



THE CITY OF NEW YORK
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**TRANSCRIPT: MAYOR DE BLASIO, GOVERNOR CUOMO HOLD MEDIA
AVAILABILITY ON AMAZON'S HEADQUARTERS EXPANSION TO LONG ISLAND
CITY**

Governor Andrew Cuomo: Big group – must be big news today.

[Laughter]

Or else a lot of people disappointed. Well, welcome, everyone. Let me introduce from my right, our great Congresswoman Carolyn Maloney, who is here.

[Applause]

Our great Budget Director Robert Mujica – if you can call a budget director great – but give him a round of applause –

[Laughter]

Mayor Bill de Blasio: Poor Rob –

Governor: Our great – who calls himself great – head of ESD, Howard Zemsky;

[Applause]

The man of the moment, Mr. John Schoettler, from Amazon;

[Applause]

The great Mayor of the City of New York, Bill de Blasio;

[Applause]

The Deputy Mayor, Alicia Glen, who did a fantastic job here. Thank you very much.

[Applause]

James Patchett, who is the CEO of NYC Economic Development Corporation, who worked on this intimately – great job, James;

[Applause]

And we have the senior Assembly representative from the community, Catherine Nolan –

[Applause]

I lived in Sunnyside for a period of time and Cathy was my Assembly person, at which I issued a lot of constituent complaints. It's before I was in government, so I got it all out of my system and have never done it again.

We'll turn it to Mr. Schoettler, who has an announcement to make for those who haven't read it already. Take it away, Mr. Schoettler –

[...]

Governor: It's our pleasure to welcome you here. As part of the agreement, Amazon is going to go through a brief training program to adopt a New York accent, which was part of the MOU.

[Laughter]

We have a lot of important people with us today. I'd like to recognize Bill Rudin, and John Banks, and Gary Labarbera, who represents the Building and Construction Trades. Let's give them a round of applause.

[Applause]

Let me take you through a couple of the specifics and then you'll hear from the Mayor of New York. This is the largest economic development initiative that has ever been done by the City or the State, or the City and the State together, believe it or not. The numbers – this is up to a \$3.6 billion investment by Amazon – 25,000 to 40,000 direct jobs, average salary of over \$150,000 – that's the average, there are also lower-paying jobs, obviously, and higher paying jobs. The number that we focus on is the number of direct and indirect jobs, because you create that nucleus of direct jobs, but there are then indirect jobs that are always created – that's estimated 107,000 jobs – total impact, \$186 billion.

This was a fierce competition, over 54 states, some publicly offering significantly more in economic subsidies than we offered. Our subsidies over 25 years, the State Excelsior tax credit of \$1.2 billion, State capital grant of about \$505 million, New York City programs of REAP and ICAP – \$897 million – \$386 million. The total State and City revenue that will be produced is estimated at \$27.5 billion. The revenue-to-incentive ratio is 9-to-1 – that is the highest rate of return for an economic incentive program that the State has ever offered. To give you an idea,

the film tax credit program, which is one of our main economic development programs, is – we invest a dollar, we get back \$1.15. We get 15 cents more for every dollar. This is a 9-to-1 ratio, and the State doesn't believe we've ever done an investment program with that high a ratio. So, we're very excited about it.

We're looking at an up to an 8 million square foot campus on Long Island City's waterfront, which we'll be working to expedite the construction. ESD will do a project plan in cooperation with New York City and in consultation with the community, which is the community on that Long Island City waterfront. In many ways, this is a perfect location and there's a lot happening in Queens. Amazon talked about the infrastructure and improving infrastructure. No state and no city is improving infrastructure as much as New York State and New York City or as quickly. This location is proximate to LaGuardia Airport, which is now under construction, which is going to be the first new airport in this nation in 25 years. It's approximate to JFK, which is under construction, which will be the first international new airport in this country in 25 years. It's right next to City Field. It's right next to the AirTrain, which is under development, which will go from LaGuardia, City Field, to the new Penn Station, which is across the street from Penn, which is under construction. And if I can get Gary LaBarbara to get us more workers, we'll be done even faster. That was just a little [inaudible] that we would say in Italian.

New Kosciuszko Bridge, which has one span up, and the second span is being expedited. The City's done a magnificent job with ferry service, which will go right from that Long Island City waterfront right to Midtown, Manhattan, literally in five or 10 minutes. So, in many ways, this location benefits from many other investments and many other initiatives that the City and the State are in the midst of. And the Mayor and I were talking about this – we were together at Housing and Urban Development for many years – the key for a state, or a region, or a city, you want to be ahead of the economic curve. Who is attracting the businesses of tomorrow, today? And that is the city, the state, the region that will flourish. Economic development is the engine that pulls the train, period. Either you are creating jobs or you are losing jobs. Either you are part of the economy of tomorrow or you're part of the economy of yesterday. This is a competition, and, for us, it's about being part of the economy of tomorrow. And Amazon no doubt is a big, big asset in the entire tech space. I believe there's going to be a positive synergy with many of the other companies – Cornell Tech, Google, Squarespace. So, I think it's exciting for Amazon. I know it's exciting for the State of New York and it is exactly putting us ahead of the curve.

This was a very difficult process. As I mentioned, 54 states supposedly competed. We know from public information that many of the states and cities were offering more in economic incentives than we were offering. We believe that we had other benefits that were inherent to what we were already doing and, with the arrogance of a New Yorker, inherent to New York. But there's no doubt that it was a very tough competition and I want to credit the teams that actually did this. The State-City partnership made it happen. It would not have happened without the partnership. I applaud the people on my side, Howard Zensky and Robert Mujica, and on the City's side, Alicia Glen and James Patchett, did a great, great job working together. There were a lot of twists and turns, and they have to constantly adjust, and they did, and they did a magnificent job, otherwise we wouldn't be here. And I believe the credit goes to the top, to the CEO, because we know the blame goes to the top, whenever there's bad news. So, I think the credit goes to the top, and I think the credit goes to the Mayor of the City of New York.

Congratulations, job well done.

[Applause]

Mayor: First, I want to say, Governor, congratulations to you, your team Rob Mujica, Howard Zensky, everyone on your team. I know this was a very, very intensive effort over the last year – as you said, absolutely a nationwide competition. I don't think we've quite seen anything like this before. States putting a huge – and cities – putting a huge amount of subsidy dollars forward. We had to play to the whole range of strengths that we have. I think your team did a great job with that and the proof is in the pudding here. I know, for you, there is a special meaning in this as a proud son of Queens – that this is –

Governor Cuomo: No bias. I had no bias –

Mayor: That's right.

[Laughter]

Particularly – look, it's a great day for New York City. It's an extraordinary day for Queens, and it's something that everyone should be very proud of that once upon a time when people thought of New York City, they only thought of Manhattan. As a Brooklynite, I never liked that. As a son of Queens, I know you never liked that.

Well, what has happened – I'm proud that we've been able to do a lot of this together as we really have a five-borough economy now. We've also had an extraordinary renaissance of Brooklyn. We've been seeing in it happening in Queens, the Bronx, Staten Island. This certainly consolidates Queens as a great economic capital and consolidates New York City as a great international tech hub.

So, there's a lot for you and your team to be proud of. I want to say with real appreciation to John Schoettler – your team bargains hard and your team was extraordinarily thoughtful, creative, professional. But from the beginning you laid out that you were ready to do something that no one had ever seen before because I really want – I want people to go back and look at the history of what we previously considered to be a great jobs acquisition deal. What we previously thought was a lot of new jobs, that's been wiped away by this deal.

This is by far the biggest new jobs deal in the history of New York City, the history of New York State. But I want to give credit where credit is due. Amazon came forward with a vision. You said from word one, you were looking for where you could find the talent. There were many other factors but what came shining through was where could you find the best talent in the world and I know from the meetings I was a part of and my team was a part of, you not only wanted the best talent, you wanted diverse talent.

I want to commend you for that. Well, I can say to you Mr. Schoettler and to everyone at Amazon, you came to the right place because we have the finest talent in the world, we have the

most diverse talent and it's going to help your company to move forward and we are so glad to have you hear. So, thank you so much. Congratulations to Amazon.

[Applause]

I'll be brief but I got to say to Alicia Glen, to James Patchett, to their teams – you know, I was briefed constantly on this and there was an immense amount of work that took place over the course of a year. I saw again on our side tremendous creativity, effort, a sense of persistence that goes without great city and our great state. And this was not by any stretch, I want to – some people out there talk about foregone conclusions. I can say there were no foregone conclusions in this process. This was a long, hard-fought battle. I think both of you and your teams did an extraordinary job. So, congratulations to you, well done.

[Applause]

To the elected officials, to Congress Member Carolyn Maloney – now in the majority, I'd like to note.

[Applause]

Look forward to calling you Chairwoman quite soon. Assembly Member Cathy Nolan, who already is a chair – thank you both for your support. We're going to do a lot of great work together.

[Applause]

I want to note someone who could not be with us but believes in this 110 percent. Senator Chuck Schumer, who I've spoken to several times about the importance of winning Amazon's presence here in New York City, believes that this is going to be a game changer for our city and our state. He has been a huge booster and his support always matters, and he's been a big part of this too. So, I want to give him a real shout out.

You know, this is something I think people all over Long Island City, all over Queens, all over the city, for folks in the tech community, folks in business, folks in civic organizations – there's a lot of people who see the extraordinary potential that's being opened up here. I want to thank so many people who are present here from the community, from the business sector, from the civic sector who understand what this could mean for all of us.

A special shout out to Gary LaBarbera because there's going to be a huge number of new union construction jobs and we're excited about that.

[Applause]

There's also going to be a lot of union jobs once the buildings are built in building services and we're really looking forward to that as well. Also, this site is very near to the largest public

housing development in all of the United States of America – Queensbridge Houses. I want to shout out April Simpson, the President of the Residents Association.

[Applause]

And April is a great advocate for the residents of Queensbridge but I can tell you right here baked into the deal are a lot of great specific efforts to help the residents of Queensbridge – training, job opportunities. It's really exciting what this is going to mean. One of the biggest companies on Earth next to the biggest public housing development in the United States. The synergy is going to be extraordinary. We're going to get a lot done together.

I also want to say, you know, we know another city, another state benefitted here and I want to give them credit and give them congratulation too to Governor Ralph Northam of Virginia and to Katie Cristol who is the Arlington County Board Chair in the area of Crystal City. They fought hard, they won as well so we share that congratulations with you.

Everyone, look, I want to put this in human terms so that everyone understands what this means for New York City because I hear every day – everyday New Yorkers, folks who live in public housing saying, where can I get a job, where can I get opportunity? Kids who are in our public schools who want to get into the tech community, students at CUNY, students who just graduated from CUNY who are looking for that opportunity this is going to open the doors for all of them.

I have to say in my dealings with the tech community writ large, I've never seen more focus on education and training, and it's something that's been a great blessing for this city. This plan really pulls that all together in a powerful manner.

We're going to have an opportunity here for tens of thousands of New Yorkers, everyday New Yorkers, kids who come up through our public schools, kids who go to our community colleges and our four-year colleges to have opportunity at Amazon and not just at Amazon but we know that Amazon's presence is going to help the entire tech sector.

In this city now, that tech ecosystem is about 350,000 jobs. It just got a huge boost from Amazon's decision to come here. But we know that's only going to spark a lot more growth. We see a future where that tech community can be a half-million jobs or more and that's going to be great for everyday New Yorkers looking for opportunity.

The quality of the jobs too – astounding that the average salary we're talking about here, \$150,000. That's amazing the opportunity that's going to create. But remember there's going to be a lot in that building, those buildings, for folks that are going to make less than \$150,000 but are going to make a great salary and are going to come in and have opportunity like they never had before.

So, there's something extraordinary not about just this but what it's going to lead to, the multiplier effect here. Look, from the beginning what I've said is this has to be a city for everyone and the things the city is focused on have been about building that foundation, making

us a safe city – the safest big city in American – building affordable housing, creating educational opportunity. But it all comes together in also creating great jobs that everyday New Yorkers can get.

So, this is the piece of the puzzle that takes us even farther. We're going to work with Amazon and work with the whole technology community to build a workforce even better than today's. We're proud of what we have now but with our Computer Science for All initiative in our schools, with our tech talent pipeline, with all the exciting work being done at Cornell Technion, there's been more and more talent.

You're going to see a constant upswing in the kind of talent that's available in this town and we're excited about that. There's a reason – there's a reason even before this great decision by Amazon, Google had made a decision to keep expanding, Facebook. You've seen so many companies decide that you can't achieve what you want to achieve if you're not in New York City.

And Amazon has now put the biggest exclamation point in the world on that, and we are so, so proud of that. And I think for Long Island City, for Queens, again, this is going to open up a huge number of doors for economic development way beyond just the tech community.

Let's be clear, we're excited for Amazon. We're happy for Amazon but I want to be really straightforward. We don't – in the public sector – in the City of New York, we don't measure success in corporate profits, we measure success in how many everyday people benefit.

This plan that we all put together, we are convinced is going to benefit everyday New Yorkers in huge numbers – tens of thousands and it's going to be something that really transforms people's lives. You've heard the facts on the numbers. I want to emphasize the other pieces of the plan – the public space that's being created is going to be a great asset for Long Island City, the training programs that are being created, the space for arts groups, industrial groups – a lot of things people have been arguing for, fighting for they're going to be there. A lot of infrastructure spending has already been done in Long Island City. A lot is planned for Long Island City – over \$2 billion more will keep coming in as more and more positive development occurs.

So, for folks in Long Island City who are rightfully saying how are we going to get the support we need to make this work for our community, I can say the City and the State are ready to stand by you and make sure that that support us there because Long Island City is growing for a reason, for a very good reason, and we want to support that with the kind of infrastructure investment needed.

Finally, I just want to accent what you heard about the tax-based impact and I think this has been left out of the discussion a little bit too much. The Governor had a slide there that was absolutely astounding – nine to one positive impact, tax revenue coming back to the State and the City versus the incentive programs.

In the city alone, we project \$13.5 billion in tax revenues over 25 years. Folks who look at this have to look at the whole picture. This is a city that believes in helping people. This is a city that

believes in lifting people up, helping folks who haven't had as much opportunity. Sometimes that's job training, sometimes that's in public education, sometimes it's in public housing, you name it.

We need resources to make all that happen and we need resources to keep developing that for the people of this city. \$13.5 billion new tax revenue for New York City – that's part of how we keep this a city that actually supports everyone.

I want to thank everyone who is involved. We've talked about it in New York City – our vision is to be the fairest big city in America. This is going to help us do it. And Governor, just with your indulgence for a moment – I just – because it is New York City, I'll just say a few quick words in Espanol –

[Mayor de Blasio speaks in Spanish]

Congratulations to all.

Governor Cuomo: Well done.

[Applause]

Governor Cuomo: The – also an unrelated point; Stan Lee passed away yesterday. He was a great New Yorker –

Mayor: Yes.

Governor Cuomo: Fantastic career, great contribution, Marvel Comics, but he was a classic New Yorker. He used to end with the word "Excelsior!"

[Laughter]

Excelsior is the state motto, I've been trying to introduce it to the younger generation. It says everything – Ever Upward. Excelsior – ever upward, ever upward – aspirational, that's what New York is all about. And that's what Stan Lee meant when he signed off "Excelsior", ever upward. And today is an ever upward day. This is big, big news. As I said, we have never in the history of the state's economic development – we think the largest economic development project, besides this one, that brought the most jobs was about 1,500 jobs. This on the low end is about 25,000 jobs just to put it in perspective. So it's a great, great day. Any questions on topic or for myself, I know you have questions for the Mayor alone and when we're finished with the on-topic, I'll excuse myself and John will excuse himself and you can go to the mayor about any specifics.

Question: Let me ask you, first of all, and you've heard – you've heard folks say if you've got this kind of money, why not spend it on subways? And then also for Mr. Schoettler, because it is New York City and we've got a lot of smart people here and it is New York, do we really need to spend almost \$3 billion to get you to come here?

Schoettler: Well about –

Mayor: Welcome to New York.

[Laughter]

Governor Cuomo: New York press corps, nothing like it.

Mayor: Yeah.

[Laughter]

Governor Cuomo: You can either do this or you can go to the dentist –

[Laughter]

—with no anesthesia.

Mayor: What he meant to say was he's happy to see you're coming here.

Governor Cuomo: Yeah –

[Laughter]

It's a New Yorkers way of saying welcome, we like you.

Mayor: We'll do a simultaneous translation.

[Laughter]

Governor Cuomo: Yeah, because he was smiling that's how you can tell. The first – we don't have this kind of money. We're going to make this kind of money from this transaction. For every dollar we invest, we're going to get back about nine dollars, give or take. So, to find the money that we need to invest in the subways, invest in the schools, et cetera. This is a big money-maker for us. Costs us – nothing, nada, niente, goose-egg. We make money doing this and to get Amazon here did we have to win the competition? Yes, we had to win the competition.

Amazon, in some ways, and I've said that to some of you before – Amazon just memorialized what was going on already. There has always been a competition among states and cities for businesses, and there is a constant bidding war, existing businesses and new businesses, where states and cities have been in competition with each other. And we'll have existing businesses in New York who get a call from a state on a weekly basis, saying if you come here we'll offer you this, we'll offer you this, we'll offer you this. Amazon sort of memorialized it by announcing it and giving the scale of what they were doing, but it was not a new concept to the Alicia Glens or

the Howard Zempys of the world. This is day in, day out the status of economic development. There is a constant and ferocious competition among the different states and the different cities and if they get a better offer from somewhere – someone else, they'll go somewhere else. And look, we start with a liability. You can go to a state and pay no income tax, right? If you're Amazon, and you're sitting there making a decision looking at the numbers, you got to Texas, you go to Florida. You go to Virginia, who competed here – they have about half the income taxes that we have. So it's not a level playing field to begin with, and you're factoring against that from the get-go.

Question: [Inaudible]

Schoettler: I think the Governor answered it very well, and – but, you know, we have to perform. We have to hire people, and we have to be here, and we will invest billions of dollars before the city and the state start seeing any money. So it comes from us first.

Question: Governor, why is our incentive package worth twice as much for an employee as the one handed out by Virginia?

Governor Cuomo: I don't know who they calculated it and what they actually calculated, so I don't have an idea of how they put together their transaction but again we don't start in the same place with Virginia, right? They have about half – their income tax rate is just about half of what our income tax rate is, so you have to factor in all the elements, but I don't know what they count in and what they count out. Are they counting cost of job on direct jobs or on the direct plus indirect jobs, so there's all sorts of ways to work these numbers.

Question: So Mayor, one of the issues that was raised by the lawmakers who represent Long Island City has to do with transportation, and they say that already the subways that go to Long Island City are overcrowded and have delays et cetera, et cetera. Will you be using any of this money, or will Amazon be using any of it to upgrade infrastructure, to provide new transportation to the area – we're looking at 25,000 to 40,000 people living in the area.

Governor Cuomo: The short answer is yes, but I think the mayor and Cathy can speak to that.

Mayor: Yeah – look, we have to address the transportation needs of Long Island City, there's no question. I'm very proud to say that our administration put in NYC Ferry Service, that's benefitting the people of Long Island City and Western Queens right now, and I think it's one of the things that actually helps in terms of Amazon's considerations. But we have to look at every conceivable way to improve and increase the amount of mass transit available to people in Long Island City. We'll obviously be working closely with the state, the MTA, but there are some real interesting options. There's the potential of adding a new LIRR stop, in the broader community. There's potential of adding something like a shuttle bus service from our ferry around the bigger community to provide more access to the ferry for residents of the whole community. We'll look at every kind of option, because this is something that community residents have raised, it's absolutely valid – by the way, Amazon or no Amazon, this is something we have to address in the long haul, certainly I've heard that from the local representatives many times. Important to

understand in the first instance where Amazon will be in its initial build-out is in a location with extraordinary mass transit I believe on top of four existing subway lines in the building—

Unknown: Court Square

Mayor: The Citi Building right?

Unknown: One Court Square.

Mayor: One Court Square. So, short term, the presence of Amazon in their initial build out, I don't think is going to have a huge impact because they'll be right there with those four subway lines. Obviously a lot of people who are going to Amazon to work, are either going to choose to live in the neighborhood or reverse-commute in some places from other parts of the city. But ultimately we have to invest more in mass transit in Long Island City.

Question: Just a follow-up, will you be using any of the money that you get from inviting Amazon to give to the MTA to develop the subway system and fix it [inaudible]

Governor Cuomo: Well look, we're going to a budget next year, Marcia, but this is no doubt going to be a big revenue source for the city and for the state. It goes in phases, as the mayor mentioned, the first phase is they'll be occupying the—

Mayor: One Court Square.

Governor Cuomo: —yeah, what I call the old Citibank Building, because I am a Queens boy and we called it the Citibank Building. So that will start, and the transportation is there, and then the revenue will be done in the general overall budget. But the mayor raises a very good point. Remember this started with what was called Queens West, which is the residential development, which is just south. And this is literally right on the water. And the ferry service makes so much sense for this area. It always made me crazy that New Jersey developed their whole waterfront actually before us, and they had residential along the Hudson River, and they were very aggressive with the ferry service and it only begged the point, well that's Queens and The Bronx, even parts of Brooklyn the waterfront is more proximate and with the ferry service you can open up a whole skyline, so I think we have short-term and long-term answers, but will the additional revenue help us with the stressed budget, no doubt.

Mayor: One, I'm sorry, one other – hold on, hold on, coming to you, one other point. The arraignment that's been struck is really important to note, the pilot payments that will be made by Amazon will be specifically delineated for the larger Long Island City community. So that's revenue that is going to go specifically to community infrastructure needs and that was a very important part of the negotiations, that money, just so everyone is clear, is not going to the immediate Amazon campus, it's going to the needs of the surrounding community and we're very pleased that that was part of the deal.

Question: Okay, on that note, critics have charged that these pilot payments there in lieu of taxes and going towards Long Island City specifically, are basically another subsidy for Amazon. I'm hoping that either – both of you can comment on that.

Mayor: Again, I'm going to start by saying and my colleagues feel free to jump in who are more close to the specifics, but the entire concept was to take that new revenue, which wouldn't have been there otherwise, again, I want everyone to sort of zero-in on the counterfactual: if they didn't come – thank you for showing up in New York City – if they didn't come then that revenue wouldn't have been there. They didn't say, we didn't say, oh that revenue is just going to your piece of the neighborhood, we're saying the opposite, that revenue is going to the rest of the neighborhood that has huge infrastructure needs. So that's where I think it's a smart equation, it's an enlightened equation to delineate those resources for the needs of the bigger community.

Question: Google did not, Google did not need—

Unknown: Guys, let's take it easy.

Question: Google did not need billions in subsidies to make a decision to come to New York; I guess what makes Amazon so special?

Mayor: Night and day number, if – I'll jump in here, we've never seen – guys, the questions are very fair, and should be asked and should be debated, but let's start at the beginning. We've never seen 25,000 new jobs ever in the entire history of the city and state, we've never even come close. And that's the minimum, that's the contractual minimum, already on the table is the potential to go to 40,000. I think we have to understand we value all these other companies, we want them here, we'd love to see them expand, but this was unprecedented and Amazon had a national competition because they had something worth competing for, that everyone in the country wanted.

Question: Also how is this going to be allowed for the state budget, basically? How can you guarantee that Senator Gianaris [inaudible] who's been a critic of this project will sign off on these subsidies from the upcoming state budget, governor?

Governor Cuomo: Yeah, there is no delineation specifically for this project in the state budget.

Question: I'm sorry, did you think you were going to tap existing economic development programs to come up with the \$500 million—

Governor Cuomo: Yes—

Question: and not keep it separate? [Inaudible] specifically governor—

Governor Cuomo: The Economic Development Programs, the ESD programs, Excelsior Tax Credits, and the Economic Capital Grant Programs.

Question: [Inaudible]

Governor Cuomo: No.

Question: [Inaudible] can I ask you a question, I'm sorry, apologies for screaming we're a little far back from you guys, so—

Governor Cuomo: Andy, you would scream anyways.

[Laughter]

Governor Cuomo: Discount that line.

[Laughter]

Question: So, you had a big competition but what really were you looking for at the end of the day was talent, and you weren't really going to find that in Danbury, Connecticut, in some of the other places that were competing for your attention. Was that entire competition held in bad faith?

[Laughter]

Governor Cuomo: Let me stop you for second. When they talk about New Yorkers, and how they discount the rest of the world, that's what you just heard. You're not going to find talent in Connecticut, that's a fairly broad overstatement, I would say. They do have talent in Connecticut, and there are other parts of the country with talent, but, with that you can go ahead.

Schoettler: We traveled to over 20 different cities and we looked at a lot of different factors and it was talent, it was the opportunities to develop, we looked at what our employees want and where they would want to live, and to be able to offer them three different opportunities – New York, Washington DC, Seattle, and other offices around the nation, as well as the world. That's what we're really looking for, opportunities to be able to attract and retain top-tier talent.

Question: [Inaudible]

Governor: You had a question, that was your question. That's how it works in New York. You had a question too – who didn't have a question? Young lady?

Question: Governor, can you tell us how [inaudible] the land-use project – there's been some complaints from City Council members that this looks like it won't be going to ULURP and that [inaudible] haven't been part of the negotiations regarding this project?

Governor: This will be handled by the Empire State Development Corporation, which does what's called a general project plan in consultation with the City, in consultation with community groups. We've used this methodology quite often. Queens West was done as a general project plan, Belmont Racetrack is a new project we're doing as a plan. The Brooklyn Bridge Park was a project plan; Columbia University's new campus was a project plan; Moynihan is project plan. So, it's done by ESD in consultation with the City and the community,

but it expedites the process. And here, the expedition factor was a factor in the competition, right, because Amazon wanted to move to a place where they knew they would have an expedited facility being constructed, and that's our way of doing it. We've done it many times before.

Question: Governor –

Governor: Anyone without a question?

Question: [Inaudible] New York is a union town. Are there any concerns about that and some of the reporting that's been done about how Amazon treats some of its workers [inaudible]?

Mayor: Look, I would start by saying I am very happy that Amazon will benefit from being in an environment that's pro-union and we'll start to see why this union town works so well. We have a booming economy, we now are about to with this announcement surpass 4.5 million jobs, the most we've ever had. This city works better than ever before and it's the biggest union town in America. So, I think it's great for Amazon to have that experience, see it. We're always going to be supportive of the union movement, this is something the Governor and I both believe in. Every company has their rights, but we're certainly going to in this instance, I think, expose Amazon to some of the good. And you've heard, you're going to see union jobs in construction, union jobs in building services.

Question: Governor, does the promise of 25,000 more commuters in Long Island City – won't that make Queens' resident's subway rides miserable?

Assemblywoman Nolan: I just want to say something about the local Long Island City community. When – going all the way back to the beginning of Queens West, we wanted a multi-use community, which is what we had at the turn of the century when it was a manufacturing community. So, one of the things that's a positive here is we had been unable up until now to get a lot of office space to come into Long Island City so that Queens West really became residential when the original plan was to have commercial as well as office space. So, you're going to have a certain amount of reverse commuting. The other thing which is good and will keep people off the trains because they'll be living in Long Island City, as well as working, which is what young people today want in this sustainable environmental economy. The other thing I just want to add is that there has been in the MTA Capital Plan – it came out, it went in, it went out – but I'm sure now it will be back in – we funded many years ago a \$2 million study to have a Long Island railroad station in Sunnyside and we wanted that. Many of us have wanted that for 20 years. So, I think this is an opportunity to fulfill, going all the way back to Peter Goldmark's first reports when the Governor and I were just young people running around Long Island City. [Inaudible] his bachelor pad, I don't want to go there.

[Laughter]

Governor: Okay –

[Laughter]

Assemblywoman Nolan: It's the fulfillment, it can be the fulfillment of many things that we've been working on.

Governor: Okay, I'm not going to take any more questions.

[Laughter]

John, congratulations. Welcome to New York.

[Applause]

[...]

Mayor: Okay, the door's closed – questions on anything. Marcia?

Question: [Inaudible] Amazon –

Mayor: Please.

Question: The kinds of jobs that people are going to be given and people who live in the Queensbridge Houses and other houses apply for jobs, what kind of jobs can they expect to get? Will they get the \$150,000-a-year jobs? What will they be doing?

Mayor: So, let me start and then I'm going to let the very well educated experts go further. So, a long time ago I had a meeting with leaders in the New York City tech community and they said to me they love what's happening with Cornell Technion, they thought it was very important. But they thought that equally important, or even more important in some ways was what needed to happen at CUNY with the kinds of jobs that actually are very, very significant in the tech community that can in some cases require only an associate's degree. That's one of the reasons from the beginning of the administration with the great work of Alicia and James, we invested in CUNY two-year STEM programs, because the tech community needs young people to come right out of our public schools, got the two-year degree, they need them. They need kids who have got a four-year degree. They also need people with more advanced degrees, but it's a range, as with any other sector. So, in that building, you're going to see jobs, for sure, for kids that come out of New York City public schools, for young people who come out of public housing. You're going to see a range. But what I want us to be careful about is sometimes people stereotype the tech community as only one kind of job. In fact, for something as large as this, it's a lot of different kinds of jobs.

Deputy Mayor Alicia Glen: I would only add, there's a short-game and a long-game. In the short-term there's going to be a range of jobs that will be for folks that have associates degrees, bachelor's degrees and obviously higher-end degrees. But part of what's happening here as we're making long-term investments through our CS for All program and many of the other programs that we're running through tech talent. And those recruitment – we're really recruiting folks from places like the Housing Authority and other communities around New York City so that we can

begin to develop a long-term strategy to continue to diversify the workforce. Just to put it into context, right now, the New York City tech ecosystem – 47 percent of those workers are foreign-born and, proud to say, 40 percent are women. So, we already have a very diverse tech workforce and our job is to continue to build that out, and that's both a short-term strategy and a long-term strategy. So, I think, again, there will be an array of work that's going on in the Amazon campus, but the goal of the EDC programs and our other programs with our partners is to really create an ecosystem that has different lanes for everybody – and that's going to be a short-term and a long-term goal.

Question: [Inaudible] public housing, like Queensbridge Houses, have first dibs on some of the jobs because they live in the neighborhood?

Mayor: The whole concept is to have the job fairs, have the training programs that Amazon will be recruiting from directly. Look, a lot of people are going to want to work at Amazon, no question, but we're creating a leg-up for residents of Queensbridge houses, that they're going to have some the first opportunities because they're going to go to those job fairs, they're going to go to those recruiting programs and training programs. And Amazon's very committed to it – this was a big part of the negotiations. James was deeply involved in the wording of the final plan and this was something we made abundantly clear there had to be a real commitment to, and there is.

Question: In Seattle there was a discussion a couple of years ago about how big tech companies like Amazon are driving up the property value and how that's worsening the homelessness crisis over there. Did that come up in the discussions about what kind of impact – how property values would be impacted? And coupled with that –

Mayor: Can you stay on that first? I'll go to the second one, but I need to answer that first one. When you compare to – I know Seattle pretty well, my brother lives out there and I've spent time there – and the other obvious comparison, San Francisco. They're totally different places than this, because we start with 400,000 people in public housing, and public housing is going to be here permanently. And then we have over 2 million people who are in rent-regulated housing, which those other cities don't have. And then we have an affordable housing plan that these two great folks have been working on for years, which is going to reach 700,000 New Yorkers or more. Combine that – you're talking over 3 million people right there. It's an entirely different reality. In cities that don't have substantial affordable housing, are not building a lot of new affordable housing, won't build up – as in the case of San Francisco – then it's a zero-sum game where that formula you just said is true. But here I think it's a more complex dynamic. And the one thing that's true about everything I just said is, it requires money to keep going. All of the affordable housing programs, all the people who are being subsidized to stay in their affordable apartments. All public housing requires money. The tax-base impact here is actually going to be central to allowing us to protect affordable housing, going forward. Go ahead –

Question: The second part of that is, we know that Long Island City schools are overcrowded. What is this going to do by bringing in 50,000 more workers and their families – what is that going to do to overcrowding?

Mayor: I'll start and then jump in – we can't double and triple count here, because there have been good questions about what the impact will be on transportation. So, right now, we've got 25,000 employees guaranteed, that number could go up to 40,000. That play-out is over 10-to-15 years, so it's not all going to happen overnight to begin with. Second, I do believe some people have decided to live in the community. I believe some other people will commute – reverse commute – some people may commute from farther out in Queens or Long Island and do the traditional commute. It's not going to be one thing or another. But if you say, some number of people are going to live there, that's true and we have to accommodate them. So, right now, there is an aggressive plan to build additional school space in Long Island City. Also, part of this deal is that they are providing – Amazon is providing the space for a 500 seat school on their campus site, or near their campus site. The other thing to remember is that the exact locations we're talking about – and these guys will add and refine the things I say – but the exact locations were slated, as Cathy Nolan was indicating, they were slated for just residential, and just residential would have put even more strain on schools. That mixed-use that Cathy was talking about is what people have been wanting for a long time. So, that gives jobs and some residential – different types of things – it actually allows the infrastructure to not have as much strain vis a vis schools. Again, add whenever you hear something –

President James Patchett, Economic Development Corporation: Just to add quickly, as the Mayor said, the plan for these sites was to be residential –

Mayor: The original plan.

President Patchett: The original plan was going to be residential, which would have had an impact on the schools because there would have been more residencies in the community. This is commercial space, which actually does not add to the population of Long Island City, it adds a number of jobs in the community. And we insisted, the City insisted that we retained the school that was planned for that site. So now we have fewer – potential for fewer residential units in that immediate vicinity, but we still get the school. So, net-school-impact should be positive for this.

Mayor: Okay, I'm going front to back. Gloria?

Question: Mr. Mayor, I wanted to ask you – could you just talk a little more about – I understand the ESD is going to partner with the City to move this process along. What do you say to the Council, which feels like they're being bypassed? Is that okay for the State to sort of step in and take over this process? The land-use process, as you know, is something that Council holds a lot of power over, so why is this one being done this way?

Mayor: Look, first of all, we have been in conversation with the Council. I've spoken to Speaker Johnson, I've spoken to Council member Van Bramer. We expect to have a lot more conversation with them. There's going to be a lot of community input in this structure. A lot of the things you're hearing us talk about right now are already responsive to the kinds of things elected officials have talked about all along and community leaders have talked about. The reason the Congress member is here and the Assembly member is here, they see already a lot of the things that they want in this plan, but we're going to have a very consultative process. That said, you have a democratically elected mayor and a democratically elected governor saying we

had an unprecedented opportunity to add to the number of jobs in this city and we were not going to let that slip through our hands. There is precedent for the use of the GPP approach for particularly large and complex developments. This, again, we've never seen a number of jobs like this in our lives. No one's ever heard of a plan with this kind of number of jobs previously. It was important to secure it and give them a clear enough path. I'm a big believer in ULURP, but we all know ULURP comes with a very long, slow path and a lot of uncertainty. This was a way of addressing the reality that the company needed some certainty here to make their final decision. But we can do that with a lot of good work with the community and the elected officials.

Yes?

Question: [Inaudible] the housing that was planned for the [inaudible] site [inaudible] that is completely off the table now, that is no longer happening? And exactly, what will be the ownership of the site? Who will be the actual possessor of that [inaudible]?

President Patchett: There's a few components to the project. The northern section of the project, there was a city-owned project – the one I was referring to –

Mayor: A city-owned site.

President Patchett: A city-owned site, sorry, which currently has DOT located on it. The plan for that project had been about 500,000 square feet of commercial space and 1 million square feet of residential. That 1 million square feet of residential will be replaced with commercial space and we're retaining the school as a part of it – that's what I was speaking about before. The [inaudible] all say it's to the south. They are going to be almost exclusively commercial. There's some residential that we're still contemplating as part of the general project plan for the southernmost section of those sites. But in the aggregate, it's a commercial plan now focused on that. I'm not saying there won't be any residential units as a part of it, but we'll be having conversations with the community.

Question: [Inaudible]

President Patchett: Amazon has a direct agreement with [inaudible]. I don't have it. I don't know what it looks like. I can't speak to the specifics of that. With the City, we have an understanding at fair-market value terms for the city components of the project.

Question: Mayor, you've complained repeatedly over the years about the State big-footing the City, simply sort of brushing your administration aside when the Governor wants to do something, the State wants to do something – close the trains, or –

Mayor: I got it, I got it.

[Laughter]

Question: And you've said that's unfair, that's not right – why does that principal disappear [inaudible] when you've got – you know, Amazon comes knocking.

Mayor: Democratically elected executives agreeing on a shared vision for an unprecedented number of jobs. My point – and I've said it a thousand times – when the Governor does something that helps New York City, I'll applaud him, I'll work with him. When I think he does something that doesn't help New York City, I'll stand up to it. From the very beginning, the conversations were collegial. We had a shared vision. The two teams worked very well together, intently together, and we were going to the same place. And so, I'm comfortable that we are both fulfilling our responsibilities to the people of New York City, doing it in a very collegial manner. And again, we will be working with local elected officials, we will be working with the community as we refine the project. But to me, this is an example of – we both understood the tremendous benefit for the City and we acted on it together. Go ahead –

Question: A couple of questions – our understanding is that Amazon will not directly contribute a dime to either transportation or housing improvements in Long Island City. Is that correct?

Mayor: Well again, the pilot –

Question: [Inaudible]

Mayor: Hold on, hold on – I'm answering your question. When I start talking, let me answer and then I'll happily take your follow-ups. The money going to the pilot is explicitly for infrastructure for the rest of the community. Now again, what that specifically will be is partly to be determined in consultation with the community and the elected officials. But a crucial element of this was to make very clear that, that money was not going to the Amazon sites, per se, was not going off to some general fund, it was going specifically to the broader needs of Long Island City. That's one of the way we'll address them. But remember, currently with the \$180 million we announced a week or two ago on top of everything else, over \$2 billion in already-made commitments for infrastructure needs in Long Island City. We will keep going as the needs develop. We're very committed to that. What's your follow-up?

Question: The second question to that point would be – the housing question, right? Do you guys have a broad idea of how many people you expect Amazon to move in and how many people you expect to already be in the area locally? And secondly, how do you provide housing for everybody that they'll be bringing in perhaps from other locations or hiring from across the country?

Mayor: Yeah, the move-in thing – again, I'll let the experts – I like to be the person who tries to apply common sense to things I don't fully understand the nuances of – maybe that's a gift – I think the clear point here, the plans, which you can read, are explicitly about new jobs. You can't just take 10,000 people from Seattle and send them over. It is about developing new jobs and what it means to me is that you are going to see a certain number of people who choose to – there's not going to be Amazon housing, as far as I know – there's going to be private housing, people are going to go for it as they would any other part of the city. I think some people choose to live in Long Island City and surrounding neighborhoods. I think some people who live in

other parts of the city, other parts of the metropolitan area and commute. I don't think we can presume a specific pattern. This is going to play out over 10 or 15 years, but again the experts will say I don't think there's been an assumption on the part of the City or Amazon of what number of people who live in the neighborhood versus commute from someplace else.

President Patchett: As the Mayor said and John reiterated, talent was a major focus of this, which means they believe what we have said, which is that we have an incredible talent base in New York City. We have 2.3 million New Yorkers who have a bachelor's degree or higher – that is more than Boston, Philadelphia, Washington DC, Los Angeles combined.

Mayor: Could you say that again? Cause that's music to my ears, cause I've never heard that one before. 2.3 million New York City residents –

President Patchett: Residents – with a bachelor's degree or higher, which is more than Boston, Philadelphia, Washington DC, Los Angeles combined.

Mayor: I'm swelling with pride.

President Patchett: Fundamentally, on a scale-basis, no other city can compete with the level of talent that we have. I guess the other point is, we've added over 300,000 jobs in this administration. People don't ask the question ordinarily – where are the people going to work who got the jobs of the last month –

Mayor: Where they're going to live –

President Patchett: – where they're going to live when you got the job report from the last month or the month before. Fundamentally, this is about adding more jobs to our economy for New Yorkers, continuing to ensure that our economy is competitive in the long-term, and pivoting way from being historically and excessively financial services related economy and ensuring that we're major players in the economy of the future. Contextually, this is a small percentage of our overall economy, just to be real clear, but symbolically and in terms of the long-term impact. These large scale tech companies, they have a lot of positive knock-on effects. That means other startups that are going to come around them, other larger players are going to come around them. It's still proportionately going to be a smaller part of our economy for foreseeable future than the financial services industry, the healthcare industry, the media industry, which still are the bigger players. But all of those industries are moving towards technology. So, having our companies more technologically enabled, surrounded by more innovation and companies like Amazon, it's critical to the success of our city in the long run.

Mayor: Amen. Well said.

Question: Follow-up on the pilots – how much money is that going to be or how will that amount be calculated?

President Patchett: So, Amazon is paying the exact same property taxes than anyone else building on these sites – building commercial property on these sites would pay. That includes a

15-year ICAP, which is not the most beneficial form of ICAP – that’s under state law, it’s a 15-year abatement of property taxes, and then full taxes following that. There is a pilot because of the fact that it’s publicly-owned land, so they’re paying it through a pilot structure, but they’re paying full property taxes the same as anyone else would pay. What we have decided to do is on the publicly-owned sites, we are going to – because we think it’s important to the community – we anticipated many of these infrastructure questions. We’re saying in advance, we’re telling you that 15 percent of the pilot funding – the property taxes that are paid on those public sites – we’re committing to investing in infrastructure in the community. We haven’t predetermined what those investments are going to be. We’re going to convene community stakeholders to determine what the most critical investments are for the neighborhood – not for the company, there’s no secret agreement with the company about this. This is fundamentally about us investing in this community so the community has the infrastructure that they need to be successful in the long run.

Question: So, 15 percent of Amazon’s total property tax bill –

President Patchett: On the public sites, which is about – they’re 25 percent of the overall –

Question: But only 15 percent of the pilot’s total are going toward infrastructure –

President Patchett: Correct, on the public sites, that right.

Mayor: Right, but again –

Question: [Inaudible]

Mayor: Hold on, hold on – coming to you. But first to say – the backdrop I want people to pay attention to, over \$2 billion in infrastructure investments already committed and we intend to do more. So, we have always understood that that pilot piece is a piece of a much bigger equation. Go ahead –

Deputy Mayor Glen: I just want to make sure you’re not confusing – the pilot itself, the actual tax payment, is based on what full taxes would be. Half of that money is going to go specifically to a fund to deal with infrastructure issues in the surrounding neighborhood. The balance goes to the general fund and we thought that was a fair split.

Question: Do you have an estimate of how much money that will be?

Deputy Mayor Alicia Glen: We’ll get you a number but I think it’s in about the \$600 million nominal range. So, it’s not that they’re getting a tax break, it’s that they’re getting \$600 million of it going into a specific, dedicated fund, and the balance will go to the general fund.

Question: [Inaudible]

Mayor: Okay, hold on, hold on. First row, you’ve had a lot of questions – let’s go back. Go ahead –

Question: Mayor, I think the thing that perhaps is a little bit perplexing to a lot of people is that I get that this unprecedented number of jobs, the 1-to-9 investment to return that you're talking about – so then why is the Council Speaker, the local City Councilman, the State Senator, Manhattan Borough President, Congress people from – why is everybody against it?

Mayor: Well, I think, first of all, we're announcing today a full deal and plan. It's the first time that everyone's getting to look at the details and I'm very clear about the fact that we were in a very sensitive negotiation as part of a national competition where having a confidential atmosphere was absolutely necessary to succeed. If we could have every day – Alicia and James could have tweeted how the day's negotiation went and what progress we made and what's on the table, they would have gladly done so. But that's not how the real world works and had they done that I believe we would have lost. So, we had to do this respecting the ground rules set out by the company that actually held the cards here in terms of their decision of where to go. That said, I think as people look at the specifics and look at a 9-to-1 return on the investment, they look at the \$27 billion in State and City tax revenue that this will gain for all of us, they look at the sheer job impact, which is beyond anything anyone has ever seen before, more and more people will come to like it. The folks who represent the immediate community legitimately are saying there's a lot of unanswered questions, there's a lot of infrastructure needs, there's been a lot of development already, help us understand how this is going to work because we're worried. They have every right to. And I think other folks who have an understandable critique of some of corporate America, for some people it's ideological and I respect that too. But I would argue that the more people see the specifics and the more they see the benefits, I think a lot of people will feel more comfortable. I certainly think folks at the community level as they understand the facts of what it could mean for the community they'll be more comfortable. You see even here at the [inaudible] the Congress member, the Assembly member, the head of the resident's association to the biggest public housing development in America all here in support. I feel very comfortable there will be more support, going forward.

Yes?

Question: So [inaudible] fully formed deal at this point, are there opportunities for oversight from Council members and communities, not just through consultation but officially to approve this process?

Mayor: I think that – oversight, of course. Oversight is part of everything in public life in this city and there's more layers of oversight in New York City than anywhere. I mean, think about it. There's the State Comptroller, City Comptroller, Legislative, City Council, Independent Budget Office, it goes on and on and on. There will of course be oversight. But again, I want to make sure people don't think we invest fire here.

The GPP concept has been used for decades for particularly large initiatives and particularly complex ones. This fits that definition many times over and I am comfortable – I think there is a native check and balance here that this only works if the state and the city can agree.

Now, it was referenced before – we all have not always agreed with the proposals of the State administration and we’ve been very vocal when we don’t agree. For us to agree this much is something striking. It means that a lot of give and take occurred and we got to a place we were comfortable with. So, absolutely, there will be a lot of oversight but we intend for this to move forward and the authority is there between the state and the city to get it done.

Unknown: We’ve got time for –

Mayor: Let’s go to the second row – no, we’re going to give a little more than that, Stingy Eric. You know, Low-Energy Jeb Bush, Stingy Eric Phillips. Go ahead.

Question: How does the plan affect the BQX?

Mayor: Well, I think it makes the need for the BQX even greater. The BQX has made sense for a long time we’ve said. And I want to give Alicia a lot of credit. She was the first person to really put it so plainly to me that the center of gravity economically in New York City is shifting to the Brooklyn and Queens waterfront on the East River. That was before Amazon. This amplifies that many times over. And the BQX is going to be a crucial piece of the equation.

Question: Mayor, I just wanted to ask, you know, [inaudible] of working really closely in Albany and City Hall. What about you and the Governor? Did you guys sit down at all? Tell me a little bit about your process –

Mayor: We talked several times in the course of this. This is something we had a high level of agreement on from the beginning and you know if you really look at the context of recent years, we had a high level of agreement on speed cameras and worked to get that done. We had a high level of agreement on extending mayoral control of education. We worked to get that done.

Obviously, there are other areas where we have not agreed. There’s philosophical differences. There’s differences between perceived state needs and city needs but this is one where very early on it was clear that there was common ground. And also again neither one of these folks are shy and retiring types.

They were having the constant interchange with their counterparts in the state and reporting back a high level of agreement.

Question: [Inaudible] venn diagram overlap of your philosophy and the Governor’s philosophy. I mean, do you see that as somehow – because it seems a little bit like [inaudible] meeting in the middle on this –

Mayor: Our philosophies are different on some important matters but where I think there is common ground first of all we – I emphasize, throughout now five years we have consistently communicated even when we disagreed. But one thing I want to say about the Governor, I’d say it about myself too, we’re both pragmatist. We both want to achieve very tangible things for the people of New York City and New York State. We saw an unprecedented opportunity here.

Now, clearly philosophy matters in all things. So, in the discussions, it was very clear to me that there were places that we would not go and I want to give Alicia and James credit because they had to do the negotiations. Of course Amazon was interested in a direct subsidy and that was – it was made very, very clear by administration that we would not provide that.

Of course, Amazon inquired about all sorts of other potential tax breaks and incentives and the answer was no. That stems from a philosophy we hold about how to approach job retention and job acquisition. We also were very clear with Amazon that we needed involvement in training programs, in helping public housing, in providing public space, in providing a public school site. Those were bottom-line points for us. That stems from our philosophy.

But to be fair I think in this case, the Governor was perfectly supportive of those type of initiatives as well.

Question: Mr. Mayor, just to go back to the local hiring aspect. In the [inaudible] it doesn't look like there's any guarantee of how many jobs or really that any jobs will go to local residents. Is there anything like that in there? How can you – I see this stuff about the job fairs and the recruiting [inaudible] but how can you hold them to hiring people [inaudible]?

Mayor: I'm going to start as the layman again. These two will jump in. There are – under our legal system, there are real areas of sensitivity on certain types of local hiring commitments. So, that's – there are some impediments from the jump.

But, you know, again, in the scheme of all the things that we were getting here, we wanted a mechanism that would focus their attention in hiring from the local community and particularly from public housing. We got that. We want to do everything we can working with the community to magnify that. But I think the way to do that was with a positive vision rather than a set of requirements in this instance.

President Patchett: I would just say this a non-binding memorandum of understanding. We are going to ultimately have to reach real legal documents as a part of this process. This is going to be a 14-month process through the State GPP. So, it sets out a framework. It says we expect there be to programs that will train thousands of New Yorkers for these jobs and we're looking for an initial first-year commitment – a total of \$15 million to invest in those programs. Those are the components that are specific.

They frankly were keeping this process so quiet even within Amazon that they didn't have their teams who do recruiting sufficiently involved to be able to work out the details. So, their commitment to us is to come back and work out the details now that it's out in the open. We were talking with John and the team right beforehand – the expectation is we're going to go out to Queensbridge Houses within the next couple of weeks. We're going to do other work immediately in the community to try to get the workforce development providers together to understand what are the types of programs that will make sense for us and for them.

Question: Mr. Mayor, if I could just follow up. [Inaudible] State of the City address you spoke about trying to have, within eight years, the majority of [inaudible] technology-related jobs in the

city being filled by those educated from public schools. And you also said, “We will forego big giveaways to a select few companies and instead pursue a City economic strategy that grows whole sectors of businesses.” I understand that the City is not providing a direct subsidy here but the State obviously is. Does that give you any kind of internal – are you torn in any way?

Mayor: No, and I want emphasize – I’m glad you quoted that eloquent speech. The first point – I think this is a huge step towards realizing that vision of our technology sector jobs being filled by New Yorkers, folks who grew up here, got educated in our public schools, are now experiencing Computer Science for All, are going to those CUNY STEM programs, etcetera. This, to me, because of both the immediate impact – 25,000 jobs minimum, could be as high as 40,000 but also that multiplier effect in the tech sector – greatly increases our chances of hitting that kind of goal.

On your second point, we have worked across the entire technology community to develop a whole range of different types of jobs, different sized companies to encourage start-ups in a whole host of ways. The fact that a company of this extraordinary size with this extraordinary number of jobs started a national competition, that was a situation where we had to react. We had to decide to engage that and take advantage of that opportunity.

So, I’m very comfortable that we made the right move. I think we’d all – again, I don’t want to editorialize for anyone in the media who’s paid to be objective, but I think we’d all be having a very different discussion today if the announcement were Dallas and Crystal City, Virginia – and the question would be, who lost China, to use a famous historical quote.

The question would be who lost Amazon, why was Amazon lost? Because we have Amazon now it opens up a world of opportunities. The subsidies were in place. Amazon took advantage of opportunities that were there with a parallel that’s very powerful, it’s the 421-a program which we all fought of. It was an area of some disagreement with the state. We finally got somewhere.

Any developer can take advantage of that once that is part of State law. The same with some of the subsidies that are available here. Anyone who comes in with jobs has an opportunity to take advantage of them.

But what I care about as a progressive is will the public sector gain here and the people’s interest gain? Huge positive revenue impact for the public sector that we will then turn around and do publicly-minded things with. Huge impact on the future of our economy and strengthening our economy, strengthening our tax base also allows us to keep a robust public sector in this city. And then specific guarantees that I think forward the agenda.

So, I am – I do feel it’s consistent with what I said back all those years. Let me go back another row.

Question: Yes, I have two questions about [inaudible] because it’s going to take too long using ULURP or is that you’re afraid this could all go up in flames if the local Council member, in this case, Jimmy Van Bramer, says no to it?

Mayor: No, I would say it differently. You had a company bring forward a plan for a literally unprecedented number of jobs. I would urge everyone in your coverage go back and look again at the parallels of what we thought were big jobs deals previously. This just blows away anything we've ever seen. They needed a certain level of certainty. I'm not the spokesperson for corporate America to say the least but I can at least understand practically they needed a certain amount of certainty.

A ULURP, by definition, doesn't provide that. Also, the size and complexity of the project demanded a coherent approach which had very clear precedent. So, I think this is again – I have to be just a clear pragmatist on some matters and say had we not been able to offer some straightforward answers, I think they would have said, hey New York is great but we just can't deal with that level of uncertainty. Do you want to add?

President Patchett: No, it's true. ULURP, which is not practical either timewise – they would have just gone somewhere else definitively.

Question: So, you said earlier that once people start to see the details of this, that people would sort of come on board. There's a rally scheduled for tomorrow. [Inaudible] Jimmy Van Bramer. His complaints about this are two-fold. One – it's process [inaudible] this isn't going through him. There's no say [inaudible] binding. But the other is the corporate subsidies. Now, given that the process complaints and the corporate subsidies are in this deal, why do you think he's going to come around? Why do you think local and elected officials –

Mayor: Look, I'm not saying everyone will come around. I'm saying – first of all, I start with everyday people and having been a Council member on many issues of development I saw that everyday people had a very practical view. Talk to everyday New Yorkers. I really urge people to go out in the community and talk to people. I think what you're going from people is, hey if there's jobs available that my family could benefit from – people care about that. They want New York City to have a strong economy. They want to make sure we're going to be secure in our future economically. New Yorkers are pretty clear about these kind of things.

Now, you're also going to hear, I guarantee people say but wait a minute there better be more transportation, there better be the things we need to keep our neighborhood together as part of this plan. We're very committed to making that happen.

So, there will be say unquestionably because we're going to go out the community, we're going to listen to people. We want to work with people. If the Council member and the State Senator and others have things that they want to see in this plan, we're going to do our damndest to get them in.

But the process complaints never surprise me in any situation. I believe in the end most everyday New Yorkers look at the bottom line. And then on the subsidy question, I have real problems when a subsidy is given on some elaborate basis, tailor made to a company on some very grand basis. That's not this.

I have real problems when the return on the investment doesn't favor the people and the public sector greatly. This is an astounding return on investment. And I ask a real blunt question – would be happier if they weren't coming? I think most people look at the numbers and are going to say no, how on Earth would we want to lose all those jobs and all that tax revenue, that would not make sense for New York City. So, it's how we manage it now to address the real fair community concerns to make sure there's equity, there's jobs for local folks. Those are the pieces we need to focus on.

Okay, going to go back.

Question: Yes, so, at one point this is going to be a \$50,000 prize –

Mayor: 50,000 jobs.

Question: 50,000 job prize and then it was halved. I'm wondering how did that affect your thinking about the deal. Did it catch you by surprise? Did it change the way you were tailoring incentives? And I guess that might be more a question for the State because they're the ones who had the [inaudible] capital money but how did that go over and –

Mayor: Look, I think it's very important for people to understand – and as you know I don't love to get into the tick-tock and all the nuances of who said what to who but I think it's very important to give you the framework we were operating in. We did not for a moment think this was easy to win. And that's really important to understand. I remember the first conversations.

We all were very hopeful because we actually – we took Amazon at their word that talent was their number one concern and you heard that stunning fact that James told us all about. The number of folks with four-year degrees, etcetera. We always thought we had a great advantage on talent. That said, we're a high-tax city and state, we have very strong government regulation. I assure you some of the other places that Amazon was looking at have very – much more lax regulatory structures, lower tax levels, lots more land.

We never thought this was would be easy So, to your question – look, when I first heard it, I felt a bit of disappointment that it wasn't going to be the high-end but quickly right on the heels of that was well, but there's an opportunity to get up to 40,000 which is obviously very, very close.

I also quickly did the math. 25,000 blew away anything we had ever seen before in our lives. So, I felt like it did not change the fundamental strategy. I'm going to see if there's a few more. I'm just going to remind people, if there's anything else you want to ask about, we're only going to take a relatively few more questions. So, if you have anything non-Amazon you also have a chance to go. Back there.

Question: [Inaudible]

Mayor: Go ahead, please.

Deputy Mayor Glen: One thing just to note is that the as-of-rights benefits that come in from the New York City piece are tied to the number of jobs. The real estate package that we put together when we submitted the bid was an expectation of a 50,000-job campus. But again what you've seen is that the number of sites can be adjusted to deal with the number of jobs. I think it might help to go backwards in time. I think the bookies in Vegas were saying we had about 100 to one, or 500 to one shot to even make it into the top ten.

Mayor: You mean it literally.

Deputy Mayor Glen: Yeah, like literally there were bookies taking bets on how New York had no prayer at this. I can't even tell you how we [inaudible]. I think, yes, would it have been better get 50,000? Of course but now we have definitely 25,000. I believe strongly based on the real estate package we put together that talent that's already here, the talent that wants to continue to be in the greatest city in the world, we're going to wind up with an extraordinary endorsement of New York City as an innovation and tech hub. So, again our contribution to this is prorated to the amount of real estate and jobs they have.

So, we are not being taken to the cleaners by the fact that they have gone backwards. And I ultimately believe [inaudible].

Question: Question about the [inaudible]. Has there ever been a project that creates a tax benefit under those programs of the magnitude that we're seeing for Amazon? And to what extent do these benefits set a new precedent or [inaudible] in those programs and what they could potentially do?

President Patchett: We're not aware of any project that has singularly been of this scale before. As the Mayor said, for an economic development in this city, this is we think five times the size of the next largest job creation opportunity. With respect to the two programs specifically, every single building that gets built outside of certain parts of Manhattan receives ICAP. So every single commercial property that's built receives ICAP and every residential building that's built received 421-a.

So, I don't think – frankly ICAP is just a factor that has been determined in state law for years and it's baked into land cost and everything else. It's just a part of doing business in New York City and has been for decades.

Mayor: The other thing I want to note – and we talked about this in the process – that we're believers in clawbacks. So, if any of the commitments are not kept, there are clawback provisions in this understanding. And it's clear – you'll see the document – that Amazon has to keep their side of the bargain or some of these subsidies just aren't there for them. Okay now – yeah?

Question: [Inaudible] you mentioned that obviously you guys are going to be tweeting about the negotiations but isn't there kind of a splitting the difference and why didn't you all brief the Council member? They seem kind of taken aback by the fact that the [inaudible] project plan and

kind of circumvent the Council. Why didn't you all brief them, you know, before today, before news of this –

Mayor: You this – two things. One – and this is where you are a chief executive you have to make decision for everyone. So, I was a Council member. I have tremendous respect for the Council and sensitivity to the Council. But I could not create a situation where a process that was exceedingly confidential ended up being undermined.

Very, very few people in our administration were kept privy to what was going on on purpose. A huge number of very senior important people were not in the loop and Amazon, you heard earlier – Amazon did the same with their own team. It was reduced to a very small number of people.

They insisted, and I think for fair reason, that they needed to believe they could have a confidential process. At a point that we felt it was appropriate which was last week, we started the process of at least some initial briefings to the Council on what was happening to give them a sense of things. I understand entirely if the Council says we would have like to have known some of these things a long time ago but we felt it was the only way to keep the sanctity of the process. Again, these are approaches that have been used effectively before. This is not the first time this is being done and we're going to listen very carefully to the concerns of the Council going forward to try and make adjustments.

There's lots of room to make adjustments. This is a 10- to 15-year playout. So we've honestly believe there will be a lot of chance to address the concerns of the Council. Now, as we get towards wrap-up, again, I'm going to say I'll take a few more – I see a few more hands – Amazon, non-Amazon, this is your last chance. Gloria.

Question: Mr. Mayor, you have spoken about your concern about small businesses and mom-and-pop stores. You talked about how you don't shop at Amazon. Does this change that at all? Do you still have that concern? Is there anything that's part of this plan that's going to address that problem? Are you going to start ordering everything from Amazon?

Mayor: Deep respect to Amazon for an excellent decision to come to New York City. It will not change my consumer habits. I said yesterday on NY-1, I'm old school. I'm going to continue to do a crazy, wacky thing and go to local stores and shop. It's the only thing I know how to do.

We are going to energetically continue efforts to help small business. That is reduction of fines, that is providing low-cost loans, that's providing legal support, a whole host of things. There's a big opportunity in Albany in the legislative session to do a vacancy tax or a vacancy fee to address the issue of storefronts that are left open for really prolonged periods of time and help to push landlords to make those available at a reasonable rent to retail stores.

We're going to do all that. Let's be clear, Amazon was going somewhere so clearly Amazon is going to keep growing and Amazon was going to have a second headquarters and better it us, better that a lot of that money helps us to go to the kinds of things that we – the revenue we're going to get are going to help us support small business and support neighborhoods. I feel really, really good about that.

And the last thing is that, you know, I respect Amazon greatly but anyone who loves the mom-and-pop store has to be committed to shopping there and that's always been an area that people can do more on, on a very human level.

Question: Just really quick, the school that you said that is going to be sited on the Amazon campus –

Mayor: Yes. Is it on campus or near?

President Patchett: It's either on campus or, with our approval, another location nearby.

Question: Is that already part of the city's plan to build more seats or is it a completely new –

Mayor: It replaces what would have been done had there been the residential development that was originally planned. So, no loss of school seats but as James said, with less need because there won't be the residential development. But in terms of Long Island City as a whole, we have beyond this one site, we're going to keep adding school capacity and we're about to come out with a budget that will show the commitment the SCA is making to Long Island City.

Question: And that's part of the plan? That site is part of the plan to already expand seats, right?

Mayor: This – tell me, I assume it was publicly projected previously –

President Patchett: People were aware of it. The build-out of the school, I don't think has been put in the SCA capital plan but we can get you the specifics of that.

Question: [Inaudible] Amazon's take [inaudible] is publicly subsidized in one form another. It's impossible to get any details about what that arrangement will be –

President Patchett: Between Amazon and [inaudible] –

Question: [Inaudible] people of the city and the State of New York –

President Patchett: What –

Question: What is the nature of that deal? What is the nature of the takeover?

President Patchett: The takeover.

Question: [Inaudible] lease, is it a purchase –

Mayor: So, the answer – let's be clear. I believe it is a private transaction between Amazon and Plaxall, correct?

Question: [Inaudible] subsidized by the people of the –

Mayor: Hold on, you don't make a speech. I'm trying to answer your question. We can ask both Amazon and Plaxall to provide details of what they have arranged. It's still a private transaction. We'll happily do that.

Question: Two [inaudible]. Queensbridge Houses have a repair bill that exceeds half-a-billion dollars. Will PILOT money be put towards rebuilding that housing development? And the second PILOT-related question is – a PILOT was used or supposed to be used to help fund a lot of infrastructure improvements at Hudson Yards. That PILOT isn't generating the revenue that it should do that. Do you have similar concerns about shortfalls with the PILOT out in Long Island City?

Mayor: I will answer the first. I want them to answer the second. On the first, my interpretation of infrastructure needs for the surrounding community certainly includes Queensbridge Houses but I would note had there not been this decision by Amazon, we were going to continue investing in Queensbridge Houses in a very big way anyways. We just did redid all of the roofs at Queensbridge Houses recently. It's literally the largest public housing development in the United States. So, it's always been a central focus for the new investments we're making in NYCHA.

So, certainly, could qualify under that vision. I think the central point is the roughly \$600 million initial estimate is only one piece of what we're going to have to do on infrastructure and that will include from my point of view transportation, roads, sewers, obviously, the things that are needed in the existing public infrastructure like public housing. We're going to look at all that. On the other piece –

Deputy Mayor Glen: Well, Hudson Yards is actually structures very differently and so there are several different revenue streams that were designed to pay for the infrastructure improvements at Hudson Yards including [inaudible] PILOT, and other payments. The PILOT is in fact not on the same timeframe that it was expected to be but there are other sources of revenue that are actually ahead of schedule. And so, I think the two are not analogies at all.

We are not creating a development corporation that has taxing authority for this area which is what [inaudible] Hudson Yards Development Corporation is. So, it's not an analogy by a stretch of the imagination and here we're choosing, when we enter in to the PILOT agreement, to dedicate half of the tax revenue to infrastructure investments in a neighborhood but it is not its own free-standing development corporation.

So, this is a choice that the Mayor is making to allocate half of that money for infrastructure improvements but we're not going to stop doing our regular capital budgeting process in the meantime. We have the whole ten-year capital plan that we're putting together in January and you'll see regular capital investments coming out of the general fund.

This of this more like East Midtown rezoning where in addition to the work we already do in East Midtown, we are allocating money from the sale of the air rights in that zone for incremental and [inaudible] investments in that district. That's a more proper analogy.

Question: [Inaudible] NYCHA could qualify to get money from the PILOT for Queensbridge for essentially needs to be [inaudible] –

Deputy Mayor Glen: It could – I mean it could but there's certainly no guarantee. There are other sources of funds –

Mayor: Right there's no guarantee but – right, meanwhile back at the ranch, you know, we put a huge amount – I think \$3.7 billion already before the federal settlement which added another \$1.2 billion. There's a lot of money that's going to be rightfully flowing into NYCHA. Queensbridge is a major focus but again absolutely fair to ask questions about the PILOT. I want to emphasize Alicia's point. The PILOT is one piece of a much bigger equation.

Over \$2 billion already committed, more to come for infrastructure needs, obviously separately also a lot that's going to happen for NYCHA. Way, way back.

Unknown: Last one.

Question: So, right now there are lot of rental condominiums right now in Long Island City, a lot of newly graduated young people like [inaudible] –

[Laughter]

So, I know some of them are rent stabilized buildings but some of them are not. In the recent two years, a lot of the buildings like the building I live in [inaudible] rising a lot, almost to compete with the houses in Manhattan, the same bedrooms. So, my question is will the City do anything with those developers to make sure young people like me can still afford our lives [inaudible]?

Mayor: I'm going to generalize the question. What are we doing to preserve and create affordable housing in Long Island City?

Deputy Mayor Glen: I think there a couple of things in your question. One is most of the development that is occurring in Long Island City on the waterfront that is residential right now has an affordable housing component. Many of the buildings particularly in Hunters Point South which is the big development on the southern portion of Long Island City now will actually be exclusively 100 percent affordable housing for a wide range of folks from very low-income people to working middle-income people as well. So, we have expanded our programs and actually tailored it to that sort of subset demographic so that people like yourself have an opportunity to stay and live and work in that neighborhood.

There are also many buildings that have – we know – will be expiring out of their old affordability agreements and we've made an unprecedented commitment to work with developers to make sure they have a package which will allow us to extend that affordable housing and perpetuity.

So, again, it's going to be a mix but we've been very thoughtful when we look at our housing policy with respect to Long Island City, to make sure that we are building more affordable housing than ever and that it's for a wider range of people. So, it's also for folks who can continue to live and work in that neighborhood.

Mayor: Amen, thanks everybody.

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