

New York City Council
Oversight Hearing on New York City's Cultural Sector and Derivative Businesses
Jointly with Small Business and Cultural Affairs
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Testimony from Cassandra Smith, Senior Project Manager
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My name is Cassandra Smith, and I am the Senior Project Manager for the Greenpoint Manufacturing and Design Center, the City's premier nonprofit industrial real estate developer. We are also a member of the Naturally Occurring Cultural District Working Group. I'd like to speak today about the policies that support creative industries in New York City and encourage that they be continued and expanded. I'd like to start by highlighting the role that Naturally Occurring Cultural Districts can and do play in the city's small business economy.

GMDC works at the intersection of arts and industry. We have developed over 600,000 SF of industrial space in New York City and currently own and manage 4 buildings in North Brooklyn. Those buildings house over 100 small manufacturing and artisanal businesses which together employ more than 500 workers. From our tenant survey, we know that:

- These businesses represent the diversity of New York City's manufacturing sector: custom woodworkers and cabinet makers, metalworkers, jewelry makers, fine artists, display makers, specialty electronics manufacturers, milliners, glass and ceramic artists, and more.
- Ninety-one percent of the business owners and employees live in New York City, many within the zip codes adjacent to the building where they work.
- The jobs in our buildings provide a high quality option for a key segment of the population:
 - Forty-six percent of the employees speak English as a second language.
 - Employees in GMDC's buildings make an average of \$42,000 annually compared to \$27,000 and \$25,000 for retail and food service, respectively.
- A total of \$65m in revenue is generated in our buildings annually, with an additional \$35m being induced or indirectly generated.

Statistics tell the story that arts and industry are important to the city for their economic value as well as cultural value. Our multi-tenanted buildings are located in light manufacturing districts where businesses connect, share resources and services, and contribute to the local and citywide economy. We'd like to emphasize how important it is to stabilize current industrial areas by maintaining, strengthening, and enforcing manufacturing zoning. Stable areas allow creative businesses to expand, grow, hire, and spend in New York City's Naturally Occurring Cultural Districts.

GMDC works to provide long term space for creative businesses in development projects that are funded with a mix of City Council capital dollars, federal tax credit programs, and private debt. The support of the City through capital funding programs, tax exemptions, and support on tax credit proposals is essential to development for creative small businesses. GMDC would like to thank the Council for their support for our projects and encourage the continuation of these programs and policies so that New York City's creative industries can continue to flourish in affordable manufacturing space.

Finally, an additional policy that could establish or stabilize flexible workspaces in these cultural districts would be low-cost financing programs. Affordable debt programs to mission driven landlords, including nonprofits and creative industry leadership, would be an important tool in creating space where work can happen and help creative businesses continue to be a central part of New York City's identity.

Thank you for your time today.