follow-
13 up question. Your answer to my previous question
14 with regards to the demand, you said the demand was
15 high for dry docks. Yes? Okay. So my question is
16 if the demand is high and we have insufficient dry
17 docks, to what extent is that impacting or affecting
18 ship repairs in the City of New York? Have there
19 been delays with repairing ships, and are we losing
20 business to New Jersey? How can we recapture that
21 business?

22 The only reason why I say that is
23 because the Navy Yards, again, employees a
24 significant number of residents from my district,
25 and it really reflects the City of New York. It

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2 needs our high paying jobs for a lot of working
3 families.

4 MS. LANNON: The question that you ask
5 is actually exactly what we're trying to prove in
6 this study. There aren't enough dry docks, and that
7 means that there are lengthy delays. It's like
8 airplanes that taxi down the runway for take- off.
9 They're just in line waiting to get their ship
10 repaired. It can take months, and we're arguing
11 that yes, if we don't have enough dry docks, we are
12 going to be losing that business, not just to New
13 Jersey, but that companies will relocate to Norfolk,
14 or other East Coast ports. We're trying to make the
15 case that the maritime industries are critical in
16 the City of New York, that they are large employers,
17 that they are employers of people with different
18 skill levels, and that we need to be pushing to
19 maintain these industries and to be doing what the
20 City can, recognizing that some of these things are
21 of vast expense, but that the City needs to be
22 treating this as an economic development project
23 like we would an investment bank that we're trying
24 to retain in the City. We want to retain maritime
25 support services because it is such a great employer

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2 and generator of revenue for the City.

3 COUNCIL MEMBER JAMES: Have you
4 estimated the amount of business that we are losing?
5 What's the economic loss to the City of New York?

6 MS. BEDE: We estimated the economic
7 impact of when the vessel has to go outside the
8 port. I mean the graving docks in New York and New
9 Jersey is really one location, but when they have to
10 leave the port and go, for example, south to
11 Virginia to get that repair done, that is estimated
12 to cost about \$32,000 dollars per vessel per trip,
13 which is eventually passed on to the consumer.

14 COUNCIL MEMBER JAMES: So within the
15 last Fiscal Year 2007, how much money did the City
16 of New York lose?

17 MS. BEDE: We didn't look at that.

18 COUNCIL MEMBER JAMES: Okay. So,
19 again, let me just continue to advocate on behalf of
20 the Brooklyn Navy Yard. We really need to maintain
21 it, maintain those dry docks, get them up in
22 operation, and it would result in a major economic
23 development boom in Brooklyn. We certainly need

24 those jobs. You know about the high unemployment of
25 people of color, and certainly the Navy Yard

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2 reflects the diversity that we all celebrate. Thank
3 you.

4 MS. LANNON: We appreciate your
5 advocacy, and I think it will be important as we try
6 to develop dry docks in other communities for them
7 to hear the kind of testimony and advocacy that
8 you're talking about that these are important
9 facilities that are great employers, so we really
10 appreciate your support.

11 CHAIRPERSON NELSON: Thank you, and I
12 want to welcome Diana Reyna, who just last month
13 gave birth to a beautiful, bouncing bundle of joy.
14 Congratulations, Diana. It's nice to see you back.
15 Did you have any questions? Sure, absolutely. Go
16 right ahead.

17 COUNCIL MEMBER REYNA: Hi, how are
18 you?

19 MS. LANNON: Good.

20 COUNCIL MEMBER REYNA: I just wanted

21 to take advantage, and I apologize for my tardiness.

22 I was running out from a DOT meeting to here. The
23 Newtown Creek area was mentioned as one of the study
24 sites. I want to understand what protection does
25 Newtown Creek have so that it's not sited for other

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2 use that would impede and prohibit the flow of
3 industry as opposed to residential, which straddles
4 that area. You know we have a lot of conversions in
5 the industrial park, and those areas will continue
6 to remain. We've created these IBZ's that have been
7 phenomenal in protecting the manufacturing district,
8 but along the Newtown Creek, there are pollutants,
9 spillage, unfounded environmental contaminants. You
10 know what type of clean up --

11 MS. LANNON: I think that the Newtown
12 Creek protection is in the fact that it is one of
13 these six Significant Maritime Areas, which have
14 been designated to be this preserves of industry and
15 maritime activity. So the zoning is the protection,
16 but it's never enough. I think as you say, you see
17 conversions, you see the same thing on the Gowanus.
18 Sometimes it's not enough just to have zoning. You

19 have to have awareness, and you have to have people
20 like yourselves and us advocating for the
21 appropriate uses on the waterfront.

22 COUNCIL MEMBER REYNA: And I
23 appreciate that. I'm going to give you an example
24 because I recently in casual conversation someone
25 just mentioned how they had purchased along the

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2 Newtown Creek, and they're interested in developing
3 a hotel, and the manufacturing zone allows that.

4 MS. LANNON: Right.

5 COUNCIL MEMBER REYNA: What protection
6 are we really talking about? City Planning playing
7 a role here really doesn't mean much. So I'm just
8 trying to unfold exactly how we're going to
9 compliment this study in a realistic fashion where
10 the appropriate protections are going to be there so
11 that we build industry and not see these changes in
12 conformity to the actual zoning that actually allows
13 by law this mixed use.

14 MS. LANNON: Right. I would have to
15 on the sort of technicalities of what zoning

16 protections are provided defer to City Planning, and
17 as I noted in the testimony, City Planning is one of
18 our partners in this study, but I can only note what
19 you've said. I think it's a great point, and take
20 that back.

21 COUNCIL MEMBER REYNA: I would
22 appreciate that.

23 MS. LANNON: Okay. Great.

24 COUNCIL MEMBER REYNA: I'm sorry.
25 Just one more question. Melissa has asked as far as

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2 what industries are along because she wasn't of
3 perhaps new industry that has recently come on board
4 along the strip that she had mentioned. Are there
5 any new industries that are coming into the Newtown
6 Creek area that you are aware of aside from what I
7 know?

8 MS. LANNON: Not that we're aware of,
9 no.

10 COUNCIL MEMBER REYNA: Okay. Thank
11 you.

12 CHAIRPERSON NELSON: Thank you,
13 Council Member. Do any of my other colleagues have

14 anything before I ask a question?

15 I want to announce, of course, that
16 the great Joe Addabbo from Queens has joined us.

17 Thank you.

18 Has EDC already hired an engineering
19 firm to locate maritime hubs in each of the
20 boroughs, and if so, can you elaborate on where some
21 of these hubs -- well you did already.

22 MS. LANNON: No, we have not done that
23 yet, but that is something that we will be
24 undertaking under -- Sorry to throw so many
25 studies and plans around, but under our update to

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2 the 1999 port plan that we are commencing this year.

3 We will be working with engineering groups, and
4 that's why I said these things sort of dovetail into
5 each other. We're taking the policy recommendations
6 that the SUNY study has given us, and then we'll be
7 sort of rolling those into our port plans study to
8 say well working with engineers how do we actually
9 do this.

10 CHAIRPERSON NELSON: Do you have any

11 projects currently planned in any of the six SMIA
12 areas? If so, are any of them forthcoming the
13 maritime study? Would it be in there?

14 MS. LANNON: I'm sorry. I'm not sure
15 if I -- Are you asking if we have any projects
16 that we're currently pursuing in any of these --

17 CHAIRPERSON NELSON: -- SMIA's.

18 MS. LANNON: Yes, well I think one
19 great example is the one that I referenced in Sunset
20 Park, the South Brooklyn Marine Terminal
21 Reactivation. Pier 6 also in Sunset Park in
22 Councilwoman Gonzalez's district, we are in
23 negotiations with a cement company to reactivate the
24 Bush Terminal, Pier 6, to import aggregates by
25 water. I think right now that's sort of where the

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2 City actually controls property and where we're
3 focusing our efforts.

4 CHAIRPERSON NELSON: Okay. Thank you.

5 And this I'll read, Chapter 1303, created in the
6 Charter, created a Waterfront Management Advisory
7 Board. What will you advise the Deputy Mayor on
8 economic development and the Commission of Small

9 Business Services and Residential as far as where
10 this advisory board -- I'm so sure you are. Is it
11 currently alive though?

12 MS. LANNON: I don't know that it has
13 met for a while, but that's probably a good point to
14 check back in on that.

15 CHAIRPERSON NELSON: Yes, if it could
16 revived and some input from an advisory board. I
17 see some people here I believe would want to be, as
18 a matter of fact, on it perhaps for whatever great
19 input I believe that they would have. I think it
20 would be important along those lines.

21 MS. LANNON: Absolutely.

22 CHAIRPERSON NELSON: Any of my
23 colleagues have any other questions at all?

24 Just last thing, another aspect of
25 the stated policy of the 2002 Waterfront

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2 Revitalization Program is to maintain the
3 infrastructure necessary for the support of a
4 working waterfront, the commercial, water- dependent
5 transportation, everything. That includes

6 maintaining the channel depths. Dredging is such an
7 important issue right now in so many parts of the
8 City. What is the City doing?

9 MS. LANNON: Well two things on sort
10 of waterfront maintenance, EDC is in the process of
11 conducting a City- wide survey including literally
12 photographing and documenting every inch of New York
13 City's waterfront, and to develop a long- term
14 maintenance plan for the waterfront. Those are
15 ongoing conversations that we have with the Office
16 of Management and Budget about funding that type of
17 work.

18 In terms of dredging, dredging is a
19 critical issue. Dredging is in the deeper waters --
20 to use a non- technical term -- as the purview of
21 the Army Corps, but the City is often responsible
22 for dredging in this sort of more shallow waters, or
23 it's the responsibility of the companies who own the
24 pier- side facilities.

25 I would like to take the opportunity

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2 to highlight the fact that the Fresh Kills Landfill
3 is going to be closing to accept dredge materials.

4 It's one of the last things they've been accepting
5 as sort of final cover materials.

6 CHAIRPERSON NELSON: Silt and
7 everything.

8 MS. LANNON: Silt and things like
9 that, but that will soon be closed to us as well,
10 and just like we faced in the Solid Waste Management
11 Plan, we are going to be out of a place to put this
12 material, which means that it will have to be barged
13 or trucked further out of our area. It's something
14 that we really need to focus on as a City, which is
15 to try and identify potentially a regional site.
16 It's something that we've been working on with our
17 partners in New Jersey and the Port. It's really
18 something we should, as concerned citizens around
19 the waterfront, have on our radar that we're going
20 to need a regional dredge disposal facility very
21 soon.

22 CHAIRPERSON NELSON: Yes, I'd like to
23 see a place located. It's like Murphy's Law. In
24 order to clean something, you've got to make
25 something else dirty.

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2 MS. LANNON: Exactly.

3 CHAIRPERSON NELSON: And how do you
4 deal with that aspect of it.

5 MS. LANNON: Well we are trying to
6 reuse as much of the material that we can and have
7 been working with our group at EDC, working with the
8 Department of Environmental Conservation, to get
9 beneficial use determinations that say this material
10 -- For example, right now the anchorage channel
11 is being dredged underneath the Verrazano. That's
12 what we say is clean dirt basically, so one thing
13 that EDC is working on right now is to try to come
14 up with sort of a brokerage system to list all of
15 the City's construction projects that are going on,
16 and say look, we have this much clean material
17 coming. You're doing this construction project, for
18 example, at a place like Brooklyn Bridge Park.
19 We're estimating that's going to save us hundreds of
20 thousands, if not millions, of dollars in the need
21 for importing fill material while also reducing
22 truck traffic. So I think in some ways it's I won't
23 say good that we're losing a cheap dump, but it
24 forces us to recycle more.

25 CHAIRPERSON NELSON: Yes, I see

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2 dredging becoming a very important issue, and more
3 and more and more, even along my little area as
4 well. Along Kingsborough Community College, sand
5 has been rapidly developing there. Where once a
6 ship could moor, right now is a sand bar. Just one
7 example.

8 MS. LANNON: Yes, you can't stand
9 still with dredging certainly.

10 CHAIRPERSON NELSON: Well we thank
11 you. If you could stay as long as you can to hear
12 some of the testimony from some of the others if you
13 don't have a compelling mission to go to. If you
14 don't, if you could stay for a little while longer.
15 We thank you.

16 MS. LANNON: Yes, okay. Marta will
17 stay.

18 CHAIRPERSON NELSON: Thank you very
19 much for your testimony and your time.

20 MS. LANNON: Thank you. Thanks for
21 your time.

22 CHAIRPERSON NELSON: We have, I
23 believe, three panels. The first consisting please
24 of Mr. Edward Kelly, and Roland Lewis, and Carolina
25 Salguero. If I mispronounce a name, please correct

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2 me.

3 Thank you, and whoever would be
4 speaking first, if they could identify themselves.

5 MS. SALGUERO: My name is Carolina
6 Salguero, and I'm the Director of PortSide New York.

7 I had some notes prepared, and one of the first
8 things I wanted to state before I got into the body
9 of mine, you asked a question about a study that
10 commenced in 2004. I was a little confused by the
11 response. There was an EDC study effort that did
12 begin in 2004.

13 CHAIRPERSON NELSON: Do you have an
14 White Out?

15 MS. SALGUERO: Excuse me.

16 CHAIRPERSON NELSON: That's all right.
17 I crossed off 2004.

18 MS. SALGUERO: Yes, it began in 2004,
19 and I and some other people in the room here were
20 part of the Harbor Ops Committee Advisory Group that
21 was formed to advise the EDC, and then there was
22 another RFP and the same lead consultant was

23 selected, so this study process actually began in
24 2004, not 2006.

25 Further about myself, the waterfront

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2 has become my issue since 1998 as a journalist,
3 harbor activist and ultimately as the founder of the
4 waterfront- themed non- profit, which is PortSide
5 New York. With the acquisition of the retired oil
6 tanker, 172- foot oil tanker, the Mary Whalen, that
7 is our home base. I and PortSide became members of
8 the working waterfront because we actually need to
9 use the services of the working waterfront, so we
10 personally experienced the problem of the shortage
11 of dry docks. It took us over a year to negotiate
12 access into a dry dock to repair and modify the
13 vessel.

14 What I'd like to say further about
15 this study is, as I mentioned, it's been four years
16 that it has really taken to sort of come to this
17 point, and I'd like to encourage you all to do
18 everything you can to cause EDC to expedite the
19 study. A significant number of maritime working
20 waterfront facilities and M zone waterfront

21 facilities were decommissioned either via rezoning
22 during that period of time, and there are a lot of
23 them that are a target for rezoning or acquisitioned
24 to be eminent domain at present.

25 I also wanted to say for the record

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2 that PortSide has been before the Waterfront
3 Committee in January '05 testifying on the tug and
4 barge industry when we did our business plan, and we
5 provided the results of our own business plan study
6 also to the EDC. So they had, as early as May '05,
7 statistics that documented the growth of this
8 industry, and a lot of its needs, and its
9 contributions certainly vis- a- vie workforce
10 issues.

11 What's of particular interest, I
12 think, to PortSide -- I'd like to talk about a
13 little bit -- is the recommendation of the study
14 and the executive summary for waterfront hubs, and
15 that is because PortSide was actually originally
16 planned to be such a waterfront hub, and the City
17 has already invested in PortSide creating such a

18 hub. We received funding from the Department of
19 Small Business Services to create a hub like that,
20 which would be, as Councilman McMahon referred to, a
21 way to make the working waterfront an attractive
22 neighbor, but also an economic driver by providing
23 both services to the marine industry, but also
24 cultural, education programming based on that
25 activity related to it and youth programs and a

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2 marine career center.

3 One of the consequences of this
4 growth and some other issues in the tug and barge
5 industry in particular means that there's a real
6 urgent need for new crew and an extreme shortage of
7 available trained personnel, so we wanted to be
8 matchmakers between our area in Brooklyn, which
9 suffers very high unemployment and this industry.

10 We did not receive the property that
11 we were promised for which we received the funding
12 to be that hub, so we are still very interested in
13 doing that, and we would like to meet with any
14 Council Members individually who would like to meet
15 with us to describe our plans, and hope that we

16 could actually fulfill that recommendation of the
17 study.

18 CHAIRPERSON NELSON: Thank you.

19 MS. SALGUERO: Thank you.

20 CHAIRPERSON NELSON: Whoever else.

21 MR. LEWIS: Good afternoon. I'm
22 Roland Lewis, President of the Metropolitan
23 Waterfront Alliance, and I thank you for the
24 opportunity to address the Committee. First, I want
25 to commend EDC for the study that they've commenced.

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2 I think it's going to be an educational moment, a
3 teaching moment, for the entire City about the
4 importance of our maritime industry. I take Venetia
5 at her word that March is the date that thing will
6 finally be released and look forward to helping
7 publicize the important findings of that study. I
8 will just bring to light a couple of points. Much
9 was covered during EDC's presentation, which we
10 agree with.

11 One thing I'd like to talk about is
12 emergency preparedness, the port's role in safety in

13 the general population. As many know, three times in
14 the last seven years, we had to use ferries and
15 boats to get folks off this island during a time of
16 crisis, 9/11, the Transit strike and the blackout.
17 What people don't realize I think as much as they
18 should, and frankly took one of my first
19 conversations when I took this job with Rick
20 Larrabee, the head of the Port from Port Authority,
21 to bring it home to me, Rick said whether it's
22 terrorism, or a hurricane -- We're the third most
23 vulnerable city to a major hurricane in the United
24 States. -- If the George Washington Bridge is out
25 tomorrow, we all know what we'll have for dinner

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2 tomorrow night. A week from tomorrow night, no one
3 knows how we'll get food on the table, how we'll get
4 heating oil into our boilers. We are so dependent.
5 So these facilities we talk about, the barges, the
6 repair facilities, the tugs are not just there for
7 an important part of the economy. They are also a
8 vital safety net for the entire region. We live on
9 three islands and one peninsula.

10 CHAIRPERSON NELSON: It's civil

11 defense.

12 MR. LEWIS: That's exactly right,
13 Chairman.

14 I think education -- I know my
15 colleagues on either side of me have been powerful
16 voices and are working harbor community behind me
17 and various folks in the audience also have been
18 powerful voices about education about the need for
19 our waterfront. I think we have to just keep that
20 course going and make it louder, and that's an
21 important point.

22 Mr. Chairman, the last point you
23 brought up to Venetia and the EDC about dredge
24 material is something also I'd like to discuss just
25 for a moment. I've gone to Hughes Brothers and

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2 Caddell Dry Dock and various users have engaged my
3 waterfront education over the last few months. One
4 thing that came up all the time was the issue of
5 mud, the issue of dredge, and particularly, how it
6 effects the businesses. It has become enormously
7 expensive, sometimes eight, nine, ten times more

6 Kelly's area, but I think it's something I learned.
7 As Ed will probably tell you, this is a globally
8 competitive industry, and New York is growing, and
9 we'll always have a huge market here. I think we'll
10 always have a share. Can we maximize this share?
11 It depends on how creatively and how energetically
12 we protect the maritime industry and also protect
13 the port. In Rotterdam, they are literally growing
14 it with fill 20 percent, and they're the third
15 largest port in the world. They aim to stay in the
16 top three for a long time forward. We have to be a
17 lot more creative and a lot more aggressive to
18 maintain New York's share versus Halifax, Virginia
19 and even Los Angeles. It's a regional facility.

20 Finally, two last points. One,
21 making piers piers. Many of our partners in the
22 Metropolitan Waterfront Alliance, which I know the
23 Chairman knows, is 323 organizations that have some
24 interest in the waterfront development that comprise
25 hundreds of thousands of individuals that have

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2 concern. We love parks and we want to create great

3 parks in New York on the waterfront, but when we
4 build a pier, a pier should be able to do what a
5 pier is supposed to do, park a boat.

6 Lastly, I know my good friend Bill
7 Woods is back there, as they're considering
8 waterfront zoning and I think Councilwoman Reyna was
9 talking about the hotel in the manufacturing zone,
10 we talk about the big box store in Red Hook that
11 covers over one the desperately needed graving
12 docks. We have to have a stronger maritime zoning
13 structure within our zoning code that protects these
14 jobs. Obviously it's not strong enough if hotels
15 and big box stores, which are lovely things and we
16 want as many as we can, but they don't have to be on
17 the water.

18 That all comes back to my last point
19 which is education. We are all educators here, and
20 we have to do our job a little bit better over time,
21 government and the civics.

22 I guess I'll hand it back.

23 CHAIRPERSON NELSON: Together is
24 right, and Mr. Kelly. Thank you.

25 MR. KELLY: Good afternoon, Mr.

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2 Chairman, Committee members, ladies and gentlemen,
3 my name is Edward J. Kelly, and I'm the Executive
4 Director of the Maritime Association of the Port of
5 New York/New Jersey. The Maritime Association is a
6 coalition of maritime- related businesses and
7 educators, et cetera. Basically, we comprise a paid
8 membership of over 480 members, both corporate and
9 individual who are related to maritime- related
10 businesses. That encompasses international shipping
11 lines, terminal operators, pilots, tugboat and tow
12 operators, admiralty attorneys, marine underwriters
13 and a host of other concerns that are vital
14 components of the vibrant New York/New Jersey
15 maritime community.

16 We've been around since 1873, and our
17 mission is to dedicate to the safety, the security,
18 the environmental sustainability, and importantly,
19 the economic competitiveness of maritime commerce in
20 the Port of New York and New Jersey.

21 New York, as we've said, is a port
22 city. It's economic and social history as well as
23 our future is inextricably linked to the waterways.

24 From the earliest days, the port has
25 served as an economic engine in this region, and has

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2 been a primary employer, but why is it still
3 important?

4 Although many people don't realize
5 it, the maritime industry has a daily and dramatic
6 impact on all of our lives. The shipping lines that
7 ply our waterways deliver the clothes we wear, the
8 cars we drive, our toys, our electronic gadgets,
9 much of our food, the fuel that heats our homes, and
10 the gas that powers our cars.

11 Additionally, our local maritime
12 carriers haul the sand, cement, construction
13 materials, chemicals, and fuels that are the basic
14 building blocks of our society, and at the end of
15 the day, these carriers haul away a very large
16 portion of our trash. The proximity to our port
17 allows local companies to sell their goods overseas,
18 and help to keep jobs here in the United States and
19 in this port region.

20 And all the while, maritime
21 transportation remains the most fuel efficient and
22 environmentally friendly way to move both people and
23 freight.

24 Another 2004 study commissioned by

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2 University found that in 2004 over a hundred million
3 tons of cargo and 567,500 passengers flowed through
4 our regional port and supported a total of 232,900
5 full time job equivalents in the 26- county
6 metropolitan area; generated \$12.6 billion dollars
7 of personal income; contributed state and local tax
8 revenues totaling nearly \$2 billion in the port
9 region; and contributed \$3.8 billion to federal tax
10 coffers.

11 Additionally, the recently completed
12 Maritime Support Services Location Study indicated
13 employing 11,870 individuals contributing over \$1.1
14 billion in annual regional income; generates an
15 overall economic impact of over \$2 billion annually;
16 and very importantly, currently eliminates 3.1
17 million trucks movements from New York City roadways
18 every year.

19 Allow these are indeed significant
20 figures, we must also realize that the port has
21 grown remarkably even since 2004 and will continue
22 to grow. In a recent edition of the Journal of

23 Commerce, Admiral Larrabee of the Port Commerce
24 Department of the Port Authority of New York/New
25 Jersey was quoted as saying, and I quote, "We're

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2 going to see six to seven percent annual increases
3 in cargo over the next nine to ten years, so that
4 will double the volumes again. This is an
5 opportunity for us to grow capacity."

6 In order for our international
7 maritime industry to continue to grow, our maritime
8 support service industry must also grow. It is also
9 necessary that we are fully aware of how the
10 maritime services industry is a vital component of
11 our local transportation network.

12 It is essential that we recognize the
13 importance of this economic engine and that we plan
14 to accommodate the growth that is necessary.

15 Our waterborne industry offers myriad
16 opportunities to grow our City in a vital,
17 responsible and utilitarian manner, but why a
18 waterborne services industry?

19 One, congestion relief. We take

20 trucks off the road, and we increase passenger and
21 commuter options. Congestion pricing is interesting
22 and a novel idea, but when we get these people out
23 of their cars, where are they going? The MTA has
24 already indicated they're almost already overtaxed
25 on their system, as is the PATH system. We have a

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2 woefully under- utilized ferry system in this City.

3 Two, infrastructure relief. We do
4 have a certain amount of pier structure that has to
5 be maintained, and dredging, much of which is
6 accommodated by private interests spending their
7 funds in promotion of their business. The City also
8 is a partner in this, but most importantly,
9 waterways are naturally sustainable. I have never
10 seen a pothole in a body of water, and there are no
11 weight restrictions in what you can run over water.

12 Three, environmental relief. When we
13 take these trucks off the roads, we help to reduce
14 diesel particulants, the airborne pollutants. Most
15 notably nitrous and sulfuric oxides, or the NOx and;

16 Four, economic relief. We need to
17 transport goods and waterborne transport is the

18 lowest cost of transport available for both
19 passengers and freight.

20 Five, job creation. We've mentioned
21 before the maritime support industry generates high-
22 paying blue collar jobs. This is becoming an
23 endangered entity in the City of New York, and if
24 we're to maintain the tax base, the style of living,
25 those jobs needs to be preserved.

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2 Our industry clearly acknowledges
3 that the water resources of the region must be
4 shared among several uses. We're very willing to
5 embrace the need for waterfront recreational,
6 residential and industrial usages.

7 The unique nature of our industry
8 requires that we be located at waterfront property,
9 but it also requires that those locations be
10 adjacent to, or contiguous with adequate berthing
11 depths, channel access, and be positioned at the
12 center of the harbor to minimize extraneous
13 movements, including wasted time and fuel.

14 We believe it's incumbent upon this

15 City and this State to initiate proper land use
16 planning so as to allow the waterfront of our great
17 port to sustain the growth of our maritime industry,
18 while also allowing for residential and recreational
19 usage.

20 Regrettably, the good news in this
21 story is that when compared to many other port
22 cities around the world, our waterways are terribly
23 under- appreciated and under- utilized. There's a
24 phenomenal opportunity for this City to make use of
25 its waterways.

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2 As we examine PlaNYC 2030, and ponder
3 the many challenges and opportunities posed by the
4 evolving growth of our City, we should definitely
5 look to our waterways to help us meet our needs for
6 safe, reliable transportation of people and freight,
7 reduced roadway congestion, environmental
8 sustainability, good jobs, and an improved
9 lifestyle.

10 The membership of the Maritime
11 Association stands ready to participate in these
12 discussions and plans.

13 I would also mention the Harbor
14 Operation, Safety and Navigation Committee that's
15 been referenced several times operates under the
16 umbrella of the Maritime Association. That's one of
17 our underlying committees, and we've been very
18 pleased, and are always standing ready to engage,
19 offering advice, counsel, maybe a little bit of
20 rhetoric at times. We cant' help it, but we
21 certainly feel that this is finally recognition and
22 perhaps one of the oldest industries in the world.
23 It's coming to the point where we'll once again come
24 to forefront as this City comes to grips with issues
25 regarding transportation, life style, congestion,

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2 and environmental impact, and I think we're ready to
3 step up and play our part in helping to have the
4 City and the State move forward on this project.
5 Thank you.

6 CHAIRPERSON NELSON: Thank you, Mr.
7 Kelly, and thank all of you. You know I fought hard
8 to keep the container port in Brooklyn, and luckily,
9 through a coalition that developed little by little,

10 we succeeded for many of the reasons that you
11 brought up as a matter of fact besides the curry
12 aspect of it as well, supply et cetera.

13 Well thank you all very much.

14 Do any of my colleagues have any
15 questions for the panel? Okay, thank you. We very
16 much appreciate it.

17 MR. KELLY: Thank you.

18 MR. LEWIS: Thank you.

19 MS. SALGUERO: Thanks very much.

20 CHAIRPERSON NELSON: The next panel
21 will consist of Roberta Weisbrod, Brian Hughes and
22 Phaedra Thomas.

23 MS. WEISBROD: Thank you, Chairman
24 Nelson. Good afternoon. I really commend you for
25 this very important hearing, and we commend EDC for

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2 engaging in the study. I am Roberta Weisbrod. I've
3 been active in the maritime community for over 30
4 years in the business sector. In the public sector,
5 I worked for EDC and the Port in the Maritime
6 Division as well as New York State DEC on maritime
7 environmental issues, including, most significantly,

8 dredging, and at the civic center, I'm on the
9 Maritime Support Services Study of the Harbor
10 Operations Committee. I'm on its Steering Committee,
11 and I'm also an officer of the Ferry Committee of
12 the Transportation Research Board, and a project
13 manager for Interferry, which is an international
14 ferry organization. Back here in New York City, I'm
15 Chairman of the Board of the Working Harbor
16 Committee, which does maritime education for the
17 public about the working harbor. And I'm not going
18 to repeat what others have said. I'll just concur
19 the three points, one of which I'll expand on, which
20 no one else has said.

21 Maritime sector is important to the
22 City. Twenty percent of our freight moves by water,
23 and the New York Metropolitan Transportation Council
24 has come up with that, and that's an extraordinary
25 amount, so a lot of our fuel, building materials as

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2 well as, as a separate measure, all the waste
3 materials.

4 The sector is growing. You've heard

5 that over and over again, but finally the maritime
6 sector could take on a much larger role as it has
7 elsewhere in the world and in other parts of the
8 country. In Europe, short sea shipping, also called
9 the marine highway, are freight ferries which takes
10 the containers, not just the bulk stuff that's
11 currently in New York Harbor, but containers,
12 trailers, truck bodies, even railcars very
13 efficiently, cost effectively can go across the
14 harbor, up and down rivers and coastwise.

15 Again, this could take a lot of the
16 pressure off. Unfortunately, that kind of issue was
17 not included in PlaNYC. It was marginally touched
18 on. It looked at just loading docks and buildings,
19 so it's something that really needs to happen. We
20 have to look at freight in the sustainability plan,
21 and we have to consider maritime freight. Once that
22 happens, then I think the obvious recommendations
23 need to happen, and there's a view recommendations.

24 One is the study has to be completed,
25 but, and I have to stress this very seriously, the

3 completed in a way that makes sense. I've read
4 every version of the Executive Summary, and both the
5 Executive Summary and the Study itself have to have
6 a clear methodology section. How was this study
7 done. Then it has to have clear results, and then a
8 separate interpretation of the results.
9 Unfortunately, that didn't happen. The kind of
10 interpretative results are put up front. You don't
11 know how they got there, and in fact, there were
12 some mis- statements. So it's something very
13 serious, and it has to be looked at. Then and only
14 then can one have recommendations.

15 Finally, it is a very important
16 study. What you've done here by calling this
17 hearing is an extremely important, and the word has
18 to go out to other City agencies, City Planning in
19 particular. They weren't aware that the graving
20 duct was functional when they allowed it, in effect,
21 de- accessed. The zoning rules have to be seriously
22 abided by so maritime dependent use doesn't mean
23 maritime identify which often will occur in
24 documents by various City agencies. Maritime
25 identity is sort of a Disneyland sail hats. It's a

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2 serious business. It really keeps our quality of
3 life as good as it can be. It needs to be grown.
4 The Sustainability Office has to know about it. New
5 York City DOT is embarking on a freight study. They
6 need to know about it. All the environmental
7 agencies have to be sit down with, and I was in one
8 of them, so I know where the bodies are buried and
9 understand how important environmentally it is to
10 embrace maritime businesses.

11 So basically that's what I have to
12 say. I'll be glad to answer any questions, and look
13 forward to what my fellow panelists have to say.
14 Thank you.

15 CHAIRPERSON NELSON: Thank you, Ms.
16 Weisbrod.

17 MR. HUGHES: Thank you. Good
18 afternoon. I'm Brian Hughes from Erie Basin Marine
19 Associates and Hughes Brothers Barge Company. We
20 had our facility focused on in the EDC presentation
21 here, but just so that you know, it's a privately
22 owned facility. New York City doesn't have to pump
23 money into every year to keep it up. We do that
24 privately. We operate the facility in Red Hook,
25 Brooklyn. It's one of the largest berthing

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2 facilities for tugs and barges in the City. It's
3 one of the last sections of working waterfront, as
4 EDC highlighted there. It's the home port for over
5 200 tugs, barges, ferry boats and other working
6 vessels, about 25 percent of the working tugs and
7 barges in the harbor. We employ about 681 workers
8 at Erie Basin, about 334 crew members and we've been
9 there for about 30 or 40 years working in that area.

10 The barge port is zoned M3- 1 for
11 heavy manufacturing, and it's currently located in
12 the South Brooklyn Industrial Business Zone.
13 Phaedra Thomas works on there, and they establish
14 and nurture the industrial businesses and protect
15 them from rezoning. We account for \$61 million in
16 economic impact for the area.

17 Just for a background so you know, we
18 have tenants and our own company. We carry many
19 different products throughout New York, heating oil,
20 sand and gravel, dredge spoils and bridge
21 maintenance equipment, and much more that helps out
22 with the environment and the economic --
23 everything that's going on in the City right now to
24 help it keep going.

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2 about 75 trucks worth of stone meaning about every
3 day about 10,000 trucks are off the roadways, and
4 keeping them off the roadways cuts down on the wear
5 and tear expenses, the diesel pollution, the
6 congestion. Everything else everyone has said here
7 is very true. The barge movements of one of our
8 tenants, Reinauer Transportation, another owner of
9 Erie Basin, they move about 867,000 fuel trucks off
10 the roads each year by their heating oil movements
11 and their fuel movements.

12 There's nowhere else marine
13 businesses can go nowadays. We're very water
14 dependent, as everyone here said. The Marine
15 Support Services Study has identified the lack of
16 wharfage, or vessel parking throughout the City, as
17 well as dry dock facilities for vessel maintenance.
18 Right now, it's a very long time to get your barge
19 to get in there, and as they pointed out, it's about
20 \$30,000 to \$40,000 dollars for you to send it to
21 Norfolk, or to send it to somewhere else, and that

22 cuts down on City jobs, any kind of bridge
23 construction stuff that hampers the job and pushes
24 it back from time to time.

25 We were identified in the first

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2 Marine Services Support Study in 1991 and the
3 current study as something that had to be preserved
4 in the City. There's no other location that has the
5 depth, the water shelter or the docks to home port
6 the number of vessels that we have.

7 We at Hughes Brothers and Erie Basin
8 applaud the efforts made by EDC and by Dr. Yahalom
9 and the staff at SUNY Maritime. Their research
10 shows that maritime companies in the harbor lack the
11 resources needed to make this port survive and to
12 thrive. The Harbor has a great tradition of
13 waterborne transportation, and we just hope the City
14 Council can work with us to help keep zoning there,
15 so that we can keep thriving in this port with our
16 equipment. Just please keep the port open for us
17 for business. Thank you.

18 CHAIRPERSON NELSON: Well thank you.
19 There is one question. You're operating in both Red

20 Hook and also in New Jersey as well?

21 MR. HUGHES: Our corporate office is
22 in New Jersey. The corporate office could be in
23 Montana for all it could be as long as our equipment
24 is in New York that's where the center of activity
25 and that's where we can do our best to help out New

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2 York, and that's the only way it is.

3 CHAIRPERSON NELSON: And these workers
4 are all from New York, or mostly from New York?

5 MR. HUGHES: Mostly from New York.
6 Everybody is from around the surrounding area there.

7 CHAIRPERSON NELSON: Thank you for
8 that.

9 MR. HUGHES: No problem.

10 MS. THOMAS: Hi. Good afternoon.
11 Phaedra Thomas, Southwest Brooklyn Industrial
12 Development Corporation. Thank you so much for
13 convening this hearing. I want to start off just by
14 saying how incredible it is that EDC has created a
15 Maritime Department, and that we actually have a
16 person like Venetia Lannon and her whole team

17 working on these issues for us the advocacy side. I
18 been working on these issues for about ten years
19 now, and to have that kind of advocacy and support
20 on their level is critical. We were privileged to
21 work with Dr. Yahalom on getting his findings. So I
22 think that the Council's role is to really help them
23 support advocating up the chain. Bob Lieber is now
24 our Deputy Mayor, and the Mayor needs to know about
25 these things. We on the grassroots it's very

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2 difficult for us to get on that level. I think you
3 all as Council Members can work with EDC to get to
4 the levels that these messages have to be sent to.
5 First, I just want to briefly say
6 about our maritime activities that we have in
7 Southwest Brooklyn and then about this study and
8 what recommendations we think are very important to
9 take away. You've heard about the Erie Basin Barge
10 Port. They're one of our largest maritime
11 constituents. We also have the Gowanus Industrial
12 Park, which just started to barge salt in and other
13 aggregates. A major group of small businesses is
14 along Gowanus Canal. We really think that they

15 should be included in the next phase of the study,
16 if they haven't already. Gowanus Canal and Bay,
17 just those small businesses alone take about close
18 to 134,000 truck trips off the road each year, and
19 they are barging aggregates and oil and scrap like
20 we all have been talking about.

21 EDC has also done major strides
22 towards larger activities, including the Hugo Neu
23 SIMS operation and the revitalization of the 30th
24 Street Pier for access, but there are also other
25 small operations that are new. I know Council

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2 Member Reyna asked about are there new operations
3 popping up in her district. In our district, there
4 actually has. We have Benson Scrap Metal who has
5 been on Gowanus Canal for about ten years, and
6 started barging a year ago. We also have Waterfront
7 Disposal, which is going to be doing construction
8 and debris, barging to a rail facility in Jersey,
9 and we don't have a good plan for construction
10 debris material removal in the City right now. So
11 not only have our existing operations been

12 expanding, but new operations are moving forward.

13 Last time we were here we were
14 talking about 7 through 12. We are glad that some
15 things that were spoken about like hotels on pier 10
16 have now seemed to be abandoned. Hotels and retail
17 and offices don't fit in with heavy industrial uses.
18 They can, if they are properly planned for, but
19 right on a pier is not the right place for them.
20 Pier 10 is an integral piece of infrastructure that
21 has naturally deep ports, deep water and pier and
22 bulkheads that function, and it's two blocks from
23 the BQE and Battery Tunnel. You couldn't ask for a
24 better place for maritime movement that will
25 translate into an extension of our highways. So we

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2 applaud EDC for that recognition as well.

3 The report has brought out many
4 things that we wish we could of known in all of our
5 years of advocacy, but we knew, anecdotally, the
6 quality of jobs, the amount of revenue it generates,
7 the amount of truck trips in takes off the road. It
8 is essential that all of these recommendations are
9 tied to land use and zoning recommendations so that

10 you are free to do the real transportation planning
11 that has to be done, regional transportation
12 planning, talking with New Jersey, talking about the
13 increase in truck trips so we can regionally plan
14 for our transportation system. We can't be bogged
15 down with the constant fight to keep industrial
16 areas industrial.

17 Again, to Council Member Reyna's
18 point about office and hotel uses, Council Member
19 Katz introduced Industrial Employment District
20 legislature. I strongly encourage you to take that
21 into account considering these recommendations.
22 Industrial Employment Districts will outlaw those
23 uses. You can special permits to do them, but there
24 will be a public review process. So Industrial
25 Employment Districts are a very important part, but

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2 EDC is probably not going to be able to make that
3 recommendation, so we need you all to be our
4 champions on that.

5 I included some slides here from a
6 previous presentation that I made. Just the back

7 page here just basically says this is the problem,
8 but we're going to have a million new people by
9 2030. Between 1985 and 2005, there was an over 50
10 percent increase in the amount of trans- Hudson
11 truck trips, and NYMTC, New York Metropolitan
12 Transportation Council, projects that between 1995
13 and 2025, there will be another 50 percent increase
14 in the amount of freight that ends up in the New
15 York City area because not only are we growing, but
16 the people that are growing in New York City are
17 more affluent and they are consuming more goods.

18 If we want to get these truck trips
19 off the road, we have to realize the magnitude of
20 how much freight is moving into our City, and we
21 mentioned the 2030 Plan. There are great aspects to
22 it, but there's really not enough about freight
23 planning, so we have to have DOT, City Planning and
24 EDC and the Council together doing this regional
25 planning work. We can't all be picking at it from

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2 different sides. It has to be a cohesive plan for
3 our City. Thank you so much.

4 CHAIRPERSON NELSON: Thank you,

5 Phaedra. I appreciate it. I was curious, by show
6 of hands, would the people in this room like to,
7 would be willing to, have some time to, to serve on
8 a Waterfront Management Team?

9 MS. THOMAS: Absolutely.

10 CHAIRPERSON NELSON: A lot of people
11 would. Okay. We really need to get this rolling,
12 again, input from the experts. You know more than we
13 do in the Council, by and large. You know than
14 people of other City agencies do, so it would make
15 sense that your input should definitely be on the
16 record and have this rolling as soon as possible. I
17 don't who would organize this. I look at Roland,
18 but somebody out there hopefully will. Thank you.

19 Do any of my colleagues have any
20 questions for the panel? We thank you very much for
21 your testimony.

22 The final panel will consist of Mr.
23 David Sharps, Mr. Tom Fox and Ms. Mary Habstritt.

24 Hi, and whoever you choose to be the
25 first spokesperson, please.

2 MS. HABSTRITT: Tom said ladies first.
3 My name is Mary Habstritt. I am with the Roebling
4 Chapter Society for Industrial Archeology, and we
5 are the New York/New Jersey Chapter of a group that
6 studies and disseminates information on our
7 industrial heritage, and, of course, in this region
8 that includes maritime industry. Our local chapter
9 currently number is nearly 500 members and nearly
10 200 of them live in New York City.

11 I'd like to applaud the attempt to
12 collect information and inform the public and
13 decision makers through this study done by EDC, but
14 I am concerned about the amount of time it's taking.
15 In the meantime, our working waterfront is being
16 redeveloped piecemeal, and we're losing the historic
17 and working infrastructure that we need.

18 I'm not really sure whether to laugh,
19 cry or scream about the comments made on the need
20 for dry docks. The Roebling Chapter was amongst
21 several people and organizations represented here
22 who banded together in a group called Save the
23 Graving Dock, and we talked about the ship repair
24 jobs that were being lost at the graving dock in Red
25 Hook. We talked about the need for ship repair, and

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2 that ship were having a hard time already -- this
3 is a couple of years ago -- finding places to get
4 their ships repaired. We talked about the
5 magnificent history of the Todd Ship Yards, which
6 started there in Red Hook. We even did an exhibit
7 to inform the public, and we talked about
8 alternative plans where the dry dock could stay in
9 operation when IKEA went in there, and it all seemed
10 to fall on dead ears. Now the graving dock is
11 filled. It was still operating when IKEA took
12 possession of that property, and we've lost it. Now
13 we're talking about building new ones, an incredibly
14 expensive undertaking. We tried to get a handle on
15 numbers when all this was going on, and the closest
16 we could come, as I remember, was a billion dollars
17 to build a graving dock. So losing one in this
18 ridiculous manner was just incredible.

19 Other things that I think have come
20 of this piecemeal redevelopment to our industrial
21 waterfronts is right now Bushwick Inlet is being
22 threatened with the use of eminent domain to build
23 open space where there is an active fuel depot
24 bringing fuel into the City. That, again, is
25 something we clearly need, and although balance

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2 between open space and our maritime industries which
3 was discussed in the presentation is extremely
4 important. I think we haven't been doing a very
5 good job of it.

6 I very much value open space. I
7 spent my morning volunteering in Central Park, but
8 we do need to find that balance, and I think so far
9 we're not doing a very good job.

10 I was recently at a meeting of
11 Manhattan Community Board 9's Piers and Economic
12 Development Committee. There was a representative
13 of EDC there who was surprised at the concept of
14 none exclusive use of these new piers which were
15 built with public money. They are looking for a
16 pier operator. They want the park to be self-
17 sufficient, but that means the pier operator could
18 have exclusive use of those piers and other boats
19 can't land there. I think that's the kind of thing
20 that we need to try to be better at.

21 I think that's all I have to say.
22 I'll follow- up with a written statement by mail,
23 and thank you.

24 CHAIRPERSON NELSON: Thank you so
25 much.

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2 MR. FOX: Good afternoon. My name is
3 Tom Fox. I'm the President and CEO of New York
4 Water Taxi, the newest entrant to the maritime
5 transportation field in the harbor, and the only New
6 York City based maritime transportation provider.
7 SeaStreak is in Monmouth, New Jersey, and New York
8 Waterway is in Weehawken, New Jersey. New York
9 Water Taxi is the only New York based transportation
10 business.

11 CHAIRPERSON NELSON: You have the taxi
12 colors on the --

13 MR. FOX: Little yellow taxis with
14 black and white checks. We connect 15 different
15 locations from Brooklyn Army Terminal in Yonkers to
16 Long Island City, and all down the East River.

17 CHAIRPERSON NELSON: Great service.

18 MR. FOX: We're based in Red Hook.
19 I'm also the chair of the Passenger Vessel
20 Subcommittee of Harbor Ops and on the board of
21 Interferry, the international ferry organization.

22 We basically created a Brooklyn-
23 based business that now has 78 jobs. Our deckhands
24 are now becoming our captains, and Jose Bush
25 (phonetic) from the Red Hook Houses now has a \$25

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2 dollar an hour job driving a \$2.5 million dollar
3 boat with a 401k, ten paid vacations, two weeks of
4 holidays, full medical and full dental. We believe
5 that these are the kind of jobs that inner- city
6 kids need and the maritime industry needs a pool of
7 inner- city residents to fill the jobs here in the
8 City.

9 Right now, I'm going for captains to
10 New Jersey and Long Island because we don't have a
11 talent base here in the City.

12 We have an engineering department
13 that works 24/7. I repair my own vessels, but when
14 they need to be taken out of the water, I need to go
15 to the southern end of Staten Island or to
16 Westchester County.

17 New York Water Taxi applauds EDC's
18 new interest in the waterfront. I mean I think it's

19 really important. The stars are converging with
20 congestion pricing, and the benefits of the
21 waterfront community.

22 We've actually put in a proposal to
23 EDC to build a maritime center in Red Hook, in
24 Brooklyn at Atlantic Basin that would create a
25 thousand construction and full- time jobs, and 300

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2 working blue collar jobs in marine repair.

3 EDC let out the RFP for this use two
4 and a half years ago. We've been waiting for almost
5 a year and a half for a decision, and at
6 construction costs at 13 percent a year inflation,
7 that's probably cost about \$10 million dollars to
8 whomever develops this particular project. So we
9 would encourage EDC to move forward on some of the
10 initiatives they've already started as they're
11 looking at the future uses of the waterfront.

12 We believe we're important because of
13 emergency evacuation. We don't have these ships in
14 the harbor because they can't be maintained, they
15 can't be fueled. All of the regional evacuation
16 plans depend on waterborne transportation. We how

17 about the boats aren't here. There has to be a
18 public investment in not only the infrastructure
19 that supports the industry, but the industry itself
20 because of it's importance in redundancy in terms of
21 transportation. The blackout, the Transit strikes
22 and unfortunately 9/11 showed the importance of the
23 waterborne transportation industry. We believe it
24 has a role in the City. We believe it has a
25 definite bright future. We believe it creates the

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2 kind of jobs for City youth that we need, and we
3 look forward to the Council's leadership to working
4 with EDC.

5 If you look at all the Council people
6 that have spoken out positively from Addabbo and
7 Katz and Lappin and Reyna and yourself, and Gentile
8 and Yassky and Gonzalez and McMahon and Gerson and
9 James, you begin to see there is a real move in the
10 City Council to make this a priority, and we would
11 encourage you to continue that. Thank you for the
12 opportunity.

13 CHAIRPERSON NELSON: You're welcome.

14 It's obviously the zeitgeist. It's an important
15 aspect of what you are doing for the City's benefit,
16 so evidently you're hitting some road blocks,
17 governmental and perhaps private in some cases. If
18 you just keep us on notice which problems you're
19 having, if we can do some interference for you, we
20 will because it's definitely a time that has come.
21 If it's a legitimate problem, well okay, we can
22 understand that. But if it's just some nonsense
23 issue that's blocking you from serving the
24 constituency better then we'd love to get involved
25 with that, Tom.

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2 MR. FOX: They're mostly legitimate,
3 but they need coordinated approaches to move the
4 situation forward.

5 CHAIRPERSON NELSON: Yes, some people,
6 certain politicians too, and certain agencies and so
7 on, they get sort of tunnel vision and nothing else
8 seems important to them except this particular issue
9 that they're involved with. Everybody is guilty of
10 that at times, so maybe we can put a light on it.

11 MR. FOX: Thank you very much.

12 CHAIRPERSON NELSON: Thank you.

13 I want to announce Council Member
14 Gale Brewer has joined us.

15 David, please identify yourself for
16 the record. Thank you.

17 MR. SHARPS: Thank you very much for
18 the opportunity to speak today. I share the
19 thoughts with Mary sitting beside me. We on the Save
20 the Graving Dock Committee fought awfully hard and
21 said many of the things that I've here today that we
22 would hope that we would be able to have a spirit of
23 working together in the New York Harbor with someone
24 that is as big as IKEA to save our graving dock and
25 move forward.

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2 Moving forward, and with a great
3 loss, I would hope in oversight when we do move
4 forward that we look for community benefit packages
5 from waterfront developers so that we're assured of
6 waterfront access. We assured of not losing
7 important valuable resources, not only like graving
8 docks, but maybe there are industrial docks that

9 have the nice high freeboard that allows for tugs
10 and barge to come not only in the time of emergency,
11 but maybe like when there's a big festival, 2009
12 Tall Ships, and a great variety of our historic and
13 educational vessels bypass New York City right now
14 because there are no docks to dock at.

15 I guess I forgot to introduce myself.

16 I'm the President of the Waterfront Museum, and I
17 have a 94- year- old relic that served for many
18 years carrying cargo across, prior to
19 containerization, and it's purpose in education and
20 public awareness I think was brought about very
21 brilliantly in trying to inform a public that does
22 not understand the waterfront, doesn't always
23 appreciate what the importance, what it's role is.
24 I think there's no better way to use some of the
25 older vessels that we have in the harbor as, if you

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2 would, an historic library. Even with an historic
3 library, our ships that we have with the fireboat
4 and the tanker Mary Whalen and the barge, the
5 tugboat Pegasus, there's a great challenge that I
6 think is left out of this report and that's not only

7 providing docking for the commercial vessels, but
8 also docking for the historic vessels that can help
9 tell this particular role of the waterfront in not
10 only our past but also looking forward.

11 I'd like to think that if you work
12 with us, and we can build docks at the new Stapleton
13 Waterfront, Brooklyn Bridge Park, Governors Island,
14 all of these various places that we'll be able to
15 bring to the various communities a tugboat one week,
16 a fire boat another week, and not only can the
17 public enjoy, but it gives the industry a time to
18 show their value and to break down some of those
19 walls that might exist in just either misinformation
20 or not understanding exactly what the roles are and
21 how important they are.

22 In particular, as we move forward in
23 building piers, there's a lot of I call them
24 pedestrian piers that are being built now. I know
25 the one just south of the Intrepid, the Pier 84, you

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2 can't even really properly dock a vessel beside it
3 because it has no lateral support. After all the

4 time and effort has gone into build this pier, let's
5 build them so that they can be used by ships both on
6 a regular basis, and then also in an emergency
7 basis.

8 There's also piers that are shaped
9 like a star so that they have a nice architectural
10 viewpoint, and that kind of defeats the purpose of a
11 pier in my view.

12 Lastly, in building a pier, I know
13 there's been a lot of piers that have been built
14 here recently that are for frontloading only, and
15 just, again, would like to see us all move forward
16 and build piers that could be used in a variety of
17 purposes so that as we move forward that they could
18 have the greatest potential that a port as great as
19 New York deserves. Thank you.

20 CHAIRPERSON NELSON: Thank you. I'm
21 sorry. Did you mention your name at the beginning
22 of your testimony?

23 MR. SHARPE: Yes, David Sharps from
24 the Waterfront Museum.

25 CHAIRPERSON NELSON: Thank you.

2 I mean there are so many issues
3 involved. The purpose of our being here and
4 everything else. I mean there are security issues,
5 environmental issues, economic issues, traffic
6 issues, and the list goes on. The importance of
7 what we're trying to do here with EDC cannot be
8 understated, so it was very important for you all to
9 come out today and testify and listen and bring back
10 -- I see Richie Drucker (phonetic) joined us too
11 from the Navy Yard, Vice President there. We thank
12 him and everybody else.

13 Would my many colleagues like to say
14 anything at all? Gale? Okay. Well thank you.
15 Thank you, and your a very effective member of our
16 Committee. Make sure you stay on top of Gale as
17 well because she remembers everything. She does.

18 Having no other testifiers, or
19 anything, thank you. This meeting of the Waterfronts
20 Committee is adjourned. Thank you.

21 (Hearing concluded at 2:59 p.m.)

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CERTIFICATION

STATE OF NEW YORK)
COUNTY OF NEW YORK)

I, LORI KLEIN, do hereby certify that the foregoing is a true and accurate transcript of the within proceeding.

I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of February 2008.

LORI KLEIN

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C E R T I F I C A T I O N

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I, LORI KLEIN, do hereby certify the
aforesaid to be a true and accurate copy of the
transcription of the audio tapes of this hearing.

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LORI KLEIN

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