



Initiative For A Competitive Brooklyn: Seizing Our Moment



**INITIATIVE FOR A
COMPETITIVE BROOKLYN
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Action Team: Food Processing

Co-chairs:

Adam Friedman, Executive Director, New York Industrial Retention Network

Bill Solomon, Owner, Serengeti Consulting

Action Team: Health Services

Co-chairs:

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Action Team: Real Estate, Construction and Development

Co-chairs:

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Harvey Schultz, Senior Vice President, Muss Development

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Table of Contents

Executive Summary	1
Introduction	6
Taking Action	6
The New Approach:	
Developing Brooklyn's Strengths	7
Targeting Clusters	8
Health Services	9
The Case for Brooklyn	9
Description of the Cluster	9
Description of the Action Team	11
Issues within Health Services	11
Health Services Action Plan	12
Conclusion	13
Food Processing	14
The Case for Brooklyn	14
Description of the Cluster	16
Description of the Action Team	17
Issues within Food Processing	17
Food Processing Action Plan	18
Conclusion	20
Hospitality, Tourism, Arts and Culture	21
The Case for Brooklyn	21
Description of the Cluster	22
Issues Identified	22
Description of the Action Team	24
Action Plan	24
Conclusion	26
Real Estate, Construction, and Development	27
Description of the Cluster	27
Description of the Action Team	29
Issues within Real Estate, Construction and Development	29
Real Estate, Construction and Development Action Plan	30
Conclusion	33
Workforce Infrastructure	34
The Case for Workforce Infrastructure in Brooklyn	34
Description of the Action Team	35
Workforce Infrastructure Action Plan	35
Conclusion	36
Implementation	37
Conclusion	37

Executive Summary

The Initiative for a Competitive Brooklyn (ICB) is an inclusive and innovative approach to economic development that is bringing new insights, new actions and ultimately new results for Brooklyn. Launched in October 2003, the Brooklyn Economic Development Corporation in partnership with the Initiative for a Competitive Inner City (ICIC), a national non-profit founded by Harvard Business School Professor Michael E. Porter, engaged

The Initiative for a Competitive Brooklyn will enhance the competitiveness of Brooklyn firms in order to create a high and rising standard of living for Brooklyn residents.

—*ICB Mission Statement*

over 200 private, public and civic leaders to develop a market-based strategy that builds on Brooklyn's competitive advantages and its current economic and cultural resurgence.

Economic activity is particularly vibrant in Brooklyn. MetroTech Center, a major office complex in Downtown Brooklyn, created a significant boom in financial service employment, leveraging Brooklyn's close proximity to Manhattan, the epicenter for finance and banking. MetroTech was instrumental to repositioning Brooklyn in the regional economy, which has led to increased investments, a new mix of employers and jobs, rising real estate values, and more educated and wealthier residents. However, not all Brooklyn residents have benefited from this renewal. Poverty has increased from 23 percent to 25 percent from 1990 to 2000 despite the 1990s' boom.¹ Unemployment averaged 8.5 percent over the last three years, 1.4 times higher than the national average.² Manufacturing jobs once the staple for Brooklyn's working class, have dwindled (declining 7.5 percent annually from 1998 to 2002) and substituted with an influx of lower-paying service jobs.³ To combat this challenge, the Initiative for a Competitive Brooklyn is an ambitious effort to increase jobs, income, and wealth opportunities, particularly for low-income Brooklyn residents.

Led by Brooklyn Borough President Marty Markowitz and Stanley Brezenoff, President and CEO of Continuum Health

“ICB is about extending economic opportunities to all of Brooklyn, so that no one is left behind.”

—*Michael E. Porter, Founder and Chairman, Initiative for a Competitive Inner City*

Partners, an Executive Committee was formed to examine Brooklyn's assets and economic landscape to identify opportunities that collectively can strengthen Brooklyn's competitive position and expand economic opportunities for low-income residents and small businesses.

Brooklyn's Relationship within the Region⁴

Although Brooklyn's 2.5 million residents (31 percent of New York City population) make it the city's most populous borough, only 13 percent of New York City's employment can be found within its borders. (See Figure 1.) Payroll from Brooklyn firms comprises only seven percent of the city's total, indicating that Brooklyn employers hire fewer workers and pay lower wages than the city's average.⁵

Manhattan holds 63 percent of the employment in New York City and is the economic anchor for the region. Some of Manhattan's



¹ United States Census Bureau, American FactFinder.

² United States Bureau of Labor Statistics website, New York State Department of Labor website.

³ ES202, 1998 and 2002.

⁴ The New York region includes New York City, Westchester, Nassau and Suffolk counties, Bergen, Essex and Hudson counties in NJ and Fairfield CT.

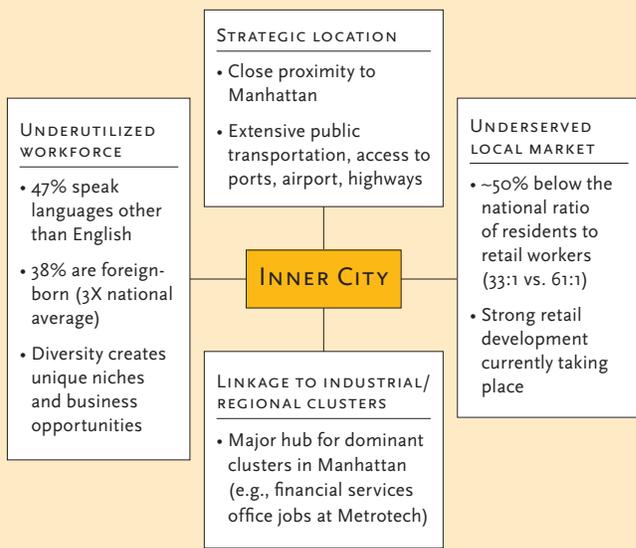
⁵ United States Census and the Cluster Mapping Project of the Institute for Strategy and Competitiveness.

Fig. 1: New York Business Base Profile 2000

	NEW YORK REGION*	NEW YORK CITY	BROOKLYN
Establishments	420,022	203,803	38,155
Share of Region		49%	9%
Share of NYC			19%
Employment	6,216,181	3,279,382	431,792
Share of Region		52%	7%
Share of NYC			13%
Payroll	\$322.0B	\$194.7B	\$12.7B
Share of Region		60%	4%
Share of NYC			7%

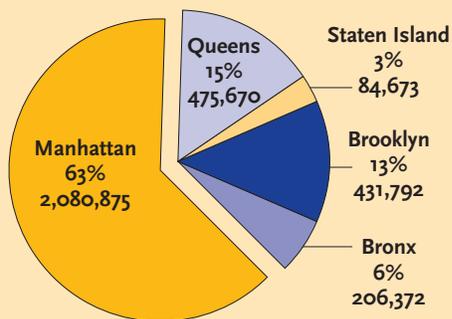
Note (*): The New York Region includes New York City; Nassau, Suffolk (NY), Bergen, Essex, Hudson (NJ), Westchester (NY), and Fairfield (CT).

Fig. 3: Competitive Advantages of Brooklyn



Sources: 2002-2004 unemployment avg. from BLS and NYDOL; 2000 US Census; 2000 County Business Pattern, ISC

Fig. 2: New York City Employment Share 2000



Total New York City Employment = 3,279,382

largest clusters by employment size, such as Financial Services (268,000) and Business Services (150,000), are losing share in national employment (-10 percent and -17 percent respectively from 1990 to 2001, see Figure 2).⁶ The separation of back office functions to lower cost locations and consolidations due to mergers contribute to this loss. For Brooklyn, this presents an opportunity to capture more office jobs. However, Brooklyn must compete for these positions, as well as manufacturing jobs, with New Jersey and other regions offering land that is available and affordable.

Brooklyn's economic transformation has been a double-edge sword as it relates to land use. Rising real estate costs in Brooklyn have made it difficult to profitably operate manufacturing businesses. However, market forces make it more profitable to convert industrial buildings to housing, office towers or retail. The Mayor's 2005 Industrial Policy and accompanying report have set new standards designed to protect industrial space and uses, which is a start to providing a balanced solution to this challenge.

Brooklyn clearly offers competitive assets to support increased development related to office jobs, luxury housing, recreation and certain types of manufacturing. (See Figure 3.) The challenge is how to support all these developments while building a competitive economy where all can prosper.

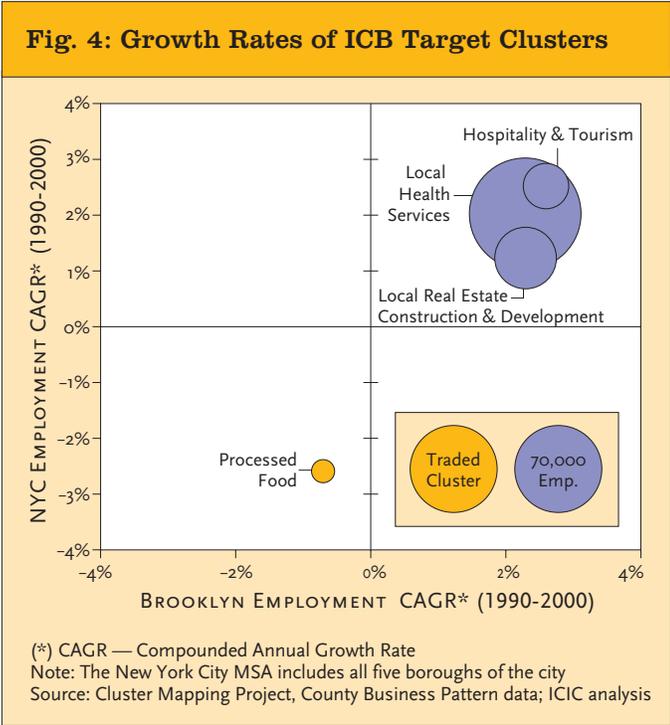
ICB Target Clusters

The largest clusters by employment in Brooklyn are all local (i.e., produce goods and services that cater to the local community versus the global marketplace): Health Services, Real Estate, Construction and Development and Community and Civic Organizations. These three clusters and Education and Knowledge Creation also grew faster in Brooklyn than in the rest of New York City over the 1990s.⁷

ICB's Executive Committee had to identify a set of clusters that leverage Brooklyn's diverse population, its competitive advantages, regional linkages and industry trends in a way

6 Cluster Mapping Project of the Institute for Strategy and Competitiveness

7 Ibid.



that best met ICB's objectives. Based on a comprehensive assessment, the Executive Committee selected four target clusters:

- Health Services
- Hospitality, Tourism, Arts & Culture
- Food Processing
- Real Estate, Construction & Development

Figure 4 shows employment size and growth rate of these clusters in Brooklyn.

Cluster Action Plans

For each of the target clusters, action teams were formed. Action teams are diverse groups of business leaders, industry experts, public officials and civic intermediaries. These action teams worked together for almost a year to develop market-based strategies to improve the competitiveness of their respective clusters. A Strategy Board consisting of over 30 key stakeholders in Brooklyn oversaw the work of the action teams and offered guidance and support.

HEALTH SERVICES CLUSTER

Health Services is the largest cluster in Brooklyn, employing over 100,000 residents, and its employment grew at an average annual rate of 2.8 percent from 1998 to 2001.⁸ Due to the aging of America and continued medical advances, Health Services is

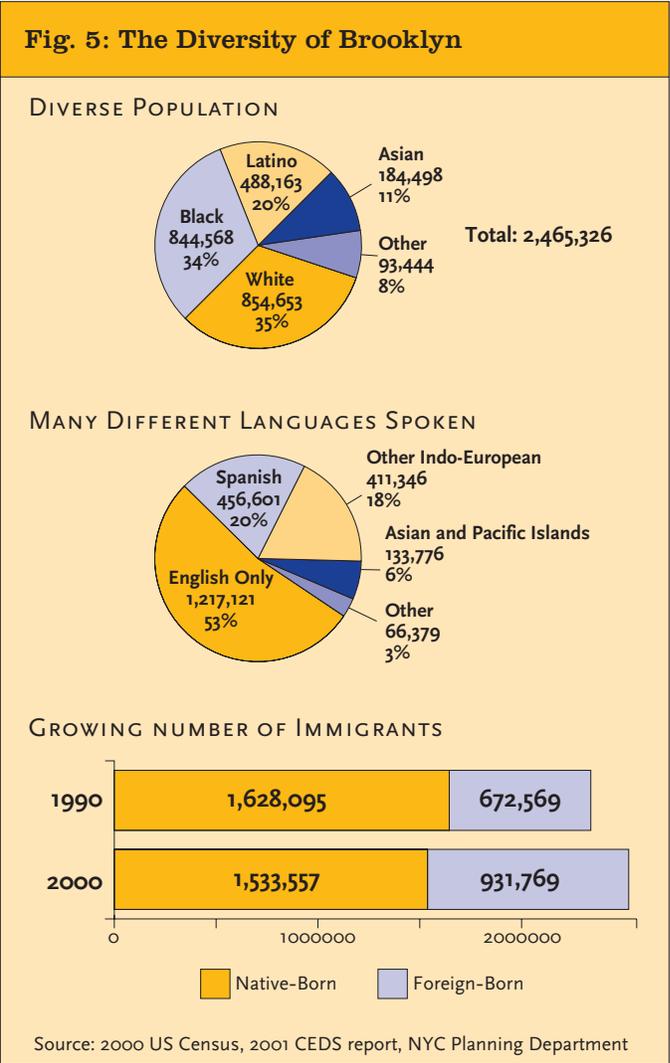
8 Ibid.

9 NYS DOL web site.

10 Cluster Mapping Project of the Institute for Strategy and Competitiveness

11 Ingenix, Hospital Benchmarks 2003; American Hospital Association., Profiles of U.S. Hospitals, 2002.

12 Survey conducted by the Greater New York Hospital Association.



expected to continue growing nationally and locally. Eight of the 25 fastest growing occupations in New York State are in Health Services.⁹ Since hospitals represent 44 percent of employment in Health Services and are the anchor of the cluster, they became the focus of the Health Services Action Team.¹⁰

Despite high occupancy rates (82 percent vs. 66 percent nationally), Brooklyn hospitals struggle financially (average margin -1.2 percent).¹¹ Labor shortages, especially for nurses (vacancy rate 7-10 percent in Brooklyn), have been problematic.¹² Additionally, given Brooklyn's diverse population where many languages are spoken, hospitals are challenged to effectively treat Limited English Proficiency (LEP) patients. (See Figure 5.) Based on evaluating these issues and others, the action team decided to focus its efforts on ameliorating the nursing shortage and enhancing communication with LEP patients.

Action Plan

- Introduce a Nursing Ph.D. Fellowship Program to mitigate the shortage of nursing faculty that exacerbates the nursing shortage. New York City Department of Small Business Services and the Workforce Investment Board will pilot the program. Qualified RNs will receive a Ph.D. scholarship provided they teach at a Brooklyn nursing college for a fixed period of time. The first year goal of this program is 10 new full-time faculty. Within five years, the target is 100 additional graduated nurses from Brooklyn nursing colleges annually.
- Introduce an Adjunct Faculty Program as a short-term solution to the nursing shortage. The Brooklyn Nursing Partnership will link qualified nurses from Brooklyn hospitals to Brooklyn colleges that seek adjunct faculty to teach courses. This program will provide clinical experience to students and allow hospitals to gain access to students before graduation, thus helping Brooklyn hospitals to recruit a higher share of nursing graduates from Brooklyn schools. This program plans to increase the number of Brooklyn nursing graduates choosing to work at a Brooklyn hospital by 10 percent two years after the program's introduction.
- Utilize a pioneering technology, Remote Simultaneous Medical Interpretation (RSMI), to service LEP patients. Approximately six Brooklyn hospitals are considering this technology. If RSMI adoption is successful, not only will hospitals better serve their LEP patients, but the RSMI provider will also build its national call center in Brooklyn, initially creating 50 mid-skilled jobs.

FOOD PROCESSING

Food Processing employment is declining overall in Brooklyn (-2.8 percent compound annual growth rate from 1990 to 2002). However, employment in the ethnic and specialty food segment is growing (1.3 percent compound annual growth rate from 1990 to 2002).¹³ Brooklyn offers a competitive environment for this segment of food processing to continue growing. Brooklyn's diverse demographics creates demanding customers interested in various ethnic foods. The multitude of small retailers reduces distribution barriers for new entrants. Additionally, New York City food market has 400,000 households with incomes over \$100K, which can support the high volume within a narrow geographic footprint.¹⁴

Competitive pressures for industrial land makes expansion and retention of food processing difficult in Brooklyn. Additionally, since small companies (average size 20



employees) dominate this industry in Brooklyn, they have less resources to compete nationally.¹⁵

Action Plan

- Establish a web site for Food Processors in New York City to support cluster companies. The web site will be run by the New York Industrial Retention Network Food from New York program. The objective is to be the central source of all information related to the industry locally and globally. The web site will be available to market companies in the region. The web site will allow firms to learn and share best practices related to energy use, distribution, financing, regulations, marketing, and other general business administration.
- Build Relationships between Food Processors and Food Distributors through domestic trade missions, brokered meetings and an on-line database. This will enable local food processors to expand their market.
- Provide strong technical assistance to Peanut Butter and Company (gourmet peanut butter company) and Tower Isle (producer of Jamaican beef patties) as part of the William Jefferson Clinton Small Business Initiative. The objective of this program is to increase company sales with the expectation that it will lead to increased employment and identify broad-based solutions that are applicable to other food processing companies. The Small Business Initiative in Brooklyn is conducted in partnership with ICIC, Booz Allen & Hamilton, New York University's Stern School of Business and the National Black MBA Association New York chapter.

HOSPITALITY, TOURISM, ARTS AND CULTURE (HTAC)

Brooklyn is currently experiencing a cultural renaissance given several new developments such as the Brooklyn Academy of Music cultural district, Coney Island renovations, recent upgrades to the Brooklyn Museum and Botanical Garden, growing artistic presence and planned waterfront developments. To leverage this rebirth, certain fundamentals are needed to increase tourism activity in Brooklyn.

Action Plan

- Establish the Brooklyn Tourism Partnership in coordination with the Brooklyn Tourism & Visitors Center (BTP-BTVC) for a concerted tourism effort. BTP-BTVC will work with intermediaries and cultural institutions to establish a unified Brooklyn brand and marketing materials, develop a central database for Brooklyn tourism suppliers and operators, attend tourism trade events, conduct visitor research, etc. The BTP-BTVC aims to increase the number of Brooklyn tours sold at trade events and cross-site visitation between cultural institutions and eating establishments.
- Utilize Zingo, a location-based electronic hailing technology widely used in London to improve for-hire services access for

¹³ Cluster Mapping Project of the Institute for Strategy and Competitiveness

¹⁴ Census Bureau, American FactFinder.

¹⁵ ES202

Brooklyn residents and visitors. Developments are in place for Zingo to partner with a local operator to test it through local community car service bases. The pilot aims to work in coordination with the Brooklyn Chamber of Commerce and within the regulatory environment set by the New York City Taxi and Limousine Commission.

REAL ESTATE, CONSTRUCTION AND DEVELOPMENT (RECD)

There is currently a construction boom in Brooklyn and throughout New York City. Large projects such as the World Trade Center, Atlantic Terminal, Renaissance Plaza and Jacob Javits Center and the huge number of smaller projects create a steady flow of construction work over the next five to ten years. Given that Brooklyn construction firms are smaller on average than firms located in New York City (five vs. eight average employees), many struggle to grow to scale. The RECD action team worked to identify opportunities that can increase Brooklyn's share of the current construction boom from a workforce and business perspective, especially for small firms and minorities.¹⁶

Action Plan

Create more resident job opportunities and increase Brooklyn firms' access to construction projects through training, networking and agreements. The Downtown Advisory and Oversight Committee (DBAOC), a local construction leadership group, will:

- Better match small construction businesses with existing technical assistance and mentoring programs by identifying, screening and selecting small Brooklyn construction firms and sharing their information with a network of established organizations. The DBAOC will work to double the number of Brooklyn firms currently participating in mentoring and technical assistance programs during the first year of this matching program.
- Improve networking for smaller firms by sponsoring 50 firms to be members of the New York Building Congress (NYBC). The NYBC is an influential lobbying group. Smaller firm's participation on NYBC will connect them to key construction leaders and vast resources.
- Consider utilizing Community Benefits Agreements and/or Project Labor Agreements, on a few select projects, where appropriate to increase opportunities for smaller, minority-led firms and local laborers.
- Establish a Brooklyn specific pre-apprenticeship program to connect residents to new openings created by agreements that model the success of the Construction Skills 2000 and Carpenters' Union programs, but with more focus on the adult workforce.

BUSINESS ENVIRONMENT ACTION PLAN

The Executive Committee also identified the lack of an employer-driven workforce training system as the most

pressing business environment issue in Brooklyn. Given the existence of many strong workforce intermediaries more coordination is needed to better connect qualified Brooklyn residents to Brooklyn jobs.

WORKFORCE INFRASTRUCTURE

Brooklyn employers have been hesitant to utilize existing job placement and training services due to several factors. These reasons include the shortage of "employer-oriented" services, a lack of transparent information about available programs, a lack of quality control to ensure they are interviewing the best candidates, and the absence of any systematic method to assess candidates' job preparedness in soft skill areas.

Action Plan

- Design customized training and hiring services for individual Brooklyn employers in targeted clusters. New York City Department of Small Business Services (SBS) through its outreach efforts will identify companies currently hiring. SBS will coordinate with the city's Workforce1 Career Centers and training intermediaries to find, prepare, screen, and refer qualified job applicants and develop customized training for the company.
- Pilot a workforce readiness credential (WRC) to assess job applicants' soft skill preparedness. WRC would be earned by passing a test. Once passed job applicants will receive a certificate. Over time, employers would see the certification as a proven screen for soft skill preparedness. The NY Workforce Investment Board is developing the test, and the SUNY Brooklyn Educational Opportunity Center will coordinate the submission of a proposal to pilot the WRC in Brooklyn

Conclusion

Over 200 private, public and civic leaders came together to make the Initiative of Competitiveness of Brooklyn more than a research project, but a strategic process with action as the outcome. Sustained leadership is what will be needed to continue the work of ICB. To aid in this effort, the Brooklyn Economic Development Agency will house and hire an ICB implementation team. They will be responsible for working with each action team to bring each action item to implementation and measuring its results over time. The Executive Committee and Strategy Board will merge into an Advisory Board that will continue to meet routinely to oversee and support the implementation work of the action teams.

Through the continued support and implementation of the ICB action plans, ICB will generate jobs and ultimately wealth for Brooklyn's low-income residents. The four target clusters action plans are meant to be the beginning of a continuous process to identify and develop cluster-based strategies that increase Brooklyn's competitiveness so that Brooklyn residents have better, higher-paying jobs.

¹⁶ Cluster Mapping Project of the Institute for Strategy and Competitiveness

Introduction

If Brooklyn was an independent city, its 2.5 million residents would make it the fourth largest in America. Thirty-five percent of Brooklynites are White, 34 percent are African American, 20 percent are Latino, 11 percent are Asian and 8 percent are otherwise classified. Thirty-eight percent are foreign born and 47 percent can speak a language other than English.¹ It is Brooklyn's diversity that is its greatest strength.

Over the past 10 to 15 years, Brooklyn has been experiencing a major urban renewal. Dilapidated buildings and abandoned factories have been replaced with office towers, commercial parks, art lofts, and retailers that are generating jobs and creating vibrancy throughout the borough. MetroTech, a public-private development in Downtown Brooklyn, has been at the core of this transformation with 20,000 employees and over 6 million square feet of office space. MetroTech has contributed to the success of the Brooklyn Marriott, Brooklyn's only full service hotel and one of the most profitable Marriott's in the global chain and the Downtown Brooklyn Plan, which will add another 4.5 million square feet of office space, among other developments. These developments have added thousands of service jobs for Brooklyn residents.

Brooklyn's renewal extends beyond the downtown area. Neighborhoods such as DUMBO (Down Under the Manhattan Bridge Overpass), Fort Greene and Red Hook have all seen new investments into the community, mainly through housing and retail. Brooklyn is growing in popularity and attracting more educated residents (40 percent increase in bachelors and graduate degrees from 1990 to 2000) and higher household incomes (over 100 percent increase in household incomes above \$75K during the same time period).²

Brooklyn's transformation has been impressive, but not always inclusive. Despite the 1990s boom, poverty rates actually increased from 23 percent to 25 percent from 1990 to 2000.³ Unemployment in Brooklyn stood at 8.5 percent in July of 2004, 55 percent higher than the national average.⁴ Manufacturing, once a pillar for Brooklyn's working-class economy, is declining. Brooklyn's low-income residents struggle to find steady employment in the borough's new economic landscape. To address this challenging issue, Brooklyn's non-profit, public, and private sector leaders came together in 2003 to develop a comprehensive strategy to create jobs by improving the borough's economic competitiveness. This is how the Initiative for a Competitive Brooklyn (ICB) was born.

Taking Action

In 2003, the United States Economic Development Administration (EDA) approached the Initiative for a Competitive Inner City (ICIC) about developing a competitiveness strategy project for Brooklyn. Because of the borough's growing service sector and concentration of manufacturing jobs, the EDA saw Brooklyn as an exciting place to develop new economic strategies that could be applicable to cities across the Northeast and Midwest. EDA provided an initial grant to create ICB, and numerous private donors soon provided matching funds to drive the process forward.

The Brooklyn Economic Development Corporation (BEDC) agreed to serve as the local host of the ICB project. Joan Bartolomeo, President of BEDC, has described ICB's mission in the following way:

"The goal of this large-scale effort is to create an action plan to increase the productivity and competitiveness"

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of Representatives

Robert Walsh, Commissioner, NYC Department of
Small Business Services

1 U.S. Census Bureau, American FactFinder. Individuals can self-identify with more than one race.

2 U.S. Census Bureau, American FactFinder.

3 Ibid.

4 United States Bureau of Labor Statistics website, NYS DOL website.

of the Brooklyn business base so that firms in the borough can offer better, higher paying jobs.”

Brooklyn Borough President Marty Markowitz agreed to co-chair ICB’s Executive Committee along with Stanley Brezenoff, now the CEO and President of Continuum Health Partners, a major hospital network in Brooklyn and throughout New York City.

Under their leadership, ICB’s Executive Committee has met regularly from October 2003 to February 2005, first to determine the economic “clusters” which the project has targeted and later to review the progress of the action teams which were established for each targeted cluster.

In choosing Brooklyn, ICIC clearly understood our boundless potential, which has been born out in the great work of the ICB Action Teams. The ICB planning process has stimulated Brooklyn leaders in business, culture, healthcare and government to conceive many new opportunities for growth and development. Making these dreams a reality will further enhance our quality of life, create more jobs, and make Brooklyn an even more exciting, vibrant place to live and work in the decades to come.—Marty Markowitz

ICB’s Strategy Board, comprised of business, non-profit, and public sector leaders from across Brooklyn, provided additional support and feedback to the action teams. Between ICB’s Executive Committee, Strategy Board, and various Action Teams, over 200 Brooklyn-area leaders from the private, public, and non-profit sectors have been actively involved in the formulation of ICB’s Action Plan.

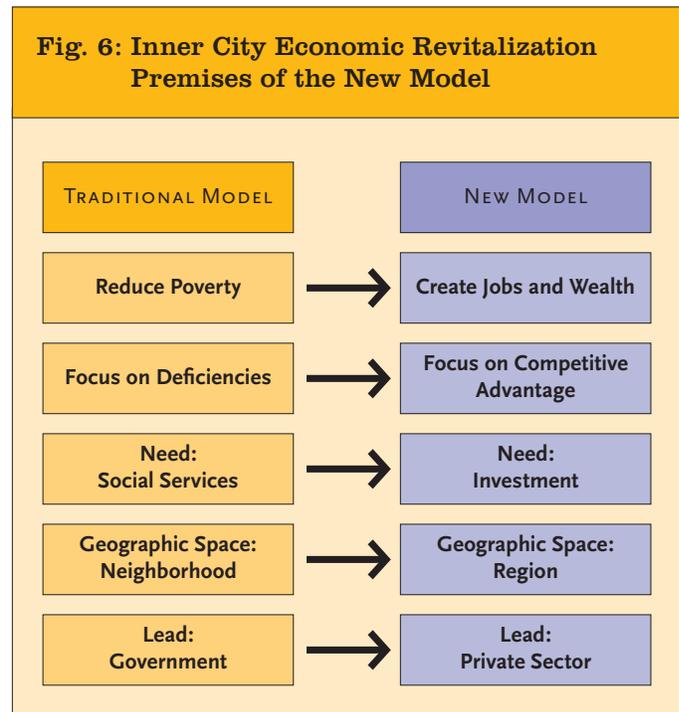
Each of the five teams has now finished developing their proposals and are ready to implement them. These proposals together comprise ICB’s Action Plan, detailed in this document.

This is an exciting time for ICB. As Stan Brezenoff, Executive Committee co-chair, has commented,

“The Initiative for a Competitive Brooklyn is going to be successful because we have involved so many talented individuals who are passionate about providing opportunity to the borough’s people — opportunity for strategic economic development that will help the residents of our communities by fostering business growth.”

The New Approach: Developing Brooklyn’s Strengths

Traditional urban revitalization projects generally focus on social programs that can alleviate poverty and meet other social needs of low-income residents, such as housing and health. Although these types of projects can have great value, ICB’s orientation (shown in Figure 6) is different. The project is designed to identify the strengths and challenges to Brooklyn’s private sector competitiveness and to develop



innovative ideas. As Brooklyn businesses become more competitive, they will grow, offering more high-quality jobs to local residents.

Few would argue that Brooklyn residents are in need of expanded job opportunities. Brooklyn's unemployment rate has been around one percentage point higher than that of New York City overall, standing at 8.5 percent in July of 2004, compared with 7.6 percent in New York City.⁵ As Brooklyn residents gain jobs, their household income rises, lifting families out of poverty. Today, too many Brooklyn families live in poverty—Brooklyn's poverty rate of 25 percent in the 2000 census was double the United States average and slightly higher than the figure for New York City overall.⁶ Poverty rates in particular neighborhoods in Brooklyn, such as East New York and Red Hook, are much higher.

ICB has focused on expanding the quality, as well as the quantity, of Brooklyn jobs. In 2002, Brooklyn was home to 38,155 establishments, employing some 431,792 individuals and paying \$12.7 billion in annual wages. Although 13 percent of New York City's jobs are in Brooklyn, only 7 percent of the city's wages are paid through businesses located in the borough.⁷ In other words, Brooklyn businesses pay less on average than other firms in New York City. As Brooklyn businesses become more competitive, wages paid by Brooklyn firms will rise and Brooklyn residents will grow more prosperous.

In order to meet its goals of providing more and higher quality jobs to Brooklyn residents, ICB has drawn from ICIC's 10 years of experience studying and catalyzing urban economic development. Based on the work of Harvard Business School Professor Michael Porter, ICIC's methods stem from a

competitiveness analysis of low-income urban areas and their economic potential.

Targeting Clusters

The ICB project has utilized Michael Porter's concept of economic clusters to develop its proposals. According to Porter's Institute for Strategy and Competitiveness,

“Clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, and associated institutions in a particular field that are present in a nation or region. Clusters arise because they increase the productivity with which companies can compete. The development and upgrading of clusters is an important agenda for governments, companies, and other institutions.”

The four clusters selected by the Executive Committee as ICB targets are Health Services; Food Processing; Hospitality, Tourism, Arts, and Culture; and Real Estate, Construction, and Development. Action Teams, comprised of business and institutional leaders, were formed to identify the most critical barriers to competitiveness for each of these clusters within Brooklyn. With the help of specialized “sub-teams,” these Action Teams then crafted the Action Plan below, including specific proposals, success measures, and implementation timelines, for each cluster. ICB also created a Workforce Infrastructure Team to address workforce training needs in Brooklyn that cut across multiple clusters. Each team's proposals have been designed to be collaborative, feasible, and targeted toward the most pressing barriers to Brooklyn's competitiveness.

⁵ NYS DOL.

⁶ U.S. Census Bureau, American FactFinder

⁷ ES202, Cluster Mapping Project of the Institute for Strategy and Competitiveness

Health Services

The Case for Brooklyn

The aging of New York's population is expected to produce a boom in health services in Brooklyn and across the state. As the cluster expands, it will be a key source of job creation. Indeed, the New York State Department of Labor has stated that 8 of the 25 fastest growing occupations in the state are already within the health services cluster.⁸ The health services cluster is particularly central to Brooklyn's economy, as it accounts for fully one in 10 borough-based jobs.

With its size and diverse population, Brooklyn offers a number of potential competitive advantages to health services establishments:

Population Size and Growth: Brooklyn is New York City's most populous borough at 2.5 million residents and its population grew 7 percent from 1990 to 2000.⁹ A population of this size requires local hospitals and other medical institutions to meet the demand, even with Manhattan in close proximity. Hospitals are unlikely to leave the borough and they anchor the entire health services cluster in Brooklyn.

Diversity: Brooklyn's diverse population can be a source of bilingual medical practitioners, who are in high demand in Brooklyn and throughout the New York City region.

Workforce and Training Programs: The abundant labor supply in Brooklyn could be trained to mitigate current labor shortages, especially given that there are seven college and university programs that provide training to nurses and other medical professionals.

Nursing Facilities and Home Health Care: Brooklyn's employment in Nursing Facilities and Home Health Care grew 78 percent from 1990 to 2002.¹⁰ This figure is consistent with current trends in which home health aides is one of the ten fastest growing occupations nationally. Given its strong immigrant base that works in home health care (especially the Caribbean community) and its lower real estate costs (compared to Manhattan), Brooklyn can support continued growth.

Growing Biotechnology: Brooklyn has aspirations to be a center for biotechnology. To reach this objective, Brooklyn has put in place critical infrastructure over the last four years. Over 60,000 square feet of space has been acquired for biotech labs and early-stage companies. ImClone Systems, headquartered in Manhattan, has set up a satellite facility in Brooklyn's biotech park. At full occupancy, the biotech park will accommodate

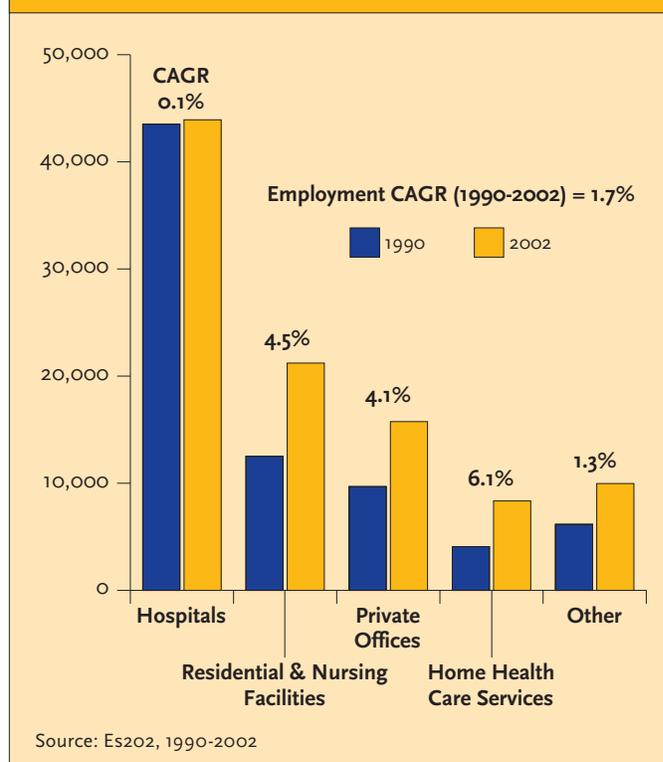
30 companies, employ approximately 200 people, and attract many support businesses. SUNY Downstate Medical Center is providing access to academic resources, venture capitalists and business expertise.

Description of the Cluster

With over 100,000 employees, the Health Services cluster is the largest in Brooklyn.¹¹ One in four health services positions in New York City is found in Brooklyn, almost double Brooklyn's overall share of New York City's jobs.

Over 40 percent of the health services cluster's employment can be found in the borough's 17 hospitals, although hospital employment has been stagnant in the past decade. However, rapid growth in Brooklyn's home health care establishments, private doctor and dentist offices, and residential nursing facilities led to a cluster compound annual

Fig. 7: Change In Brooklyn's Employment, 1990-2002



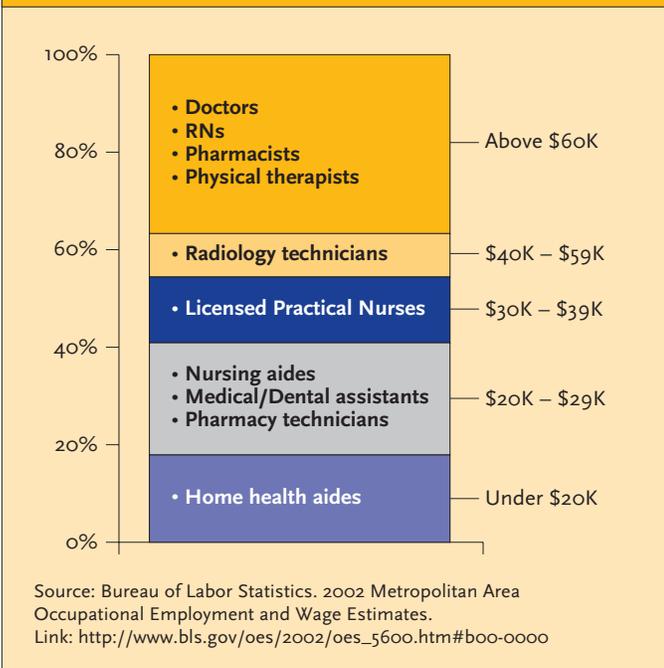
⁸ New York State Department of Labor website.

⁹ U.S. Census Bureau, American FactFinder.

¹⁰ ES202.

¹¹ Decennial U.S. Census, PUMS.

Fig. 8: Wage Distribution for New York City Health Services Employment (2002)



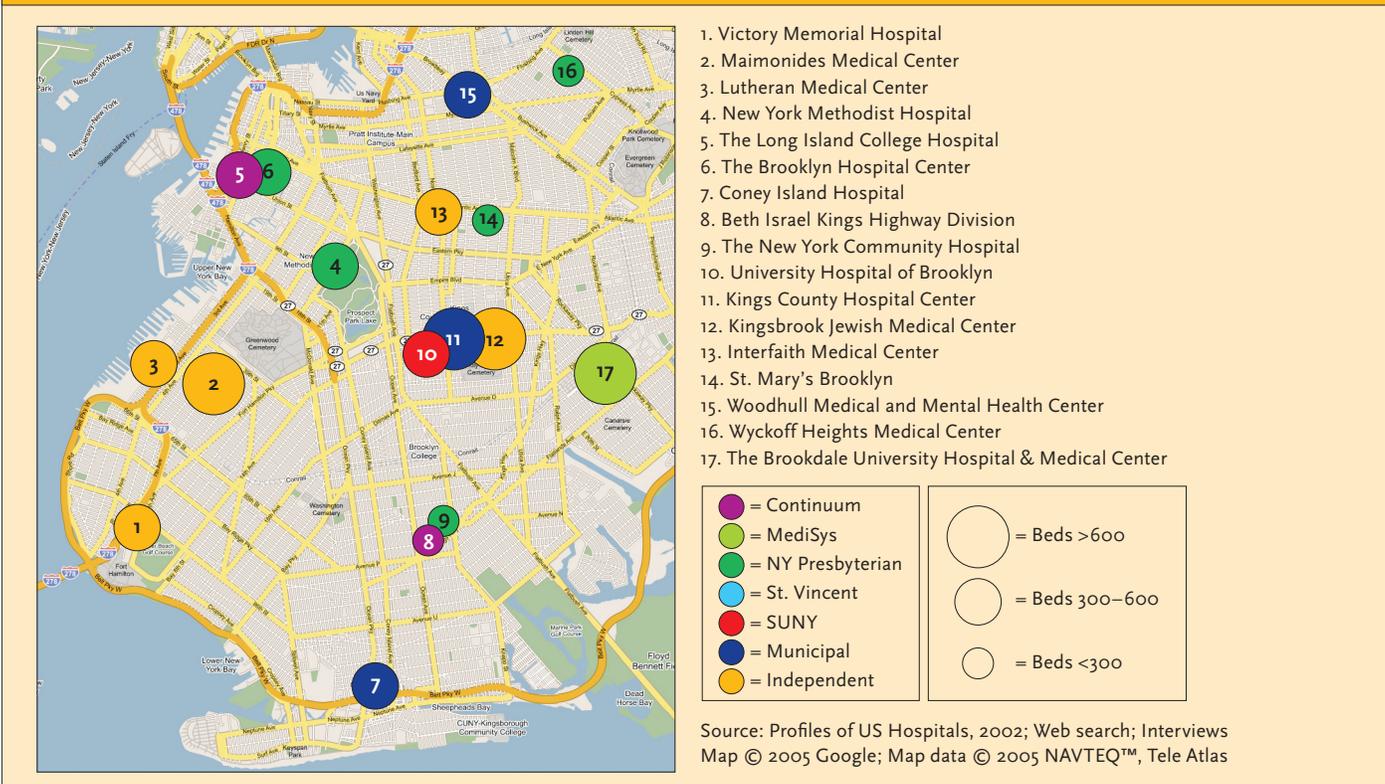
growth rate of 2.5 percent during the 1990's, just below the 2.7 percent national average for the cluster (See Figure 7).¹²

The Health Services cluster offers attractive wages. As figure 8 shows, approximately 45 percent of health services positions in New York City paid over \$40,000 in 2002. Registered nurses can earn over \$60,000 with only two years of training. New York City's average annual health care salary of \$35,475 is on par with the nation overall.¹³

The health services cluster in Brooklyn is diverse, including doctor's offices, home health care providers, residential care centers, hospitals, and pharmacies, among other establishments. Given the complex structure of health services in Brooklyn, hospitals became the focus of ICB efforts for several reasons:

- Hospitals employ more people than any other component of Brooklyn Health Services.
- Hospitals are highly centralized employers – over 40 percent of Health Services employment is attributable to fewer than 20 hospitals.¹⁴
- Hospitals are central to the competitiveness of the entire health care cluster in Brooklyn; therefore an improvement in their competitiveness will enhance the entire cluster.

Fig. 9: Brooklyn Houses 17 Hospitals, Including Independent And Networked Facilities



¹² ES202.

¹³ Bureau of Labor Statistics. 2002 Metropolitan Area Occupational Employment and Wage Estimates.

¹⁴ ES202.

- Leaders of Brooklyn hospitals are relatively easy to assemble because there are few of them.

A map of Brooklyn highlighting the borough's hospitals can be found in figure 9.

Description of the Action Team

Given the focus on hospitals in health services, the Action Team was co-chaired by Stanley Brezenoff, CEO of Continuum Health Partners, and Ronda Kotelchuck, Executive Director of the Primary Care Development Corporation, a non-profit organization providing assistance to hospitals and other medical facilities. Other members of the team included key local hospital leaders.

- Linda Brady, Kingsbrook Jewish Medical Center
- Pam Brier, Maimonides Medical Center
- LaRay Brown, New York City Health and Hospitals Corporation
- Wendy Goldstein, Lutheran Medical Center
- David Gould, United Hospital Fund
- Sam Lehrfeld, Brooklyn Hospital Center
- David Rosen, Brookdale University Hospital and Medical Center

With the assistance of the Boston Consulting Group, the action team examined a host of issues facing the Brooklyn Health Services cluster before identifying the target areas.

Issues within Health Services

Hospitals Struggle Financially: The shaky financial situation of many of the borough's hospitals represent a serious competitive weakness for the cluster. Only one hospital in Brooklyn showed a profit margin greater than 3 percent in 2001, and the average margin was -1.2 percent.¹⁵

Uninsured populations place a particular financial burden on hospitals. 26 percent of Brooklyn residents were without health insurance in 2000, a full 10 percentage points higher than the national average.¹⁶ When uninsured Brooklyn residents receive care in Brooklyn hospitals, those hospitals receive compensation from state government "charity

care funds" that covers only a fraction of the cost. The ramifications to a hospital's bottom line is significant; facilities like Maimonides, NY Methodist, and Brookdale each took in over \$10 million from the charity care pool in 2003.¹⁷ Nevertheless, hospitals continue to be legally bound to provide emergency care to the uninsured. As one CEO put it, "we're trapped by our own demographic."

Another contributing factor to Brooklyn's hospitals' is attracting a local population that often looks to Manhattan for its medical needs. Indeed, a full 25 percent of Brooklyn residents' hospital discharges in 2001 occurred in hospitals outside the borough.¹⁸ Such evidence suggests Brooklyn health care establishments do not need to "import" customers from the region to improve their financial position—they could do so simply by capturing a greater share of the health care given to residents in their own neighborhoods.

Labor Shortages: The most important workforce challenge facing hospitals in Brooklyn, and indeed in most of the country, concerns the shortage of qualified nurses. Although Brooklyn houses a number of institutions that educate students to become Registered Nurses (RN's) and Licensed Practical

Despite high occupancy rates (82 percent vs. US average of 66 percent), Brooklyn hospitals struggle financially (average margin is -1.2 percent).

Nurses (LPN's), these institutions do not provide enough graduates to fill vacancies in Brooklyn hospitals, home health care companies, and residential care establishments. Hospitals and other nurse employers in Brooklyn must struggle with an ongoing labor shortage, leading to RN vacancy rates estimated to be between 7 and 10 percent in the borough.¹⁹

Treating Limited-English-Proficiency Patients: Like the nursing shortage, the difficulty of treating limited-English-proficiency (LEP) patients is a challenge borne by all Brooklyn hospitals. With its uniquely diverse population, Brooklyn teems with residents whose native language is Spanish, Creole, Mandarin, Arabic, Polish, or any of more than 100 others spoken in the borough. Since many of these non-native speakers are not conversant in English, Brooklyn hospitals struggle to establish the fluid communication necessary to ensure a high quality of care.

¹⁵ Ingenix: Hospital Benchmarks

¹⁶ United Hospital Fund, Health Insurance in NY, 2001.

¹⁷ "State Secret" from the Legal Aid Society, 2003.

¹⁸ SPARCS Database

¹⁹ Greater New York Hospital Association and ICB interviews.

Lack of Capital: A lack of access to capital prevents hospitals from making investments necessary to enhance their competitiveness. Specialization in treatments for particular diseases or conditions requires significant capital investments in facilities and equipment. Because Brooklyn hospitals struggle to cover their operational costs alone, physical expansions often becomes a luxury they cannot afford. IT investments that could improve productivity throughout the hospital become similarly unaffordable.

Proximity to Manhattan: Competition with highly sophisticated and specialized Manhattan hospitals hinders Brooklyn hospitals from developing their own regional reputations in particular treatments.

Health Services Action Plan

The Health Services Action Team determined its areas of focus by selecting issues they could address collectively and felt they could directly impact within a reasonable time frame. The team chose to focus its efforts on ameliorating the nursing shortage and enhancing communication with LEP patients. A Nursing Capacity Team and Simultaneous Interpretation Team were formed to develop action plans in these areas.

ACTION ITEM ONE:

INTRODUCE A NURSING FACULTY FELLOWSHIP PROGRAM

The Nursing Capacity Team quickly identified the shortage of nursing faculty as the single greatest obstacle to filling the open nursing positions throughout the borough. Already acute, this shortage is projected to become even direr in the coming years as large numbers of older nursing faculty members retire.

Nursing colleges in Brooklyn struggle to attract the faculty they need to educate their students, since teaching pays less than other opportunities in hospitals or health-related companies that are open to nurses. Due to governmental regulations, nursing colleges and universities claim to have little flexibility to raise salaries for nursing educators in order to become more competitive employers. Unable to expand their nursing faculties to meet student demand, colleges are regularly forced to turn away Brooklyn residents who would otherwise be successful candidates for admission.²⁰ For example, in 2004 SUNY Downstate was able to accept only 10 percent of applicants for its accelerated Bachelor's of Science in Nursing Program.

To address this shortage, the Nursing Capacity Team has partnered with the New York City Department of Small Business Services (SBS) and Workforce Investment Board (WIB) to develop a Nursing Faculty Fellowship program. To be implemented by SBS and the WIB, the program will allow experienced nurses who are currently working in

hospitals or other organizations to receive a full scholarship to pursue a nursing-related Ph.D. In order to receive the scholarship, participants would be required to teach for a certain number of years in a Brooklyn-based nursing program. Through this program, Brooklyn's nursing colleges and universities will gain the full-time faculty they need in order to expand their incoming class size and ultimately prepare more qualified nurses to work in Brooklyn. The Nursing Faculty Fellowship program thus provides a long-term solution to Brooklyn's nursing shortage.

Success of the Nursing Faculty Fellowship program will be measured by:

- Goal of 10 new full-time faculty for participating education institutions by 2007 (first year target of 5 nurses)
- Goal of 100 additional graduating nursing students from participating institutions by 2009

The Nursing Faculty Fellowship Program will be successful if SBS and the WIB provide steady oversight of the project and are able to secure the funding necessary for implementation.

ACTION ITEM TWO:

INTRODUCE AN ADJUNCT FACULTY PROGRAM

Brooklyn hospitals also need a short-term solution to the nursing shortage. With this goal in mind, The Nursing Capacity Team has proposed the creation of an Adjunct Faculty Program that will link qualified nurses from hospitals across the borough with colleges that seek adjunct faculty to teach courses. Since nursing colleges rely on adjunct faculty to provide clinical experience for their students, this program will greatly enhance the quality of education that Brooklyn nursing programs can provide. At the same time, Brooklyn hospitals will gain access to nursing students well before they make a career choice upon graduation. Clinical learning experiences by the hospital-based adjunct faculty pool will take place in Brooklyn hospitals, providing those hospitals with a unique opportunity to introduce nursing students early in their education to the advantages of working in the borough. It is therefore expected that this program will help Brooklyn hospitals recruit a higher share of all nursing graduates from Brooklyn-based nursing programs.

While the Nursing Faculty Fellowship program will be coordinated by SBS and the WIB, the Adjunct Faculty Program will require oversight from a new entity called the Brooklyn Nursing Partnership (BNP). Planned to be housed at the Brooklyn campus of Long Island University, the BNP will consist of two staff persons whose responsibilities include administering the Adjunct Faculty Program and ensuring that nursing leaders from Brooklyn's hospitals and colleges continue to meet regularly to identify and address nursing

²⁰ Nursing positions in the borough pay very well; RN's can often earn \$60,000 per year immediately upon graduation.

needs that can only be address collaboratively. The BNP is expected to become operational in the summer of 2005.

Success of the Adjunct Faculty program will be measured by:

- 10 percent increase in the percentage of students from Brooklyn nursing programs accepting positions with Brooklyn hospitals upon graduation (two years after program's introduction)

The Adjunct Faculty program will be successful if ICB and the BNP are able to secure the funding necessary to implement the program. The program's success will also depend upon its staff finding consistent support from Brooklyn-based hospitals who will provide participating nurses.

ACTION ITEM THREE:

USE NEW TECHNOLOGY TO SERVICE LIMITED ENGLISH PROFICIENCY PATIENTS

All Brooklyn hospitals struggle to treat limited English-proficiency (LEP) patients. The Simultaneous Interpretation Team identified an innovative means of addressing the problem. A new company has developed a unique interface between health care providers and LEP patients called remote simultaneous medical interpretation (RSMI). Through RSMI, physicians and LEP patients can communicate in real time with each other through a simple, United Nations-style headset that each of them wears. The company provides highly-trained medical interpreters in a remote location who are able to translate a patient's words into English, and a physician's words into a native language, with virtually no lag time. The resulting communication is faster, less error-prone, and more comfortable for patients and physicians when compared with comparable modes of interpretation.

Through the efforts of the Simultaneous Interpretation Team, multiple Brooklyn hospitals are considering utilizing this company's services and provide RSMI to their patients. It is a work in progress and no final decisions have been made to utilize this service. However if Brooklyn hospitals agree to enter as a group, they would be able to secure lower prices for the company's services.

The company has also agreed to base its operations in Brooklyn, thereby employing dozens of bilingual Brooklyn residents in a new business. Since the company's interpretation service can be offered to health facilities nationwide, Brooklyn could become a national employment center for simultaneous interpretation.

If Brooklyn hospitals agree to use this service, success will be measured by:

- 6 Brooklyn hospitals under contract with the RSMI provider by summer 2005
- 50 Brooklyn residents hired by the RSMI provider by the end of 2005

The success of this service is contingent upon hospitals entering a contractual agreement, with the RSMI provider as well as ICB's ability to secure funding assistance to reduce the cost of deployment borne by hospitals.

OTHER ACTIONS: DISEASE MANAGEMENT

Led by staff from the Boston Consulting Group, the Disease Management Exploratory team identified the potential of disease management strategies to improve the health status of Brooklynites and to be economically feasible for hospitals. Disease management generally consists of a coordinated system of delivering best preventive, diagnostic, and therapeutic practices known to improve health outcomes for patients suffering from particular chronic illnesses such as asthma and diabetes. As medical costs rise, disease management — which offers the hope of reducing costs while improving medical care — is gaining increasing attention. However, widespread disease management poses a potential threat to Brooklyn's already economically fragile hospitals, which can expect falling emergency room and inpatient revenues as diseases are better managed on an outpatient basis. BCG staff modeled the economic feasibility of hospital-sponsored disease management programs, addressing the question of whether potential disease management savings are robust enough to support hospitals assuming a disease management role.

The outcome was positive — showing that savings from disease management could cover the expected increases in outpatient cost and the inpatient and emergency room revenue losses which would result. However, given their current financial state, hospitals represented on the Health Services Action Team came to feel that a disease management demonstration would require a "hold harmless" assurance from the State. They opted not to pursue disease management collectively, although the Exploratory Team's work was warmly received by several individual hospitals. The team's presentation to the Governor's Medicaid Reform Workgroup contributed to a disease management recommendation appearing in their 2004 report.

Conclusion

By focusing on the nursing shortage and the difficulties of communication with LEP patients, the Health Services Action Team has tackled two of the deepest challenges to the performance of health services establishments in Brooklyn. As its proposals are implemented, Brooklyn hospitals will gain in productivity while residents of the borough enjoy a higher standard of health care.

Food Processing

The Case for Brooklyn

Brooklyn's food processing cluster is uniquely positioned to grow. Local food processors enjoy a number of competitive advantages that they can leverage to expand to new markets and expand employment in the borough. These assets include a large labor pool, ready access to the expansive metropolitan New York food market, and local demand for a diversity of high-quality ethnic foods. Indeed, no other city in the United States possesses Brooklyn's unique array of strengths in the cluster.

Access to New York City Food Market: The most important competitive advantage for the Brooklyn Food Processing Cluster is access to the New York City food market. There are over 8 MM residents of New York City and over 400,000 households with annual income of over \$100,000.²¹ The density and wealth of this market is incomparable with any other in the United States. As an example of the impact this has on local companies, one need look no further than Tower Isles Frozen Foods. Started 35 years ago as a local bakery by Jamaican immigrants, today Tower Isles is producing Beef Patties, a Caribbean treat for supermarkets and other vendors. New York City is one of the few places where an entire business could be created around the concept of selling high-end, gourmet peanut butter sandwiches.

Food Distribution in New York City: The density of the New York market leads to another strong competitive advantage for Brooklyn Food Processing firms: The food distribution system in New York City. In most of the US a few large companies control food distribution. These large companies require high volume and proven markets to stock products. However the population density in New York City means that smaller retailers are able to thrive. These smaller retailers are not as dependent on large distribution firms as supermarket chains are and thus large distributors do not have the same control over the New York City market. The high density of small food retailers ("bodegas") supports a high turnover of sales within a narrow geographic footprint, which is attractive for start-ups. Additionally, the fragmentation of the distribution system in New York City reduces the barriers to entry and facilitates product distribution for start-ups, but it can be complex to navigate and expand market share. Some

examples of this can be found in the success of Snapple and Terra Chips, both of which were founded in Brooklyn.

Diversity of New York City: Another important competitive advantage for food processors in Brooklyn is the diversity of the New York City market. New York City has an ethnic diversity unrivaled anywhere in the world. There are 2.8 MM foreign born residents of New York City... and that only includes those counted by the census. The diverse demographics and sophisticated New York City customer base, creates demanding customers interested in innovative products. If you walk around KosherFest, the largest trade show for the rapidly growing Kosher food market, many of the companies you will see are based in New York City. The wide variety of special tastes of the New York City market drive innovation and development of unique products that can be sold around the nation and around the world. In addition the large foreign-born population includes the knowledge to make unique food products. For both of these

Even though employment in Food Processing is declining overall (-2.8 percent), in the ethnic and specialty food segment it is growing (1.3 percent).²²

reasons ICB's work with the Food Processing cluster focused specifically on producers of ethnic and specialty foods.

Workforce: Finally New York City has a workforce that meets the needs of the food processing companies. Food processing jobs are not easy. They require starting early, getting dirty, and working hard. Immigrants continue to be a large share of the food processing workforce. New York City has the people and the transport infrastructure to get these workers to their jobs better than most of the United States.

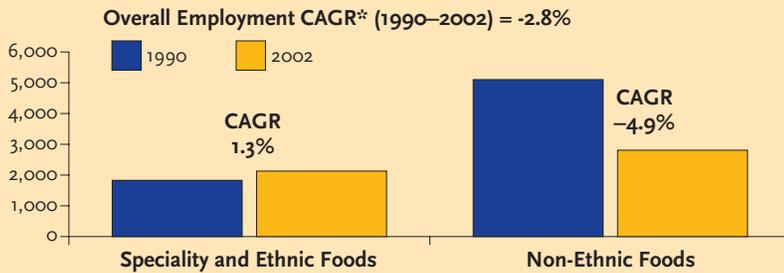
These advantages contribute to ICB's decision to form a Food Processing Action Team. The initial phase of research identified the cluster as one with the potential for growth. While the overall number of jobs in the cluster declined in Brooklyn

²¹ U.S. Census, American FactFinder.

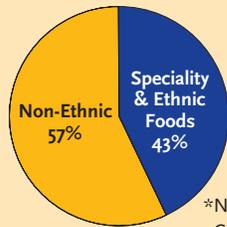
²² Cluster Mapping Project of the Institute for Strategy and Competitiveness

Fig. 10: Rationale for Selection of Food Processing

**CHANGE IN EMPLOYMENT
(ES202, 1990–2002)**



**COMPOSITION BY EMPLOYMENT
(ES202, 2002)**



*Note: CAGR = Compound Annual Growth Rate

GROWTH POTENTIAL

- Even though Food Processing (FP) is declining overall, employment in the ethnic and specialty food segment is growing rapidly (1.3 % CAGR)
- The potential exists to grow companies to scale by taking advantage of national food trends

DEMAND CONDITIONS

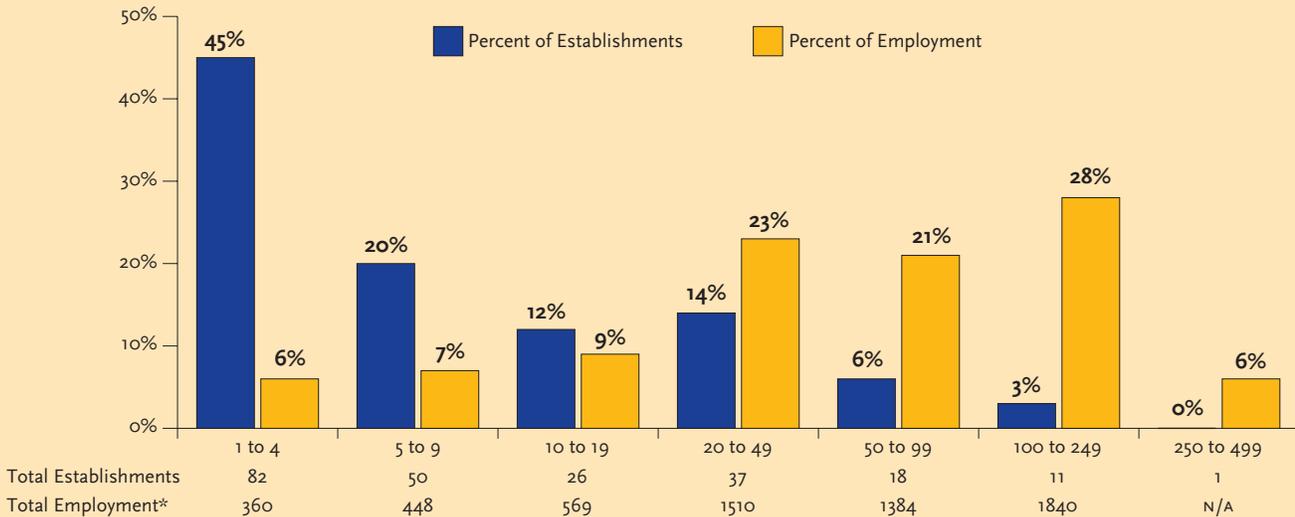
- New York demographics support the continued growth in ethnic and specialty foods

BUSINESS ENVIRONMENT

- Zoning / Space concerns are primary issue. These concerns affect all manufacturing clusters. Addressing this would impact a number of clusters
- Brooklyn is the home to the largest number of food processing businesses in New York City

Fig. 11: Size of Brooklyn Food Processing Businesses

CONCENTRATION OF ESTABLISHMENTS AND EMPLOYMENT IN BROOKLYN'S FOOD PROCESSING CLUSTER



*Note: Data estimated based on ranges of number of employees
Source: 2001 County Business Patterns Data

between 1990 and 2002, the number of jobs in the Ethnic and Specialty segment of the market increased (See Figure 10).

Additionally, national trends in the Food Processing industry were identified that led us to believe that the Ethnic and Specialty segment would grow nationally faster than the rest of the industry.

Two final reasons for the focus on the Food Processing Cluster were the beliefs that some of the issues this industry would highlight would be similar to those experienced by other manufacturing industries in New York City and that the ICB investment would build the capacity of local institutions which could sustain the effort and contribute to the long term competitiveness of the industry. The decline in manufacturing employment in New York City and America has been well documented. But each industry presents a unique situation. The ICB Executive Committee decided that Food Processing in Brooklyn is an excellent example of a manufacturing cluster positioned for success and growth.

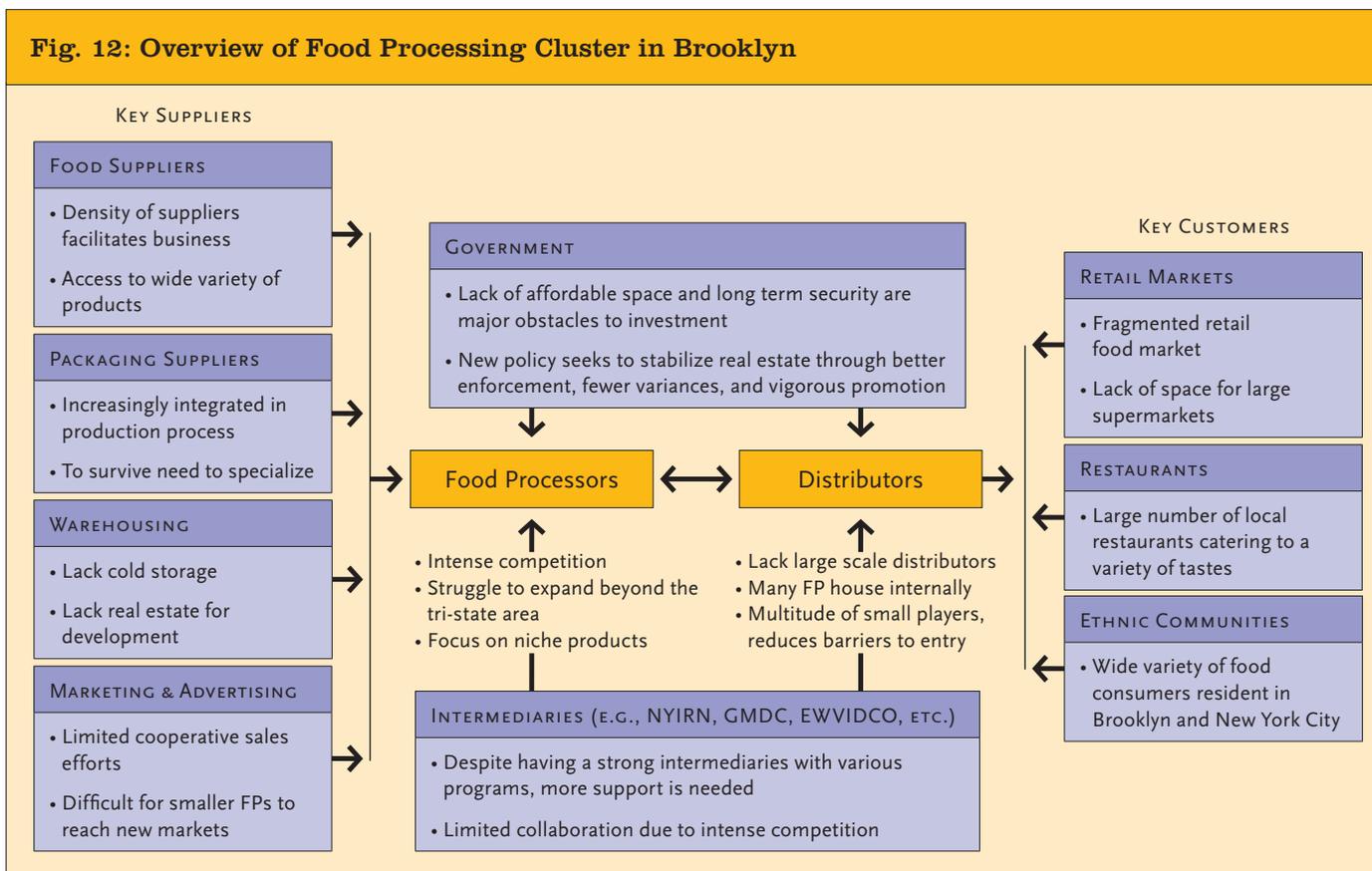
The potential for growth in the food industry had already been documented in two studies by the New York Industrial

Retention Network.²³ In addition, through the process of studying the industry, convening industry advisory groups and developing industry-specific programs, NYIRN had begun to build a local institution which could collaborate with ICB to develop and implement a long term strategy to improve the competitiveness of the industry.

Description of the Cluster

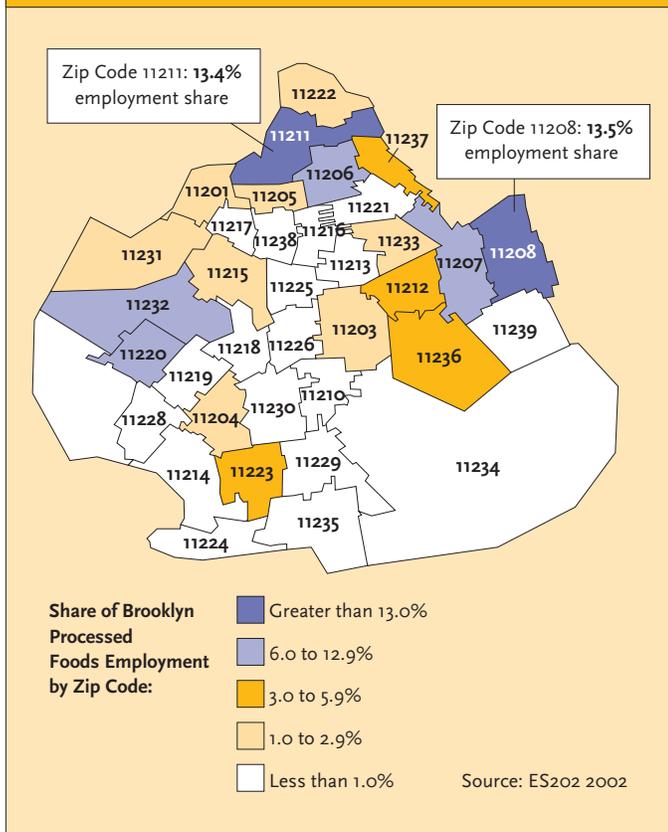
The Food Processing Cluster in Brooklyn is defined as companies that produce and package food and drinks for consumption off site. This includes products from Pickles to Peanut Butter, Beer to Bread, Tripe to Treats, and all the businesses supporting these producers (See Figure 12). Data from the New York State Department of Labor showed that this cluster employed almost 4,600 people in Brooklyn in 2002. This is a higher percentage of the workforce than in any other borough of New York City (1.1 percent in Brooklyn vs. 0.4 percent overall in New York City).

Food processing in Brooklyn is not centrally located. As expected, it is heavily concentrated in traditional industrial



²³ Food From New York, NYIRN, 2000; and Baked In New York, NYIRN, 2001.

Fig. 13: Concentration of Food Processing in Brooklyn



areas such as Greenpoint, Red Hook and Williamsburg (See Figure 13).

The industry is comprised mainly of small and mid-size firms (See Figure 11), rather than the large corporations that tend to dominate this cluster in other parts of the nation.

Ethnic and Specialty foods represent a promising segment of this cluster. It is approximately 43 percent of local employment in the cluster and the only segment that grew. In Brooklyn employment in this segment grew at an annual rate of 1.3 percent between 1990-2002, while in the rest of the cluster it declined at an annual rate of 2.8 percent.²⁴

Description of the Action Team

The Food Processing action team is co-chaired by Adam Friedman of the New York Industrial Retention Network (NYIRN) and Bill Solomon of Serengeti Consulting. Other members of the team include food processing

companies such as Nathan Sudakoff of Acme Smoked Fish, Lee Zalben of Peanut Butter and Company, Warren Bell of Bagels by Bell and important intermediaries such as Jema Cabrias and Nic Johns of the Food from New York program, David Berman of Signature Bank, Steve Kaplansky of the Brooklyn Chamber of Commerce, and Priscilla Maddox and Joan Reid of Kitchen for Hire.

Interviews with industry experts and action team members revealed the strengths and challenges of the Food Processing Cluster in Brooklyn. See diagram below for summary.

Issues within Food Processing

Real Estate Policy and Development: The most significant issue to the Food Processing Cluster is one that affects the entire industrial sector in New York City. Commercial and residential developers are targeting much of the land that has historically been dedicated to manufacturing in Brooklyn (most notably the Brooklyn Waterfront in Greenpoint, Williamsburg, and Red Hook — see map). Consistently in surveys and interviews the challenge of dealing with residential neighbors, the availability of space to expand, and the cost of real estate emerge as major issues. In a survey conducted during the summer of 2004 by the Food From New York program, 42 percent of Brooklyn respondents reported that they were looking for more space and only 58 percent said they had no plans to relocate out of New York City.

The Mayor's Industrial Policy and accompanying report (Protecting and Growing New York City's Industrial Job Base; January of 2005) put the availability and stability of industrial real estate at the forefront of issues important to building a healthy industrial sector in New York City. The most significant policy changes proposed sought to limit residential conversion of space, but not office or retail conversions. Programmatic actions included greater scrutiny of variance applications by the Bureau of Standards and Appeals, more aggressive enforcement by the Department of Buildings of existing zoning laws against conversion of properties to residential uses, and greater public clarity on what areas will be set aside for manufacturing. These policy changes should discourage "land-banking" by property owners in anticipation of residential conversion and greater willingness to sign the long-term leases that Food Processors require in order to justify their investment in capital and property improvements. The improved clarity regarding what land is dedicated to industrial uses in New York City should also help make space more affordable. Food Processors are able to pay for space at prices competitive with other industrial uses, but they are not able to compete with the premiums placed on space that can alternatively be used for residential uses.

Government Regulations: Another issue mentioned by many companies was the constant hassle of trying to run an industrial business in New York City. One company interviewed said they were suffering a “death of a thousand cuts” from constantly dealing with dumpster regulations, parking tickets, noise regulations, odor regulations, and accessing incentive programs that are a distraction from running their business. Some of these will be addressed by better segregation between industrial and residential uses, but others require food processors having an advocate within the city government to deal with complicated regulatory issues such as these.

The Mayor’s Industrial Policy announced the formation of the Office of Industrial and Manufacturing Businesses. This office appears to meet the need articulated by Food Processing businesses. The newly formed office establishes an infrastructure within the City government for addressing some of the needs of industrial companies operating in New York City, and making sure that policies take into account the situation of manufacturing companies. We are very pleased that the Mayor’s report recognized many of the regulatory problems such as excessive parking and sanitation tickets that Food Processing Companies repeated in interviews and discussions. The ICB will continue to work with the industry and the government to respond to the changing public policy environment to identify and target opportunities to aid the Food Processing cluster.

Need for Collaboration and Networking: Given the small size of food processing companies in Brooklyn (95 percent of firms have fewer than 100 employees), they tend to have less time and dedicated resources to handle issues such as: petitioning city government on regulatory issues, participating at trade shows, sharing best practices, finding space, etc.²⁵ Potentially these issues can be addressed more effectively as a group in a collaborative manner.

Energy Costs: A specific challenge to doing business in New York City mentioned in interviews and action team meetings is energy costs. 79 percent of the Brooklyn respondents in the Food From New York survey ranked high energy costs as the first or second greatest disadvantage of doing business in New York City.

Access to Distributors: Another challenge for food processing companies is gaining access to distributors. The fragmentation of the retail and distribution system in New York is a benefit for some firms, but navigating the system can be improved. Many food processing companies have to dedicate significant amounts of capital to developing their own distribution systems, detracting from their core business. Other companies find it difficult to locate and contact distributors outside the New York City area.

Food Processing Action Plan

**ACTION ITEM ONE:
CREATE AN INDUSTRY WEB SITE TO
FOSTER COLLABORATION**

The food processing industry nationwide is capital intensive and dominated by multi-national companies. To help the smaller, local companies compete an industry web site will be developed to increase communication and cooperation

Strategic Context:

New York City provides a competitive environment to support the continued growth of ethnic and specialty food processing. More can be done to network these companies together so that they may prosper.

among New York City Food Processing companies. This web site will enable local food companies to learn from each other, build relationships and gain some of the benefits of experience that their larger competitors have. Experiences dealing with standard issues in the food processing industry, such as energy

Fig. 14: Information and Services Available on Food Industry Web Site

Trends & Research

- Forecasts and growth trends
- Industry trends (locally, nationally and globally)
- Interesting company profiles
- Info on new technology/ innovations in the industry

Resource Center

- Directory of gov’t programs/ incentives at the city, state and fed level
- Info on grants and other funding available (incl. non-profit sources)
- Cases on successful companies and government programs
- Info specific for the needs of start-ups

Collaboration

- Matchmaking to access distributors, find space, equipment, etc.
- Postings for group purchasing related to, trades shows, supplies technology, etc.
- Platform to gather support for positions on regulatory issues
- Bulletins to post ads

²⁵ U.S. Census, County Business Patterns.

use, distribution, financing, and regulations, will be shared and allow all firms to learn from the experiences of their peers.

The web site's objective is to be the central source of all information related to the industry locally and within the global marketplace. Figure 14 provides a sample of the key information and functionality that will be available on the web site.

The web site will help companies better plan new investments and take advantage of programs offered. There are a number of unique programs available in New York City that would be of significant value to many food processing companies, but they are underutilized due to lack of effective industry communication. For example, information about the RenewableNY energy program will be provided, including case studies on how companies in New York City are successful using this program. In the Food From New York survey related to the web site information about government programs and subsidies was the most requested type of information.

The web site will provide links and contact information for all programs and cases listed. Also, it will provide links to other programs, like the Real Estate listings on the NYIRN web site to provide food companies a one-stop site to help them find resources available. The web site will encourage the transfer of information between companies by having a bulletin board feature that will enable companies to post questions and receive answers from other companies, allowing them to learn from each other.

This web site will be run by the New York Industrial Retention Network's Food From New York program. The Food From New York program works with New York City food processing companies to help them succeed in New York. Food From New York will be able to share best practices based on companies they've worked with on the web site. Additionally, Food From New York can test new programs and work on issues identified by companies via the web site. In this way the web site becomes a virtual association.

The web site will be developed immediately after funding is secured. Food From New York will launch, market, and update the web site regularly. By making all this information readily available, the hope is that more

companies will be able to take advantage of programs that will help them grow and stay in New York.

Success of the web site will be measured by:

- Usage statistics (e.g., number of click throughs, time spent, number of hits, etc.)
- Number of registered members
- Results of surveys that assess value of web site from users' perspectives

The link between usage of the site and impact on the industry will not be measured perfectly. However, the expectation is that specific investments and projects enabled in part by the information provided on the web site will be used as examples in the future. Ultimately successful implementation of the web site will lead to the formation of new food processing businesses, growth of existing business, and higher employment in the cluster.

In order for the web site to be successful ongoing funding needs to be secured and content of the web site must be valuable to the industry. It is expected that a fee based membership structure and other paid services are needed to sustain the web site.

**ACTION ITEM TWO:
BUILD RELATIONSHIPS BETWEEN
FOOD PROCESSORS AND FOOD
DISTRIBUTORS THROUGH DOMESTIC
TRADE MISSIONS, BROKERED MEETINGS
AND AN ON-LINE DATABASE:**

Food From New York will develop a database of food distributors that will enable local Food Processing companies to easily identify and solicit appropriate distributors for their products. The Distributor database will be used to survey distributors to solicit interest and criteria for new products and customers, prepare food companies with the necessary marketing materials and skills, arrange meetings to "pitch" products, and otherwise nurture relationships. We expect that this distributor database will be a significant value-added service to food manufacturers in New York City.

Success of the Distributor Database will be measured by:

- Number of companies and distributors maintained
- Quality of the information
- Results of surveys that assess number of matches produced

The Distributor Database will be successful if distributors are willing share information about their products and buying process and if manufacturers are able to effectively convert leads to sales.

OTHER ACTION:

WILLIAM JEFFERSON CLINTON
SMALL BUSINESS INITIATIVE

ICB's work with the Food Processing industry led to the formation of a unique partnership to provide technical assistance to Food Processing companies in Brooklyn. ICB partnered with the William Jefferson Clinton Presidential Foundation, Initiative for a Competitive Inner City, Booz-Allen Hamilton, the New York University Stern School of Business and the National Black MBA Association (NBMBA), to expand the Small Business Initiative to Brooklyn. The Small Business Initiative was originally founded in Harlem to help micro-businesses grow by providing technical assistance they could not otherwise afford. The expansion of the program in Brooklyn is targeted to slightly larger companies in a specific industry with the potential for growth. The objective of this program is to increase company sales with the expectation that increased sales will lead to increases in employment. Therefore, companies with the potential to grow their top line and employ more people in Brooklyn

were selected. Additionally, this program will identify broad-based solutions that are applicable to other companies in the food processing industry. The results of these best practices will be shared on food processing web site.

The Small Business Initiative is currently working with one Brooklyn company: Tower Isles Frozen Foods. Tower Isles has been producing Jamaican Beef Patties in Brooklyn for 35 years. The company was started by Earl and Beryl Levi as a bakery and grew to specialize in the production of beef patties. The company has grown rapidly in recent years and is expanding their market beyond Brooklyn to the frozen section of Supermarkets around the Northeast US. Tower Isles employs over 70 people at their plant in East New York and has grown sales over the last three years to over \$15 MM annually. However, Tower Isles growth has led it to outgrow its facilities, and needs to find more space to grow in Brooklyn.

Teams led by members of the NBMBA New York Chapter and Booz Allen consultants and staffed by MBA students from New York University Stern School of Business will provide best technical and managerial assistance possible to these companies.

Conclusion

Brooklyn's food processing cluster is far more diverse than the pickle and confectionery businesses for which it was once known. By expanding small food processing firms and helping all businesses in the cluster connect with distribution channels, the Food Processing Team's proposals will help Brooklyn's cluster continue to grow and evolve.

Hospitality, Tourism, Arts and Culture

The Case for Brooklyn

Brooklyn is a brand that is recognized nationally and internationally. The borough is currently experiencing a cultural renaissance due in part to the following:

- Redevelopments in downtown Brooklyn and the waterfront
- Growing artistic presence (e.g., DUMBO arts district, Red Hook, Williamsburg neighborhoods)
- Creation of the mixed-used BAM Cultural District
- Renovations at the Brooklyn Museum
- Redevelopment at Coney Island
- Planned development of the Nets arena
- Marriott Brooklyn Bridge \$77 M expansion²⁶
- Growth of significant destination events: West Indian Day Parade, BrooklynBest, Mermaids Parade, Dine In Brooklyn Restaurant Week, and Brooklyn Designs
- Planned development of the Nets arena
- Opening of New York Cruise Terminal
- Creative cultural base for New York City (authors, artists, designers)

Brooklyn is ready to package itself as a viable tourist destination given its abundance of arts and cultural institutions.

Regional Tourism: In 2002²⁷, over 35M visitors brought in \$20B to the New York City economy and almost \$3B in tax revenues. As regional and domestic tourism increases in New York City, Brooklyn's close proximity to Manhattan is a locational advantage. Tourism activity can be an economic engine for the borough through increased tourist spending that translates into more jobs and more tax revenues.

Over 50 percent of cultural visitors to New York City are from the tri-state area, and their numbers have tripled since 2000. Sixty percent are daytrippers who come to attend a special event (34 percent). Increased targeted marketing to this manageable group can increase tourism to Brooklyn's cultural attractions.

Ethnic Diversity: Brooklyn's base of foreign-born residents, triple the national average, fosters the diversity of ethnic neighborhoods across the Borough. These neighborhoods and Brooklyn's cultural diversity provide a rich set of assets to a growing segment of tourism - ethnic tourism. National travel volume²⁸ among Hispanic, Asian American and African-American increased 20 percent, 10 percent and 4 percent respectively, which is higher than the 2 percent national average. The Immigrant Trails project²⁹ has identified more than 70 community-based tourism sites and activities that could be leveraged for increased minority and ethnic tourism activity in Brooklyn, focused on four ethnic groups: Eastern European/Russian, Caribbean, Hispanic and Italian.

Workforce: Brooklyn has an untapped and available workforce, given that there is on average an unemployment rate of 8.5 percent³⁰, 1.4 times more than the national average rate of 5.8 percent. Despite the fact that hospitality and tourism jobs pay low wages (on average 60 percent less than the national average), it does provide entry-level opportunities for low-skilled workers.

²⁶ Marriott Brooklyn Bridge Website

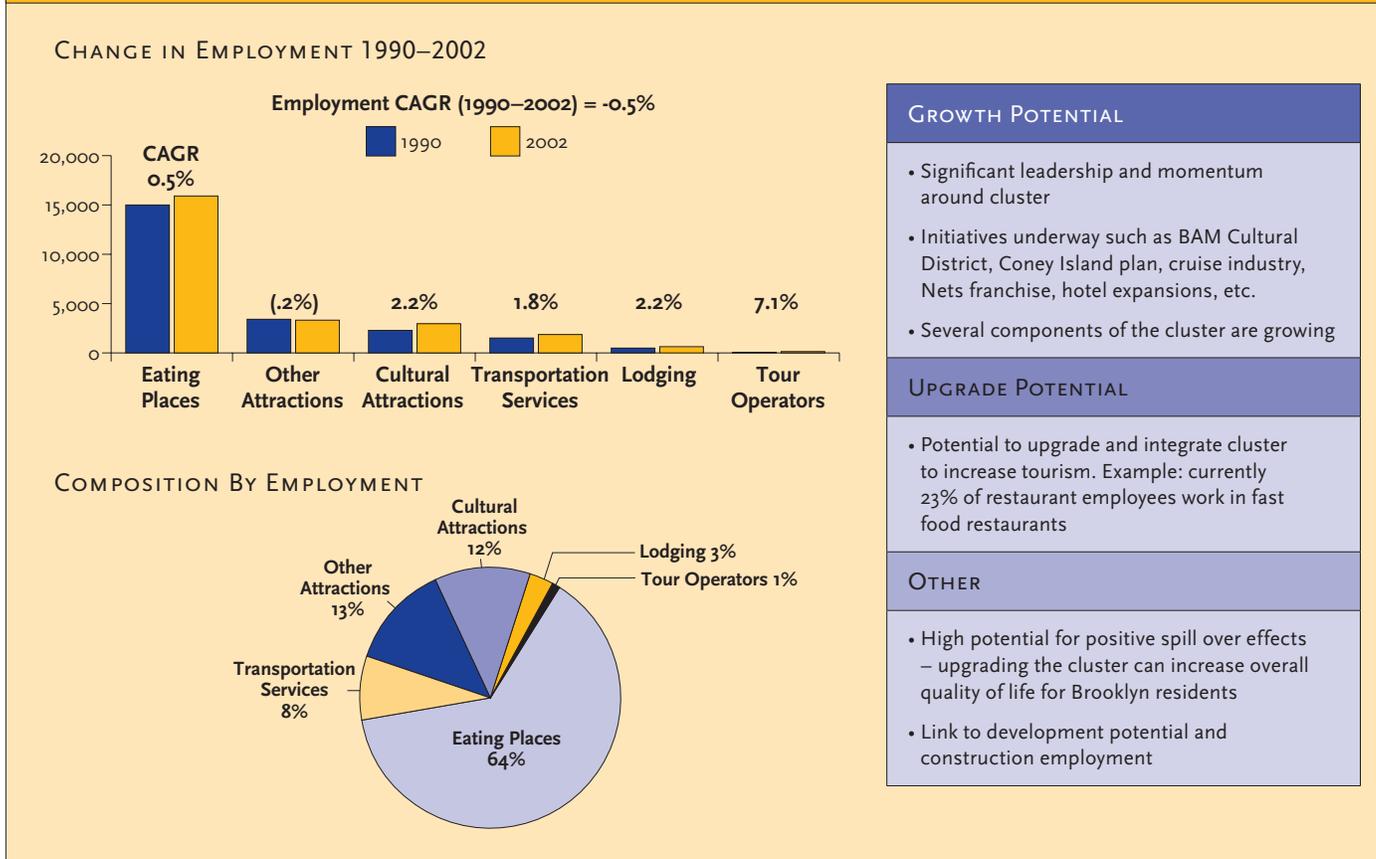
²⁷ NYC&Company, 2002 Tourism's Economic Impact on New York City.

²⁸ Travel Industry Association of America, http://websupport1.citytech.cuny.edu/dept/hm/k_smith/immigrant_trails/index.html

²⁹ Immigrant Trails, led by Karen Smith, a professor at New York City College of Technology of CUNY, is taking a look at the four largest ethnic groups in Brooklyn — Caribbean, Eastern European or Russian, Hispanic, and Italian.

³⁰ April 2003. New York City Comptroller Office.

Fig. 15: Cluster Analysis



GROWTH POTENTIAL
<ul style="list-style-type: none"> • Significant leadership and momentum around cluster • Initiatives underway such as BAM Cultural District, Coney Island plan, cruise industry, Nets franchise, hotel expansions, etc. • Several components of the cluster are growing
UPGRADE POTENTIAL
<ul style="list-style-type: none"> • Potential to upgrade and integrate cluster to increase tourism. Example: currently 23% of restaurant employees work in fast food restaurants
OTHER
<ul style="list-style-type: none"> • High potential for positive spill over effects – upgrading the cluster can increase overall quality of life for Brooklyn residents • Link to development potential and construction employment

Description of the Cluster

The HTAC cluster in Brooklyn encompasses companies and organizations that span the tourism industry. The cluster employs over 20,000³¹, with restaurants having the largest presence but also range from tour operators to museums. Small service-related firms (averaging eight employees) makeup the majority of establishments. The growing concentration of tour operators at 7.1 percent is just one indication of a growing demand for tourism in Brooklyn (See Figure 15).

Issues Identified

Although Brooklyn has many competitive assets, it faces many challenges.

Infrastructure Development: The lack of infrastructure in Brooklyn related to restaurants, hotels and transportation

is inhibiting growth in this cluster. Brooklyn only has half the number restaurants per capita when compared to Manhattan. Second, (See Figure 17) Brooklyn’s share of hotel rooms is significantly less compared to a similar pair of cities³². Finally, Brooklyn is highly underserved when compared to Manhattan in yellow taxicabs.

This deters tourists from visiting Brooklyn, despite the fact that a trip to downtown Brooklyn is only fifteen minutes from downtown Manhattan.

Promotion issues: Given Brooklyn’s strong cultural institutions and diversity of ethnic neighborhoods, there have been underdeveloped opportunities to promote ethnic/cultural tourism and branding Brooklyn as a tourism destination.

Institutional Support: Given that tourism related businesses and organizations are small across the board, there is a need for more collaboration to strengthen the cluster and reduce the fragmentation of duplicative efforts.

³¹ 2003 ES-202

³² See graph. San Francisco Convention and Visitors Bureau, Oakland Convention and Visitors Bureau, NYC & Co., Boston USA!, City of Cambridge, Arlington Convention and Visitors Service, Washington DC Convention and Tourism Corporation

Fig. 16: Cluster Assessment

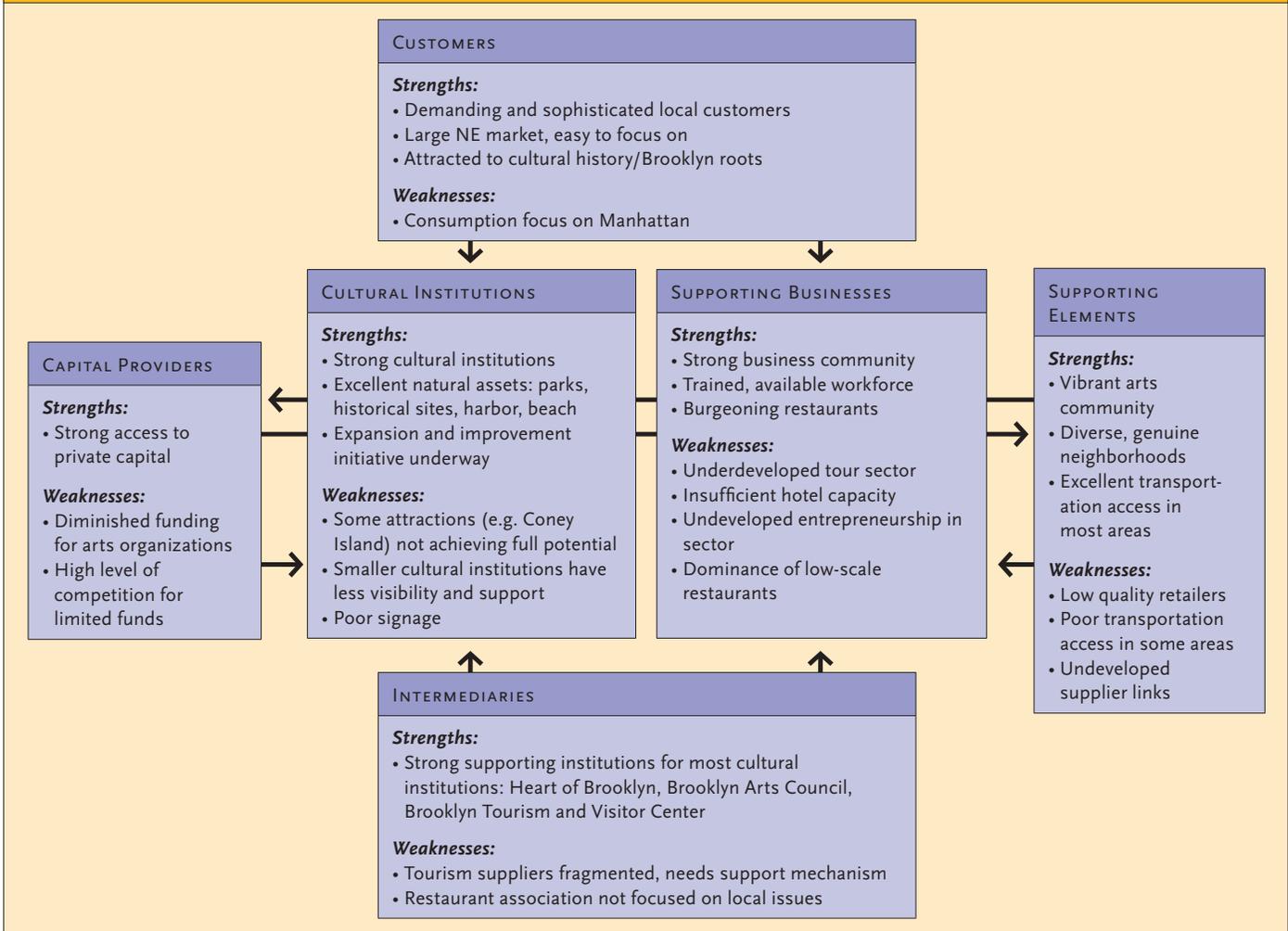
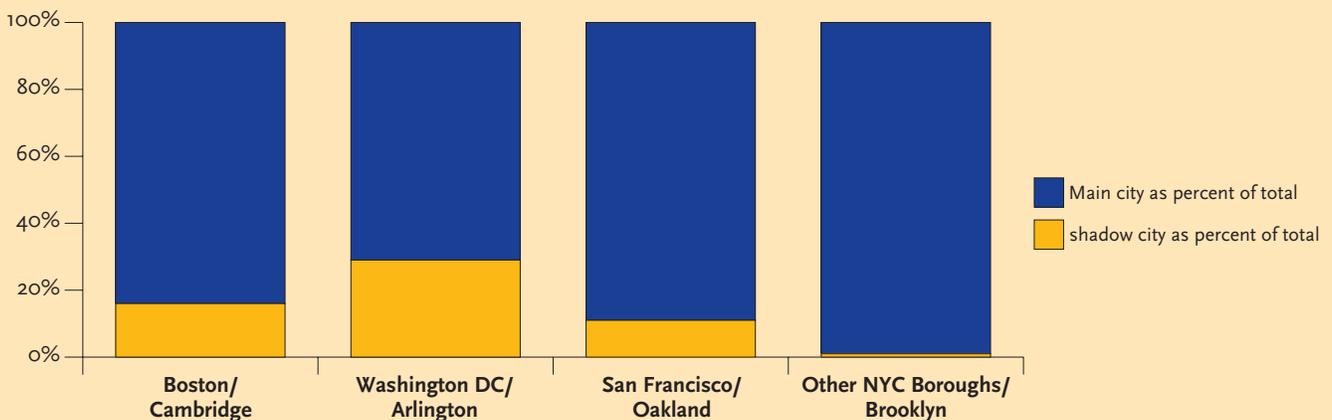


Fig. 17: Brooklyn is Underserved by Hotels Relative to Comparable Cities



Source: ICIC research and analysis, San Francisco Convention and Visitors Bureau, Oakland Convention and Visitors Bureau, NYC & Co., Boston USAI, City of Cambridge, Arlington Convention and Visitors Service, Washington DC Convention and Tourism Corporation

Description of Action Team

The Hospitality, Tourism, Arts & Culture action team is co-chaired by Karen Brooks Hopkins of the Brooklyn Academy of Music and Patrick of BayRidge Local Development Group and a travel consultant. The HTAC team has broad representation from every aspect of the cluster:

Cultural Attractions: Brooklyn Academy of Music, Heart of Brooklyn, Coney Island Astroland, Weeksville Society, Corridor Gallery, New York Aquarium

Restaurant: Restaurant Saul

Hotel: New York Marriott at the Brooklyn Bridge, Awkaaba Mansion and Café

Intermediaries: Brooklyn Information & Culture, NYC & Co., Brooklyn Borough President's Office, Brooklyn Tourism & Visitors Center, Bedford Stuyvesant Restoration Corporation, Brooklyn Arts Council

Infrastructure: Muss Development, BAM Local Development Corporation, NYC Taxi & Limousine Commission

Based on HTAC sector assessment, the cluster action team focused its efforts in two key areas:

- How to improve Brooklyn's packaging and promotion initiatives to attract more tourists and tour operators
- How to improve the cultural and tourist related infrastructure, as it relates to taxicab service and hotel development

Action Plan

As the Brooklyn brand is gaining more visibility nationally, the Hospitality, Tourism, Arts and Culture cluster becomes more important in reinforcing that image and supporting increased tourist and cultural activity in Brooklyn.

ACTION ITEM ONE: BETTER COORDINATE TOURISM MARKETING EFFORTS (BRANDING BROOKLYN)

Based on successful case studies from other cities like Philadelphia, the team came to the conclusion that marketing and promotion efforts need better coordination to be more effective. All of the pieces for a powerful tourism organization already exist in Brooklyn, but the fragmented and ad hoc efforts need a formal umbrella infrastructure to better tie the pieces together.

The Brooklyn Tourism Partnership has been formed with the Brooklyn Tourism & Visitors Center to ensure existing tourism-related efforts at Brooklyn Borough President's Office, Brooklyn Chamber of Commerce and Brooklyn Economic Development Corporation work collaboratively. The BTP-BTVC will:

- Steer and communicate a unified Brooklyn brand, master plan
 - Working in conjunction with Brooklyn's tourism related businesses and organizations to develop an effective tourism strategic plan and vision for Brooklyn
- Create a collaborative environment by coordinating efforts of stakeholders
 - Engaging Brooklyn's tourism related businesses and organizations through tourism-specific programming
 - Build and maintain relationships with tour operators and consolidators to keep them abreast of Brooklyn's tourism assets
- Develop the necessary infrastructure to support effective tourism marketing and promotion
 - Create unified marketing materials (e.g. map, guides, web site)
 - Create and maintain a central calendar of Brooklyn cultural events
 - Attend key national and international tourism trade events to promote Brooklyn
 - Ensure the BTVC marketing strategy created is followed through (i.e., branding, updated calendars, etc.)
 - Conduct Brooklyn visitor research (e.g. baselining of visitors)
- Address and advocate for common needs (e.g. funding)

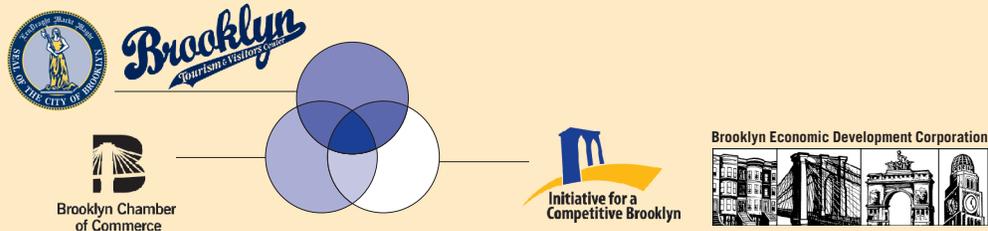
Fig. 18: Brooklyn Tourism Partnership: Destination Marketing Organization

GOVERNANCE ACCOUNTABILITY & DMO: BROOKLYN TOURISM PARTNERSHIP – BROOKLYN TOURISM & VISITOR’S CENTER

Mission: Promotes region’s image, economy and activities through regional and national destination marketing. BTP will serve as the Board of Directors for the DMO as the governance committee responsible for accountability of Brooklyn tourism strategy(s) and sustainability.

Functions: The DMO creates unified marketing materials for destination packaging with receptive tour operators, amenities & local businesses. The Board of Director ensures existing tourism-related efforts to work collaboratively through a master plan on coordination support, marketing materials, and advocacy.

Partners: Borough President’s Office, Best of Brooklyn.



SUPPLIER SUPPORTER: BCC

Mission: Members-based organization for tourism suppliers to increase awareness and participation in the tourism industry.

Functions: Supports tourism suppliers (ie. Restaurants, cultural institutions, amenities, hotels, etc) through shared programming and supplier database.

Partners: Member businesses, organizations.

FACILITATOR: BEDC/ICB

Mission: Intermediary coordinator of tourism strategy as well as workforce development activities to create and support sustainable jobs, industries and communities.

Functions: Facilitates efforts in tourism strategy and funding proposals.

Partners: Initiative for a Competitive Brooklyn.

Brooklyn can leverage existing capabilities to ramp up to a full-fledged DMO

In the first year, ICB will continue coordination of the BTP component until funding has been secured for a 3-year strategy plan (See Figure 18). Eventually, the BTP-BTVC will monitor and keep track of success measures, additionally establish yearly goals and eventually expand its responsibilities to become a Destination Marketing Organization (DMO). A DMO is an entity that coordinates and implements a general marketing strategy for tourism development for a specific area.

Success of these efforts will be measured by:

- Increased number of Brooklyn tours sold at trade events
- Increase cross-site visitation between cultural institutions and eating establishments (from Heart of Brooklyn research)

In order for this initiative to be successful a 3-year funding must be secured (currently being developed) and there must be continued collaboration among key stakeholders.

“Brooklyn has already been sold... now it needs to be packaged.”—Patrick Condren, President of BayRidge Local Development Group and Management Consultant in Transportation and Economic Development, and Action Team Co-Chair

**ACTION ITEM TWO:
GPS-BASED TECHNOLOGY TO INCREASE FHV COMMUNITY CAR SERVICE IN BROOKLYN**

Yellow cabs do not adequately meet the demand for car services in Brooklyn. Only 10 percent³³ of yellow taxicab rides begin and/or end in the outer boroughs (including Brooklyn). Therefore, the use of for-hire-vehicles³⁴ (FHV) community car services is prevalent and necessary in Brooklyn. In

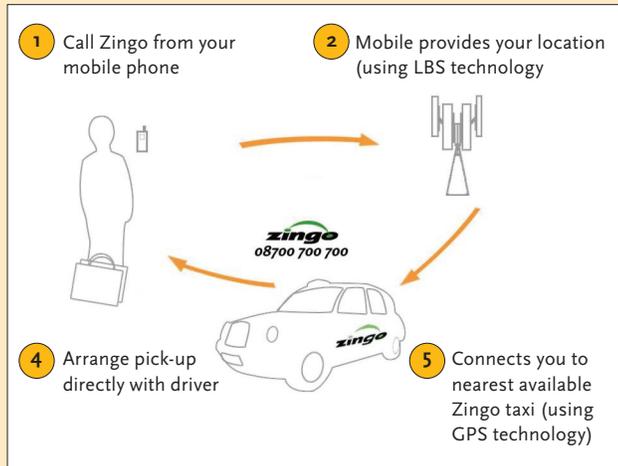
³³ NYC Taxicab Factbook, June 2004; NYC Taxi and Limousine Commission (TLC) Testimony

³⁴ FHVs (For-Hire Vehicles) are services that accept radio dispatch calls and charge fares set by the affiliated base and filed with the NYC TLC. TLC categorizes FHVs services in Community Cars, Black Cars and Luxury Limousines. For pilot purposes, ICB is focusing on FHV Community Cars.

Fig. 19: Zingo: Taxicab “E-hailing”

How Zingo works

A location-based taxi service, Zingo uses technology systems to connect customer with nearest available taxi with minimal delay



Highlights

- Welcomes new service in off-hours and in remote areas
- Zingo installs GPS systems on taxis for free
- Major mobile phone companies on board with LBS technology
- In July 2003, 250% increase of new callers
- Repeat customers account for 60% of calls
- £1.60 Collection fee funds service

Brooklyn’s FHV could implement Zingo technologies for cooperative dispatch services

fact, Brooklyn has the largest share of FHV bases of all the boroughs. However, since FHVs are not regulated, they are not an ideal method of transportation and do not have either the familiarity or comfort level that “yellow cabs” enjoy, which handicaps Brooklyn’s tourism efforts.

To improve the transportation barriers for both Brooklyn visitors and residents, a pilot program of “electronic hailing” technology will be tested with a few local community car services using a transfer base. The Zingo concept, widely used in London, allows cell phone users to electronically hail the closest Zingo-networked taxicab. In essence, Zingo creates a brand of reliable, convenient service for legally hailing community car services.

The way this service would work in Brooklyn is that any person with a cell phone would call one 1-800 number; the system, without the need for an intermediary dispatcher, would put the person in contact with the closest available community car driver. The GPS technology gives the driver

the exact location of the caller. Within minutes, the cab arrives to the exact location of the caller (See Figure 19).

Developments are in place for Zingo and select local FHV community car services to conduct this pilot in coordination with the Brooklyn Chamber of Commerce and NYC Taxi and Limousine Commission. The pilot will initially focus on pick-ups/drop-offs at Brooklyn cultural and tourist establishments as well as a transfer station in Downtown Brooklyn. The Brooklyn Tourism & Visitors Center will lead the promotion of this service. If proven successful, the goal is to expand its service throughout Brooklyn and to the other boroughs.

Success of these efforts will be measured by:

- Use and availability of Zingo-branded FHVs by both residents and visitors

The Brooklyn Chamber of Commerce with the support of ICB staff will monitor and keep track of success measures. A local operator and interested FHV bases still needs to be secured.

Other Action Areas Under Consideration

Hotel development is beginning to take off in Brooklyn. The New York Marriott at the Brooklyn Bridge, one of the most successful Marriott’s globally, recently broke ground for a \$77³⁵ million expansion. However even with 282 additional guestrooms opening in 2006 for a total of 656 rooms, as Brooklyn’s only full service hotel, more hotels are needed in Brooklyn especially to attract large groups (e.g., conferences and conventions).

In order to induce more hotel development, the team would like to develop a comprehensive business case to capture and quantify the hotel opportunity in Brooklyn. Therefore, potentially persuading developers and franchisers to build in Brooklyn. Additionally, the team would like to document the current development process in Brooklyn to identify ways to streamline the process because it has been a common concern among developers. A more efficient and faster process can increase Brooklyn’s attractiveness to hotel developers.

Brooklyn Economic Development Corporation and Brooklyn Borough President’s Office are currently considering leading such an effort. If this effort is pursued, its success can be measured by the number of new hotel developments that are produced as a result of the business case.

Conclusion

Brooklyn is now positioned to develop, organize and manage strategic tourism economic growth, since there is now a unilateral buy-in of the major stakeholders across the borough. It is at an ultimate moment because its brand is hot, its challenges and opportunities are defined and public private partnerships are developing.

Real Estate, Construction, and Development

The construction cluster can offer very concrete economic opportunities for Brooklyn residents with more and better training and career advancement opportunities. It is also a sector in which small entrepreneurs can be created and become successful. There are many challenges ahead both in the performance of small and medium firms as well as in workforce development. However, Brooklyn has set an example of leadership and collaboration by convening an extremely diverse set of leaders from various sectors to sit down and discuss practical and effective actions to be implemented. This leadership momentum will certainly be of extreme value in making the cluster more productive and competitive, adding to Brooklyn's economic growth.

Brooklyn has a series of competitive advantages relevant to the construction and development cluster that if leveraged can increase job and wealth opportunities for Brooklyn residents and businesses.

Current Construction Boom: Construction is booming in New York City. It is projected that in the coming decade, there will be approximately \$18 billion dollars spent in construction projects in the New York City metropolitan area.³⁶

Projects such as the redevelopment of the World Trade Center site, expansion of the Javits Center, the Housing Marketing Initiative and other large projects will increase construction activity in New York City. Locally in Brooklyn activity levels will be high based on a significant number of new projects such as:

- Downtown Brooklyn Plan will spur development of 4.5 million square feet of office space
- Expansion of the Brooklyn Bridge Marriott will produce 800 construction jobs
- Atlantic Yards, including the proposed Nets arena, would generate 15,000 construction jobs over 10 years, 10,000 permanent jobs and 2 million feet of office space.

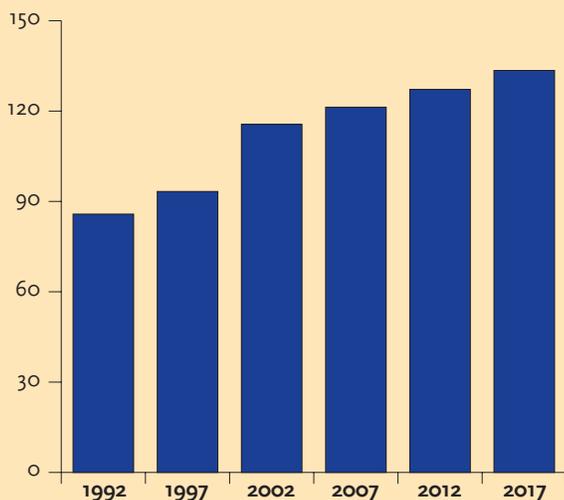
Quality of Workforce: Through the more than 20 interviews conducted with Brooklyn construction leaders, quality of the workforce was pointed out as one of the most important competitive advantages for the construction cluster. In Brooklyn, a large immigrant population contributes to the quality labor force. Many immigrants are already trained tradesmen that are interested in working in their field of specialty, whereas in much of the country trained and interested workers in construction are difficult to find.

Strong Local Firms: Brooklyn is the headquarters for some of the leading firms in construction, with the largest being Forest City Ratner Companies (FCRC). FCRC is the nation's largest publicly traded commercial real estate development company with holdings of over 8 million square feet of commercial property, including office, retail, hotel and residential. Additionally, firms such as AM&G Waterproofing and A. Williams Construction are some of the largest minority-owned construction businesses in New York City.

Description of Cluster

Real Estate, Construction and Development is one of the largest clusters in Brooklyn and the New York City area. It

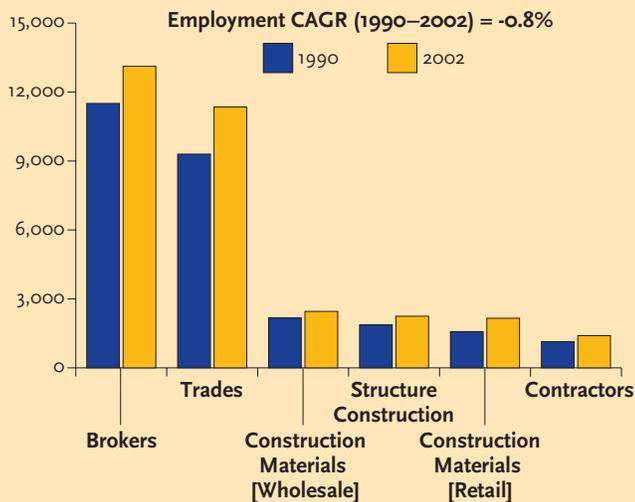
Fig. 20: New York City Construction Employment 1992-2017F



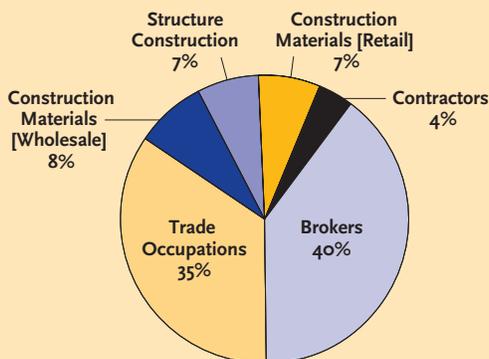
Sources: New York Building Foundation, Global Insight (DRI)

Fig. 21: RECD Was Selected As A Target Sector for Several Reasons

CHANGE IN EMPLOYMENT 1990–2002



COMPOSITION BY EMPLOYMENT



GROWTH POTENTIAL

- Significant leadership and momentum around cluster
- Many initiatives underway such as Downtown Brooklyn Plan, redevelopment of WTC, New Housing Marketplace Initiative, Nets Arena, etc.
- All components of the cluster are growing

JOB OPPORTUNITIES

- Construction employment is predicted to grow nationwide
- RECD is the third largest cluster in Brooklyn
- Sector has high and growing wages—average wages of \$41K and annual wage growth 1990 – 2000 of 3.6%
- Most jobs in the cluster do not require college education, providing many opportunities for workers that lack education

Sources: ES202 Local Real Estate, Construction & Development (L15) 1990-2002; County Business Patterns 1990-2001.

employs approximately 37,000 people, ranking 3rd among 55 Brooklyn clusters.³⁷

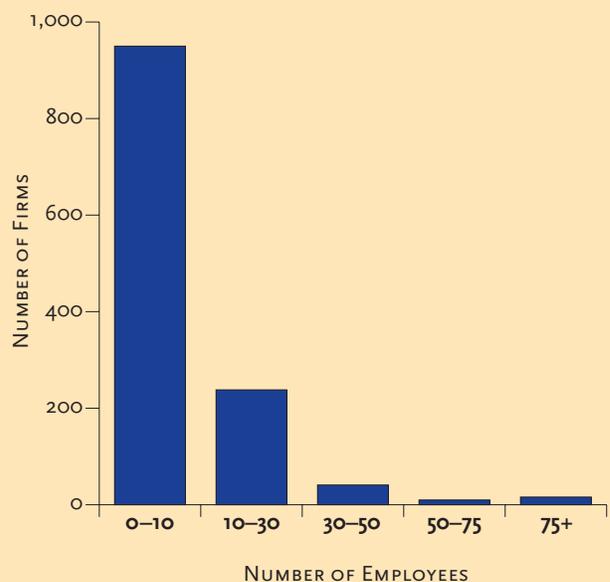
As figure 21 shows, the majority of the employment in this cluster is concentrated in real estate brokers (40 percent). Based on the US Department of Labor’s ES202 data between 1990 and 2002, overall employment grew at a Compound Annual Growth Rate (CAGR) of 0.8 percent. Construction materials (retail) grew the fastest at a CAGR of 2.7 percent. The largest sectors by employment, real estate brokers and trade occupations, also grew at a CAGR of 1.1 percent and 1.7 percent respectively.

The majority of contractors of all trades in Brooklyn have fewer than 10 employees. The average is 5 employees, which is below the New York City average of 8 in 2002 (See Figure 22).³⁸

This sector has high and growing wages — average wages of \$41K per year and annual wage growth 3.6 percent from 1990 to 2000.³⁹ Construction’s attractive wages and attainable worker training requirements help make the cluster an attractive one for low-income residents.

Fig. 22: Sub-Contractor Firms in Brooklyn by Employment

A Large Majority of Sub-Contractors are Small Firms



Source: ES202

³⁷ ES202 Local Real Estate, Construction & Development (L15) 1990-2002; County Business Patterns 1990-2001.

³⁸ ES202.

³⁹ ES202 Local Real Estate, Construction & Development (L15) 1990-2002; County Business Patterns 1990-2001.

Description of the Action Team

The Real Estate, Construction and Development action team was chaired by Bill Howell, owner of Howell Industries, and Harvey Schultz, Senior Vice President at Muss Development. Other team members represent various aspects of the cluster:

Contractors/Sub-Contractors

- Elenora Bernard, Petra B. Corp
- Monica Foster, FNR Installers
- Gilbert Rivera, AM&G Waterproofing
- Dolly Williams, A. Williams Construction

Developers

- Carlton Brown, Full Spectrum
- Bill Howard Jr., Turner Construction
- Jeanne Lutfy, BAM LDC

Intermediaries

- John Flateau, Medgar Evers College – CUNY
- Steve McInnis, NYC Carpenters' Union

Through extensive discussions and research, the team came to the conclusion that the two most important areas that they should work on and could make an impact are:

- Improving the performance of small and medium sized Brooklyn construction contractors

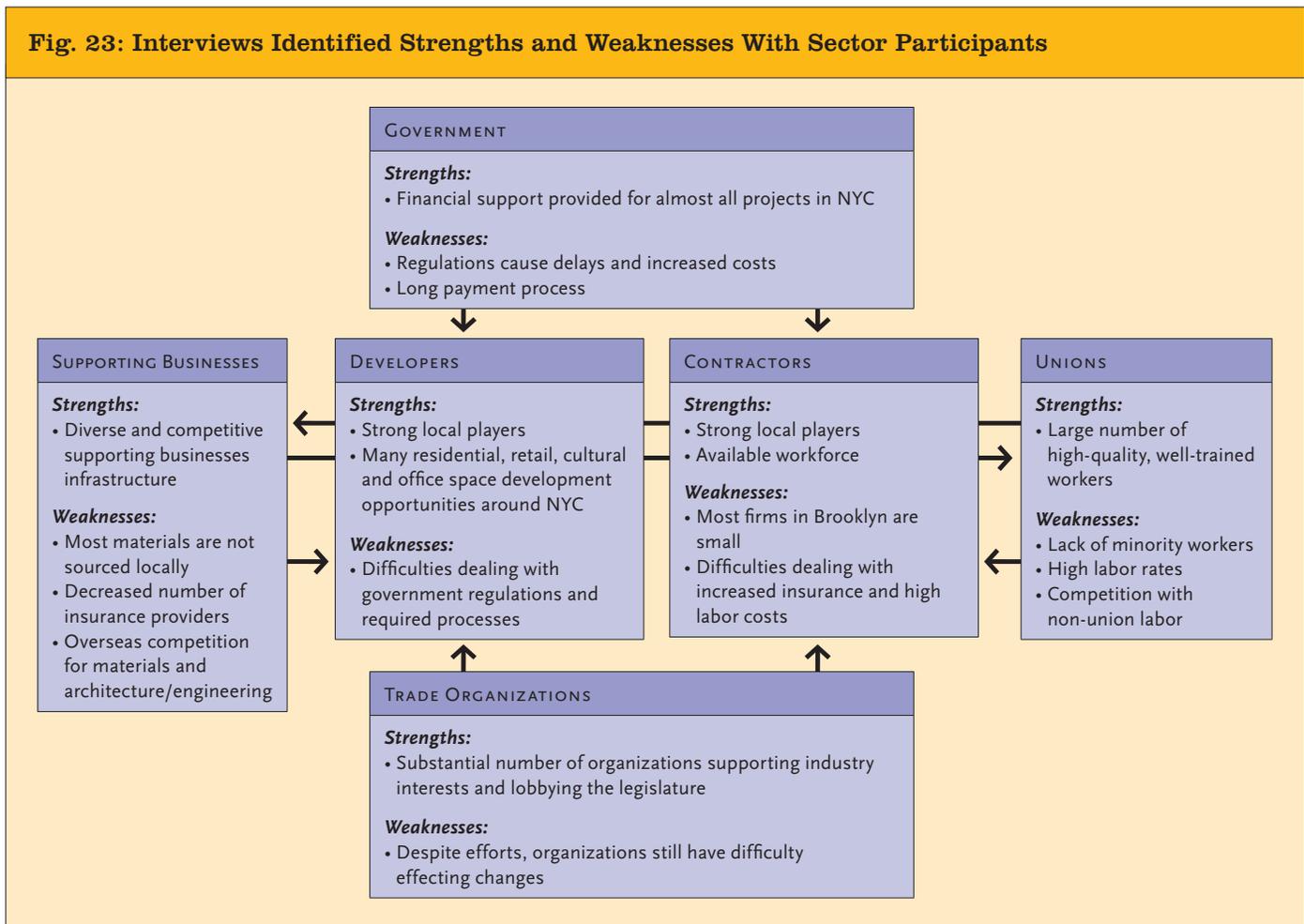
- Creating more workforce development opportunities for Brooklyn residents in the construction industry

To this end, two “Sub-Teams” were formed for Workforce Development and Firm Performance, comprised by local business leaders as well as by representatives from the construction trades unions, community organizations, educational institutions and government agencies related to this field. The sub-teams gathered research to assess the current issues and identify opportunities.

Issues within Real Estate, Construction and Development

Construction contractors are struggling not only in Brooklyn but also all over the country. Through interviews with local construction leaders, the main issues identified fell into four main categories.

Regulatory Constraints: Government regulatory processes increase the cost of doing business and may result in project delays. Given that these are small businesses they don't have the time or resources to hire experts/facilitators to negotiate grievances. The increased costs disproportionately



impact smaller firms. Particular difficulties noted were the following:

- | | |
|---|---|
| • Non-uniform building code | • Zoning regulations |
| • Unique certification processes for different City departments | • Uniform Land Use Process (ULURP) |
| • Unwieldy permitting approval process | • NYC Economic Development Corp. request for proposal Process |

Insurance and Bonding: Nationally, liability and workers' compensation insurance rates have increased substantially over the past five years. In New York State rates have increased at an even faster rate since September 11 and the coverage has been reduced. An average New York City contractor who would have paid \$300,000 for \$20 million coverage five years ago now pays almost \$1 million for \$10 million coverage. This is due to absolute liability law (Scaffolding Law, Section 240 & 241).⁴⁰ Higher insurance costs have negatively impacted profitability and driven smaller firms out of business. Additionally, it can be a significant barrier to entry for new firms.

Smaller firms also experience difficulty with obtaining bonding.⁴¹ Lack of bonding limit firms ability to bid on larger projects, which limits its ability to grow. Bonding disproportionately impacts smaller and minority-owned firms.

Insurance and bonding coupled with banks traditional reluctance to finance construction companies due to their lack of assets to guarantee loans have led to the failure of many smaller players, especially minority firms.

Workforce: There is inadequate construction hard-skills training for the trades. Brooklyn's pool of productive, trained laborers needs to be increased to meet expected demand. Existing apprenticeship programs with proven success need to be expanded to increase the size of the labor pool.

Additionally, New York City overall cost of labor is the highest in the nation due to mainly to prevailing wages and union work rules. This negatively impacts Brooklyn projects because development margins are squeezed as labor costs are the same throughout New York City, but revenues are much lower than in Manhattan.

Performance of Small Firms: Smaller players have difficulty surviving in New York City. Small players lack the expertise and financial backing to be able to survive in a cyclical business. They also lack sophisticated and financial expertise needed to respond to requests for proposal. Administrative costs of complying with union and regulatory requirements are substantial for smaller players. Additionally, subcontractors (which tend to be small) carry a heavier burden relative to general contractors in regards to insurance requirements and working capital.

Through thorough discussions and careful understanding of the impact of each of these issues, the action team decided to focus its priorities on Workforce and Firm Performance. Regulatory Constraints and Insurance & Bonding were both significant issues, however there are existing initiatives that are addressing these issues. Specifically, assembly bill number A07213 sponsored by Assemblyman Morelli and Senate bill number S1710 sponsored by New York State Senator Volker. If passed, these bills will hold workers liable for injuries caused by their own conduct, which will significantly reduce the cost of insurance in New York.

Real Estate, Construction and Development Action Plan

ACTION ITEM ONE: BETTER MATCH FIRMS WITH EXISTING TECHNICAL ASSISTANCE PROGRAMS

As it has been proven in other regions, mentoring and technical assistance programs are a strong way to improve the performance of construction contractors. In New York City there are several successful mentoring and technical assistance initiatives already underway, led by organizations such as

Strategic Context: Leverage the current construction boom in Brooklyn and in New York City overall to strengthen the Real Estate, Construction & Development cluster in Brooklyn.

⁴⁰ New York State Builders Association

⁴¹ Bond definition (source United States Business Administration):

A surety bond is a three-party instrument between a surety, the contractor and the project owner. The agreement binds the contractor to comply with the terms and conditions of a contract. If the contractor is unable to successfully perform the contract, the surety assumes the contractor's responsibilities and ensures that the project is completed. Below are the four types of contract bonds that may be covered by an SBA guarantee:

1. Bid – Bond which guarantees that the bidder on a contract will enter into the contract and furnish the required payment and performance bonds.
2. Payment – Bond which guarantees payment from the contractor of money to persons who furnish labor, materials equipment and/or supplies for use in the performance of the contract.
3. Performance – Bond which guarantees that the contractor will perform the contract in accordance with its terms.
4. Ancillary – Bonds which are incidental and essential to the performance of the contract.

Dormitory Authority of the State of New York (DASNY), New York City School Construction Authority (NYCSCA), The Port Authority of New York and New Jersey, New York University, and the Department of Small Businesses Services.

One of the challenges is how to identify the firms with the greatest potential for growth that should be part of these kinds of programs. In addition to this, given their small size, Brooklyn contractors have fewer resources to invest in technical assistance therefore making this identification process a key priority in order to stabilize their performance. In order to take advantage of this opportunity of connecting Brooklyn contractors to existing, successful mentoring and technical assistance programs, the teams' efforts will focus on two main fronts.

The first priority is, identifying, screening and selecting Brooklyn construction contractors to be channeled to existing technical assistance and mentoring programs in New York City. The team will also work on sharing the information about the identified contractors with as many organizations as possible. The main goal with this is to help organizations maintaining contractors' lists have better and more up-to-date information about Brooklyn contractors.

Success of these efforts will be measured by:

- Increased number of Brooklyn firms participating in mentoring and technical assistance programs (first year target: double the current enrollment)
- Improve the accuracy of contractors' information in contractors lists held by different agencies and institutions

To implement this project, the Initiative for a Competitive Brooklyn team will support the Downtown Brooklyn Advisory and Oversight Committee (DBAOC), a committee of local elected officials, industry professionals, and non-profit leaders that has served Brooklyn for 18 years by expanding the participation of minorities and women in development projects. The DBAOC may work with other local partners as well.

The critical success factors for this initiative will be to set up an effective firm identification and screening process; and to establish strong relationships with the entities leading mentoring and technical assistance programs and managing contractors' lists.

ACTION ITEM TWO:

IMPROVE NETWORKING FOR SMALLER FIRMS

Networking is a critical element in order to gain access to construction projects. To this end, Initiative for a Competitive Brooklyn will sponsor 50 firms in 2005 for their first year membership to the New York Building Congress. This will provide the selected firms with access to a vast amount of

resources, including workshops, networking events, and key construction leaders. The sponsored firms will be selected from the list of firms that have been identified and screened in the previous action. In order for this action to have some impact it is critical to secure the funding to sponsor NYBC membership; and that the sponsored firms attend regularly and actively participate in New York Building Congress activities.

Success of this effort will be measured by:

- Increase the number of Brooklyn contractors as members of the New York Building Congress (first year goal of sponsoring 50 firms)

ACTION ITEM THREE:

INCREASE AND BETTER CONNECT BROOKLYN RESIDENTS TO CONSTRUCTION JOBS

In terms of Workforce Development, the main goal is to connect more Brooklyn residents with high-quality-training and well-paid jobs in the construction industry, particularly given the increased activity that will take place in the coming years. During this process, different training alternatives were analyzed including union and non-union-led programs. The team concluded that given their structure, resources and experience, trade unions will provide a better set of opportunities to Brooklyn residents.

It is important to keep in mind that in order to increase the number of Brooklyn residents placed into union apprenticeships in Brooklyn construction projects, more apprenticeship spots need to be created – demand needs to be increased. In order to do this, the team's actions will be two-pronged. First, increase the demand for Brooklyn residents through the potential implementation of agreements like Community Benefits Agreements and Project Labor Agreements on a few select private and public projects in Brooklyn, where appropriate. These agreements would create new apprenticeship spots specifically destined to be filled by Brooklyn residents, increasing demand for workers. Second, to meet that demand, increase the amount and quality of the supply of potential workers by developing a Brooklyn specific pre-apprenticeship program to identify, screen, and prepare Brooklyn residents, particularly low-income residents and minorities. Through this pre-apprenticeship program, Brooklyn residents would be prepared to become part of the new apprenticeship spots created by the agreements.

Having an immediate opportunity for individuals trained in the pre-apprenticeship program is essential for success. Development agreements, such as Community Benefits Agreements (CBA), can be negotiated to guarantee construction jobs to the local community coming out of these training programs. A CBA is a legal contract between the developer and the community, represented by civic

organizations or by a local government. CBAs can also become part of the agreement between the city and the developer. CBAs are project-specific, varying widely in form and content and can be used as safeguards to ensure that public subsidies are better leveraged to directly benefit the community as well as the developer. Composing and implementing CBAs is a complex process, involving many stakeholders, and negotiations between the different parties involved can be delicate.

CBAs sometimes include a Project Labor Agreement (PLA). PLAs are work agreements between the developer and unions of various trades in which work rules can be negotiated and non-union laborers and firms can participate on the project. PLAs have been effective at increasing access to smaller, minority-led firms and local laborers on large construction projects.

A CBA is a relatively new tool that hasn't been implemented widely. In New York City there haven't been any implemented thus far, although there are a few in discussion. The Nets arena in Brooklyn is a widely publicized example. Implementing CBAs is a complex process, involving many stakeholders and negotiations between the different parties involved. In their implementation they will face many challenges. First, implementing CBAs requires a strong coalition to come together and negotiate as one entity. Building and maintaining an inclusive coalition, where no party is left out is very difficult. All of the basic structural issues about coalitions have to be resolved: Who is in the coalition? How are decisions made? Who is on the negotiating team? How are competing concerns prioritized? In addition to this, the negotiation process is resource intensive and time consuming. Second, enforceability is a challenge because determining the recourse for noncompliance is difficult. Communities and local governments have to establish processes to closely monitor the performance of the developer in meeting the goals that were set through the CBA.

Many hurdles will need to be overcome to introduce CBAs and PLAs in Brooklyn. In order to continue the discussion about pursuing CBAs and PLAs in Brooklyn, the Initiative for a Competitive Brooklyn in conjunction with the Downtown Brooklyn Advisory and Oversight Committee will form a Brooklyn based task force comprised of local construction stakeholders to identify potential projects and an effective negotiation process that can achieve the intended results without hindering development.

Success of these efforts will be measured by:

- Increased CBAs, PLAs or development agreements on a select few public and private construction projects in Brooklyn (first year target 3 to 5 CBAs in Brooklyn)
- Increase in the percentage of construction jobs that will go to Brooklyn residents because of the implementation of agreements
- Increase in the market share of Brooklyn small- and medium- sized contractors in new construction projects in Brooklyn through the implementation of agreements

As it has proven to be the case for the sub-team, participation of key stakeholders—local and city government, union representatives, developers, community based organizations, and the encouragement of the community as a whole—in the task force will be critical.



The team agreed that the best way to screen, identify and connect the potential Brooklyn residents with the new apprenticeship spots is through a pre-apprenticeship program. Currently, there are some pre-apprenticeship programs in New York City. Two of the most successful ones are Construction Skills 2000 and the Carpenters' Union Pre-Apprenticeship program. However, these programs focus mostly on recruiting high school graduates. This leaves out a significant number of Brooklyn residents who are unemployed, have been long out of high school or didn't attend high school at all. In addition to this, Construction Skills 2000 requires applicants to have GED or high school diploma to be eligible, excluding yet another Brooklyn community from this opportunity.

In order to address these barriers, the team agreed on the need to develop a Brooklyn specific pre-apprenticeship program. This program's objective will be to connect Brooklyn residents to the opportunities created by the implementation of agreements in construction projects taking place in Brooklyn. The pre-apprenticeship program would be modeled after Construction Skills 2000 and the Carpenters' Union programs. Additionally, in collaboration with local educational institutions, the pre-apprenticeship program will help Brooklyn residents get a GED in case they don't have one so that they can meet this requirement. The program will also include a screening and workforce readiness component led by local entities such as the Department of Small Business Services and SUNY Brooklyn Educational Opportunity Center. In addition to this, it is important to build a social safety net of services such

as childcare and transportation subsidies that will ease the process for the participants; these services will be provided through partnerships with local Community Based Organizations.

It is important to highlight again that the pre-apprenticeship program outlined above will not achieve its objective of putting Brooklyn residents into apprenticeship positions without the cooperation of the developers building in Brooklyn. CBAs, PLAs and other versions of these development agreements could potentially create these new apprenticeship spots to be filled with Brooklyn residents through the pre-apprenticeship program.

Success of these efforts will be measured by:

- Number of Brooklyn residents placed in apprenticeship positions. The goal for the first year is to place 100 Brooklyn residents.

Conclusion

The RECD team's proposals provide a framework to ensure that as many Brooklyn residents and companies as possible benefit from the current real estate boom. By addressing issues of firm performance, workforce development, and community involvement in new developments, Brooklyn will be poised to increase its participation rate of Brooklynites involvement on construction projects.

Workforce Infrastructure

The Case for Workforce Infrastructure in Brooklyn

ICB created the Workforce Infrastructure Team (WIT) in order to link Brooklyn-based employers with qualified borough residents. Through its proposals, the WIT seeks to coordinate workforce training networks in Brooklyn so that employers in all clusters have access to Brooklyn residents who are ready to work and have the particular skills necessary to be a successful employee.

Businesses across clusters rely on the local labor supply to provide a pool of qualified workers when they expand their operations or open a new plant. Access to a labor supply full of individuals who are ready to work can be a powerful incentive as a business decides where to locate. The issue is just as important to existing businesses that constantly search for new hires to replace employees who

Norm Brodsky is president of CitiStorage, a 500-employee warehousing business in Brooklyn that has consistently struggled to find reliable workers for its manual labor positions. Although Brodsky has broadly publicized job openings, his business continues to struggle to hire and retain the employees it needs to operate efficiently. Brodsky has lamented the historical lack of coordination among Brooklyn’s workforce training organizations and has called for new efforts to help businesses like CitiStorage find the employees they need.

have left. Brooklyn can help meet this employer need by developing the infrastructure necessary to link local employers with borough residents who are prepared to work.

The workforce infrastructure system in Brooklyn includes worker-training institutions, associations that represent employers, and organizations that provide direct

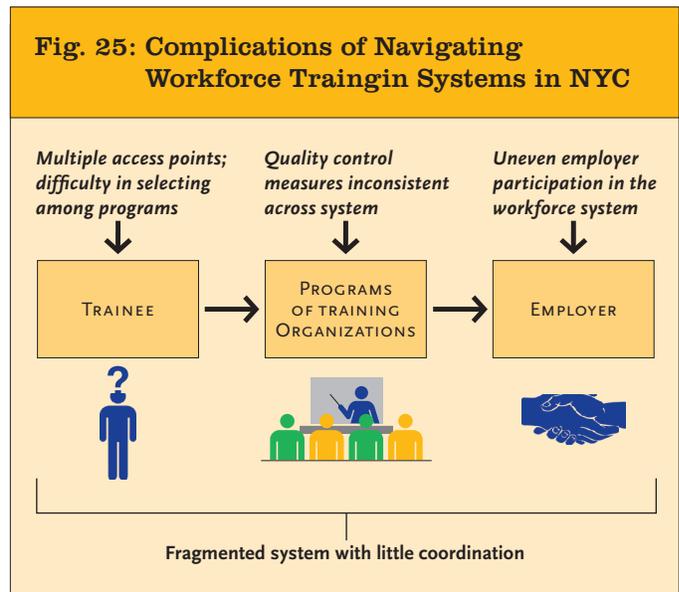
services to the unemployed. Non-profit, private, and public sector entities each play vital roles. The WIT has designed its action plan to encompass each of them.

LACK OF TRANSPARENCY FOR BROOKLYN RESIDENTS SEEKING TRAINING

As figure 25 demonstrates, the current provision of worker training assistance in Brooklyn is highly fragmented. Countless organizations offer training in fields like health care or data processing, but the job seeker has little access to information that can help identify the “best” training program available. Even information as simple as the percentage of program graduates who have been placed into paid positions can be difficult to obtain.

LACK OF EMPLOYER BUY-IN

Employers often overlook the worker training system entirely and seek new hires through their own channels, even though they must sift through as many as 30 resumes for every position they fill. Although a number of organizations in the borough offer assistance to employers in the process of hiring local residents, many businesses either are unaware of them or remain skeptical of their effectiveness.



LACK OF QUALITY CONTROL FOR EMPLOYERS

Not all job seekers in Brooklyn possess the “soft skills” necessary to be a steady employee. There is currently no method for employers to gauge a candidate’s job preparedness beyond traditional approaches such as examining a resume or conducting an interview. These methods may not adequately reveal the candidate’s level of soft skills.

FRAGMENTED PUBLIC SECTOR FUNDING

Although over \$1 billion flows annually to public sector-led workforce training initiatives, the funding is highly fragmented (See Figure 26).⁴² More than 10 separate organizations have control over funding and design of particular workforce organizations, limiting the ability of the New York City’s Workforce Investment Board (WIB) to meet its mission of coordinating the delivery of workforce training services throughout the city.

Because coordination among workforce infrastructure stakeholders is such a central problem in Brooklyn, the WIT

decided to focus its efforts on developing mechanisms to build the transparency and employer-based services necessary to link Brooklyn residents with job openings throughout their borough.

Description of the Action Team

The WIT was designed to include a cross-section of workforce leaders throughout Brooklyn. The team was co-chaired by David Margalit of NYC Department of Small Business Services and Lois Blades-Rosado of the SUNY Brooklyn Educational Opportunity Center. Its members include:

- Edwin Alicea, Training and Employment Council of Brooklyn
- Leonard Battle, Brooklyn Workforce1 Career Center
- Michael Flanigan, Citibank
- Colvin Grannum, Bedford Stuyvesant Restoration Corporation
- Chuck Hoffman, NYC College of Technology
- Neil Kleiman, Center for an Urban Future
- Lisa Laudico, NYC Department of Small Business Services
- Randy Peers, Brooklyn Chamber of Commerce
- Marilyn Shea, New York City Workforce Investment Board
- Ben Seigel, SEEDCO

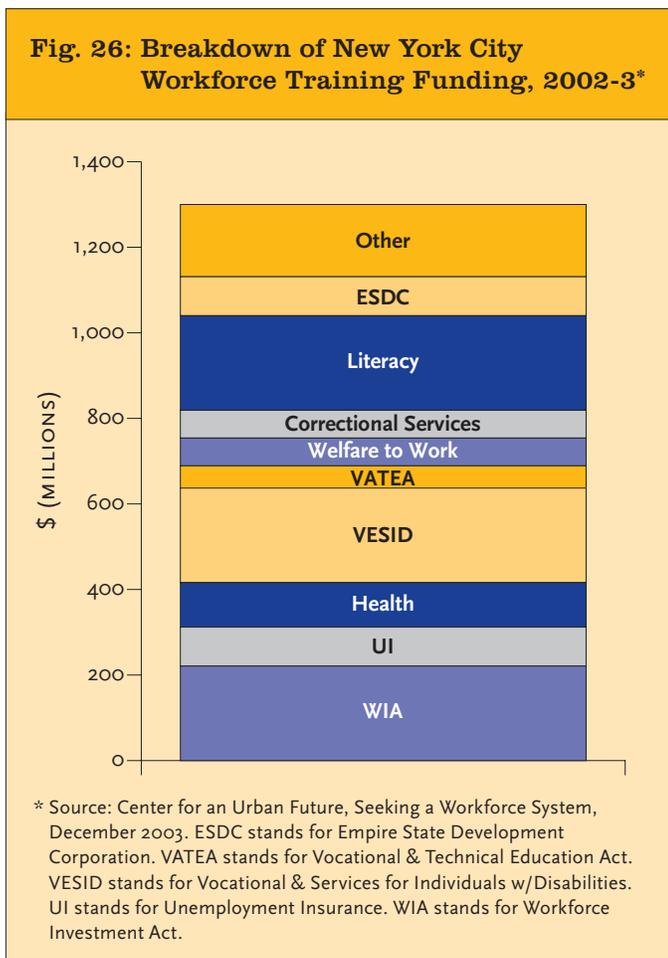
Workforce Infrastructure Action Plan

The Workforce Infrastructure Team has focused its efforts on enhancing coordination among job seekers, employers, and training providers in Brooklyn. Its proposals are designed to be feasible to implement and fund.

ACTION ITEM ONE:
DESIGN CUSTOMIZED TRAINING SERVICES FOR BROOKLYN EMPLOYERS IN TARGETED CLUSTERS

The New York Department of Small Business Services will conduct outreach to Brooklyn employers that seek assistance with hiring. Once employers have agreed to work with SBS, the WIT will help identify and train a group of Brooklyn residents who would meet those employers’ particular needs. For instance, if a new home furnishings store locates in East New York expressing a desire to hire from the local community, the WIT would use its resources to find and screen job applicants whose residences fall into East New York ZIP Codes. In doing so, the WIT will reduce costs by dramatically lowering employers’ ratio of job applicants considered to actual hires made.

NYC Department of Small Business Services staff will coordinate the WIT and make initial outreach to target companies. Organizations represented on the WIT like the Brooklyn Workforce1 Career Center and the SUNY Brooklyn Educational Opportunity Center have access to thousands



42 Seeking a Workforce System, Center for an Urban Future, December 2003.

of Brooklyn job seekers and can leverage their resources to identify suitable job candidates for particular employers. Other organizations like New York City College of Technology and SeedCo can then utilize their experience providing customized worker training to ensure that the identified job candidates get the types of training which the employers seek. The result will be a packaged collection of worker training services that can be customized for a particular employer working with the WIT.

Although the WIT is open to working with any Brooklyn-based employers, the team will initially focus its business outreach toward Brooklyn's hospitality, retail, and health services clusters. The WIT hopes to provide multiple employers in these target clusters with graduates from a single, cluster-focused training program. The WIT is currently reaching out to a number of Brooklyn businesses that have never before utilized the city's worker training system to fill open positions. Applebee's, which plans to open a new branch in Bedford Stuyvesant in the coming months, will be one of the WIT's first customers.

Success of the customized hiring and training services will be measured by:

- Goal of 2,500 Brooklyn residents placed in full-time jobs over the next 5 years
- Recruitment of 25 major employers in retail, hospitality, and health over the next 5 years who will utilize the WIT's employee placement services
- 3:1 ratio of candidates referred to candidates hired by Brooklyn businesses working with the WIT

The customized training services will be successful if a growing number of Brooklyn employers agree to participate, and if SBS provides strong leadership in the program's development.

**ACTION ITEM TWO:
MAKE BROOKLYN A PILOT
LOCATION FOR THE WORKFORCE
READINESS CREDENTIAL**

Long under development in the U.S. Chamber of Commerce, the Workforce Readiness Credential (WRC) provides certification that a job seeker possesses the soft skills which employers seek.

A candidate's knowledge about professional behavior in a work environment is essential to employers hiring at any level of skill, but there has never been a universal standard to determine whether an individual possesses that knowledge. The WRC will fill this gap. The WRC would be earned by passing a test administered in writing or on a computer. When an individual passes the test, he will receive a certificate that can be affixed to his resume when he applies for a new job. The WRC would then provide employers with a "signal" that a particular job candidate possesses the soft skills necessary to perform reliably. The net effect will be decreased employee search costs for employers, as well as enhanced opportunities for the work-ready unemployed to gain jobs.

The U.S. Department of Labor and the New York State Workforce Investment Board have expressed interest in implementing a test of the WRC in the coming months. The WIT will create a sub-group to be led by the SUNY Brooklyn Educational Opportunity Center that will develop a proposal for a pilot project for the WRC in Brooklyn.

Success of the Workforce Readiness Credential pilot will be measured by:

- Establishment of a pilot project in Brooklyn for the WRC by the beginning of 2006
- 3,000 job seekers in Brooklyn taking the WRC test by the end of 2006
- A shorter period of unemployment for those who receive the WRC than the average period of unemployment for all those in Brooklyn without jobs

The WRC pilot will be successful if the New York City and state WIB's support Brooklyn's application, and if WIT members remain actively involved in its development and implementation in Brooklyn.

Conclusion

Both of the WIT's proposals enhance Brooklyn's infrastructure of worker training. By helping the borough's workforce training system function smoothly, the WIT can ensure that Brooklyn residents are well-positioned to obtain the jobs available in clusters across the borough.

Implementation

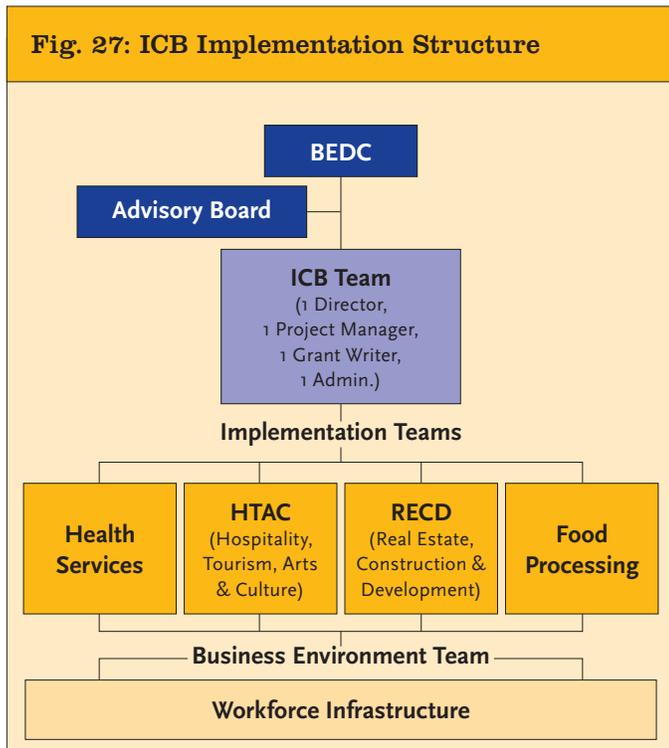
Over 200 private, public and civic leaders came together to make the Initiative of Competitive of Brooklyn more than a research project, but a strategic process with action as the outcome. Sustained leadership will be needed to continue the work of ICB.

To aid in this effort, the Brooklyn Economic Development Corporation will house and hire an ICB implementation team. The ICB implementation team will consist of a Director, Project Manger, Grant Writer and Administrative Assistant. They will be responsible for working with each action team to bring each action item to implementation and measuring results over time. The Executive Committee and Strategy Board will merge into an Advisory Board that will continue to meet routinely to oversee and support the implementation work of the

action teams. Figure 27 provides a graphical depiction of ICB's implementation structure.

To be successful, the ICB implementation team must receive adequate funding to secure the necessary resources. Additionally, the ICB implementation team must be able to effectively facilitate and support the action teams' work so that the current momentum is converted to results.

The four target clusters are meant to be the beginning of a continuous process. The ICB implementation team will be instrumental at institutionalizing the cluster-based economic development approach, so that it can be used for other clusters, providing a market-driven basis to link Brooklyn businesses and low-income residents.



Conclusion

There is only one Brooklyn. With one in every six Americans supposedly claiming Brooklyn roots, the borough's rich history touches on the American dream itself. It is said that one out of every six American families have roots in Brooklyn. Few communities in the world can match the borough's diversity. Each ICB action plan takes into account Brooklyn's diversity, its greatest competitive advantage, as one key component. Whether it is using medical interpreters for LEP patients in Health Services, building stronger networks so that ethnic and specialty food processors can grow, promoting Brooklyn's ethnic neighborhoods through better coordinated tourism activities, or creating more access for minorities on construction projects, Brooklyn's diversity is embraced.

At the heart of the Initiative for a Competitive Brooklyn is the desire to preserve Brooklyn's character as a place where all can prosper. Given the strong sense of community throughout Brooklyn, the willingness and commitment of leaders across the private, public and civic sector to collaborate and the sheer talent within the borough, ICB will fulfill its mission of increasing the standard of living, particularly for low-income Brooklyn residents.



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