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April 2nd ABNY SPEECH

Length: 10-15 minutes (after intro).

It's really an honor to be here. Thank you Bill for inviting me to come and speak.

I'd like to take a moment to recognize some of my new teammates I see out there in the room:

- City Planning Commission Chairman Carl Weisbrod;
- New York City Economic Development Corporation President Kyle Kimball;
- Small Business Services Commissioner Maria Torres-Springer;
- NYCHA Chair Shola Olatoye;
- NYCHA General Manager Cecil House;
- NYC & Co President & CEO Fred Dixon;
- Brooklyn Navy Yard President David Ehrenberg

ABNY has always been a place for big ideas. That's certainly what our current Mayor had in mind when he came here 18 months ago to first talk about his plan to provide pre-K to every child in New York City.

Well, this week we saw how ideas that start in this room can fundamentally change the landscape of this city.

ABNY sees the big picture, and has its eye on the city's long-term future and competitiveness.

That's very much my mission at City Hall.

For openers, let me tell you a bit about myself. I am a born and bred New Yorker who has spent my whole career working to make cities better places to live - and doing it from a lot of different vantage points.

Most recently, I spent over 10 years at Goldman Sachs where I headed the Urban Investment Group.

At UIG, our objective was to invest in the businesses and the places where we could make the most impact, to get "ahead of the curve", and do it where it mattered most: our cities.

Exhibit A: The revolution in manufacturing.

Long before anyone had ever heard of "manufacturing 2.0" we helped catalyze one of the most successful manufacturing revivals in the nation:

The transformation of the Brooklyn Navy Yard.

I was just back at the Navy Yard a few weeks ago. And if you haven't been there recently: Go!

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You'll see the future of manufacturing taking shape right before your eyes.

UIG also launched the 10,000 Small Businesses Initiative at LaGuardia Community College in 2009.

Today, that program is helping to write small business success stories in major cities from coast to coast.

Revitalizing neighborhoods by taking a comprehensive approach to development that mixed housing, retail, community facilities and financing innovative programs like the New York State Healthy Food Fund was a big part of our portfolio, too. And in that arena, I drew on my 4 years of experience working for the City's Department of Housing Preservation and Development as well as years of being a lawyer in the public and private sectors.

But the common thread in all of that work was gaining experience in structuring public/private partnerships that really leverage the most out of our combined human and financial capital.

Having worked on affordable housing, on economic development projects, and on job creation strategies—it became clear to me how intertwined they are, and how we have to start looking at them in a much more cohesive way; they are not distinct verticals, or “asset classes”. To be a true urbanist, you need to think horizontally.

[Pause]

And that approach is really one of the reasons that Mayor de Blasio appointed me the Deputy Mayor for Housing AND Economic Development.

Because for us, those two agendas—meeting the housing needs of our people, and fostering a dynamic economy that creates good jobs—those aren't separate silos.

It's not just about affordable housing projects over here and economic development projects over there.

When it comes to making major land use decisions, or using our capital, or providing incentives, our objective is to catalyze dynamic, mixed-use, mixed-income projects that attract good-paying jobs and enhance our built environment.

And I think that just three months into our administration, we're making those priorities clear.

We made some big news a few weeks ago when we worked with the developer of the Domino site on the Brooklyn waterfront to increase the number of affordable apartments and get shovels in the ground sooner on the first affordable building.

Make no mistake: securing more affordable units in new construction projects is going to be a hallmark of this administration. And we will have a lot more to say about affordable housing when we release our Housing Plan next month.

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But just yesterday, we got a good look at the other side of the equation. EDC's analysis of Domino's net economic impact shows that this is much, much more than just an affordable housing development.

The project's net economic impact—initially estimated at \$150 million in new economic activity, now stands at more than \$330 million.

When the first iteration of Domino was approved in 2010, it promised to provide 389 jobs.

As it stands today, the more dynamic, mixed-use project approved by the City Planning Commission is going to generate an estimated 1,098 jobs—the overwhelming majority of them in good-paying sectors—particularly our tech industry.

This is in large part due to the project's shift toward a mixed-use development that will attract small, growing tech firms.

[pause]

So let's talk about how we are taking that approach going forward.

It really comes down to breaking down those traditional silos in government, and making sure that our economic development, workforce development and land-use policies are aligned, and that one really feeds into the other, driving better outcomes for both the public and private sectors.

Today I want to dive into that workforce piece of the equation, and how we plan to leverage it in new ways.

It's only appropriate to start the workforce discussion on the demand side, by focusing on one of the fastest growing sectors—and one we want more New Yorkers to have a shot at joining.

I'm speaking about our Tech Sector.

Now if my kids were here they'd be falling out of their chairs laughing right about now, because their mom is the proud user of a vintage flip-phone – who thankfully can't figure out how to follow them on Instagram.

But just because I cling to my old habits and try to claim I am counter-cool, that doesn't mean I can't appreciate a good thing when I see it.

The tech sector is critical to our competitiveness. It's a part of our economy we have to aggressively foster through our economic development policy.

And a report released today by HR&A with the support of ABNY, Citi, Google and NY Tech Meet-Up shows just how much is riding on the success of our tech sector.

Here's what it shows:

Nearly 300,000 jobs are directly linked to our growing tech sector. It employs nearly as many people as our retail sector, for a comparison. It's becoming that ubiquitous.

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Today, the tech revolution reaches into every industry in our city.

Into the finance sector; advertising; media; fashion and design; retailing; manufacturing:

Tech is utterly transforming them all, at an ever-faster pace.

People talk about Silicon Alley—but let's get real; it aint no Alley! Perhaps all of you here can help us re-name it: God knows smart people in NYC were able to come up with Noho, Nolita, Soho and just about every other clever acronym in order to sell real estate...

But calling it a Tech Ecosystem, as today's report does, is a lot more accurate. There isn't a corner of the city this industry doesn't touch.

What's also critical about the tech ecosystem is that it's one that reaches all rungs of the economic ladder, from workers with a high school diploma to those with advanced degrees. It can be a way up the economic ladder.

Workers in the New York City tech ecosystem earn nearly 50% more than the average City-wide hourly wage. The hourly wage for the tech ecosystem is roughly \$40.

Jobs in the New York City tech ecosystem that do not require Bachelor's degrees pay 45% more than jobs with the same educational requirements in other industries. Tech ecosystem jobs that do not require a Bachelor's degree pay nearly \$28 per hour.

For an administration committed to lifting up working people, to helping them find their place in the middle class, this is great news and we need to do more to grow the tech sector.

So while part of our strategy is raising the floor in traditionally low-wage sectors, and increasing economic security with provisions like Paid Sick Leave, we are equally committed to building better paths for New Yorkers to secure good-paying jobs.

And doing that will take aligning our workforce development to match the changing needs of fast-growing, well-paying sectors like tech.

[pause]

Now, in some areas we are doing very well.

Along with many of you, we are 100% invested in the Applied Sciences Initiative launched by the previous administration, and we are committed to making it a reality.

It's going to have a huge, dynamic impact on our economy in the years to come by spinning off tech start-ups and creating tens of thousands of new good jobs in our city.

But in many other areas, we are falling far short of where we need to be—to the detriment of our kids, workers and our employers.

The truth is, right now, too many workforce development programs move at analog speed in our digital age.

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The City is currently investing half a billion dollars each year in adult education and workforce development. That is a massive public investment.

And for all the good work people in social service organizations and job training programs are doing, I don't think there's an employer in this room who thinks that as a city, we are training the workforce they are going to need 5 or 10 years from now.

There's not enough real-time skills-building going on.

We need nothing less than a thorough reinvention of workforce development in our city.

And that's why starting today, we are going to take a fundamentally different approach. We are calling the initiative "Jobs for New Yorkers".

It's going help facilitate more nimble and responsive workforce training and forge real pipelines to our fastest-growing, good-paying employers.

To lead our efforts, today I'm announcing that Katy Gaul-Stigge will be joining my team to lead what used to be called the Mayor's Office of Human Capital Development. We are renaming it the Mayor's Office of Workforce Development, and Katy will be its Executive Director.

Katy is a powerhouse in this field, having spent much of the last decade in the Human Resources Administration and at Small Business Services leading innovative and effective workforce training programs.

She knows the people we are trying to lift up. She knows our employers. She knows the programmatic landscape. There is no one better positioned to get everyone on the same page.

Katy is going to coordinate across City government— working across agencies, breaking down silos that prevent us from being real innovators who are harnessing all of our resources. To drive change, to really move mountains instead of just moving the needle, we are bringing the whole A team to the table. Many of those colleagues are here today, Kyle Kimball from EDC, David Ehrenberg at the Brooklyn Navy Yard, Maria Torres Springer from SBS, Shola Olotaye and Cecil House at NYCHA, Fred Dixon from NYC&Co. And many of those who aren't here, including our colleagues from HRA, DYCDC, our Office of Media and Entertainment, the DOE, and the Mayor's Office of Operations are all on board.

Katy's office will also staff the Jobs for New Yorkers Task Force that we will launch next week. It'll be made up of some of the city's leading employers—including from our rising tech sector—as well as providers and education institutions.

Our goal is simple. We don't want you looking to Stanford or overseas when you're hunting for talent. We're going to give you the people you need, right here in New York.

We're going to create workforce development that keeps pace with your needs, in real time.

Right now, our workforce system rewards job placements, but many of those results are low wage part time jobs.

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We want to build a system that rewards skill building and ongoing advancement into full time, higher wage jobs in growing sectors.

And we are going to merge those initiatives with our broader economic development agenda.

Combining economic development and workforce development means that when you do business with the City, you help us develop ‘real-time’ information on hiring needs so our system can respond and train and prepare New Yorkers to become their next employee.

We know how to do this, because we already make it work on a small scale.

A great example of that kind of dynamic investment is happening right now at the Brooklyn Navy Yard, where not only do we provide space for companies to grow, we help our tenants find qualified workers and we train people to be those qualified workers.

For example, last summer, the City connected more than 50 applicants participating in an innovative workforce development program located at the yard, to FCS Modular, a fast growing modular construction company in need of skilled workers to meet the demands of their client . More than 20 of those individuals received “on the job training” and are now working full time, earning good wages.

We need to replicate and expand models like this across the city and across sectors to leverage all of our resources effectively so that we drive real outcomes: helping great companies become even better, more profitable companies while giving more New Yorkers a pathway to the Middle Class.

That’s a virtuous cycle.

That’s an economy that actually works for everyone.

That’s our vision for the people of this city.

[pause]

Now, this is going to be a major undertaking. But as I said earlier, ABNY has always been a place to come and launch bold ideas that break the mold.

And I happen to work for someone who came before this very room eighteen months ago, to talk about something that seemed improbable at the time.

What happened in the months that followed is a reminder of the power of an idea whose time has come, and what can come from something said in this room.

Is there anyone here that has anything to add?