

ECONOMIC DEVELOPMENT COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE
MINUTES

A meeting of the Economic Development Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York, on Wednesday, March 12, 2014, at 2:00 p.m.

MEMBERS PRESENT:

Legislator William Lindsay - Chairman
Legislator Steven Stern - Vice-Chair
Legislator Kara Hahn
Legislator John Kennedy
Legislator Kevin McCaffrey
Legislator Jay Schneiderman

ALSO IN ATTENDANCE:

Presiding Officer DuWayne Gregory - District No. 15
Legislator Robert Calarco - District No. 7
George Nolan - Counsel to the Suffolk County Legislature
Renee Ortiz - Chief Deputy Clerk, Suffolk County Legislature
Richard O'Kane - Nassau Suffolk Building Trades
Shadrack Boakye - Suffolk County Arts
All Other Interested Parties

MINUTES TAKEN BY:

Kevin Gruebel - Court Reporter

*(*The meeting was called to order at 2:57 p.m. *)*

CHAIRMAN LINDSAY:

Good afternoon. If we could begin the Economic Development Committee meeting. At this time, if we could all rise, and, Legislator Hahn, if you could lead us in the Pledge of Allegiance.

*(*Salutation*)*

Good morning. Well, good afternoon. It's been a long day already here. At this point, we don't have any public -- we don't have anybody filling out a public comment form. I've had a request to take an item out of order really briefly. We have a member, a person that we're looking to appoint as a member of the Suffolk County Citizens Advisory Board for the Arts, Shadrack Boakye. Is that person here? Okay, thank you. If you could step forward, sir. We appreciate your waiting. We know you're trying to get to a meeting this afternoon.

MR. BOAKYE:

It's not a problem.

CHAIRMAN LINDSAY:

So, if you could just take a few minutes and just talk about your qualifications for the Board and why you're interested in serving on the Board.

MR. BOAKYE:

Well, my qualifications, I would definitely have to say I've owned a theatre company that has been traveling around the country for about six years now, and we have geared to -- our company towards kids, youth mainly. Also, I work with Scholastic. I'm a public speaker. I travel around the country and give an opportunity for kids not only to do workshops but also give the community an opportunity to also see reflection of what's going on in their community, how exactly that they can grow. So, I also work with the Youth Enrichment Services out here in Suffolk Community College.

So, if -- to be quite honest, just when I received the call for the arts, to be part of the Arts Advisory Board, I had absolutely no idea what it entailed to be quite honest, but when I did go in and actually get the lineup of who, what has went on especially with my predecessor and seeing exactly what she had done, I realized that I could bring something also to the community that I believe could be worthwhile.

CHAIRMAN LINDSAY:

Thank you. I'd like to open up to anyone on the Committee that has any questions. Yes, Legislator Hahn.

LEG. HAHN:

This is more of just a statement. Thank you for your willingness to serve. Thank you for what you do with children, and we look forward to your ideas and you sharing your experiences with the Board, what you've learned as you've traveled around the country. So, thank you very much.

CHAIRMAN LINDSAY:

Anybody else? Yes, Presiding Officer Gregory.

P.O. GREGORY:

Thank you, Mr. Chair. Just a statement. I met you once, and it was at the VFW, American Legion --

MR. BOAKYE:

Yes, the VFW.

P.O. GREGORY:

The Trayvon Martin thing.

MR. BOAKYE:

Exactly.

P.O. GREGORY:

Tremendous talent, you know, very involved in the community, and I've heard great things about you and look forward to your service.

MR. BOAKYE:

Okay. Thank you so much. I appreciate that.

CHAIRMAN LINDSAY:

At this time, I'd like to ask for a motion.

LEG. HAHN:

Motion.

LEG. SCHNEIDERMAN:

Second.

CHAIRMAN LINDSAY:

Legislator Hahn. Second by Legislator Schneiderman. Approved. All in favor? Against? Opposed? Abstentions? Motion passes. **(Vote: 7-0-0-0)**

Thank you very much. Congratulations.

MR. BOAKYE:

Thank you so much.

CHAIRMAN LINDSAY:

Now, at this time, I'd like to invite Richard O'Kane, President of the Building Trades and Construction Trades Council of Nassau and Suffolk County. He's going to make a presentation. Mr. O'Kane, I apologize for -- we ran very late in all of our committees today. So, I apologize for keeping you waiting but welcome.

MR. O'KANE:

No apology needed. Thank you very much. I'd like to thank the Legislature first of all for entertaining me here today. It's -- I'm not here to criticize. I'm just here to make a recommendation. It seems around everywhere I go -- I know my past life I was with the Ironworkers for 43 years. And Upstate, Downstate and, you know, anywhere you can go, people are complaining about IDAs and the lack of opportunities that the local workforce gets. So, it's not to criticize the Suffolk County Legislature. It's just I think I have a remedy that would certainly help the people that live in Suffolk County, contractors and 60,000 members that are highly skilled in every aspect of building. I'd like to just go over a few things that I'd like to mention to you that may be of interest to you.

I just came back from Washington. There was a Legislative conference there. It was, you know, nationwide, and we had a lot of speakers. One of the speakers there was Secretary of Labor,

Thomas Perez, and he spent quite a bit of time on his address to the body regarding apprenticeship programs and how effective they are and how much it means to the nation that they prepare people. We have an aging workforce in this country and that the tremendous need that there is to maintain the workforce with all the new technologies that are coming up. We have to be prepared for that, and he's a hundred percent right. So, to train an apprentice from the organizations that they belong to -- there's 34 trades in Long Island, and they all have apprenticeship programs. To train a one particular individual it costs \$50,000 in the course of the training over three, four and five years depending on which trade you select as a person entering into the workforce, and it's a lot of money, but you get a lot for your money. The problem is with the IDAs is that, you know, from Texas -- let me enumerate them here. Texas and Kansas, there was the two fellows - if you read the Newsday - on the front page of those papers looking to get the money. They came from Kansas and Texas, and they were getting paid ten dollars an hour, and we don't know who they are or what they were or whatever, but the contractors there who are not paying the proper wages, and then a lot of the contractors that we have here that live in Suffolk County can't get jobs as a result of these contractors coming in. So, that's one thing, but they come from Texas, Kansas, North Carolina, Georgia, Alabama, Massachusetts, Pennsylvania, New Jersey. Coming here to do the work that the IDAs gives out. Not every job that the IDA gives out is not, you know, a bad job, but the overwhelming -- throughout the State. I'm not selecting -- once again, to be clear, criticizing anything with the Suffolk County IDAs.

You know, when they come here, you know, I just said it costs \$50,000 to train these people. They have to have licenses to work here, the trade workforce here. They have to have certificates if they don't need a license to do every aspect of this thing. We just had a building blow up in, I guess, the Bronx here today, and what happened there, who knows, but you don't know what credentials do these people, you know, possess that come here, what are their backgrounds. When they come here, some of them even actually sleep on the job. So, when we look to see about our economy and everything else, they contribute absolutely nothing, zero, and it goes on and on and on. So, one of the things that was bad that -- you know, we just got through that tragedy of Hurricane Sandy. When people found out that they couldn't stay in their homes because of the weather, they didn't know what was going to happen to them, and a lot of them found out the hard way. They went to motels, hotels, and they could not get a room, and the reason why -- anywhere from Montauk Point out to the Queens border. They could not get a room. The reason being all the people who were here lined up in their pickup trucks and what have you waiting to go and get jobs -- in the hotels and motels, they were staying there to get jobs when they came available. I have almost a 60,000-man, you know, workforce, and we didn't get any phone call from anybody. So, there, that's not right either, and if we -- what I'm looking to do is to -- I'll finish what I want to tell you with the different things.

In 2011, there was 113 active IDAs located throughout the State, which support almost 4,500 jobs and provided tax exemptions of nearly \$1.5 billion. The people I'm talking about pay taxes here, and they don't get any breaks or anything like that, and the insult to injury is they're unemployed sitting on a bench because these people are here doing their jobs. So, that's one of the aspects that's not right.

A report from Newsday - I have it here - says that we lost -- we lost -- it says the high-wage sector shrank by 1,300 jobs year over year. That's 1,300 jobs that are gone. One guy in that report -- and it's this report here last week in Newsday, one of the fellows in the report was working for a contractor for 13 years. He's out of business. Why, because all of these contractors that we support from around the country. So, that's not good for anybody. The contractors with that kind of scenario cannot compete, just cannot absolutely compete, and it adversely affects our economy and our tax basis.

Comptroller Tom DiNapoli's 2011 report, the IDA report, I have it here if anybody needs a copy. He

wrote an extensive report on IDAs. The report said, "It is vitally important that granting of tax exemptions for a project will generate an economic benefit in the form of well-paying jobs." That's the key, well-paying jobs. Ten dollars an hour can't make it in Long Island or New York City. "And/or future new revenues for local governments." We also have -- you know, I mentioned earlier the aging workforce. We cannot afford not to train a new workforce for our future needs, which are many. Our infrastructure is in desperate need of repair; as an example, housing is another. Charity begins at home, and we need to put our workforce and contractors to work now that the rest of the country working here -- not that the rest of the country's working here on the jobs that were meant for our residents.

So, what I'm looking for with apprenticeship, you're getting a lot of value and you're employing your residents. They're not leaving Long Island to go somewhere else to make a living. It's -- we're highly skilled, highly productive, and we need an opportunity, but we can't compete with this either. A lot of people are just moving out and heading south and going wherever they can to do whatever they can, and apprenticeship gives us an ability to be on a more-level playing ground. The people that come from out of state are up here and we're down here. We need to take care of our own, and that would be -- and it's simple. Apprenticeship programs are all over the country. As I said, there's 1,500 apprenticeship facilities all over the country and at the cost of a billion dollars. I want you to just bear in mind what I said earlier, that it costs \$50,000 to put an apprentice through their training for the three, four or five-year program, whichever one they're in. So, to me, it's something that we need to do. It's important that we keep people interested in the -- with the infrastructure that I see, it's abysmal, you know, it's pathetic, and that was brought up at the conference yesterday too. We need people to fix that.

So, I'm just looking to see if we could have the apprentice language installed in the IDA that says you must have an approved training program to -- as a prerequisite for working here, and if we can get that and we can get it around on Long Island - I'm going to be doing this all over Long Island - it would be -- you know, you'll be doing a tremendous service to the population of Long Island and preserving Long Island.

So, any consideration you give this idea would be gratefully appreciated. I wish I could have a copy here to have read what the Secretary -- how high he was on apprenticeship. So, you know, there's no substitute for training, and I think we owe it to the residents of Long Island to do that, especially Suffolk County here.

So, that's the end of my report. If anybody needs a copy of Mr. DiNapoli's report -- in that report, there was an item that said we did -- they did 4,500 jobs at the end of 2011. I'd like to know out of the -- think about 4,500 jobs. That's a lot of jobs, and how many of those people on that job were from Long Island and New York State. So, it's not me complaining about it. Everywhere I go people are complaining about it, and once again, I just want to remind you that the governor said that a lot of these IDAs are dysfunctional and need improvement. He was going to disband them and move forward, but somehow he got talked into not doing that, and I agree that the IDAs are very good, they're very good for the County or anybody else that has them, but let's take care of our own. We paid our dues here. We live here. We're the ones that are putting out your fires and going here and picking up and driving ambulances and training your kids to play sports and, you know, teaching them and everything else, and somebody needs a paycheck. So, with that said, I'm done.

CHAIRMAN LINDSAY:

Thanks, Mr. O'Kane. I just have a quick question, and I'm sure my colleagues will have questions as well.

MR. O'KANE:

Yeah.

CHAIRMAN LINDSAY:

In your experience in your position, have you seen other IDAs within the State either make rule changes to utilize -- add apprenticeship language where they've either made the change or they have talked about proposing that change?

MR. O'KANE:

There's 113 in my set, and I don't know anybody that has them because it's -- they just -- you know, they don't bother with the population around them, and I don't know if it's ever been proposed to them before. I know that I will be getting in touch with the Secretary of Labor somehow through the political people that can talk to him, and I'm going to be making a formal request to him to put it in the Federal IDAs. And I mean, you know, the apprenticeship, yeah, and in the IDAs is because he was so high on it. So, I'd love to see that.

But what I'm basically asking to be done here is to, you know, to be a leader in this effort to influence other people. Nassau County is looking at it. Executive Mangano, we're going to have a meeting and talk about it. We talked about it prior to the election, and talks got stalled a little bit, but, you know, we want everybody -- we don't want anybody to have, you know, a separate advantage, Suffolk County over Nassau County. We want it to be a level playing field. So, that's what we'll be trying to accomplish, Nassau and Suffolk County being on the same page for the private work. And, like, I haven't had chance to survey 113, you know, programs, but I am -- my concentration is Long Island. I have people up on -- in all the State. I know every County up there just about. I know somebody in them, and they're looking to take up this project as well. Albany, the wages aren't that great up there, but when the IDA employs people their wages are even lower. So, it's really having a bad effect, and it has a bad effect here a little bit, you know, on Long Island, and to lose 1,300 jobs, those are construction jobs, those are not -- they say employment is on the rise in Long Island, but they singled out the construction industry. It lost 1,300 jobs. So, if you can bear that in mind.

I know that before I came here I said I was with the Ironworkers. We're experiencing unemployment that I haven't experienced in 43 years, since 1970. In the '70s, work was very bad. You know, 20 or 30 people out of work was a big number for us. We've maintained over a hundred to 150 at any given time in the last three years, and I never experienced anything like that. So, it is having, you know, its adverse effects on the construction industry, and the population of the construction personnel lives in Long Island, lives in Suffolk County. I alone, when I was with the Ironworkers, had 500 families that live in Suffolk County. So, it's bad. So, we need the -- once again, you know, I mean, these are our people, and they're starving, and we're taking care of everybody else. If the people that come here from other states have to have the apprentice language, maybe we get, you know, level, and then the best price wins, so.

CHAIRMAN LINDSAY:

Thank you. One thing I think you might want to add to the discussion: Would you agree most of the members of the trades are local, raised locally, educated in the public schools here and --

MR. O'KANE:

No question. Including myself for 64 years. Lived in Suffolk County for 64 years, and I love Suffolk County. I love where I live, and I had an opportunity. Let me tell you something. If -- you know, I lost my father when I was 15 years old. My mother was 60 years old, never worked, raised a family. That was more than work, believe me. Running after me was no joy either, but, you know, I didn't know what I was going to do, you know. I had finished school and went to work the next day. I graduated on Friday and went to work Monday. The job was okay,

but I didn't think I could achieve the American dream, and I had an opportunity to get into an apprenticeship program, and I did that 43 years ago, and I don't know where I would be today if I didn't have that opportunity. I've had a good life. It wasn't always easy. I mean, I didn't always have a job, and part of the problems with the workforce here today, it's bad enough that they don't work every day. They don't work when it's inclement weather, and sometimes the economy that we've experienced the last ten years isn't always, you know, amenable to putting these people to work. So, I can absolutely say that me personally and the majority -- I don't know anybody that's, you know, in my Local that lives out here that isn't -- you know, lived out here, you know, like, most of their lives.

So, you definitely -- that's one, and we got 34 affiliates that are here on Long Island and in Suffolk County. So, they live all over. Some of them live in Jersey; some of them live Upstate, but there's thousands -- you got thousands of people here, thousands.

CHAIRMAN LINDSAY:

My point with the question was: In addition to the \$50,000 you spend to train apprentices at the current cost -- and on Long Island we average about \$18,000 a year for public school per student. So, for a student today that enters public school, it's going to cost us about \$325,000 to educate that student, and one of the big issues we have here in Suffolk County is the mass exodus of our youth, of our young people. So, we're investing all this money in our public schools, which is great. We want our kids to get the best education possible, but then for that -- there is no return on that investment because those kids are growing up and they're going to live in some other community which is then taking advantage of the money that we invested in them. So, as a community, we don't get any return on that investment, and I think it's further exasperated by situations that we see here and what you have experienced within the members of your organization.

MR. O'KANE:

Yeah. One thing the Secretary said, there's nothing wrong with working with your hands, nothing wrong with working with your hands. And these people some are very, very, you know -- some of them are incredibly talented, and it's amazing.

CHAIRMAN LINDSAY:

Yeah.

MR. O'KANE:

Just amazing. But that -- I was told that when I was in school, there's nothing wrong with working with your hands. You don't want to go to college, you know, you want to work with your hands, that's a good option too. They compared it to a doctor. A doctor works with hands, you know, construction guy works with his hands, you know. So, you know, that's a point. We don't -- you know, we just have to move forward. We have to think about the future. The future's hanging over our heads, and some of it's not going to stay up there a lot longer if we don't start repairing it. It's just unbelievable. There's a report out there, I forget, today. I have to read it. It's just I didn't get a chance to hear it. It was on the news, and I had to, you know, get to a meeting, but there's something that -- this staggering report about, you know, things that are bad, that if this happened or one little thing happened to it it would fall down. So, we need to do what we have to do, and I think, you know, if you drive around and you look up and -- it's not good. It's not a good situation, so.

CHAIRMAN LINDSAY:

Legislator McCaffrey has a question for you.

LEG. McCAFFREY:

Thank you. Thank you, Mr. O'Kane, for being here. I know you kind of juggled your schedule to be

here because you knew how important that this was. I can appreciate your comments. Coming up through the blue-collar ranks myself, I know exactly what you're talking about. When we both got into these kinds of trades, we thought there was a great future in there, and we thought it was the end of the -- you know, our pot of gold at the end of the rainbow, and how it's changed over our careers.

I do want to highlight something you talked about which is the apprenticeship program and the fact that you spend almost \$51,000 for each apprentice that comes out of the Building Trades programs. This is almost free to us here in Suffolk County. We talked about Legislator -- Legislator Lindsay. I keep calling you Kennedy, and you're sitting next to me. I do that all the time. Legislator Lindsay pointed out --

LEG. KENNEDY:

I'm not even looking at you.

LEG. McCAFFREY:

I know. We're all -- we kind of all look the same and sound the same. But it's important to note that he brought out the point about how much it costs to educate our children here, and we have a program here that's in the private sectors educating these workers, and they're coming out over a period of time to be skilled workers, and it gives us some confidence when we have these programs, and as you pointed out before, the issue that they had with -- in the Bronx. Who knows what happened there, but we know when we have these people that come out of these apprenticeship programs we're assured that the quality of work that we're getting is good and it's going to stand up over the test of time, you know.

So, I just, you know, congratulate and thank you for the work that you do on behalf of the Building Trades to keep the apprenticeship programs, and I would wholeheartedly endorse, you know, anything that we could pass -- at least start the ball rolling and start the discussion about the importance of apprenticeship programs in terms of getting good quality work and also keeping the work here where it belongs with local people. So, I just want to say thank you for being here, and I'm sure me and Legislator Lindsay will be talking about this in the future. So, thank you again.

MR. O'KANE:

I -- you know, that's my wish. And like I say, it's not because I represent the trades. It's just I lived here my whole life, and, you know, I think it's just a great thing, and it's been a benefit to many, many, many people, and it's done a lot of good things. So, it's -- if you could just put that language there and -- you know, we're only looking for a level playing field once again. I can't emphasize that enough, and I don't think people will come out -- you know, should be up here and we're down here after all of that effort and everything, you know, and you don't know their backgrounds, and their -- it's just -- I mean, sleeping on the job. I mean, that's archaic, and it just -- nobody wins with that situation.

So, if anybody needs a copy of this, it's my pleasure to give it to you. You can get them from Comptroller DiNapoli's office as well, but it just goes over the IDAs, and, you know, the apprentice language would be a tremendous help to this community and Suffolk County and your tax base and the lessening of the brain drain and the physical efforts that are needed to make a municipality work.

CHAIRMAN LINDSAY:

Thank you.

MR. O'KANE:

Thank you very much.

CHAIRMAN LINDSAY:

I believe Legislator Kennedy has a question for you too.

MR. O'KANE:

Yes.

LEG. KENNEDY:

Thank you for being here today. I couldn't agree with you more as a matter of fact. All of the elements that you point out I think are critical, and, you know, look, I know it. I grew up in a labor household. As a matter of fact, I probably should have stayed in my gaffes as a kid.

But the thing that I just want to make sure - and thank you to the Chairman for inviting you here - having just done a bill recently to talk about local hiring requirements for IDA staff, our Counsel made kind of clear to us that we can instruct our IDA Board appointees as to our preference. They serve at our pleasure. So, I think what I hear you saying to me is that you'd like us - if we have a majority that agrees here - to communicate to those IDA Board members: This is what we would like to see in place in Suffolk County.

MR. O'KANE:

No question.

LEG. KENNEDY:

Okay.

MR. O'KANE:

Right on the money.

LEG. KENNEDY:

All right. Just wanted to make sure that we were --

MR. O'KANE:

I -- you know, how it gets done or what the chain of command is, I -- and I'm glad that it's this chamber here. Whatever it takes, it's just --

LEG. KENNEDY:

Good. Okay, we'll get busy on that. Thank you.

CHAIRMAN LINDSAY:

Thank you again, Mr. O'Kane, for coming in. At this time, we have no introductory resolutions or procedural motions. So, unless anyone has any business they'd like to discuss we are adjourned. Thank you.

*(*The meeting was adjourned at 3:24 p.m. *)*